

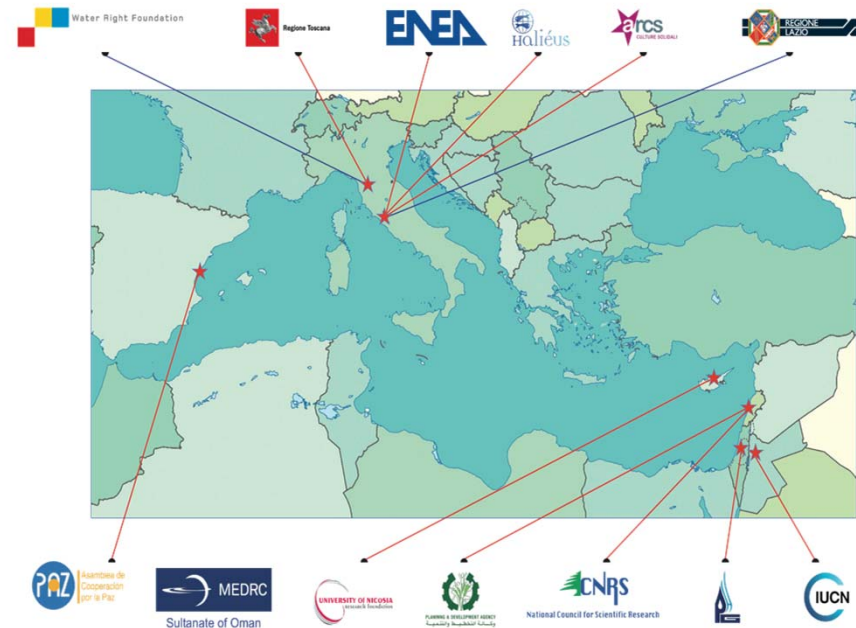


Project funded by the EUROPEAN UNION



**WATER-DROP**  
WATER Development  
Resources  
Opportunity Policies  
for the water  
management in  
semi-arid areas

## PARTNERSHIP





Project  
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# **WATER-Drop Project FIRST YEAR OF IMPLEMENTATION FINANCIAL MONITORING**

**Financial Board Meeting  
Nicosia (Cyprus), 19-20 March 2015**

**Filippo Moretti, Financial Officer**

# TOPICS

- State of the Art**
- 1<sup>st</sup> Year Expenditure: Result up to 31-12-2014**
- General Analysis of the Expenditure**
- Partner's Performances**
- List of Expenses**
  - **a Base to Build the Interim Report**
  - **Related Documents**
  - **Most Common Errors when Fill In**
- Auditor Support**
- Future Reports**



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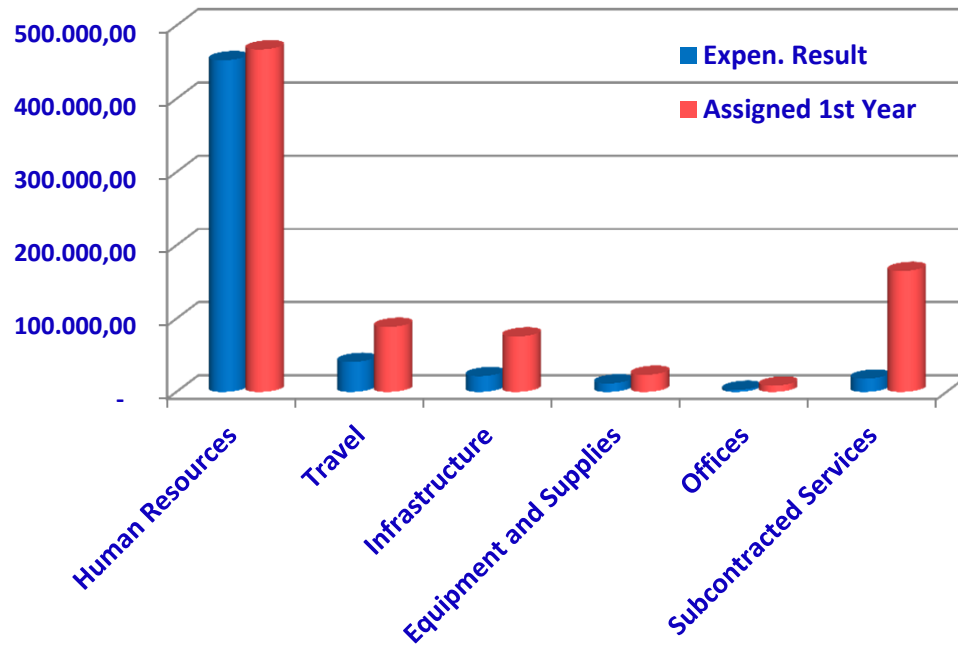


## FINANCIAL STATE OF THE ART

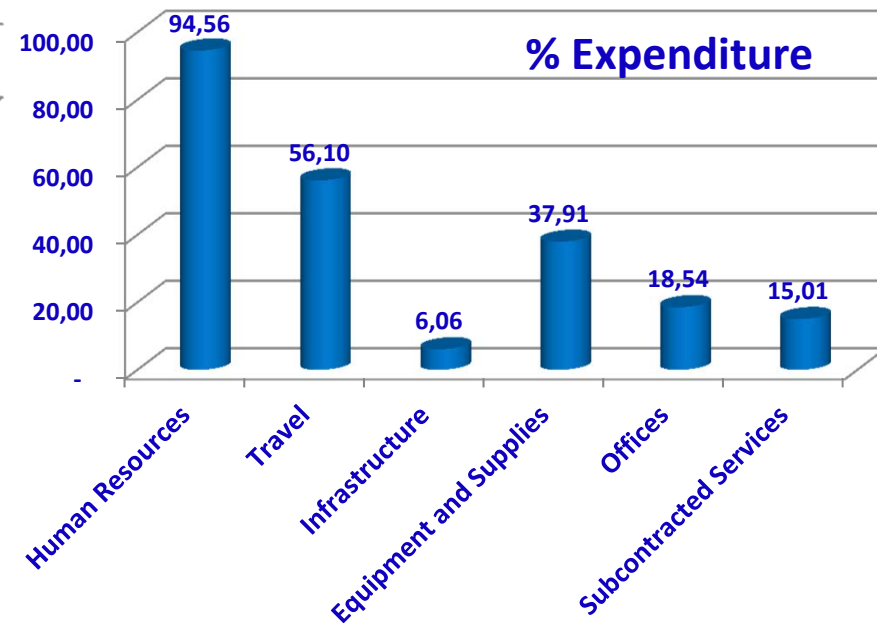
- **First year of project implementation ended on last 17<sup>th</sup> december 2014**
- **Each partner sent a financial report “list of expenses “ update to 31-12-2014**
- **The financial data and working activities were collected and processed**
- **Quick feedback were sent to all partners. Correction and adjustments were arranged to optimize financial results and to comply with ENPI rules**
- **Summary of “list of expenses” showed the 70% threshold was overcome**
- **On 13-02-2015 First Interim Report Package was requested to JMA**

## 1<sup>ST</sup> YEAR EXPENDITURE: RESULT UP TO 31-12-2014

	ENE A	University of Nicosia	Tuscany Region, Italy	PDA Hermel Lebanon	CNRS Lebanon	PHG Palestine	IUCN Giordan	Halius Rome, Italy	ACPP Valencia Spain	ARCS Rome, Italy	
Partner	Applicant	Partner 1	Partner 2	Partner 3	Partner 4	Partner 5	Partner 6	Partner 7	Partner 8	Partner 9	Total
Enpi 1st Pref.	112.744,51	40.186,23	22.362,16	89.057,66	84.733,34	70.879,34	78.601,04	47.065,15	32.679,52	60.254,27	638.563,22
Tot Expenditure	125.603,29	30.394,92	14.789,70	56.434,64	84.771,82	58.459,17	59.766,44	42.482,63	46.811,43	66.547,80	586.061,84
90% Enpi Share	113.042,96	27.355,43	13.310,73	50.791,17	76.294,64	52.613,25	53.789,79	38.234,36	42.130,28	59.893,02	527.455,65
%Level of Exp	100,26	68,07	59,52	57,03	90,04	74,23	68,43	81,24	128,92	99,40	<b>82,60</b>



## GENERAL ANALYSIS OF THE EXPENDITURE

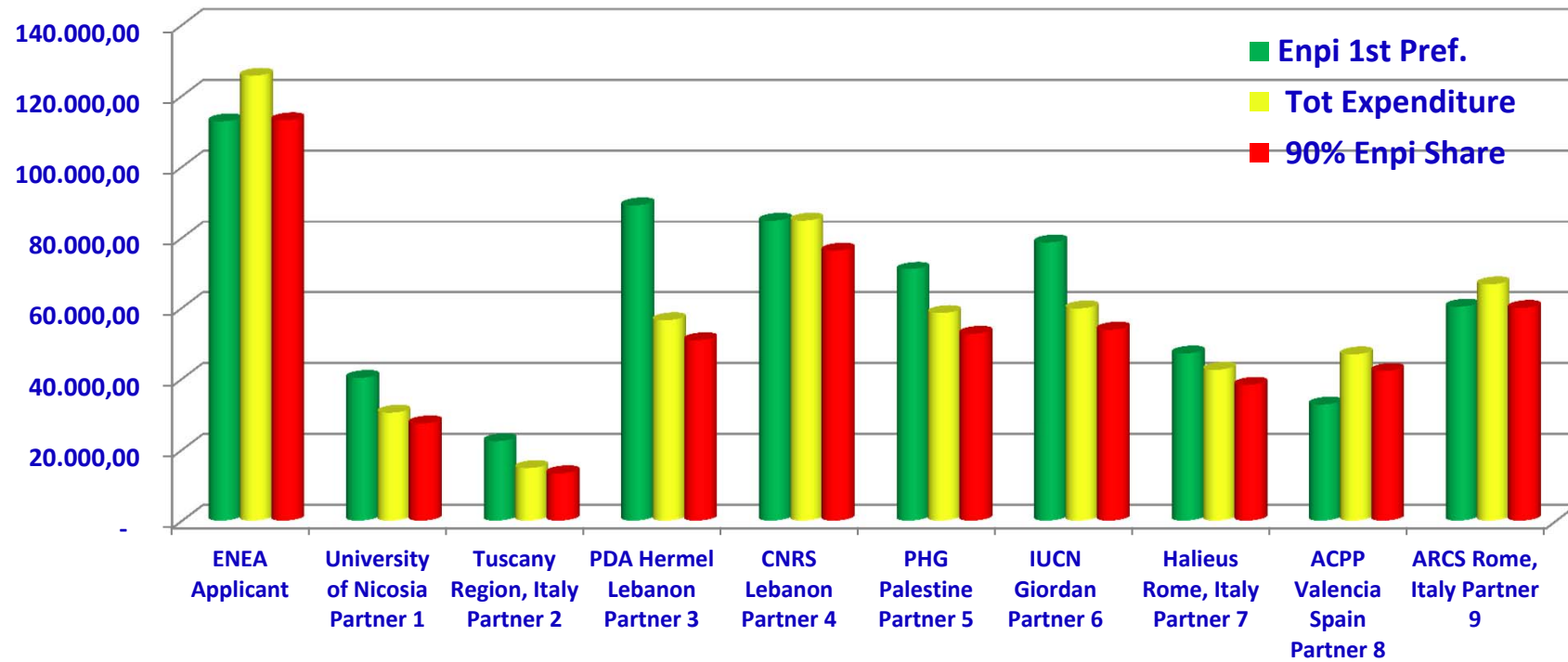




## GENERAL ANALYSIS OF THE EXPENDITURE

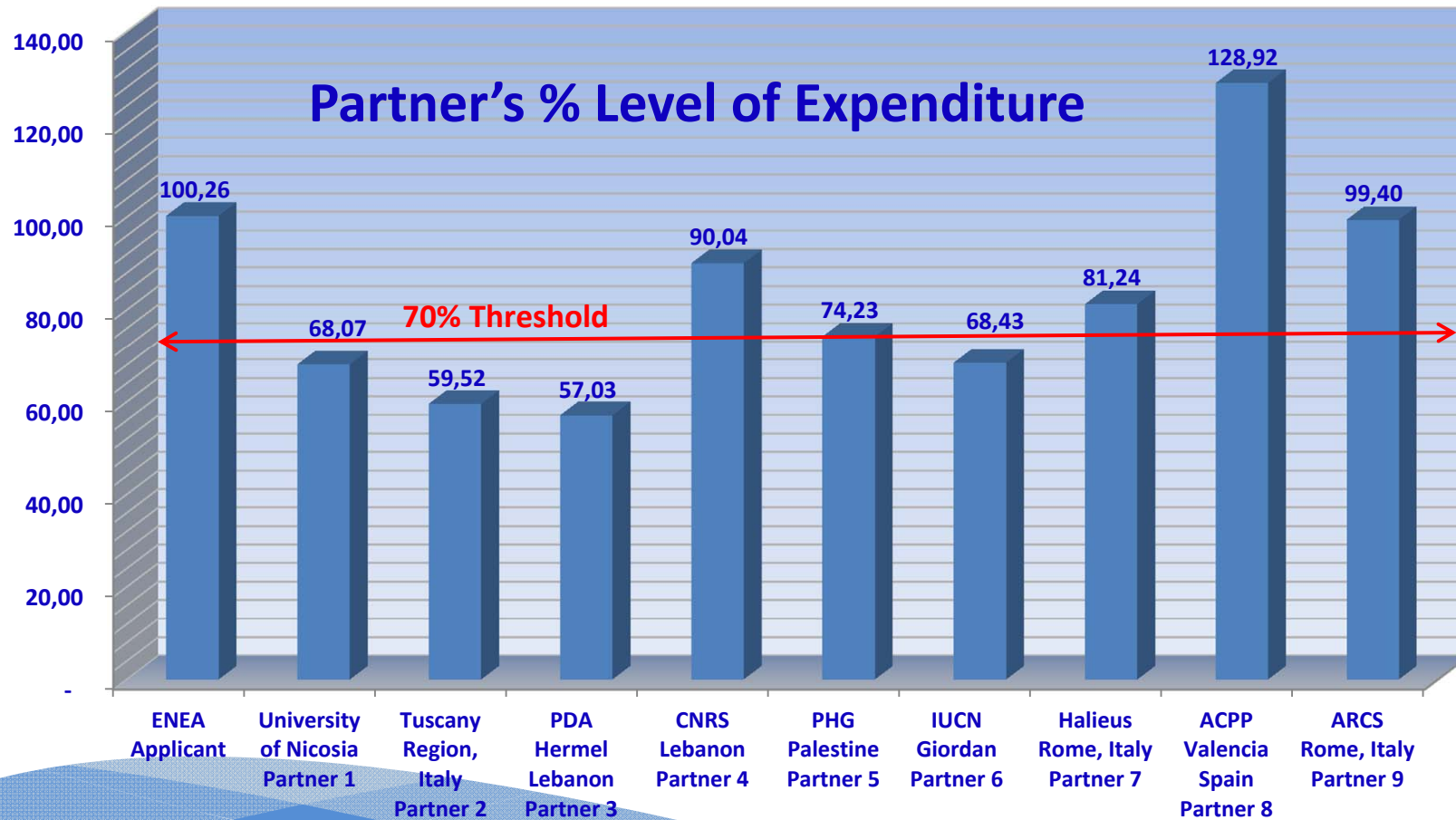
- Most of the expenses are in **Human Resources** (HR) category
- The reduced number of meetings is the main cause of more than 50% savings in **Travel** category
- The need of preliminary study and field organization caused a delay for **infrastructure** expenses foreseen in the first year
- Performance for **Equipment and Supplies** and **Offices** is quite insufficient! This budget must be reduced and savings can be moved to other expense categories
- Even if most of the contracts for **Subcontracted services** (Auditors, Experts, Conferences, etc.) have be already done (committed), most of the relative activities and payment are going to come in the second year of implementation

## PARTNER'S PERFORMANCES

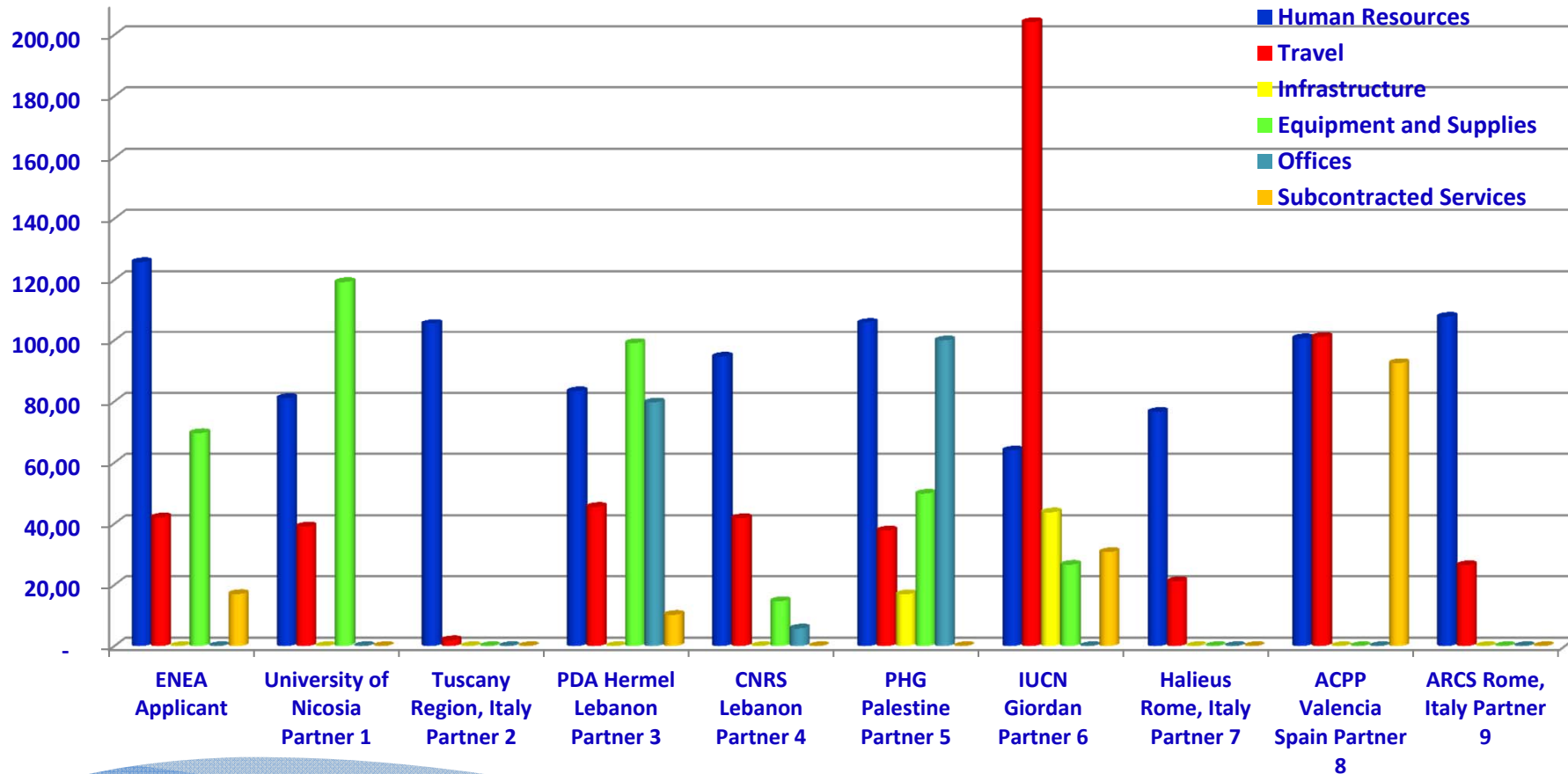




## PARTNER'S PERFORMANCES



## PARTNER'S PERFORMANCES



# LIST OF EXPENSES FILE

## A BASE TO BUILT THE INTERIM REPORT

Progressive number <sup>1</sup>	BEN/PP	Budget line <sup>2</sup>	Cost category <sup>3</sup>	Interim report N.	Expenses <sup>4</sup>	Document's holder <sup>5</sup>	Type of document	Date <sup>6</sup>	Number <sup>7</sup>	Document description <sup>8</sup>	Document's amount (in EUR) <sup>9</sup>	Amount ascribed to the project (in EUR) <sup>10</sup>	Date of payment <sup>11</sup>	Number of payment <sup>12</sup>	Way of payment	Type of Country <sup>13</sup>	Notes
1	Ben	1.1.5	Human resources	1	Project Manager	Mario Rossi	Pay slip	27/01/2013	1.2013	Montly Salary January 2013	2.000,00	1.000,00	20/01/2013 27/01/2013	115256 256	bank transfer	EU	
2	Ben	1.1.5	Human resources	1	Project Manager	Mario Rossi	Pay slip (or other doc equivalent)	27/01/2013	1.2013	Social Charges and other costs related to Montly salary January 2013	700,00	350,00	20/01/2013 15/02/2013	115256 325	bank transfer	EU	
3	PP1	2.1.1	Travel	1	Kickoff meeting Cyprus 15 March 2013	Romana Travel Ltd	Invoice	15/02/2013	12222	Plane ticket Rome-Larnaca for Mr. Mario Bianchi	500,00	500,00	15/02/2013 18/02/2013	23256 366	bank transfer	EU	
4	PP1	2.2.1	Travel	1	Kickoff meeting Cyprus 15 March 2013	Mr. Mario Bianchi	Pay slip	27/03/2013	1.5669	per diem Cyprus Mr. Bianchi (2 nights)	300,00	300,00	20/03/2013 27/03/2013	12333 456	bank transfer	EU	
5	PP2	4.41	Equipment and Supplies	1	2 Laptops	Jordan Computer Ltd	Invoice	10/02/2013	45	Laptops for the pilot projects	1.000,00	1.000,00	15/02/2013 18/02/2013	5696 45	bank transfer	Mediterranean Partner Country	
6	PP2	6.1.3	Subcontracted Services	1	Expenditure verification	ST Aqaba Limited	Invoice	10/10/2013	153	1st expenditure verification	10.000,00	10.000,00	11/10/2013 15/10/2013	117300 6333	bank transfer	Mediterranean Partner Country	
7	PP4	6.1.4	Subcontracted Services	1	External expert to assist the Project Manager	Mr. Juan Roriguez	Invoice	12/10/2013	21	Assistance from January to December 2013 to the Project Manager	20.000,00	20.000,00	12/10/2013 16/10/2013	123654 569	bank transfer	EU	

# LIST OF EXPENSES FILE RELATED DOCUMENTS

Progressive number <sup>1</sup>	BEN/PP <sup>2</sup>	Budget line <sup>2</sup>	Cost category <sup>3</sup>	Interim report N.	Expenses <sup>4</sup>	Document's holder <sup>5</sup>	Type of document	Date <sup>6</sup>	Number <sup>7</sup>	Document description <sup>8</sup>	Document's amount (in EUR) <sup>9</sup>	Amount ascribed to the project (in EUR) <sup>10</sup>	Date of payment <sup>11</sup>	Number of payment <sup>12</sup>	Way of payment	Type of Country <sup>13</sup>	Notes
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# LIST OF EXPENSES FILE

## MOST COMMON ERRORS WHEN FILL IN

Progressive number <sup>1</sup>	BEN/PP	Budget line <sup>2</sup>	Cost category <sup>3</sup>	Interim report N.	Expenses <sup>4</sup>	Document's holder <sup>5</sup>	Type of document	Date <sup>6</sup>	Number <sup>7</sup>	Document description <sup>8</sup>	Document's amount (in EUR) <sup>9</sup>	Amount ascribed to the project (in EUR) <sup>10</sup>	Date of payment <sup>11</sup>	Number of payment <sup>12</sup>	Way of payment	Type of Country <sup>13</sup>	Notes
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# 1<sup>ST</sup> PREFINANCING PAYMENTS

		Applicant	Partner 1	Partner 2	Partner 3	Partner 4	Partner 5	Partner 6	Partner 7	Partner 8	Partner 9		
	%	17,66	6,29	3,50	13,95	13,27	11,10	12,31	7,37	5,117663	9,44	100,00	
<b>Expected Payment</b>		ENEA	University of Cyprus	Tuscany Region, Italy	PDA Hermel Lebanon	CNRS Lebanon	PHG Palestine	IUCN Giordan	Halieus Rome, Italy	ACPP Valencia Spain	ARCS Rome, Italy	<b>Total</b>	<b>Total</b>
1st prefinancing, first half 1st year	17,83%	56.372,25	20.093,11	11.181,08	44.528,83	42.366,67	35.439,67	39.300,52	23.532,58	16.339,76	30.127,14	319.281,61	
2nd prefinancing, second half 1st year	17,83%	56.372,25	20.093,11	11.181,08	44.528,83	42.366,67	35.439,67	39.300,52	23.532,58	16.339,76	30.127,14	319.281,61	638.563,22
3rd prefinancing, first half 2nd year	27,17%	85.891,66	30.614,90	17.036,07	67.846,41	64.552,04	53.997,70	59.880,29	35.855,44	24.896,09	45.903,25	486.473,88	
4th prefinancing, second half 2nd year	27,17%	85.891,66	30.614,90	17.036,07	67.846,41	64.552,04	53.997,70	59.880,29	35.855,44	24.896,09	45.903,25	486.473,88	972.947,75
final expectation	10,00%	31.614,20	11.268,45	6.270,48	24.972,28	23.759,71	19.874,97	22.040,18	13.197,34	9.163,52	16.895,64	179.056,77	179.056,77
<b>Total</b>		<b>316.142,04</b>	<b>112.684,48</b>	<b>62.704,78</b>	<b>249.722,76</b>	<b>237.597,14</b>	<b>198.749,72</b>	<b>220.401,81</b>	<b>131.973,37</b>	<b>91.635,23</b>	<b>168.956,42</b>	<b>1.790.567,75</b>	<b>1.790.567,75</b>



## SECOND PAYMENT OF THE FIRST PREFINANCING

### Conditions for receiving the second payment of the first prefinancing installment:

Kind of Reports	
State of play	<p>A synthetic report focusing on financial issues: it aims to identify the incurred level of expenditures and the problems encountered by each Partner in the use of the available financial resources.</p> <p>Verifies assessment of project efficiency .</p> <p><b>(It could be required each 2 months)</b></p>



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## FURTHER PREFINANCING

### **Conditions for receiving further pre-financing installments**

Art. 15. 1, Option 2 of the General Conditions (Annex II to the Grant Contract)

**“Further pre-financing may only be given if the part of the expenditure actually incurred which is financed by the JMA stands at 70% at least of the previous payment (and at 100% of any previous payments) as supported by the corresponding interim report”**



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## ENPI MONITORING

**The ENPI Programme systematically monitors the approved projects by means of collecting data and assessing project performances.**

**The use of standard templates is compulsory!  
Reports submitted using other templates will not be accepted!**

**Project monitoring has to be performed on a regular basis by the Beneficiary with the support of the Partners: it is a contractual obligation to inform the JMA and JTS on progresses in project implementation!**

## **NEXT REPORTS TIME SCHEDULE**

- 1. next six month report (the second),  
deadline approx jan2015  
expenses incurred until 17 dec 2014**
- 2. first interim report,  
deadline approx march2015  
expenses incurred to reach 70% (minimum) of  
the first prefinancing**



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**THANK YOU FOR YOUR ATTENTION**

**FOR MORE INFO PLEASE CONTACT ME**

**THIS PRESENTATION WILL BE SENT TO PARTNERS**

**Follows: Appendix**

## PROCUREMENT PROCEDURES 1/2

**If the implementation of an action requires procurement, the contract must be awarded to the most economically advantageous tender (i.e., the tender offering the best price/quality ratio), in accordance with the principles of transparency and fair competition for potential contractors and taking care to avoid conflicting interests.**

### MAIN REFERENCE DOCUMENT

- **ENPI ANNEX IV**

**(to be read together with art. 7 of the Grant Contract « Special Conditions »)**

1. General principles;
2. Eligibility for contracts (rules of nationality & origin);
3. Rules common to all tender procedures;
4. Rules applicable to service contracts;
5. Rules applicable to supply contracts;
6. Rules applicable to work contracts;
7. Use of negotiated procedure;
8. Special cases (EU public bodies and International Organizations).



# PROCUREMENT PROCEDURES 2/2

## MAIN REFERENCE DOCUMENTS

- **EC Prag= Practical Guide to contract procedures for EC external actions**

- 1 INTRODUCTION pag. 6
- 2 BASIC RULES pag. 7
- 3 SERVICE CONTRACTS pag. 42
- 4 SUPPLY CONTRACTS pag. 67
- 5 WORK CONTRACTS pag. 79
- 6 GRANTS pag. 95
- 7 LEGAL TEXTS pag. 119
- 8 LIST OF ANNEXES pag. 121

- **PROJECT IMPLEMENTATION MANUAL**

every procurement procedure must respect the “Rule of Nationality” for the service provider, and the Communication and Visibility rule

**Pay attention to possible problems with rule of nationality/origin when procuring for services and equipments both for EU members and for MPC  
See Annex IV, 2.2 and 2.3**

## Method to calculate further pre-financing installments

EXAMPLE (assuming ENPI share 90% total costs)

**-First pre-financing received (ENPI): 200.000 €**

-Reported amount (total costs): 160.000 €

-ENPI share of reported amount:  $160.000 \text{ €} \times 90\% = 144.000 \text{ €}$  (72% First pre-financing received);

-CASH status (ENPI):  $200.000 \text{ €} - 144.000 \text{ €} = 56.000 \text{ €}$  (ENPI share still available at project level);

**-Forecast following 12 months indicated in the interim: 300.000 €**

-ENPI share of the forecast:  $300.000 \text{ €} \times 90\% = 270.000 \text{ €}$

-Maximum amount of pre-financing:  $270.000 \text{ €} \times 80\% = 216.000 \text{ €}$

-Amount of further pre-financing to be requested in annex V =  $216.000 \text{ €} - 56.000 \text{ €} = 160.000 \text{ €}$

**-YOU CAN ASK MAXIMUM 160.000 € as further pre-financing!**