Fact Sheet 26 - Project Changes

	Valid from	Valid to	Main changes
Version 2	20.10.15	....	Changes to the rules for minor changes
Version 1	27.04.15	20.10.15	

> **Core message:** All projects are subject to some degree of change during implementation. This Fact Sheet covers the different procedures for identifying and implementing (i) changes to basic information (ii) minor changes (done with activity reporting) and (iii) Major changes (limited to two in the project's lifetime). New activities etc., which have not been approved, are not eligible!

Background

Project partnerships must always deliver their project in accordance with the work plan and budget laid out in the approved application. Nevertheless it is recognized that the budget and work plan in the application are only a best estimate of the work to be carried out and its cost and that some changes are inevitable over the project's lifetime.

Three procedures have therefore been put in place for different kinds of changes and this factsheet should allow projects to (i) identify the type of change they need and (ii) understand the steps for getting approval.

It is never possible to use a project change to increase the total budget approved for the project.

When it comes to making changes, the Lead Beneficiary is responsible for managing and applying project changes for the entire project partnership. Beneficiaries should not start to implement changes until they have the necessary programme approval. Any projects implementing activities prior to approval do so at their own risk.

Updating project facts

Changes to contact details and project staff are inevitable. These can simply be entered in the Online Monitoring System at any time and signed off by the Lead Beneficiary. No further action is required.

Minor changes

Minor changes which have no impact on the end results or overall financing of the project can be

implemented after agreement between the Joint Secretariat and the Lead Beneficiary. As a rule try to avoid changes and stick to the original project plan. Minor changes would include:

- Changes to deliverables or changes to the definition of a deliverable or the target for achievement provided there is no impact on project outputs and results. Only make a change when there is quite major variation from the application – minor adjustments can simply be explained when reporting. In cases of doubt the beneficiaries should always contact the Joint Secretariat as changes of deliverables may deem the activities ineligible.

- Project lifetime extensions up to 6 months provided there is still time in the programme's lifetime to complete all closure procedures. This only applies one time.

- 10% flexibility rule: Changes between budget lines of the same beneficiary up to maximum of 10% of the original budget are considered by the JS to be minor and can be applied for in the Online Monitoring System, with the option of including a Reason for Change.

  Example: If a beneficiary has a total budget of 100.000 Euro they can shift up to 10.000 Euro between any of the budget lines with a minor change request. Their total budget remains 100.000 Euro.

  If there are significant changes for example, removing the entire budget for Investments it is highly encouraged that a reason for change be included to limit follow up work needed. Remember that changes to staff costs will automatically result in changes to the flat rate overhead budget. If a beneficiary finds that the 10% flexibility is not adequate, the project will need to request and have approved a major budget change (see below).

Minor changes can be applied for at any point in time but it is not possible to stat a report when you still have a change request waiting for processing. This is in order to ensure that the latest approved data can be included with the following report. Time change requests accordingly. Remember amendments to projects are not valid until approved by the JS.

10% flexibility at project closure

It is possible for final reported expenditure to vary from the latest approved budget by up to 10% at the time of the final report provided that there is no increase in the beneficiary's total budget. For example, a beneficiary may report increased investment costs but reduced staff costs but remain within the total approved budget. The beneficiary concerned should simply report the final expenditure and the programme will pay out the total amount claimed as long as total increases on any budget line do not exceed 10% for any beneficiary. Larger changes will require approval before the end of the project. Remember that changes to staff costs will automatically result in changes to the flat rate overhead budget.

Major changes

In exceptional and well-justified cases, more significant changes to the original budget, expected results or partnership may be necessary. In these cases it is possible to alter the approved application. However, because this changes the conditions under which the original grant was made, the project will need to be re-approved by the programme's Steering Committee. Major changes will also require that a new contract is issued.

A maximum of two major changes can be submitted in any project's lifetime. One change can, however, include several different categories of change from the list below. For example, a large project re-organisation might require the addition of a partner and related changes to budgets and the overall outputs that will be delivered. Remember that it is not possible to use a change to increase the total budget for the project.

These changes require approval from the Steering Committee. As a rule Steering Committee meetings take place every six months. In exceptional cases it may be possible to gain approval through written procedure before the next meeting.

Major changes include:

- Changes to project activities that result in a change to the outputs or results. This will apply even when a project does not ask to change its indicators or targets if the Joint Secretariat considers that other changes may have an impact on a project's results.

- Addition of a beneficiary. It is possible to add a beneficiary provided that the budget can be found from the budgets of the rest of the partnership i.e. a new beneficiary cannot result in an increase of the overall project budget.

- It is never possible for a beneficiary to withdraw from a project: All beneficiaries remain part of the approved partnership for audit purposes though a beneficiary may become inactive and stop reporting expenditure. If a beneficiary is inactive for an extended period without adequate explanation, this may also call into question the viability of the partnership and may result in cancelation of the project.

- Project lifetime extensions over 6 months.

- Budget changes within the budget of an individual beneficiary, which exceed the 10% flexibility rule outlined above.

- All budget changes involving transfers of budget between beneficiaries and especially between countries.

Major changes should be carried out in consultation with the Joint Secretariat to avoid unnecessary delays or problems. The Secretariat can advise on the best timing for submitting the change. Remember that expenditure related to activities or beneficiaries which have not yet been approved is not eligible.

Changes which are not covered by any of the descriptions above will be considered on a case-by-case basis. Projects should be aware that any change request can be rejected and changes must therefore be well justified. If a change is rejected, the project will continue implementation on the basis of the last approved application. In extreme cases where a change seriously undermines the value of the original project, the Steering Committee may decide to end support to the project.

The online monitoring system

The Lead Beneficiary will make use of the system when applying for and processing changes. The system is designed to facilitate the effective processing of all type of changes and will guide the applicant through the entire change process. All decisions about changes by the JS and programme committees will be made and applied in the system.