



CAENTI
Coordination Action of the European Network of Territorial Intelligence
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CAENTI

Coordination Action of the European Network of Territorial Intelligence

First periodic management and financial report Deliverable N° 02 Part 1/4

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Section 1 : First periodic management report

1.1 Workpackage objectives and starting point of work at beginning of reporting period

They were:

- To set up decision making structures
- To manage human and financial project resources
- To establish and apply routines and procedures enabling effective and efficient monitoring of the work in the project
- To report to the consortium members and the European Commission

1.2. Progress towards objectives, worked on tasks and made achievements with reference to planned objectives and involved contractors

1.2.1. Consortium management

A total of **eight meetings** took place during the first year of the project:

- **Kick-off meeting** of the CAENTI on March, the 23rd and 24th 2006, in Besançon (France).
- **Coordination meeting of the WP4** (Fundamental methods) and WP6e (European school observatory) on July, the 4th and the 5th 2006, in Aix-en-France (France);
- **Coordination meeting of the WP5** (Principles of governance) on May, the 5th 2006, in Huelva (Spain);
- **Coordination meeting of the WP6** (Tools for the actors) on June, the 29th and 30th 2006, in Durbuy (Belgium);
- **First annual international conference** of Territorial Intelligence on the theme « Region, Identity and Sustainable Development » from September, the 20th to the 22nd 2006, in Alba Iulia (Romania);

-**Steering Committee meeting** (in the framework of the Annual international conference), on September, the 20th 2006 in Alba Iulia.

- **Scientific Committee meeting**, on October, the 20th 2006, in Besançon (France).

- **Coordination meeting of the WP5** (Principles of governance) on January, the 18th and the 19th 2007 in Liege (Belgium).

During the kick-off meeting, the day-to-day management structures were set up:

- **the Project secretariat**, which is led by the Project manager Amélie BICHET-MIÑARO, gives its full support to the Coordinator to ensure an efficient management for the whole consortium. It manages the delivery and the follow-up of administrative and financial documents, and in particular the reporting, it is the contact-point of the Coordinator and of all the partners and it prepares and animates the official meetings.

- **the Steering Committee**, which membership includes the Coordinator, who is its chairman, and the representative of each Participant of the CAENTI I project;

- **the Innovation and Dissemination Manager**, who is responsible for advising the Steering Committee about quality, risk management, intellectual property, use and dissemination of knowledge, establishment of exploitation strategies and proposals of updates of the Consortium agreement about the knowledge management;

1.2.2. Project administration

- Internet-based instruments

Three instruments were implemented on March, the 1st 2006 to make the researchers work easier, they are:

- the **Internet portal**: it is a public dissemination tool;

- **CooSpace**: it is a cooperative workspace that is opened to the CAENTI members and the associated researchers; it is a kind of virtual laboratory;

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- the **Intra-consortium**: it is a management instrument of the consortium which is only open to the CAENTI members.

To get more details on these three instruments, it is possible to refer to the Deliverable n°19.

- Administrative and Financial Back-office

The results we got during the CAENTI first year are important. The first six months of the project, the Project secretariat was essentially devoted to organisational tasks that allowed starting quickly and efficiently the whole coordination tasks that had been planned. Throughout the very first weeks of the CAENTI, the Project secretariat also drafted the Consortium Agreement. Its philosophy was to have a simple, brief, accurate, exhaustive and easy-to-use document. Its main objective was to explain the rights and obligations of the CAENTI project and the papers of its main actors. A proposal of Consortium Agreement was debated during the Kick-off meeting and the definitive document was signed on April, the 10th 2006, in accordance with our commitments. Then, the Project Secretariat prepared the three coordination meetings and above all the first international annual conference of the project, which took place at the end of September in Alba Iulia (Romania). At the same time, they were involved in the data gathering from the Participants and in the drafting of the first mid-term progress activity report of the CAENTI we delivered on October 2006. The end of the year 2006 was the time of the organisational preparation of the coordination meetings of the research Work Packages, in particular of the WP5 meeting that took place in Liege in January 2007. Afterwards, at the beginning of 2007, we actively worked on the preparation of the management reports, and especially on the first financial reporting. The latter led to many questions from our partners and the Project Secretariat advised and helped them to draft their financial documents. We then gathered these reports so as to prepare the general financial reporting of our consortium.

Through this report, we would like to indicate we started diversifying the management tasks, as we committed in the first mid-term report. Indeed, separated the administration, financial and communication works and we dissociated this group of activity from the scientific coordination management. At the same time, we adopted a top-down step for the financial reporting work and we accentuated the bottom-up interaction for the scientific aspects.

- Project meetings

The first year coordination meetings allowed specifying the objectives of each research Work Package, defining the approaches and the methodological protocols and lastly agreeing on a research calendar.

During this year, we particularly specified the objectives of the WP4 and WP5, by means of questions:

As regards the WP4 Fundamental methods, they are:

1. Which are the methods, protocols and generic tools of wide applicability that are used to analyse the territories and the territorial information within humanities and social sciences?
2. How to improve their diffusion within humanities and social sciences?

Concerning the WP5 Governance principles, they are:

1. What are the best practices in research action that inspire territorial governance whilst respecting sustainable development?
2. Which ethic principles, standards and research designs should be fulfilled by the territorial intelligence research actions and tools?

1.3 List of deliverables of the first year

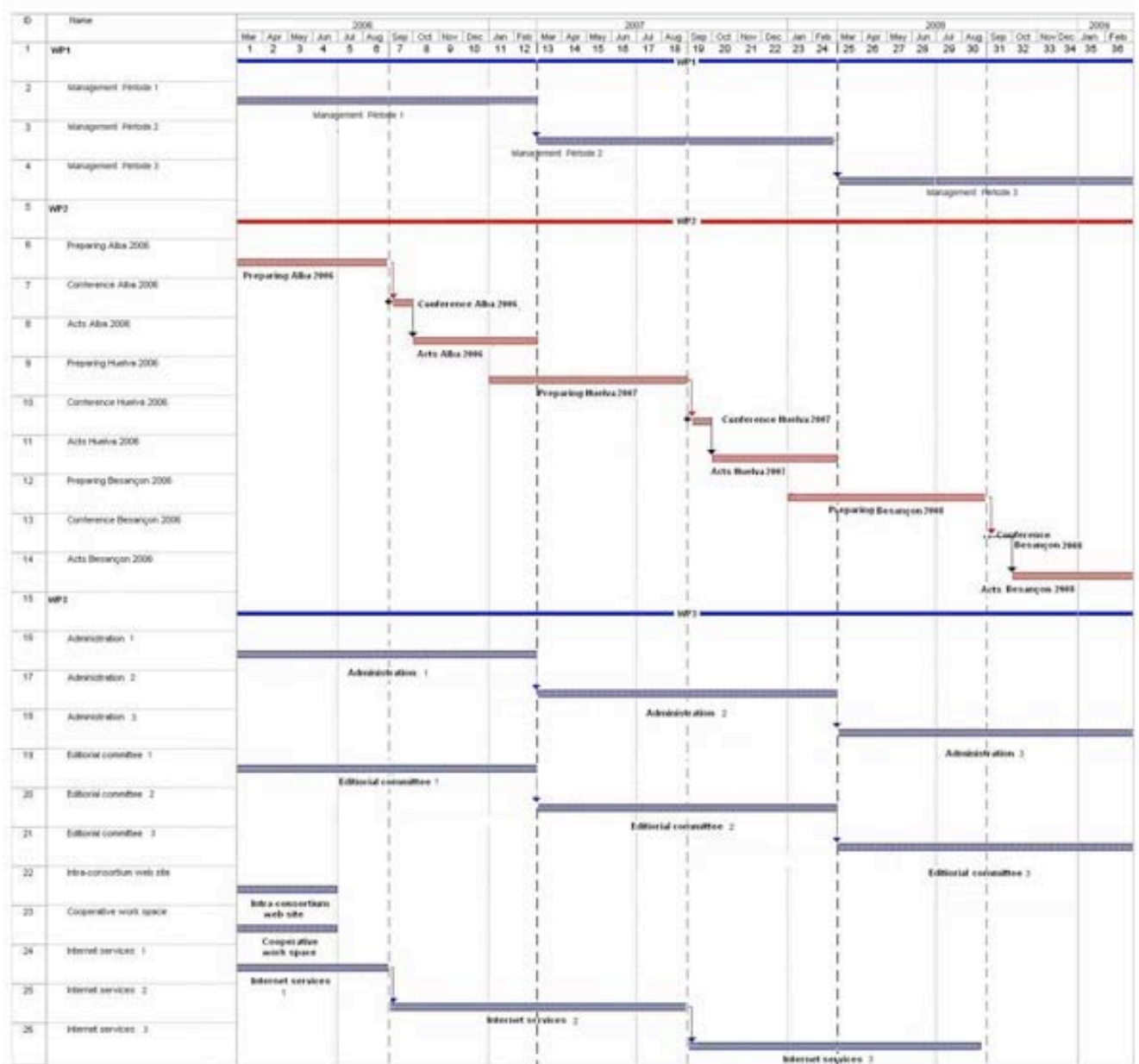
Del. No.	Deliverable name	WP n°	Lead participant	Estimated person-month	Nature	Dissemination level	Delivery date
D01	First midterm activity progress report	1	UFC	1	R	CO	6
D02	First periodic management and financial report	1	UFC	3	R	CO	12
D03	First periodic IDM report	1	UHU	0,5	R	CO	12
D11	Advertisement and call for papers of the Annual International Conference of Alba Iulia 2006	2	UAB	3	O	PU	1
D12	Acts of the Annual International Conference Alba Iulia 2006	2	UAB	5	R	PU	12
D13	Advertisement and call for papers of the Annual International Conference of Huelva 2006	2	UHU	3	O	PU	11

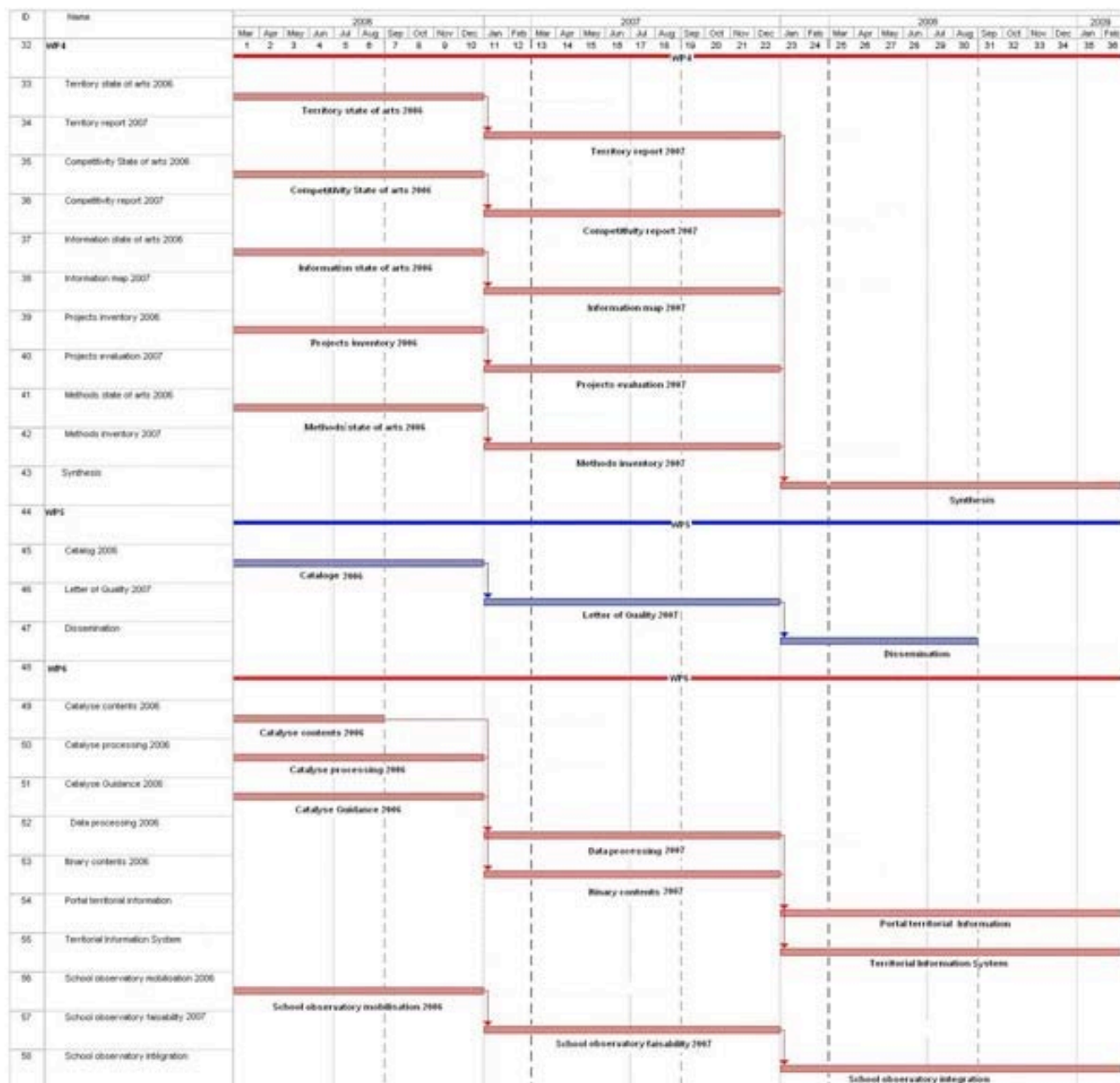
D17	Intra-consortium website	3	UFC	2	O	CO	4
D18	Cooperative workspace	3	PTE	4,5	O	CO	4
D19	First periodic portal editorial report	3	UNISA	1,5	R	CO	12
D23	State of the art about fundamental methods and tools of spatial analysis and of processing of territorial information within social sciences and humanities	4	UFC	6	R	PU	10
D24	State of the art of territorial information available on Internet and sources in Europe	4	ULG	5	R	PU	10
D25	State of the art about EC projects and GD information	4	UFC	5	R	PU	10
D26	State of the art about the concept of territory and the process of territorialisation	4	UNISA	5	R	PU	10
D27	State of the art about the notion of territory competitiveness	4	PTE	5	R	PU	10
D34	Report on the research context and practice UFC	5	UFC	2,5	R	CO	10
D35	Report on the research context and practice UHU	5	UHU	2,5	R	CO	10
D36	Report on the research context and practice ULG	5	ULG	2,5	R	CO	10
D37	Report on the research context and practice PTE	5	PTE	2,5	R	CO	10
D38	Report on the research context and practice UAB	5	UAB	2,5	R	CO	10
D39	Report on the research context and practice UNISA	5	UNISA	2,5	R	CO	10
D40	Publication of the report “Application of the governance principles of sustainable development to the territorial research-action”	5	UHU	2,5	R	PU	10
D51	European contents specifications for a “CATALYSE” guide for diagnosis and evaluation	6	UFC	6	R	PU	6
D52	European contents specifications for an online territorial repertory of	6	UFC	4	R	PU	10

	services						
D53	List of territorial indicators available on Internet to make comparisons with CATALYSE data	6	UFC	4,75	R	PU	10
D54	Specifications for the software “PRAGMA” of quantitative gathering and treatment	6	UFC	2	R	PU	10
D55	Specifications for the integration of “PRAGMA” with the software of quantitative analysis “ANACONDA” and “NUAGE”	6	UFC	5,75	R	PU	10
D56	Guidance notes for the use of CATALYSE information and tools	6	UFC	20,5	R	PU	10

1.4 Presentation of the milestones







1.5 Consortium / Contractors:

The consortium has remained unchanged in terms of partner institutions in the course of the first year of the project.

As regards the involved people, the most important change is the departure of the Innovation and Dissemination Manager. He participated to the orientations definition upstream of the project and started working within the consortium, but then he left his job in the University of Huelva. Consequently, he had to resign from his function in the CAENTI project. He could

not deliver the first IDM report that is why we will present all the works we made in this field from the beginning of the project in the report of the second reporting period. We are presently working so as he can be replaced shortly.

Section 2 : First periodic financial report

General overview

This report provides information in accordance with the requirements of the “Project reporting for FP6” Guidance Notes of the Commission. The statistics are obtained from the C Forms collected by the Co-ordinator.

CAENTI is a three-year Coordination Action, with a maximum EC contribution amounting to **899 391 €**

The first EC pre-financing, which represented 85% of the consortium needs for the first 18 months (from March 1st 2006 to August 31th 2007), was firstly transferred to the account of the CAENTI on April, the 3rd 2006. This pre-financing amounted to **440 993€**

In accordance with the decisions of the CAENTI Steering Committee and with article 10.3 (Financial provisions) of the CAENTI Consortium Agreement, the CAENTI Coordinator carried out the EC pre-financing distribution as follows:

1. In April 2006, 60% of the first EC pre-financing which represented a sum of **264.653 €** was transferred to the fifteen Contractors of the Coordination Action.
2. The remaining 40% of the first EC pre-financing that will amount **176.436 €** will be transferred to the fifteen Contractors, against receipt by the Coordinator of all the reports, cost statements and project deliverables to be delivered by the consortium at the end of the first reporting period.

As we wrote in point 1 above, the total instalments made to Contractors during the 1st reporting period stands at **264.653 €** That is **29.43%** of the three-year global budget of the CAENTI project. For the same period, the CAENTI global eligible costs amounted **364.156,67 €**

Table**BUDGET BREAKDOWN FOR CAENTI CONSORTIUM**

Periods		Requested Grant for Coordination	
N°	Month m – Month m'	Total	Instalments made
Period 1	M1 – M12	364.156, 67 €	264.653
Total		364.156, 67 €	264.653

Regarding the consortium's contractual requirements

- Two C forms (08-THU and 14-VALDOCCO) are still missing, however the electronic versions of these documents should arrive shortly.
- At this date, the total eligible cost declared in C Forms stands at 364.156,67 € which represents approximately 98,58 % of the budget for the 1st period (369.390 €).
- The total achieved effort (total person-months) to implement the coordination activities of the network is equal to 147,95. This figure is much superior to the 114,65 person-months that were planned for P1.

This result reveals that the coordination objectives of the Consortium for P1 have been reached. From a financial point of view, the EC Contribution has allowed us to make an important coordinated work and had a remarkable leverage effect on the Contractors. Nevertheless, we consider the money distribution between them should be improved. We will explain our views on this issue below.

2.1. Justification of major cost items and resources

All the comments of this section are based on nine financial summarization tables that are presented in the appendix 1 of this deliverable.

2.1.1. Overall effort of the Contractors – Table 1

Table 1 - Overall efforts

Table 1 summarizes the total effort of the Contractors, as well as the eligible costs declared in the C Forms. These statistics are obtained from the C Forms received by the Coordinator. This table also records the budget of each organization during the first period.

- Column 3 describes the total efforts engaged by the researchers in the field of the project in the first period. This total amounts to 147,95 person-months (2959 person-days) who were involved in the project.
- Column 5 gives the total requested eligible costs in Euro, committed by the Contractors for the running of the network in the same period. A total of 364.156,67 € were devoted by all Contractors to the project for this first running period. It almost perfectly amounts to the 369.388 € budgeted breakdown for year 1.

N.B.: the figures in columns 3 include permanent staff for AC Contractors. Specifications for permanent staff for these Contractors are shown later in table (7 bis).

2.1.2. Work performed by each Contractor at the workpackage level - Tables 2 and 3

Tables 2 and 3 illustrate the resources employed by all Contractors at the workpackage level.

Table 2 - Comments on the work performed

This table reports the comments of the Team leaders concerning the involvement of their team in the coordination and management activities, workpackage by workpackage.

- Columns 2 and 3 show the breakdown, workpackage by workpackage, of the data provided in table 1 (total efforts).
- Column 4 gives a brief description of the work performed by each Participant in each workpackage during the first period.

Table 3 - Time devoted to the CAENTI project

This table gives an overview of the total efforts devoted to the coordination and management activities in terms of person-month by workpackage and by participant.

- The “Total column” shows the consolidated person-month of each workpackage
- Previous columns illustrate the efforts of each participant at the workpackage level.

The data in the tables 1, 2 and 3 lead to the following comments:

- i) It should be noticed that a majority of Contractors (12 out of 15 Contractors in CAENTI CA) have chosen the FCF model, and 3 out of them have chosen the AC one. For these AC Contractors, manpower costs are not eligible, whereas it is a very important cost in Coordination Actions. Consequently, those partners encounter some difficulties to justify the planned eligible costs and there is a gap between the percentage of spent cost of the partners that chose the FCF cost model and the AC one.

- ii) Considering the Network as a whole, the number of person-months contributed to the CA during period P1 reaches 147,95 person-months, which is more than 30 person-months superior to the planned researchers' involvement.

2.1.3. Major costs and cost budget follow up - Tables 4 and 5

Tables 4 and 5 concern the main expenditures of the Contractors. In CAENTI, **manpower and travel expenditures are by far the most important costs**. On the contrary, in CAENTI we had very little consumable expenditures and no equipment.

Table 4 – Cost budget follow up

This table shows the breakdown of the Contractors' costs in six categories: manpower, equipment, consumables, travels, other costs and overheads.

- Columns 2 and 3 show a detailed total expenditure engaged by the Contractors in the Network broken down in the six afore-mentioned categories on the first period.
- The following columns answer to the requirements of the Guidance Notes for FP6 Reporting "Cost Budget Follow-up Table" provided by the Commission. These columns report on the part of the total budget already distributed over the first period.

As required by the Guidance notes, for Contractors using AC model, the figures in table 4 include the cost of permanent staff.

Table 5 – Eligible costs per type of expenditures

Table 5 presents a breakdown of the estimated eligible costs by type of expenditures.

The C Forms do not identify the nature of the expenditures. Besides, the data can be only obtained by the end of the concerned reporting period. Therefore, the figures of

table 5, obtained from the Contractors' financial staff, indicate the breakdown of the participant's expenditures by category.

In summary, the total eligible costs estimated by the Contractors represent **364.156,67 €**. The main costs are firstly manpower and then travel costs (160.591,88 euros for manpower and 139.804,78 euros for travel). The importance of the manpower underlines the involvement of the fifteen Contractors in the CAENTI projects. As regards the travel expenditures, they emphasize the degree of coordination, and even integration, of the Coordination Action (see figures in table here-below).

Table

COST ESTIMATION DECLARED BY THE CONTRACTORS FINANCIAL STAFF

	Category of expenditure	Estimated Costs in P1
1	Manpower	160.591,88 €
2	Travel	139.804,78 €
3	Overheads	60.692,79 €
4	Consumables	3.067,23 €
5	Equipment	- €
6	Other	- €
7	Subcontracting	- €
	Total	364.156,67 €

Although the estimated costs obtained from the Contractors' financial staff have a strong correlation with the final figures indicated in C Forms, they cannot, in any case, be considered as real costs. This system is only aimed at enabling the Team Leader to monitor the eligibility of expenses (notably with respect to EC rules and internal rules to the consortium) and the progress of his own activities, in terms of efforts. Contrary to the C Form established on an annual base, the raw data obtained from the Contractors financial staff gives indications to the Team Leader and to the CAENTI Manager and scientific Coordinator on monthly and quarterly bases of the contribution of each team to the network.

Consequently, differences could exist between figures of table 1 and of table 5.

2.1.4. Overview of planned and achieved efforts – Table 6

It gives a comparison, activity per activity, of the person-months that each Participant was expected to devote during the 1st period, and the person months indeed employed for the work.

Table 6

For both planned and achieved figures, a breakdown of efforts for each kind of activities of each Participant is given according to the two categories of activities determined by the European Commission: Coordination activities and Management activities.

As shown in this table, the total achieved time during P1 reaches 111,95 person-months, what corresponds to 98% of the planned effort for this 1st reporting period.

2.1.5. Person-Month status table – Tables 7 and 7bis

This table presents the distribution of the activity per workpackage and per participant.

Table 7

According to the requirement of the “Reporting Guidance notes for FP6”, a “Person-month Status Table” is provided. It gives the comparison between planned person-month and actual person-month, participant per participant, workpackage per workpackage, instead of activity per activity as found in table 6.

As shown in table 7, the achieved person-months during P1 stands at **111,95** person-months (without taking into account the involvement of the personal staff of the three Contractors that chose the AC cost model). It is important to notice that P1 result corresponds to almost 40,5% of the total person-months that were planned for the whole CAENTI project (which was of **276,50** person-months). It means that the

consortium was very involved and efficient during this first year of the CAENTI. We should particularly underline the involvement of all the permanent staff of the Contractors in the project all the P1 long.

Table 7 bis

This table indicates the distribution of the activity among Contractors using AC cost model. It allows distinguishing the contribution of permanent staff and the additional resources working exclusively on the project.

The table 7 bis shows that the involvement of permanent staffs by AC Contractors is extremely important, as it amounts to 36 person-months.

2.1.6. Comments

The data in the tables here-above indicate that during the 1st period the CAENTI Network has achieved a notable performance, in term of involvement of the Contractors staffs and of coordinated research activities. From this point of view, one can consider that the Consortium has fulfilled its administrative and financial obligations for the concerned period. The main gap we should explain concerns the use we made of the EC contribution. Indeed, we consider that on this issue two explanations should be given. Firstly, some partners chose to save as much as possible during the 1st period because they will have to assume important expenditures in the 2nd period. Thus, 02-UHU will organise the second annual international conference of territorial intelligence. They would like to be able to use the non spent money from their P1 budget to deal with the expenditures due to this event. More globally, there is a second point we have to solve at the very beginning of the 2nd reporting period. Indeed, some Contractors are particularly involved in the CAENTI activities and consequently need more money than the amounts that were initially planned. Whereas others appear to need less money than we had foreseen, in particular the Contractors that chose an AC cost model and did not commit to hire people to specifically work on the CAENTI project . That is why, for the next two periods we will make some adjustments within the consortium, as regards the distribution of the EC contribution to the CAENTI project.

2.2 Form C Financial statement per activity for the contractual reporting period

2.2.1. Concerning the C Forms

The forms C of the CAENTI contractors for the first reporting period are enclosed to this deliverable, under the form of its appendix 2.

Out of fifteen Contractors, thirteen have submitted their C Form. There are still two missing C Forms, they concern the following Contractors:

- 08 – THU
- 14 – VALDOCCO

However, these Contractors should provide their C Form by electronic means in the next days. The original versions will be sent to EC as soon as received by the Co-ordinator.

2.2.2. Concerning the Audit Certificates

The Audit Certificates of the CAENTI contractors for the first reporting period are enclosed to this deliverable, under the form of its appendix 3.

According to article 7 f) of the CAENTI consortium agreement, a Project Secretariat is implemented so as to ensure an efficient project management for the Consortium. This structure is particularly in charge of obtaining the audit certificates from each Participant. The first period audit certificates of thirteen CAENTI Contractors are enclosed in the Annual reports to the Commission, together with the C Forms. They concern the following Contractors:

- 01 – UFC
- 02 - UHU
- 03 – ULG
- 04 – PTE
- 05 – UAB

- 06 – UNISA
- 07 - ZRCSAZU
- 09 – ACCEM
- 10 – OPTIMA
- 11 - INTEGRA
- 12 – ADAPEI
- 13 – COCAGNE
- 15 - BARANYA

2.3 Summary financial report

2.3.1. Total eligible amount declared by the Contractors

In the 1st financial period, the total requested costs which do not include the manpower cost for the 3 AC Contractors have reached 364.156,67 €

Table
Financial Statements in C Form
(In Euro)

Type of cost	P1
Direct eligible costs	303.463,89 €
Indirect eligible costs	60.692,78 €
Receipts	- €
Total eligible costs	364.156,67 €

2.3.2. Budgetary issues

During the first reporting period, we almost reach the balance between the CAENTI planned budget and the submitted eligible costs. Nevertheless, there are shape contrasts between the declared costs of the Contractors: thus, the UFC had very high costs whereas some Contractors only spent 15% or even 6% of their planned budget. Consequently, as

we explained above, we will make adjustments in the contribution sharing among the Contractors, so as to give the appropriate budget to each of the Contractors.

Table
Budget following up

Period	Budget	Eligible costs submitted	Difference
P1	369.390 €	364.156, 67 €	5.233, 33 €

Conclusion

In the first financial period, the CAENTI consortium has performed more coordinated research activities than it was planned, if we take into account the remarkable involvement of the permanent staff of the organizations that chose a AC cost model. During this period, the amount of eligible costs declared almost reaches the planned budget. Nevertheless, we are aware of the coexistence of two kinds of Contractors: some that need much more money than planned and others that spend a very small part of their budget. To have an efficient and equitable internal functioning, the Project Secretary will soon submit to the Steering Committee approval a new proposal of sharing of the second European contribution to the CAENTI project.

This analysis leads to the conclusion that Contractors have made great efforts in the 1st period of the CAENTI project and that the Consortium is also on the right track to accomplish its planned tasks in the following reporting period.

Table
BUDGET BREAKDOWN FOR CAENTI CONSORTIUM

Periods		Estimated Grant to the Budget	
N°	Month m – Month m'	Total	In which first six months
Period 1	M1 – M12	368.945	0
Period 2	M13 – M24	299.735	149.867,5
Period 3	M25 – M36	230.711	115.355,5
Total Requested Grant to the Budget		899.391	265.223