

GUIDANCE DOCUMENT FOR PROJECTS FINANCED UNDER THE CALL

This document provides guidance for applicants, project promoters and project partners on setting target values and methods of calculation for outcome indicators, compulsory under the Norwegian Financial Mechanism 2014-2021 programme “Business Development, Innovation and SMEs” Call for proposal under the ICT focus area (hereafter referred to as the “Call”).

This guidance document is drafted in respect of the Norway Grants Regulation, Core indicators guidance¹ and Results Guideline² adopted by the Financial Mechanism Office.

For each indicator, the following information is provided in this Guidance:

- Definitions.
- Unit of measurement.
- Source of verification, i.e. primary source of data on the indicator values.
- Frequency of reporting.
- Method of calculating the indicator values (baseline, achievement, and target). Description of how the baseline, achievement and target values should be established, for each indicator.

All projects shall contribute to the outcome of the Programme: Increased competitiveness of Lithuanian companies within Green Industry Innovation, including bio economy, and ICT focus areas and shall deliver the expected outcome indicators provided in the list below.

All projects involving Donor State Partners shall contribute to the bilateral outcome of the Programme: Enhanced collaboration between beneficiary and donor state entities involved in the programme and shall take part in the Bilateral Survey administered by the Financial Mechanism Office to report on the project’s bilateral outcomes.

¹ <https://eeagrants.org/sites/default/files/resources/Core%20Indicators%20Guidance%20FM14-21%20%281%29.pdf>

² <https://eeagrants.org/sites/default/files/resources/2014-2021%20Results%20guideline.pdf>

I. List of outcome indicators

1. Estimated annual growth in turnover
2. Estimated annual growth in net operational profit
3. Number of jobs created (disaggregated by gender, age)
4. Number of new products/technologies/ developed
5. Number of new products/technologies applied (new-to-the-enterprise)
6. Number of new products/technologies commercialised (new-to-the-market)
7. Number of registered applications for Intellectual Property Protection

II. Outcome Indicators

1. Estimated annual growth in turnover
<p>Definition:</p> <p>Turnover represents the total income of the business during a set period of time. Under the Call, turnover is to be understood as the annual sales volume net of all discounts and sales taxes.</p>
<p>Unit of measurement:</p> <p>Percentage</p>
<p>Source of verification:</p> <p>Financial reports; Other financial documents</p>
<p>Frequency of reporting:</p> <p>Quarterly with payment claims / interim reports. Final project implementation report. Annually after completion of the Project with the project post implementation report for the duration of 3 years.</p>
<p>Method of calculating the indicator values (baseline, targets and achievements):</p> <p>Baseline value – the turnover before the implementation of a project, stated in the last approved annual financial statement. If an entity is established less than a year ago, the baseline shall be established based on a semi-annual financial statement. The baseline value and the justification shall be provided in an application.</p> <p>During the assessment of an application, an applicant may be asked to provide supporting documents for the baseline values.</p> <p>Target value – forecasted growth in annual turnover (expressed in percentage) 3 years after completion of the project, achieved as a direct result of the support under the Call. <u>The target value and the justification shall be presented in an application.</u></p> <p>Achievements data (F) is reported as ratio (expressed as a percentage) calculated according to the following formula: $F = (B - A) / A * 100\%$ when A - turnover before the implementation of a project; B - the reporting year annual turnover according to the last approved financial statement</p> <p>The A and B values and the justification shall be provided in the column for justification of the target value. During the assessment of a project post implementation report, an applicant will be asked to provide supporting documents for the A and B values.</p>

Achievement values should be amended and submitted to MITA annually after a financial statement for the previous financial year is approved.

2. Estimated annual growth in net operational profit

Definition:

Net operating profit (NOP) is the profit a company is left with after subtracting for cost of goods sold, operating expenses, interest and taxes. It is calculated on the profit and loss statement.

Net operating profit = Revenue – (discounts, rebates and returns) = gross profit – (operating expenses) = Operating profit – (interest, taxes and other unusual expenses). With this value, you can calculate the net operating margin simply by dividing it by the total value of the sales made.

Unit of measurement:

Percentage

Source of verification:

Financial reports;

Other financial documents

Frequency of reporting:

Quarterly with payment claims / interim reports.

Final project implementation report.

Annually after completion of the Project with the project post implementation report for the duration of 3 years.

Method of calculating the indicator values (baseline, targets and achievements):

Baseline value – NOP before the implementation of a project, stated in the last approved annual financial statement. If an entity is established less than a year ago, the baseline shall be established based on a semi-annual financial statement. The baseline value and the justification shall be provided in an application. During the assessment of an application, an applicant might be asked to provide supporting documents for the baseline values.

Target value – forecasted growth of annual NOP (expressed in percentage) 3 years after the completion of a project, due to the support under the Call. The target value and the justification shall be presented in an application.

Achievements data (F) is reported as ratio (expressed as a percentage) calculated according to the following formula:

$F = (B - A) / A * 100\%$, when

A - NOP before the implementation of a project;

B - the reporting year annual NOP according to the last approved financial statement

The A and B values and the justification shall be provided in the column for justification of target value. During the assessment of a post project implementation report, an applicant will be asked to provide supporting documents for the A and B values.

Achievement values should be amended and submitted to MITA annually after a financial statement for the previous financial year is approved.

3. Number of jobs created (disaggregated by gender, age)

Definition:

Additional jobs (positions) created by a Project promoter. A job should be permanent, full-time equivalent and paid. To be treated as permanent, a job should have a life expectancy of at least one year. The job position should be filled.

Unit of measurement:

Number

Source of verification:

Payroll records

Frequency of reporting:

Quarterly with payment claims / interim reports.

Final project implementation report.

Method of calculating the indicator values (baseline, targets and achievements):

Baseline value is 'N/A'.

Target value is to be established based on historical data, expert judgements, aims of a project or similar projects.

Achievements data is reported as the sum of the additional jobs created, i.e. the total number since the start of a project implementation until the end of the reporting period, that can plausibly be attributed to a project.

Part-time jobs are converted to full-time equivalent jobs on a pro rata basis with employment 40 hours/week treated as full time. If the information is not available, two part-time jobs should be considered as equivalent to one full-time job. Achievements shall always be reported cumulatively – as the total number since the start of a project implementation until the end of the reporting period

In addition to the achievement value, a project promoter should report the following breakdowns, and stored in such a way that more detailed breakdowns can be requested if needed:

Gender		Total (number)
Male (number)	Female (number)	

Age group		Total (number)
Youths (15-29), number	Adults (30 and above), number	

4. Number of new products/technologies/ developed
<p>Definition:</p> <p>A single product (goods or service) or single technology developed or significantly improved as a result of support under the Call.</p> <p>New products are goods and services that differ significantly in their characteristics or intended uses from products previously produced by the firm:</p> <ul style="list-style-type: none"> • Developed by your firm by adapting or modifying products/business processes available from/to other firms or organisations, including reverse engineering. • Developed by drawing substantially on ideas, concepts and knowledge sourced or acquired from other firms or organisations, directly or via intermediaries. • Developed as part of a collaborative agreement with other firms or organisations, with all parties contributing ideas or expertise. • Mainly developed by your firm on its own, from the idea to implementation.
<p>Unit of measurement:</p> <p>Number</p>
<p>Source of verification:</p> <p>Project Promoters' records</p>
<p>Frequency of reporting:</p> <p>Quarterly with payment claims / interim reports.</p> <p>Final project implementation report.</p>
<p>Method of calculating the indicator values (baseline, targets and achievements):</p> <p>Baseline value is 'N/A'.</p> <p>Target value is to be established based on the aim of a project, a project or a business plan.</p> <p>Achievements data is reported in numbers of the new or significantly improved products and technologies developed.</p>

5. Number of new products/technologies applied (new-to-the-enterprise)
<p>Definition:</p> <p>A new product or technology applied by a Project promoter as a result of implementation of the activity <i>Application of new products/ technologies</i>.</p> <p>Application of new products/ technologies - replicating products/business process already available from/to other firms or organisations, with no or very few additional changes by your firm.</p> <p>Application is recognised as investment into tangible and intangible assets related to extension of the capacity of an existing establishment, diversification of the output of an establishment into products not previously produced in the establishment or a fundamental change in the overall production process of an existing establishment.</p>
<p>Unit of measurement:</p> <p>Number</p>
<p>Source of verification:</p> <p>Project Promoters' records</p>
<p>Frequency of reporting:</p> <p>Quarterly with payment claims / interim reports.</p> <p>Final project implementation report.</p>
<p>Method of calculating the indicator values (baseline, targets and achievements):</p> <p>Baseline value is 'N/A'.</p> <p>Target value is to be established based on the aim of a project, a project or a business plan.</p> <p>Achievements data is reported in numbers of a new product or technology applied.</p>

6. Number of new products/technologies commercialised (new-to-the-market)
<p>Definition:</p> <p>A single product (goods or service) or a single technology commercialised as a result of support under the Call.</p> <p>Commercialisation means such activities as actual application of the technology in its final form and under real-life conditions, such as those encountered in operational test and evaluations, market replication and the like aiming to bring an innovative idea (product, process, service etc.) to industrial readiness and maturity for market introduction. Activities correspond Technology Readiness Level (TRL) 9, approved by the Government of the Republic of Lithuania Order “On Approval of Description of Recommended Classification of Technology Readiness Levels” (hereinafter referred to as the “Description of Classification”) Order No 650 of 6 June 2012.</p>
<p>Unit of measurement:</p> <p>Number</p>
<p>Source of verification:</p> <p>Project Promoters’ records</p>
<p>Frequency of reporting:</p> <p>Quarterly with payment claims / interim reports.</p> <p>Final project implementation report.</p>
<p>Method of calculating the indicator values (baseline, targets and achievements):</p> <p>Baseline value is ‘N/A’.</p> <p>Target value is to be established based on the aim of a project, a project or a business plan.</p> <p>Achievements data is reported in numbers of a new product or technology applied.</p>

7. Number of registered applications for Intellectual Property Protection
<p>Definition:</p> <p>A single application for registration of copyright, industrial design, trademark, patent or community design. The application should be made by a Project Promoter, or project partners to a National Patent Office (in Lithuania or Norway), or European Patent Office, or third countries' Patent Offices.</p>
<p>Unit of measurement:</p> <p>Number</p>
<p>Source of verification:</p> <p>Copies of filed application(s);</p> <p>Registration acknowledgement from a relevant Patent Office</p>
<p>Frequency of reporting:</p> <p>Interim achievement data shall be submitted quarterly with payment claims / interim reports</p> <p>Final project implementation report.</p> <p>Final achievement value shall be submitted no later than one year after completion of the Project with the project post implementation report.</p>
<p>Method of calculating the indicator values (baseline, targets and achievements):</p> <p>Baseline value is 'N/A'.</p> <p>Target value is to be established based on the aim of a project, a project or a business plan.</p> <p>Achievements data is reported in numbers based on the unique filed applications for registration of copyright, industrial design, trademark, patent or community design.</p>