Lean Reporting, monitoring and change management: Steps to simplify project implementation

Interreg Knowledge Fair session report | March 2024

Overview

The topic of lean reporting is tied to all monitoring and reporting processes of collecting information on project and programme level. It is also part of the overall simplification effort made by all programme management bodies, ensuring faster and more efficient programme management.

The main goal of the session was to explore the applications of lean reporting, monitoring & change management and the ways to simplify project implementation. The main focus was given to 3 common monitoring and reporting processes, that cover most of the project partner's efforts of exchanging information with programme management bodies" the project progress reporting as a regular reporting tool, the change management intrinsic feature for many living projects and necessary for their successful implementation, as well as the horizontal topics of collecting monitoring information of various types, including information n achievement of output indicators on project level.

Methodology

The session followed the approach of open discussion, allowing for free exchange of opinions, sharing of good practices and potential solutions to common problems. Each of the above topics started with a brief contextualising presentation, setting out the discussion framework.

This was accompanied by presenting good practices from Interreg programmes. The Interreg Central Europe Programme presented a good practice on continuous reporting and monitoring. Another example of project reporting was given from the good practices under the Interreg-IPA Bulgaria-Serbia Programme. While the Interreg Deutschland-Danmark Programme presented their approach of N+1 change management. The participants were given the opportunity to ask questions and request information for additional details from the speakers.

Following the presentations, the participants were invited to discuss the topics and propose answers to the thematic focus-questions.

Further to this, the session delivery team used the tool of open questions to the auditory allowing for online voting and presentation/commenting the results, feedback and suggestions from the participants. This gave information on which programme management body represent the participants: 53% were from JS, 35% from MA and 12% from others.

The session ended with a brief summary of the discussions and exchange.

Key discussion points

The discussions and group work were divided in 3 main topics, including:

- **Reporting of project progress:**

The discussion started with answering the following open questions:

Do you use consolidated project reports (both content progress and financial reporting)?
With answers: Yes - 82%; No - 18%.

What is the reporting frequency for progress reports?
With answers: 1 times a year - 23%; 2 times a year - 47%; 3 times a year - 13%; 4 times a year - 13%; as per LP's request - 3%.

Do you use HIT reporting package?
With answers: Yes, as provided - 11%; Yes, but modified - 75%; No - 14 %.

The discussion continued with the following focus-questions:

1. What did you improve in the progress reporting from the previous programming period?

Many programme management bodies' representatives shared that they have opted for HIT tools templates.

2. Do you use the whole HIT reporting package?

Most of the answers were that the programmes use the HIT tools, but not in their entirety.

3. How to settle the optimal reporting period?

Main part of the programmes shared that they use progress reporting biannually and this works well for the overall programme management.

4. What are the benefits of using consolidated project report (both progress and financial information)?

The discussions established that this form of reporting allows for better overview of the monitoring information, faster payment rate and better cash flow management, as well as better synchronisation of the efforts by the project partners and programme management bodies.

5. What are the benefits of disentangled reporting?

As benefits were defined the greater flexibility, less waiting for FLC checks, faster payment rate and early detection of risks.

6. What are the prerequisites for applying consolidated reporting? Responsibilities of the JS, use of SCOs.

As main prerequisites were identified the good communication with project partners, flexible monitoring system, and the availability of dedicated monitoring expert.

7. What can we change right on?

Most of the participants agree that they would make the transition towards consolidated progress reporting and use of SCOs, which will allow for a noticeable increase of speed and efficiency of the monitoring process.

- **Management of Project Changes**

The discussion started with answering the following open questions:

What are the most frequent project changes requested by beneficiaries in your Programme? Please rank changes according to frequency: 0 - 5
With answers: Budget - 4.13; Project duration - 3.47; Work plan - 2.40; Partnership - 2.27; Other - 0.67

How long does a project change from first communication till approval usually take in your Programme?
With answers: less than 1 month - 10%; between 1 and 2 months - 47%; between 2 and 3 months - 33%; more than 3 months - 10%

Does your Programme Co-financing contract follow the HIT template?
With answers: Yes - 0%; Partly - 46%; No - 54%.

The discussion continued with the following focus-questions:

1. How much flexibility does your Programme give with regard to changes of project duration, budget, work plan, output and result indicators? How can such flexibility support lean change management?

Most programmes do not allow for flexibility with regards to project duration and output and result indicators and changes in those areas require approval from the programme bodies. Also with regards to investments, flexibility in most programmes is limited to minor content changes (e.g. quantity, technology changes) which can be done without approval. Most programmes provide flexibility with regards to budget (e.g. cost categories) and also for minor changes of the work plan. Granting this flexibility reduces administrative burden, however, providing flexibility also requires close monitoring of the projects to ensure that they remain on track.

2. How does your Programme handle changes of project duration and what would be the most efficient way to handle them?

Programmes have different approaches towards changes of project duration. In some programmes such changes require approval by the Monitoring Committee, in other programmes, the MA/JS has a mandate to approve such changes, which is considered a more efficient way to handle them. A consultation with the JS prior to submitting the request helps to reduce clarification rounds with the project. In some programmes an addendum to the contract also has additional limitations with regards to extending the project duration, e.g. that it cannot be requested in the last months/year(s) of the project implementation and that there is a maximum of additional months that can be added.

3. How does your Programme handle changes of partnership and what would be the most efficient way to handle them?

Programmes have different approaches towards changes of partnership. In some programmes such changes have to be consulted with the whole Monitoring Committee, in other programmes it is just the concerned Member States, as usually there needs to be an administrative check for the replacing PP. From the discussion it seems that for all programmes this type of change requires a formal procedure and approval, as well as an addendum to the contract.

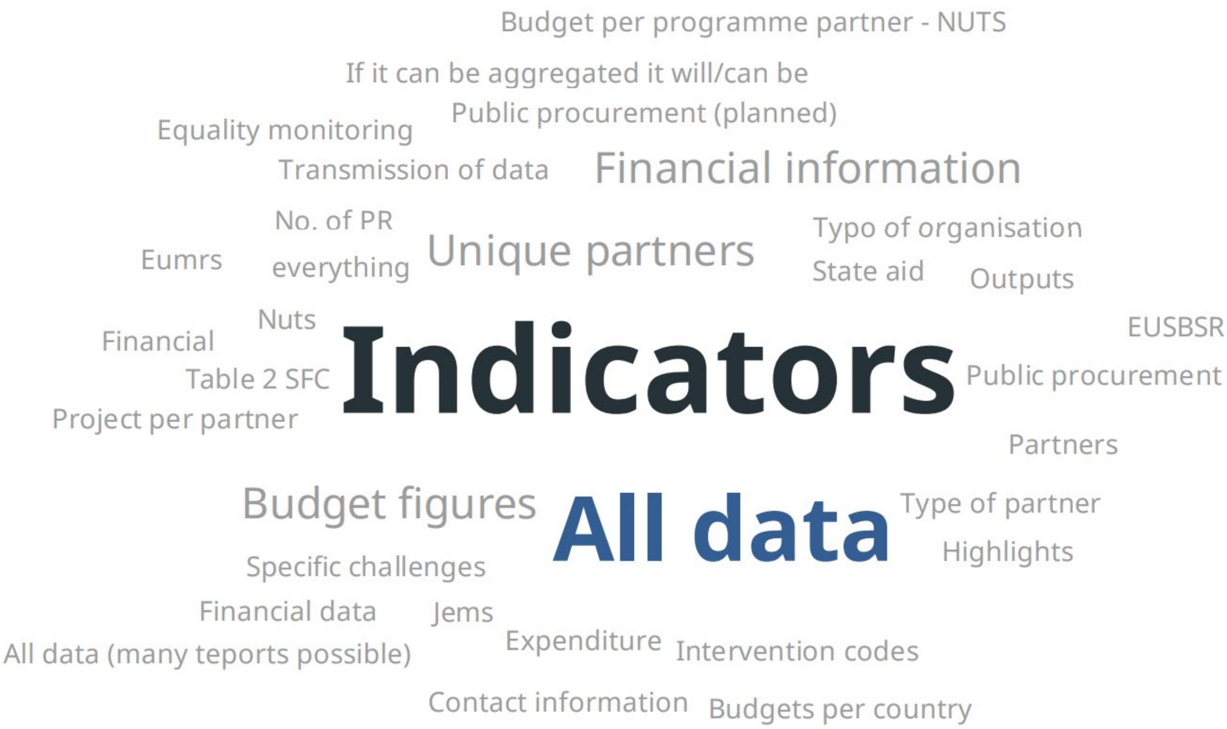
4. How does your Programme handle project changes when it comes to the co-financing contract? What would be the most efficient way to handle project changes in the co-financing contract?

Some programmes have different procedures for different categories of changes, which allows to make some types of changes leaner than other ones. They do a careful evaluation if there is a need for contract change and as an alternative, they only exchange letters with the beneficiary or they only update the application form being an annex to the contract. This means that not every project change requires a contract addendum to be signed and ensures a more efficient way of handling project changes.

- **Collection of information**

The discussion started with answering the following open questions:

What type of information do you aggregate at programme level? With answers:



At what stage do you gather statistical information from projects?
With answers: For approved projects - 71%; During implementation - 96%; After implementation - 67%

1. How much time does it take you to properly gather information? What information takes the longest to gather?

If data is not properly structured a lot of manual work is required which takes time to analyse. It takes the longest to gather qualitative data going beyond indicators and information from national registers like the Ultimate beneficial owner requirement. Trust in e-systems is still an issue.

2. What other type of information do you collect?

Data on public procurements, data on beneficiaries also to find new beneficiaries. Proof of output achievements require manual work. Different types of information on organisation typology to help with following targeted calls for proposals.

3. How do you gather information? Mainly through indicators or also outside of indicators?

Indicators are used but besides that some programmes also gather data on conflict of interest and project results that are not linked to indicators meaning that they gather more information then the indicators.

4. How do you deal with target groups, deliverables, outstanding achievements (not foreseen in AF) ?

Outstanding achievements are dealt with through communication afterwards it is further analysed so that best practices can be aggregated. Communication strategy is crucial for correctly reaching target groups. Target groups are analysed for potentially new beneficiaries.

5. What do you do with the information gathered?

The information gathered is used during project selection of other projects, particularly to see if a new idea is really so innovative. Indicator data is of course reported in SFC. Some of the data is also used as a basis for risk based sampling, general analysis and performance analysis. Some programmes hire experts to do comparative analysis, others do in-house analysis. Most of the outcomes are reported back to the MC and other decision makers.

6. Does HIT cover all fields to gather data properly?

It is usually used as a starting point; sometimes programmes go further depending on specific programme needs.

Conclusions, plans for followed up

One of the main highlights from the discussion was the confirmation for the usefulness and right-on application of the HIT tool templates for reporting as well as the expressed willingness by programme management bodies to make a transition towards consolidated project reporting.

When it comes to project changes, a more differentiated approach to different types of changes allows to reduce administrative burden for specific changes, while ensuring legal certainty in case of more substantial changes. When it comes to the bodies involved, some programmes have a wide mandate for the MA/JS to approve project changes, while others still need to consult the MC for all types of changes. Flexibility rules are a great way to reduce administrative burden, however, in some areas like project duration there is still a lack of flexibility.

In terms of data gathering programmes clearly go beyond indicators, budget per priority and HIT related fields. It would particularly be interesting to work further on the capitalisation of target groups, programme best practices and analysis to find new beneficiaries for programmes. Data-analyses that require access to different registers such as Ultimate beneficial owners and the risk of conflict of interest are still difficult for Programmes.

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