

Exh 2 Procedures manual

Output D1.2 Communication and directing of activities – Public

This information is part of the CeFCo project, with the purpose to develop a model for certification of forest contractors in Denmark, Spain, Sweden, Bulgaria and Portugal respectively. The project will be carried out in a cooperation between NEPCon, The European Network of Forest Entrepreneurs (ENFE) and the Forest Stewardship Council (FSC) and national organisations. The project is supported by the Danish Forest and Nature Agency, Fundación Biodiversidad and the European Union CIP Eco-Innovation initiative (http://ec.europa.eu/environment/eco-innovation/index_en.htm) which is part of the Competitiveness and Innovation Framework Programme, CIP (<http://ec.europa.eu/cip/>).



eco-innovation 
WHEN BUSINESS MEETS THE ENVIRONMENT

EACI – Eco-innovation

NEPCon

Project coordinator

FSC International

Partner 1

ENFE

Partner 2

This report contains restricted information and is for official use only

Deliverable ref:	D1.3
Date of issue:	15NOV010
Authors check:	JPF
Partner check:	AUG10
Final NEPCon approval:	NOV10

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List of abbreviations

EACI	Executive Agency for Competitiveness & Innovation
ENFE	European Network of Forest Entrepreneurs
FSC	Forest Stewardship Council
WP	Work Plan

1. Introduction

The present "Procedures Manual" for the EACI project: "FSC certification of forest service enterprises" is a management tool used for the implementation of the project. It contains guidelines, procedures, and other information as well as references to define a framework for communication and administration of the project. It is thus useful for all persons engaged in the project; especially the project staff, the project co-ordinator as well as partners and administrative staff related to implementing project activities. In several cases the procedures may reflect the administration done by NEPCo for other projects or as part of day to day management. The EACI guidelines accept for instance procedures for eligible travel costs which are in line of the general procedures for each partner. Therefore, the present manual does not replace the specific procedures the project partners usually implement.

The Procedures Manual is thus the reference document for all project employees in order to ensure the quality and timely outputs of all activities included in the project. Furthermore, the manual defines the authority and responsibility of all key personnel within the project.

The present version of August 2009 can be revised if relevant improvements are suggested and agreed by all partners of the project and provided the revision is in line with overall EC guidelines and procedures. Proposed revisions shall therefore be submitted to the project co-ordinator (Jan Feil). If accepted by the managers, changes shall be incorporated in a draft manual and be distributed to the all partners for final approval. - The latest version of the Procedures Manual will always be available by request to the project coordinator or NEPCo's Home Office.

2. Project organisation, institutional relationships, and responsibilities

2.1 Description of agencies involved in the project

Financing agency

Name EACI
Address Unit 5 – Market replication – Eco-Innovation and Intelligent Energy
Office: OR10 05/54
1049 Brussels Belgium
Tel: +32-2 2981 730 Fax: +32-2 2979 568
E-mail: Anita.FASSIO@ec.europa.eu
Homepage: http://ec.europa.eu/environment/ecoinnovation/index_en.htm
Representative Anita Fassio

The coordinator organisation

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Tel: +45 86180866 Fax: +45 86181012
E-mail: jpf@nepcon.net Homepage: www.nepcon.net
Representative Jan Feil, Head of Project department

Partner 1

Name FSC
Address Charles-de-Gaule 5
DE-53113 Bonn
Tel: +49 (0) 228 367 660 Fax: +49 (0) 228 367 6630
Email: p.gervassi@fsc.org Homepage: www.fsc.org/
Representative Pina Gervassi

Account no.: 9 090 381 00 (EUR)
IBAN: DE06 3108 0015 0909 0381 00
Swift-BIC.: DRES DE FF 310
(Sort code: 310 800 15)
Bank name: Dresdner Bank AG
Bank address: 40300 Düsseldorf

Partner 2

Name ENFE
Address Rütteberg 10
DE-79294 Sölden
Tel: +49 761 4536 7431 Fax: +49 761 453 674 32
Email: edgar.kastenholz@enfe.net Homepage: www.enfe.net

Account Holder: ENFE
Account Number: 10068719
IBAN: DE39 6805 0101 0010 0687 19
Bank: Sparkasse Freiburg
BLZ: 680 501 01
Swift BIC: FRSPDE66

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2.2 Relationships and responsibilities among stakeholders in the project organisation

EACI	The financing agency is in charge of overall project monitoring in regard to implementation of activities and financial accounting of project expenses.
NEPCon	As project coordinator, NEPCon is primly responsible for coordination of project implementation and reporting to the financing agency.
FSC	As partner in the project, FSC will implement activities as agreed and described in the project documents and participate in management meetings twice a year.
ENFE	As partner in the project, ENFE will implement activities as agreed and described in the project documents and participate in management meetings twice a year.
Steering committee	Consists of the representatives of the participating organisations and will meet biannual to manage the project implementation and reporting to the financing agency.
Staff	Staff of the participating organisations will implement activities as outlined in the project description (ref doc # 3).
Staff Cost:	<p>Eligible staff cost are all true payments for working time which have been paid by NEPCon for work carried out in the project. Working time has to be recorded following the rules of your organisation. NEPCon will keep a record of all hours in form of time sheets on paper in a folder and electronically on our server. Payment of wages or day rates are be traceable in our books. For calculating day rates we use the table “Staff Costs calculation Template”, as the rates per day or hour are not recorded directly in our books. Calculation of salary per hour or day for productive working time follows the example given in the EU manual (ref doc # 7), see below for adaptation to DK holidays, training, sick leave etc.:</p>

Staff Costs calculation Template

	Days	Hours	Hours/day
Annual days/hours	365	1924	
- Weekends	104	0	
= Subtotal	261	1924	7,4
Less:			
Annual holidays	25	185	7,4
Statutory holidays	10	74	7,4
Sick leave	0	0	0
Training	5	37	7,4
	221	1628	

Member organisation staff	Staff can be employed by the project which is employed by the organisation on a regular and ongoing basis.
In-house experts	Staff can be employed by the project which fulfils the definition as “in-house staff”: <i>In-house consultants deliver 'external services' and are in principle to be considered under the 'subcontracting' cost category. However : costs of consultants (i.e. natural (physical) persons) who join</i>

the beneficiary's project team may be classified as personnel costs, regardless of whether the consultants are self-employed or employed by a third party, **if the following cumulative criteria are fulfilled** :

(1) The beneficiary has a contract to engage the consultant to work for it and (some of) that work involves tasks to be carried out under the EACI project

(2) The consultant MUST work under the instructions/supervision of the beneficiary

(3) The consultant MUST work in the premises of the beneficiary as a member of the project team

(4) The output of the work belongs to the beneficiary

(5) The costs of employing the consultant are reasonable, are in accordance with the normal practices of the beneficiary (provided that these are acceptable to the EACI) and are not significantly different from the personnel costs of employees of the same category working under a labour law contract for the beneficiary

(6) Travel and subsistence costs related to such consultants' participation in project meetings or other travel relating to the project is directly paid by the beneficiary

(7) The consultant MUST be a user of the beneficiary's infrastructure (i.e. user of the 'indirect costs' e.g. user of server, common IT facilities,

Please note that teleworking may only be allowed if the standard working conditions applicable to the employees of the beneficiary allow it and the above mentioned criteria are still respected. A copy of the standard working conditions might be requested by EACI on a case by case basis.

DISCLAIMER : Beneficiary should make sure that he/she complies with the legislation in force in his/her Member State related to the use of consultants (self-employed or employed by a third party). The legislation may prohibit or restrict the use of such consultants. Beneficiary remains responsible for checking, prior to the allocation of such consultants to the project and taking into account the aforementioned conditions, that he/she does not infringe this legislation.

(ref: email FROM Astrid Geiger to JPF 23MAR099)

Subcontractors	Can be employed for implementing services as outlined (ref doc # 3) with the limits described in the budget (ref doc #2)
Eligible costs:	All cost claims contain "true" cost. All real costs for subsistence are reimbursed against provision the original receipts from the cost claimer. All originals are filed in our bookkeeping and kept for 5 years after the project ends. Costs are not "double-claimed" on different projects.
FSC NIs	FSC National Initiatives (NIs), are not members of FSC International but represent independent legal entities. However, they are seen as associated partners and will work as subcontractors for FSC International (please refer to list of members in #3, page 50)

Members of ENFE Such members are through their membership eligible partners of the project
(please refer to list of members in #3, page 53)

2.3 Reference documents

Contract

- #1 Grant Agreement Including Special conditions, general conditions (A. Legal and administrative provisions and B. Financial provisions)
- #2 Part C Detailed budget – setup by EACI
- #3 Annex 1 Project description – full document including all outputs, deadlines and members of partners, also financial information as Annex A
- #4 Annex 2 Budget – overview and partner distribution
- #5 Annex 3 Reporting and financial statements – guidelines for reports to be prepared
- #6 Annex 4 Mandate – Agreement between partners and coordinator

EACI implementation guidelines (http://ec.europa.eu/environment/eco-innovation/implementation_en.htm)

- #7 Financial guidelines Specify financial rules
- #8 Timesheet template Optional for use, but note that all working time each month must be recorded and submitted
- #9 Template for h spent Provides excel sheet to summarize the time spent by partners versus WPs and planned time for individual outputs
- #10 Template proj info To be used at project start (has been submitted)
- #11 Logo and guidelines Logo of EACI must be used on all outputs made public (http://ec.europa.eu/environment/eco-innovation/implementation_en.htm)

EACI guidelines for contract negotiation (http://ec.europa.eu/environment/eco-innovation/contract_en.htm)

- #12 Hour fee rate calc This excel sheet may still be relevant when documenting a fee rate used during financial accounting of project costs

3. Lines of communication

3.1 Procedures of communication

EACI	Is responsible for implementing the program. The agency will communicate with NEPCon and requests a number for interim reports and accounting before making payments of funds.
NEPCon	Is coordinator of the project and responsible for all communication between the project and EACI. NEPCon is represented in the project steering committee (PSC) which will meet twice a year.
FSC	Is partner 1 of the project and represented in the PSC, which will meet twice a year. Communication will be done with cc to both partners and directly to EACI staff if agreed upon with cc to NEPCon.
ENFE	Is partner 2 of the project and represented in the PSC, which will meet twice a year. Communication will be done with cc to both partners and directly to EACI staff if agreed upon with cc to NEPCon.
PSC	The PSC will meet twice a year, as agreed in the project document (ref doc #3) . Reports will be enclosed with a meeting agenda outlined by NEPCon and sent to the PSC.

3.2 Reporting deadlines

The following reports have to be submitted to the EACI:

Progress Report	Month 1- 10	March	2010
Interim Report	Month 1-18	Nov	2010
Progress Report	Month 10-26	July	2011
Layman Report	Month 30	Nov	2011
Final report	Month 1- 36	May	2012

The reports will have to be submitted with 30 days after the end of period they cover shown above, the final report within 60 days after completion of the project.

4. System for filing and documentation

All meetings will appoint a secretary, who is in charge of writing a short memo which is forwarded to the PSC and part of output D1.1.

All vouchers for costs for the project will be filed in NEPCon's bookkeeping system until 5 years after the end of the project.

The outputs will be filed by the partner with formal responsibility for the specific work to be done. When the output is finalized and ready for submitting to the EACI, it is forwarded to NEPCon. The documents will be kept in folders referring to the activity as indicated by the WPs (D1.1, D1.2 etc.). At the bottom of each page in the reports and documents elaborated the computer file name and path is to be recorded. As for example in this document: "O:\03 Projects\01 International\0 EU\02 Projects\EU12 eco innovation\Outputs\D1.3 Procedures manual". D1.3 In this case refers to the project activity to elaborate the Procedures Manual.

5. Staff rules

Project staff will be implemented by either regular staff of the partners, in-house experts or subcontractors. Whereas the first group will work with direct reference to the project document (ref doc #3), in-house experts and subcontractors will receive a contract and ToR. Furthermore, all staff is guided by the present procedures manual, the project document (ref doc 3#).

The rules provided in this section also apply to trainees or students participating in the project in addition to provisions and special terms as described in their individual contracts and ToR.

5.1 Superiors

Staff members refer to the specific partner's project coordinator. Changes and updates in ToR and other major adjustments in the work to be conducted by all staff, shall be approved by the project representatives.

5.2 Employment and fees

In-house experts and subcontractors will before employment sign a contract with the representative of the project partner. The contracts to be used may be adapted individually in regard to regulations concerning leave days, vacation, and holidays are found in the standard contracts.

When working in foreign countries, staff shall follow the local working week and hours (as guidance 5 working days a week of 8 hours each). Occasionally, the consultants shall work in excess hereof, however, only 1-4 hours of overtime can be registered on timesheets with the acceptance of the supervisor. Home office time can only be honoured as specified in the individual contracts.

All subcontractors are considered employed on a short term basis and no vacation is generated during work on the project.

All staff will receive monthly fees based upon 160.3 working-hours. Inputs of less than one month (28 calendar days) will be calculated as accumulated working-hours during the stay indicating work days and hours in the time sheets mentioned in the next section. The payment of monthly fees to subcontractors will be made one month after ending the assignment or handing in a time sheet after the last day in the month. The final payment of fees will not be conducted before all reporting described in the ToR is forwarded and approved.

5.3 Time sheets

The standard time sheets to be filled in each day specifying:

- the number of hours worked
- the activities which have been worked with referring to the project document (ref doc #3), D3.1, D1.1 etc

The EACI provides a template for timesheets (ref doc #8), this is optional to be used, but note the need to document all working time for each month and to specify the time used for the project.

The time sheet can be obtained as an electronic file or in hard copy from the project. Once filled in, the staff and supervisor must authorise the sheet before it is valid for fee calculation by the accountant. The time sheet is simultaneously the documentation based upon which the project can claim refunding for work performed.

5.4 Travel

Cheapest flights on economy class and other public transport as far as possible is obligatory (check with www.momondo.com/). Time spent travelling is included in the timesheets but cannot extend 8 hours of work per travel. All ticket stubs and boarding passes are handed over to the accountant after completion of the travels. A special "travel expenses spread sheet" or "account journal" is to be applied by the.

NEPCon staff will be equipped with a travel insurance card (Europæiske Rejseforsikring) from NEPCon if not covered by Mastercard or other credit card. The card is personal and can only be used for travel to work purposes specified by the project.

5.5 Per diems

The staff is entitled to daily allowances (per diem), when working outside their home country or on travel from home. For NEPCon, the per diem rate follows the rate quoted by the Danish Ministry of Finance at any time. The present rate is DKK 455 per day. On top of this, accommodation is paid.

The rate is to be reduced by the following percentages, when free meals are supplied: 15 percent for breakfast plus additional 30 percent for lunch plus additional another 30 percent for dinner. Thus, when full board is supplied, a 75 percent reduction in the rate will be applied. The calculation of per diem is included in the travel expenses spread sheet.

Alternatively, all direct costs for local travel and food are accounted for and reimbursed directly.

Finally, it is optional to use the EC per diems rates covering both accommodation and travel on a daily basis (per night spent away from home). Rates are available on:

http://ec.europa.eu/europeaid/work/procedures/implementation/per_diems/index_en.htm

5.6 Local transport

Local transport is reimbursed when travelling outside cities of work. Cheapest public transportation mode must be used as a rule. Expenses for transport in cities of work (for instance by taxi) is not reimbursed, but is covered by the individual per diem of the staff member. On travel, taxi etc. may be part of local transport to accomplish work and is then refunded by the project.

5.7 Accommodation

Expenses paid for to cover accommodation by the staff will be reimbursed by the partner´s of the project, after accounting for the expenses by presenting the original vouchers. All hotel vouchers must be specified to the following detail: room charges, laundry, project relevant communication expenses, breakfast or other meals included, and other expenses. Costs for accommodation should be kept at moderate level and generally kept as cheap as possible while maintaining a decent level of service.

5.8 Authorisation of travel- and time sheets

The above-mentioned expenses will be approved by the respective project representatives through signature on staff timesheets and other non-external vouchers. It is the responsibility of each project partner to make sure that only project relevant expenses are included and that the staff has signed all statements and timesheets in agreement hereof.

6. Project monitoring

Project monitoring is performed mostly by the representatives of the steering committee and during biannual meetings of this committee. The backbone of monitoring will be the detailed Schedule of project activities shown on page 42 of the project document (ref doc # 3). This schedule contains a list of outputs, deliverables (minor ones as well as project milestones), and activities together with deadlines.

7. Financial procedures

The total budget is for a maximum of EUR 823,502. Of this amount, 60 % will be financed by the EACI, equal to EUR 494,000. A first prepayment of EUR 148,200 corresponding to 30% of the costs financed by the EACI will be made available upon project start. After accounting for total expenses of 30% of the budget, a second prepayment of 30% will be asked for. A final balance will be forwarded to the EACI at completion of the project accounting for all project expenses (EACI contribution, co-funding and own funding).

The following table gives an overview of payments to be made at the 3 stages of project implementation:

		Prepayment 1 30%	Accounting 30% full budget	Prepayment 2 30%	Accounting 30% full budget	Final payment 40%	Accounting 40% full budget	Tot budget
NEPCon	165100	49530	82562.1	49530	82562.1	66040	110082.8	275207
FSC	162100	48630	81072.9	48630	81072.9	64840	108097.2	270243
ENFE	166800	50040	83415.6	50040	83415.6	66720	111220.8	278052
Total	494000	148200	247050.6	148200	247050.6	197600	329400.8	823502

Ref: V:\EU\02 Projects\EU12 eco innovation\Financial\Budget

It is the responsibility of each partner to account for all parts of the budget (ref doc # 3). Furthermore is it the responsibility of all partners to always abide by the procedures and conditions outlined in with the contract signed with EACI.

7.1 Accounting

All partners have the responsibility of keeping overall account of their project expenses and making sure that co-finance and own funding is accounted for separately. In kind contributions are not eligible as own funding. Own funding must be documented like any other expenses with timesheets or travel vouchers etc.

The rules outlined in ref doc 1 part B article II.14 must be followed in order to only account for eligible project costs. Eligible costs are in many cases dependent on procedures of the partners (ex. Travel costs, per diem rates etc). However, all costs must be documented by procedures and comparable level of accepting for instance per diem rates in general.

7.2 Budget monitoring

It is the responsibility of the partners to ensure that all expenditures generated by the project implementation are monitored against the project budget and hinder over-expenditure on a daily and monthly basis.

NEPCon will be responsible for the elaboration of financial monitoring reports comparing the actual expenses of the project and the budget. These reports will be based on complete accounting by the individual partners of the project, keeping a full monitoring of their own costs as specified in the budget. Partners will thus forward their accounting using the right templates to NEPCon as specified by the deadlines mentioned in the contract.

Each budget line specified in the budget may be changed upon approval from the EACI and specific rules.

7.3 Terms of payment to partners

Payment to partners will be made by NEPCon according to the contract. Please refer to the introduction of this section for amounts and accounting for expenses.

7.4 Expenses

All expenses will be reimbursed according to actual incurred expenses. Exchange rates to local currency shall be monitored continuously based on reimbursed amounts in EUR.

7.5 VAT

All fees and per diems are without VAT. Only the expenses without VAT will be reimbursed, unless the partner can show that he is unable to recover it.

7.6 Audits

No external audits are requested by EACI for the moment. However, EACI may request audit at any time and will provide further instructions regarding this.

8. Quality assurance

The technical quality of the project is primarily the responsibility of all partners and especially for the partner taking responsibility for specific outputs.

8.1 QA of reports and outputs

The individual QA will be assured through the following procedures:

Staff QA responsibilities

All staff is required to check the following issues during work with outputs:

- Compliance between the project document (ref doc #3) and content of output and report
- The general high standard of the document and the deletion of unnecessary information and vague formulations
- Where relevant: make sure that recommendations and major findings are easily identified and reflected by the summary which must be of high quality and conclusive
- Spell check and language (preferably read by outsider to ensure straight forward and simple language)

Partner QA responsibilities

In general:

- A check that the obligations of the staff has been fulfilled, otherwise the output will be returned to the staff with a list of changes to be made
- To ensure the technical quality: are conclusions based on sufficient data: is there a lack of analysis of background information, etc.
- Approve the overall compliance of the output relating it to other reports handed in and expected

When approved by the partners, their initials and the date will be filled in by the respective authority on the second page of each report.

9. Copyright and property

All deliverables (outputs listed as part of WPs) are public documents were the code PU is entered in the project document (ref doc #3).

The EACI logo as well must be applied to all printed material, homepages, TV-programs, or other media reaching the public as part of the project. Guidelines for use of the logo must be followed.

This information is part of the CeFCo project, with the purpose to develop a model for certification of forest contractors in Denmark, Spain, Sweden, Bulgaria and Portugal respectively. The project will be carried out in a cooperation between NEPCon, The European Network of Forest Entrepreneurs (ENFE) and the Forest Stewardship Council (FSC) and national organisations. The project is supported by the Danish Forest and Nature Agency, Fundación Biodiversidad and the European Union [CIP Eco-Innovation initiative \(http://ec.europa.eu/environment/eco-innovation/index_en.htm\)](http://ec.europa.eu/environment/eco-innovation/index_en.htm) which is part of the Competitiveness and Innovation Framework Programme, [CIP \(http://ec.europa.eu/cip/\)](http://ec.europa.eu/cip/)."

