



CITIZENS AND GOVERNANCE IN A KNOWLEDGE-BASED SOCIETY



CAENTI
Coordination Action of the
European Network of Territorial Intelligence

www.territorial-intelligence.eu/caenti/

Second periodic management and financial report
Deliverable N° 05

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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 **seven meetings** took place during the second year of the project:

- **Coordination meeting of the WP6** (Tools for actors) on March, the 22nd and the 23rd 2007, in Madrid (Spain);
- **Coordination meeting of the WP5** (Principles of governance) on April, the 13th and the 14th 2007, in Madrid (Spain);
- **Coordination meeting of the WP4** (Fundamental methods) from May, the 9th to the 12th 2007, in Salerno (Italy);
- **Second annual international conference** of Territorial Intelligence on the theme “Territorial Intelligence and Governance. Participatory research-action and territorial development” from October, the 24th to the 26th 2007, in Huelva (Spain);

-**Steering Committee meeting** (in the framework of the Annual international conference), on October, the 24th 2006 in Huelva;

- **Coordination meeting of WP3** (Internet and extranet portal) on January, the 31st 2008 and February, the 1st 2008 in Besançon (France);

- **Coordination meeting of the WP6** (Tools for actors) from February, the 14th to the 16th 2008 in Liege (Belgium).

During the second period, the day-to-day management structures mostly remained as they were planned at the beginning of the project:

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

- **the Steering Committee** included the Coordinator, who is its chairman, and the representative of each Participant of the CAENT I project;

- **the Innovation and Dissemination Manager** changed at the end of the second period. Indeed, Amélie BICHET-MIÑARO was chosen to also be responsible of this task that consists in 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

The three instruments which were implemented on March, the 1st 2006 to make the researchers work easier are still working. They are:

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- the **Internet portal**: it is a public dissemination tool which new version was presented during the conference of Huelva, indeed it now focuses on territorial intelligence and not only on the CAENTI project anymore.

To get more details on the portal new version, it is possible to refer to the Deliverable n°20.

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

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

- Administrative and Financial Back-office

The results we got during the CAENTI second year are important. The Project Secretariat helped the partners organizing the coordination meetings and above all the second international annual conference of the project, which took place at the end of October in Huelva (Spain). At the same time, they were involved in the data gathering from the Participants and in the drafting of the second mid-term progress activity report of the CAENTI we delivered on October 2007. The end of the year 2007 was the time of the organisational preparation of the coordination meetings of the research Work Packages, in particular of the WP6 meeting that took place in Liege in February 2008. Afterwards, at the beginning of 2008, we actively worked on the preparation of the management reports, and especially on the second financial reporting. The Project Secretariat advised and helped the partners to draft their financial documents. We then gathered these reports, in order to prepare the general financial reporting of our consortium.

During the second period, we kept using a top-down step for the financial reporting work and accentuating the bottom-up interaction for the scientific aspects.

- Project meetings

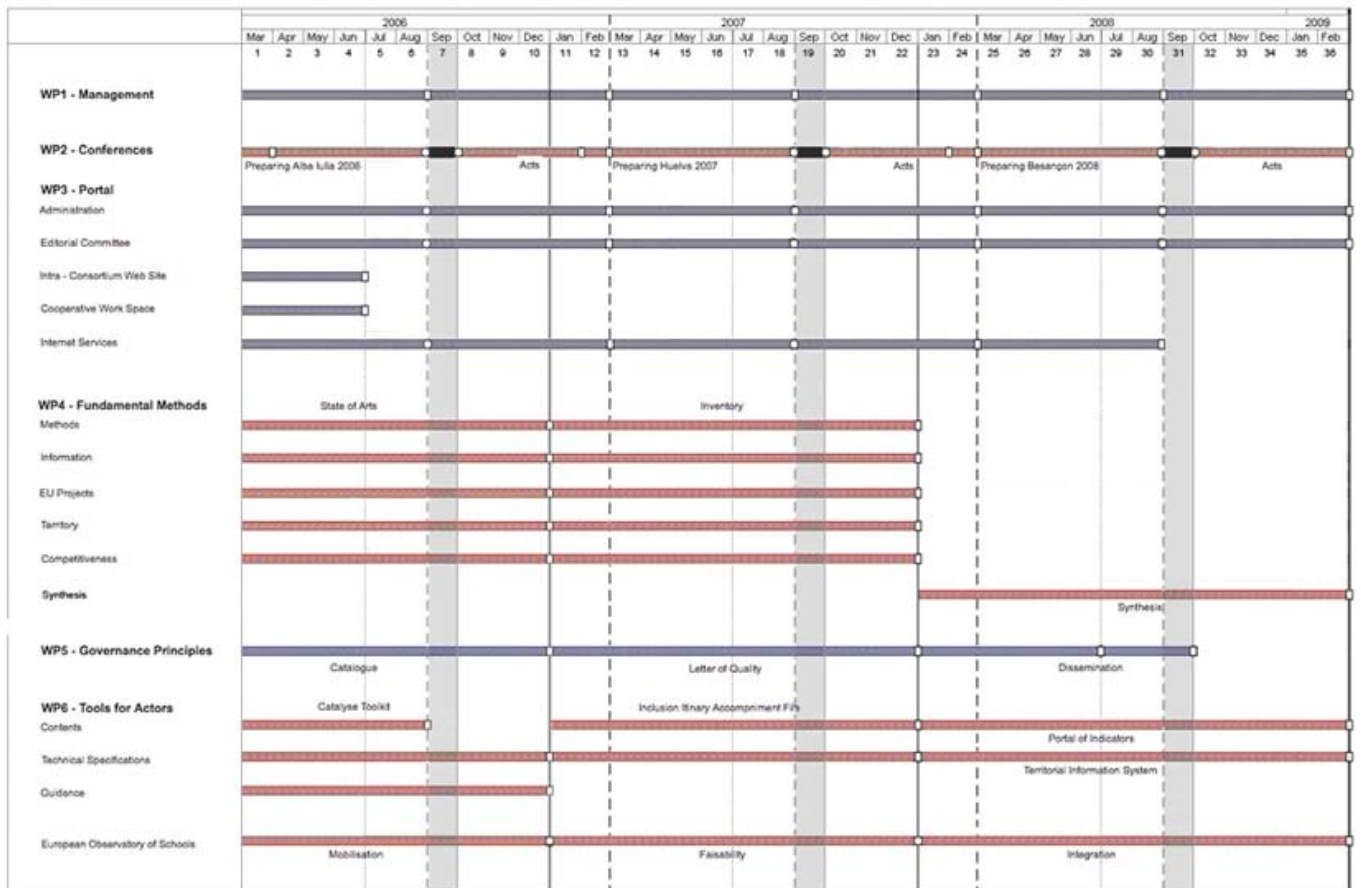
The second year coordination meetings allowed reviewing the first scientific results of the consortium Work Packages, specifying the objectives for the project follow-up agreeing on an appropriate research calendar.

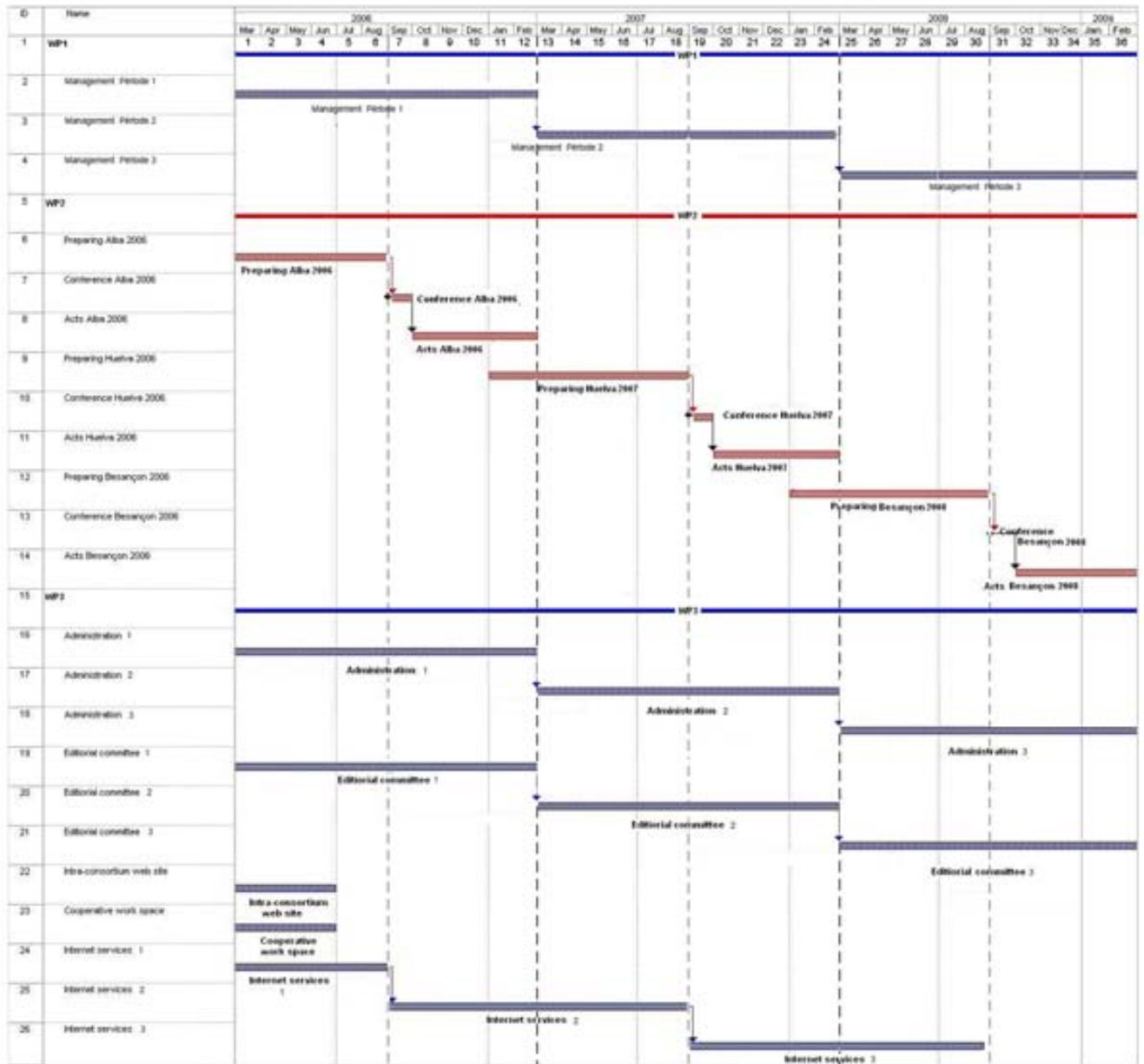
1.3 List of deliverables of the second year

Del. No	Deliverable name	WP n°	Lead participant	Estimated person months	Nature	Dissemination level	Delivery date
D04	Second midway activity progress report	1	UFC	1	R	CO	18
D05	Second periodic management and financial report	1	UFC	3	R	CO	24
D06	Second periodic IDM report, June.	1	UHU	0,5	R	CO	24
D14	Acts of the Annual International Conference HUELVA 2007.	2	UHU	4	R	PU	24
D15	Advertisement and call for papers of the Annual International Conference BESANÇON 2008.	2	UFC	3	O	PU	23
D20	Second periodic portal editorial report.	3	UFC	1,5	O	PU	24
D29	Reasoned catalogue of territorial information available on internet and sources in Europe (e-book on line).	4	ULG	5	O	PU	22
D30	Report of evaluation on EC relevant projects and DG's information.	4	UFC	7	O	PU	22
D31	Report about the concept of territory and the process of "territorialisation".	4	UNISA	5	R	PU	22
D32	Report about the notion of competitiveness of territory.	4	PTE	6	R	PU	22
D41	Report on evaluation conclusions UFC.	5	UFC	1,5	R	CO	22

D42	Report on evaluation conclusions UHU.	5	UHU	1,5	R	CO	22
D43	Report on evaluation conclusions ULG	5	ULG	1,5	R	CO	22
D44	Report on evaluation conclusions PTE.	5	PTE	1,5	R	CO	22
D45	Report on evaluation conclusions UAB.	5	UAB	1,5	R	CO	22
D46	Report on evaluation conclusions UNISA.	5	UAB	1,5	R	CO	22
D47	Letter of quality. Research evaluation for territorial intelligence.	5	UHU	7,5	R	PU	22
D57	European on-line Inclusion Itinerary Accompaniment File with Guidance notes and list of territorial indicators available on internet for comparison with the on-line file data.	6	UFC	16,75	R	PU	22
D58	Specifications for the processing and editorial chain from territorial data to results.	6	UFC	8,5	R	PU	22

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 second year of the project.

As regards the involved people, the most important change took place at the end of second period. It is the substitution of the previous Innovation and Dissemination Manager, who was Juan Sebastian GONZALEZ RODRIGUEZ, by Amélie BICHET-MIÑARO, the CAENTI Manager.

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 soon transferred to the fifteen Contractors as, according to its requirements, the Coordinator has just received all the reports, cost statements and project deliverables to be delivered by the consortium at the end of the second reporting period.

As we wrote in point 2 above, the total instalments made to Contractors during the 2nd reporting period stands at **0 €** That is **0 %** of the three-year global budget of the CAENTI project. For the same period, the CAENTI global eligible costs amounted **388.809,94 €**

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 €
Period 2	M13 – M24	388.809, 94 €	0 €
Total		752.966, 61 €	264.653 €

Regarding the consortium's contractual requirements

- ✚ One form C (08-THU) is still missing.
- ✚ At this date, the total eligible cost declared in C Forms stands at 388.809,61 € which represents 130 % of the budget for the 2nd period (299.080 €).
- ✚ The total achieved effort (total person-months) to implement the coordination activities of the network is equal to 112.74. This figure is much superior to the 90.80 person-months that were planned for P2.

This result reveals that the coordination objectives of the Consortium for P2 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, during the second reporting period we became aware it was necessary to urgently plan a redistribution of the European Commission funding within the consortium, so as to give to the participants a part of the funding corresponding to their real needs and involvement. We started working on the redistribution funding programme at the end of the second period and we would like to finalize it by the end of the first trimester of the third period.

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 second period.

✚ Column 3 describes the total efforts engaged by the researchers in the field of the project in the second period. This total amounts to 112.74 person-months (2254.8 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 388.809,94 € were devoted by all Contractors to the project for this first running period.

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

N.B.: the figures in column 5 include the work made by people who are recruited on the project but also by permanent staff of some of the organizations that have a FCF cost model.

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 second 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, during the second period as during the first one 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. Nevertheless, one of them (03-ULG) recruited staff on the project during the second period and consequently spent of its planned budget for this period, and

another one (02-UHU) planned at the end of the second period to recruit two people on the CAENTI project at the beginning of the third period. As a consequence, they will need the funding they did not use during the previous two periods to deal with these recruitments.

- ii) Considering the Network as a whole, the number of person-months that contributed to the CA during period P2 reaches 112.74 person-months, which is almost 22 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 and other costs 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 **388.809,94 €**. The main costs are firstly manpower and then travel costs (153.619,81 euros for manpower and 135.313,28 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 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 P2
1	Manpower	153.619,81 €
2	Travel	135.313,28 €
3	Overheads	65.553,69 €
4	Management	25.648,56 €
5	Other	8124,43 €
6	Consumables	5.062,31€
7	Subcontracting	300 €
8	Equipment	0 €
	Total	388.809,94€

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.

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 2nd period and of 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 P2 reaches 100.47 person-months, what corresponds to 110.65% of the planned effort for this 2nd 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 P2 stand at **100.47** 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 P2 result corresponds to more than 36% of the total person-months that were planned for the

whole CAENTI project (which was of **276,50** person-months) and that the sum P1 plus P2 corresponds to almost 77% of the planned total person-months. It means that the consortium was very involved and efficient during the first two years of the CAENTI. We should particularly underline the involvement of all the permanent staff of the Contractors in the project all the two first periods 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 of AC Contractors is very important, as it amounts to 12.27 person-months

2.1.6. Comments

The data in the tables here-above indicate that during the 2nd period the CAENTI Consortium 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. As we already wrote, we are presently re-thinking the sharing of the European Commission funding within the consortium so as very involved partners can benefit from the money saved by less involved ones or by partners that have an AC cost model.

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 second reporting period are enclosed to this deliverable, under the form of its appendix 2.

Out of fifteen Contractors, fourteen have submitted their Form C. There is still one missing Forms C, it concerns the following Contractors:

- 08 – THU

However, this Contractor should provide its Form C 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 second period audit certificates of thirteen CAENTI Contractors are enclosed in the Annual reports to the Commission, together with the Forms C. 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 second financial period, the total requested costs which do not include the manpower cost for the 3 AC Contractors have reached 393.299,73 €

Table
Financial Statements in C Form
(In Euro)

Type of cost	P2
Direct eligible costs	324.058, 28 €
Indirect eligible costs	64.751, 66 €
Receipts	- €
Total eligible costs	388.809, 94€

2.3.2. Budgetary issues

During the second reporting period, the consortium overcame the CAENTI planned budget; nevertheless there are sharp contrasts between the declared costs of the Contractors. Thus, the UFC had very high costs and spent 260.22% of its planned budget for the period whereas some Contractors only spent 25% of their planned budget. Consequently, as we explained above, we are presently preparing adjustments in the contribution sharing among the Contractors, so as to give an 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 €
P2	299.080 €	388.809,94 €	- 89.729,93 €

Conclusion

In the second financial period, the CAENTI consortium has performed more coordinated research activities than it was planned, including if we do not take into account the notable involvement of the permanent staff of the organizations that chose a AC cost model and the fact some participants –in particular 02– UHU- declared efforts that are notably lower than the ones they really did. During this period, the amount of eligible costs overcame the planned budget: it is due to the coexistence of two kinds of Contractors. Some of them need much more money than planned, in particular the CAENTI coordinator 01-UFC, and other ones spend a small part of their budget. To have an efficient and equitable internal functioning, the Project Secretary is presently preparing adjustments to the EC subvention sharing within the consortium, to be submitted to the Steering Committee.

This analysis leads to the conclusion that the Contractors have made great efforts in the 2nd period of the CAENTI project, as they did during the previous one. The Consortium seems on the right track to accomplish its planned tasks during the third period and successfully ends the CAENTI project.

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