

EASME's simplification proposal for IP budgets through phase mergers

Work smarter not harder



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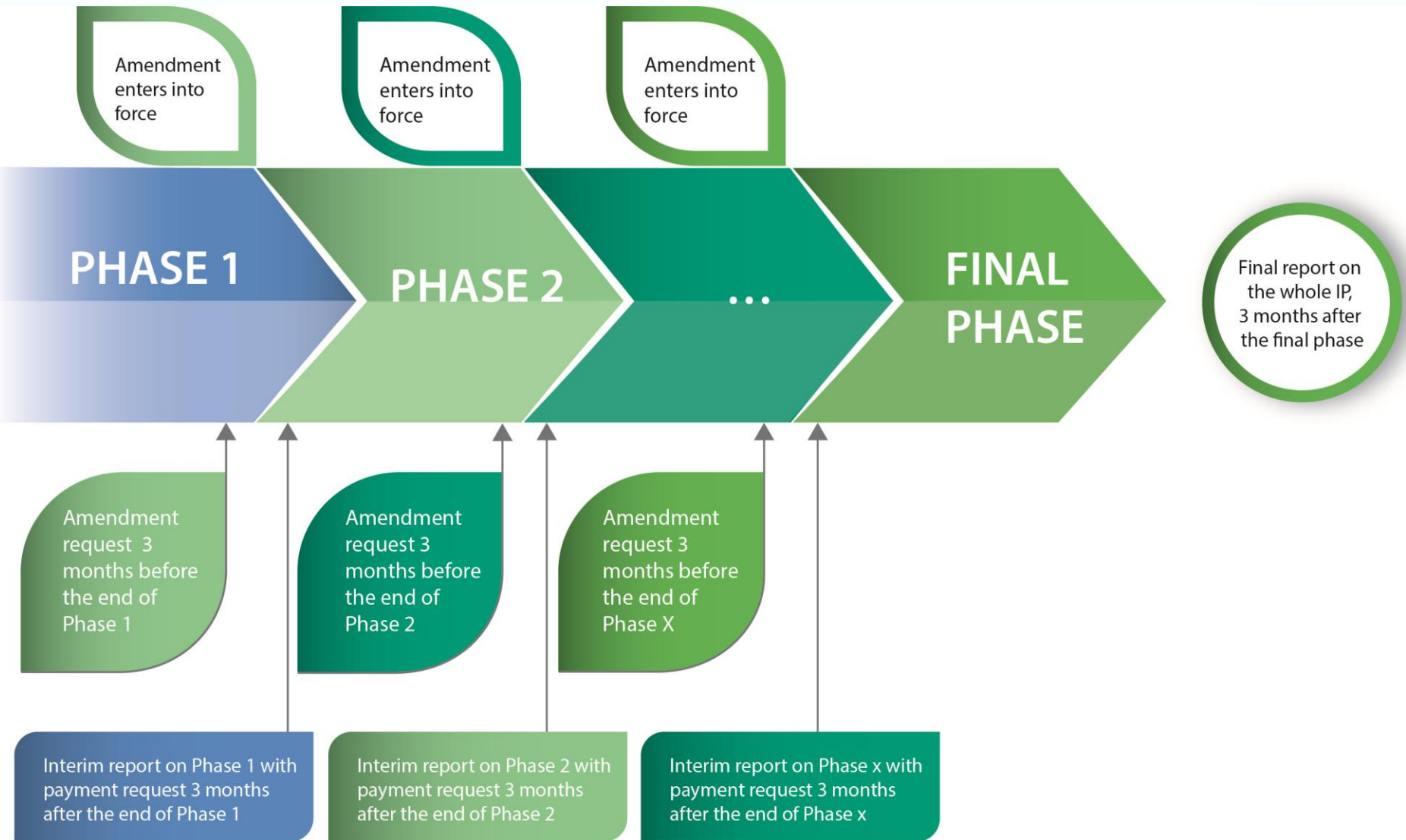
Option 1: BAU



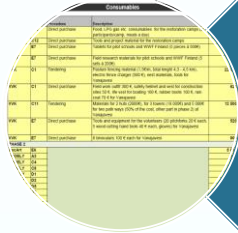
Option 2: not BAU



Option 1: BAU



Purpose of the Phase Update Amendments

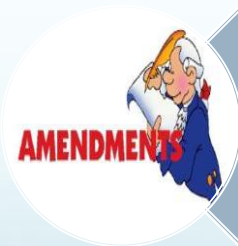


Category	Sub-category	Phase x	Phase x+1
Capital	Investment	100	100
	Operating	100	100
	Maintenance	100	100
	Other	100	100
Operating	Personnel	100	100
	Materials	100	100
	Services	100	100
	Other	100	100
Maintenance	Personnel	100	100
	Materials	100	100
	Services	100	100
	Other	100	100
Other	Personnel	100	100
	Materials	100	100
	Services	100	100
	Other	100	100

Detail the budget of Phase x+1

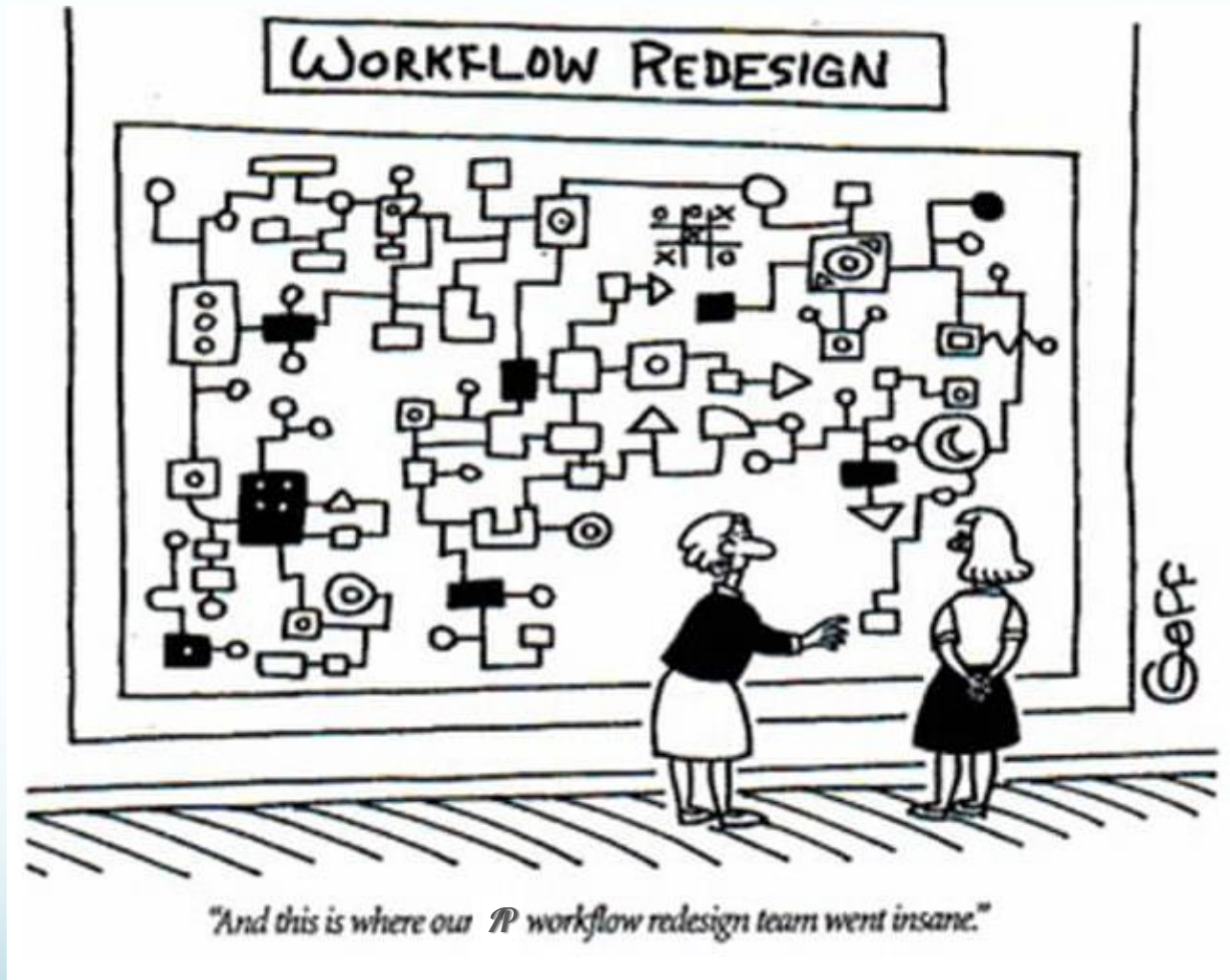


Fine-tune planning: technical descriptions and timetable adjustments



Incorporate any other 'traditional' changes: technical, administrative, partnership, duration

But in reality...



What are the challenges, complexities?

Time

- Almost like a new proposal
- Full revised Annex II
- Input and agreement required from a large number of beneficiaries
- Detailed budget is a challenge!
- Factor in time for monitor's draft review
- Approval also needs time

Phase x still running

- Amounts can only be approximate

Phases are fictitious

- Do not correspond to discrete technical phases
- Thus financial neither!

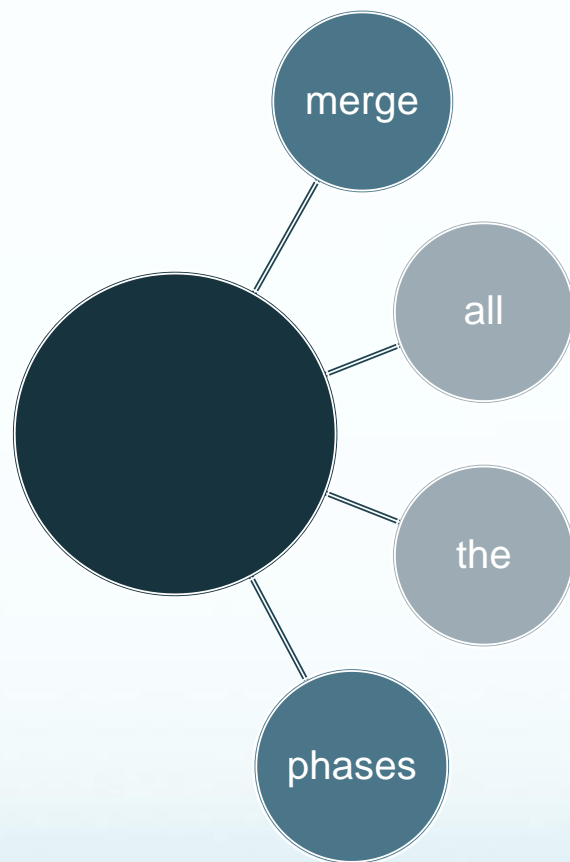
Unanswered questions:

- Should funds be shifted to the next phases?
- If funds are not shifted we still have to check costs against a cumulative budget, going back to previous phases
- Two phases down the line should we 'correct' the phase 1 budget to reflect actual and 'accepted'?

Nevertheless if you prefer Option 1,

Guidelines for phase update
amendments are coming soon!

Option 2: not BAU



Option 2: not BAU

Why
merge?

No need for amendments
for a phase update*

*Except one, to merge the phases

Simplified budget

Slightly simplified
financial reporting

What is the simplified budget?

One budget for the whole project duration, i.e. not divided into phases

Group cost types within cost categories

Combine actions (e.g. A1, A2, ... A5; C1, C2, ... C12)) in the corresponding set of actions (e.g. A; C) or a few subsets of them

What is the simplified budget? (cont.)

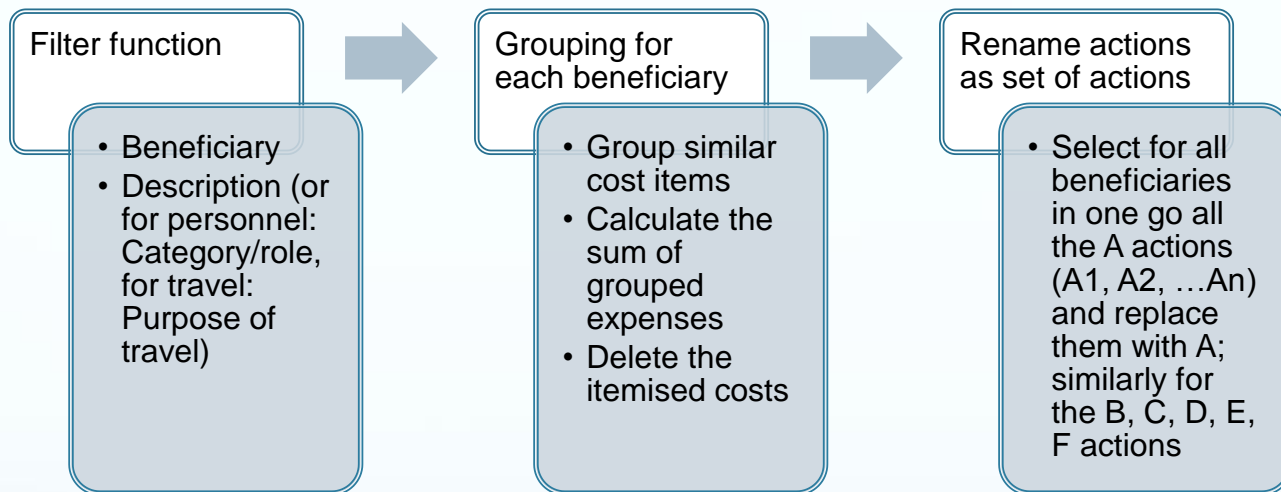
E.g.

Personnel: per beneficiary,
one line per category / role of staff (or two lines in case of
permanent and additional staff)

Travel: per beneficiary,
group travel within country, within Europe, outside Europe;
perhaps break down further into purpose of travel e.g. “field
trips and working meetings”, “participation in workshops,
conferences, events”

External assistance: per beneficiary,
the same cost type (e.g. production of plantlets) for actions C2,
C4 and C5 can be entered in one row referring to that cost type
for the set of C actions, or the same cost type (e.g. design of
communication materials) for actions E1, E5 and E6 can be
collected in one row (E)

Tips on how to rework the financial forms



Anticipated Questions

What shall be done with all the details in the initial budget that will be lost?

- The details shall be kept for internal project management which ought to follow an analytical, possibly calendarised budget each fiscal year
- More detailed descriptions and information (e.g. break down of travels) shall be incorporated in the technical description of the corresponding actions to explain how the costs are allocated

When shall Interim reports be submitted?

- In accordance with the approved reporting schedule (form C2)

Is there a threshold for requesting payments?

- No, interim payments will be calculated on the basis of the eligible costs incurred

Anticipated Questions (cont.)

How does the simplified budget affect financial reporting?

- Reporting will be detailed in all categories except for travel
- Travel: all costs for one trip may be grouped, including if several persons travel to the same meeting; the entire cost can be declared in one line with some explanation and the names of staff who travelled

If I choose to simplify what is the deadline for the global amendment for merging the budget?

- Three months before the end of the running phase (i.e. when the request for a phase update would have been due)

If the IP is already in Phase 2 or 3 does the entire IP budget (from Phase 1) have to be merged or just that for the remaining phases?

- The entire IP budget, so it may not be worth simplifying for projects that are already in their third phase.

Anticipated Questions (cont.)

If the IP is in Phase 2 and the first interim payment proceeded shall the merged budget be corrected to incorporate the 'actual' costs for Phase 1?

- Not necessary unless the overall budget has been significantly affected. One should rather work with the latest approved budget (e.g. following the amendment at end of Phase 1)

Following the simplification amendment will we have no further amendments?

- There will be no further amendment requests for a phase update. An amendment will only be required in the event of significant technical (and corresponding financial) changes, financial changes in excess of the 20% flexibility, administrative changes (e.g. change in partnership), need for prolongation, etc.

Time for further questions and discussion



Thank You!