



Recovery, Stability and Socio-Economic Development
in Libya - "*Baladiyat*" - Italian Cooperation Component
T05-EUTF-NOA-LY-13-01 (T05.1849)
CUP H99J21003980006



ANNUAL FINANCIAL REPORT

Recovery, Stability and Socio-economic Development in Libya
Italian Cooperation Component
Contribution Agreement T05-EUTF-NOA-LY-13-01 (T05.1849)

Period

10 June 2021 – 09 June 2022

• TUNISIA, LIBYA, ALGERIA AND MOROCCO – TUNIS

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Financial Report

The approved action budget for the 3-year programme - as indicated in Annex III of the Contribution Agreement - is as follows:

Table 1: Annex III Contribution Agreement - Budget of the Action



Contract No T05-EUTF-NOA-LY-13-01-01 (T05.1849)

RSSD 2 - ANNEX III - Budget for the Action (in EUR)

FINANCIAL REPORT FROM 10 JUNE 2021 TO 09 JUNE 2022

Budget Items	Total Budget (36 months) EUR	Forecast Year 1
1. Support to Municipalities (Basic Services + Agricultural Livelihoods)		
1.1 Basic Services	5 340 000	5 320 000
1.1.1 Grants to NGO Partners	5 300 000	5 300 000
1.1.2 Studies, consultations (Consultancies/ Service contracts)	40 000	20 000
1.2 Agricultural Livelihoods	4 711 776	4 711 777
1.2.1 Grants to NGO Partners / Service Contracts	1 000 000	1 000 000
1.2.2 Grant (Sub-delegation agreement) to CIHEAM Bari	3 692 438	3 692 438
1.2.3 Studies, consultations (Consultancies/ Service contracts)	19 339	19 339
Subtotal Support to Municipalities	10 051 776	10 031 777
2. Capacity building and technical assistance		
2.1 Services and Consultancies	126 000	30 000
2.2 Travel and subsistence costs	75 510	25 170
Subtotal Capacity Building and Technical Assistance	201 510	55 170
3. Programme Coordination and Management		
3.1 Programme Management Unit (PMU)	2 711 820	959 437
3.1.1 International personnel	1 571 768	617 104
3.1.2 Local personnel	473 924	63 315
3.1.3 Travel and subsistence costs	196 530	90 000
3.1.4 Project office costs	402 980	148 000
3.1.5 Equipment and supplies	66 618	41 018
3.2 Technical Secretariat and support to Governance Bodies	1 215 797	794 531
3.2.1 International personnel	462 852	308 568
3.2.2 Local personnel	692 945	461 963
3.2.3 Support to Governance Bodies	60 000	24 000
Subtotal Programme Coordination and Management	3 927 617	1 753 968
4. Communication and Visibility		
4.1 Communication and Visibility Staff	305 168	203 445
4.2 Communication and Visibility Services	100 000	60 000
Subtotal Communication and Visibility	405 168	263 445
5. Monitoring, evaluations and audits		
5.1 Monitoring and information management Staff	187 200	118 800
5.2 Monitoring Services (incl. Baseline and Endline studies, Mid-Term Review)	120 000	110 000
5.3 Audit Services	60 000	20 000
Subtotal Monitoring & Evaluation	367 200	248 800
6. Subtotal direct eligible costs of the Action (1-5)	14 953 271	12 353 160
7. Indirect costs (7%)	1 046 729	864 721
8. Total eligible costs of the Action (6+7)	16 000 000	13 217 881
TOTAL BUDGET	16 000 000	13 217 881

Table 2: Transfer of the first pre-financing

		Year 1
Total Budget (EUR)	16,000,000	
First pre-financing (EUR)		12,353,160
Overhead (EUR)		864,721
Contingency (EUR)		
Advance disbursed (EUR)		13,271,881
EU receipt of payment (EUR)		QT N. 2021000018 on 21/07/2021- the Bank of Italy account n. 23211

Total amount credited in year 1: **EUR 13,217,881**

The programme has the following dedicated bank accounts:

<u>Italy:</u>	Account Number
Igrue. Special accounting 5836 AICS-FONDI-UE-FDR L-183-87	IT07E0100003245350200023211
Banca Intesa San Paolo "AICS TUNISI -"RSSD2 T05.1849	IT 35 U030 6905 0201 0000 0069528
<u>Tunis:</u>	
Tunis International bank EURO	0404251/003/4410/021 opened on 25 June 2021
Tunis International bank TND	0404251/001/4410/021 opened on 25 June 2021

All programme's bank accounts are noninterest bearing.

The following synoptic **Table 3** presents the overall financial report up to 9 June 2022, with reference to the budget lines indicated in Annex III of the Contribution Agreement.

The report includes all expenses for the period from 10 June 2021 – 09 June 2022 and all funds committed as at 9 June 2022.

Table 3: FINANCIAL REPORT

Contract No T05-EUTF-NOA-LY-13-01-01 (T05.1849)									
RSSD 2 - ANNEX III - Budget for the Action (in EUR)									
FINANCIAL REPORT FROM 10 JUNE 2021 TO 09 JUNE 2022									
Budget Items	Total Budget (36 months)	Budget Year 1	A) Pre-financing 1	B) Spent from 10 June 2021 to 09 June 2022	C) Spent in advance	D) Committed from 10 June 2021 to 09 June 2022	E) TOTAL Spent and committed from 10 June 2021 to 09 June 2022 (E)=B+C+D	Balance (F) = A-E	% Spent + commite d at 09 June 2022
Costs				Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	Total Cost (in EUR)	%
1. Support to Municipalities (Basic Services + Agricultural Livelihoods)									
1.1 Basic Services	5 340 000	5 320 000	5 320 000	0	0	0	0	5 320 000	0,00%
1.1.1 Grants to NGO Partners	5 300 000	5 300 000	5 300 000				0	5 300 000	
1.1.2 Studies, consultations (Consultancies/ Service contracts)	40 000	20 000	20 000				0	20 000	
1.2 Agricultural Livelihoods	4 711 776	4 711 777	4 711 777	0	700 000	2 650 000	3 350 000	1 361 777	27,12%
1.2.1 Grants to NGO Partners / Service Contracts	1 000 000	1 000 000	1 000 000				0	1 000 000	
1.2.2 Grant (Sub-delegation agreement) to CIHEAM Bari	3 692 438	3 692 438	3 692 438		700 000	2 650 000	3 350 000	342 438	
1.2.3 Studies, consultations (Consultancies/ Service contracts)	19 339	19 339	19 339					19 339	
Subtotal Support to Municipalities	10 051 776	10 031 777	10 031 777	0	700 000	2 650 000	3 350 000	6 681 777	27,12%
2. Capacity building and technical assistance									
2.1 Services and Consultancies	126 000	30 000	30 000				0	30 000	0,00%
2.2 Travel and subsistence costs	75 510	25 170	25 170				0	25 170	0,00%
Subtotal Capacity Building and Technical Assistance	201 510	55 170	55 170	0	0	0	0	55 170	0,00%
3. Programme Coordination and Management									
3.1 Programme Management Unit (PMU)	2 711 820	979 437	959 437	212 886	0	195 801	408 687	550 750	3,31%
3.1.1 International personnel	1 571 768	617 104	617 104	176 874		158 430	335 304	281 800	
3.1.2 Local personnel	473 924	63 315	63 315	7 260		10 126	17 386	45 929	
3.1.3 Travel and subsistence costs	196 530	90 000	90 000	2 990			2 990	87 010	
3.1.4 Project office costs	402 980	168 000	148 000	6 589		27 246	33 834	114 166	
3.1.5 Equipment and supplies	66 618	41 018	41 018	19 173			19 173	21 845	
3.2 Technical Secretariat and support to Governance Bodies	1 215 797	794 531	794 531	25 936	0	74 970	100 906	693 626	0,82%
3.2.1 International personnel	462 852	308 568	308 568	4 336		74 970	79 306	229 263	
3.2.2 Local personnel	692 945	461 963	461 963				0	461 963	
3.2.3 Support to Governance Bodies	60 000	24 000	24 000	21 600			21 600	2 400	
Subtotal Programme Coordination and Management	3 927 617	1 773 968	1 753 968	238 822	0	270 771	509 593	1 244 375	4,13%
4. Communication and Visibility									
4.1 Communication and Visibility Staff	305 168	203 445	203 445				0	203 445	0,00%
4.2 Communication and Visibility Services	100 000	60 000	60 000	665		1 829	2 494	57 506	0,02%
Subtotal Communication and Visibility	405 168	263 445	263 445	665	0	1 829	2 494	260 952	0,02%
5. Monitoring, evaluations and audits									
5.1 Monitoring and information management Staff	187 200	118 800	118 800				0	118 800	0,00%
5.2 Monitoring Services (incl. Baseline and Endline studies, Mid-Term Review)	120 000	110 000	110 000				0	110 000	0,00%
5.3 Audit Services	60 000	20 000	20 000				0	20 000	0,00%
Subtotal Monitoring & Evaluation	367 200	248 800	248 800	0	0	0	0	248 800	0,00%
6. Subtotal direct eligible costs of the Action (1-5)	14 953 271	12 373 160	12 353 160	239 487	700 000	2 922 600	3 862 087	8 491 073	31,26%
7. Indirect costs (7%)	1 046 729	866 121	864 721	16 764	49 000	204 582	270 346	594 375	2,19%
8. Total eligible costs of the Action (6+7)	16 000 000	13 239 281	13 217 881	256 251	749 000	3 127 182	4 132 433	9 085 449	33,45%
TOTAL BUDGET	16 000 000	13 239 281	13 217 881	256 251	749 000	3 127 182	4 132 433	9 085 449	33,45%

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As at 09 June 2022:

- Total amount received equals to **EUR 13,217,881**
- Total amount spent is equal to **EUR 939,487**
- Total committed funds (signed contracts) are equal to **EUR 2,922,600**
- Total spent and committed funds amount to **EUR 3,862,087** equal to **31,26 percent** of the total received funds.

No modification to budget lines have been applied and no budget heading has a misalignment from the original attributed budget in accordance with the art 11.3 of the General Conditions.

Below is a review of only those budget lines for which costs were incurred or commitments made from 10 June 2021 to 09 June 2022.

Budget heading 1: Support to Municipalities (Basic Services + Agricultural Livelihoods)

1. Support to Municipalities (Basic Services + Agricultural Livelihoods)	Budget Year 1	Funds received	Spent in advance in the reporting period	Committed in the reporting period
1.1 Basic Services	5 320 000	5 320 000	0	0
1.1.1 Grants to NGO Partners	5 300 000	5 300 000		
1.1.2 Studies, consultations (Consultancies/ Service contracts)	20 000	20 000		
1.2 Agricultural Livelihoods	4 711 777	4 711 777	700 000	2 650 000
1.2.1 Grants to NGO Partners / Service Contracts	1 000 000	1 000 000		
1.2.2 Grant (Sub-delegation agreement) to CIHEAM Bari	3 692 438	3 692 438	700 000	2 650 000
1.2.3 Studies, consultations (Consultancies/ Service contracts)	19 339	19 339		
Support to Municipalities	10 031 777	10 031 777	700 000	2 650 000

As at 09 June 2022, for this budget heading no costs are recorded as having been spent or committed, with the exception of budget line 1.2.2 Grant (Sub-delegation agreement) to CIHEAM Bari.

On 18 March 2022, a sub-delegation agreement was signed between AICS and CIHEAM Bari. The expected duration is 27 months, the total amount is EUR 3,350,000 and the implementation starting date is 21 March 2022. The planned duration of this agreement was initially 33 months but was reduced to 27 months as the negotiation between AICS and CIHEAM Bari took longer than expected. The total budget was reduced accordingly, from EUR 3,692,438 to EUR 3,350,000, and the positive balance of EUR 342,438 will be reallocated from budget item 1.2.2 Grants (Sub-delegation agreement) to CIHEAM Bari to budget item 1.2.1 Grants to NGO Partners / Service Contracts in the same budget heading. This shift will be reported in the financial table when there will be a financial effect with the signing of the Grants with the NGO Partners. During the reporting period, EUR 700,000 were disbursed on 25 April 2022 as the first pre-financing instalment.

Budget heading 1: Support to Municipalities (Basic Services + Agricultural Livelihoods)

During the reporting period:

- Total funds received: EUR 10,037,777.
- Spent and committed: EUR 3,350,000.
- Balance: EUR 6,681,777.

Budget heading 2: Capacity building and technical assistance

As at 09 June 2022, for this budget heading no costs are recorded as having been spent or committed.

- Total funds received: EUR 55,170
- Spent and committed: EUR 0,00
- Balance: EUR 55,170

Budget heading 3: Programme Coordination and Management

3. Programme Coordination and Management	Budget Year 1	Funds received	Spent during reporting period	Committed in the reporting period	Total Cost (in EUR)
3.1 Programme Management Unit (PMU)	959 437	959 437	212 886	195 801	408 687
3.1.1 International personnel	617 104	617 104	176 874	158 430	335 304
3.1.2 Local personnel	63 315	63 315	7 260	10 126	17 386
3.1.3 Travel and subsistence costs	90 000	90 000	2 990		2 990
3.1.4 Project office costs	148 000	148 000	6 589	27 246	33 834
3.1.5 Equipment and supplies	41 018	41 018	19 173		19 173
3.2 Technical Secretariat and support to Governance Bodies	794 531	794 531	25 936	74 970	100 906
3.2.1 International personnel	308 568	308 568	4 336	74 970	79 306
3.2.2 Local personnel	461 963	461 963			0
3.2.3 Support to Governance Bodies	24 000	24 000	21 600		21 600
Subtotal Programme Coordination and Management	1 753 968	1 753 968	238 822	270 771	509 593

Budget Line 3.1.1 International Personnel

The following are the international staff employed during the reporting period

- Team Leader/Programme Technical Coordinator: The team leader's contract begins from 18 October 2021 until 30 March 2021 and its cost was split 50/50 between phase 1 (RSSD1 T05.437) and phase 2 (RSSD2 T05.1849). The total cost spent under Phase 2 is EUR 43,581.30.
- Senior Programme Officer (Deputy Team Leader): After the recruitment process, the contract started on 04 November 2021 with a duration of 12 months. From May 2022 the cost is split between Phase 1 (RSSD1 T05.437) and Phase 2 (RSSD2 T05.1849), covering respectively 30% and 70% of the total cost, until 30 June 2022. The total cost under Phase 2 (RSSD2 T05.1849) is EUR 122,140.84, of which EUR 66,097.47 spent and EUR 56,043.37 committed.
- Administrative and Financial Manager: From 14 October 2021 until 30 June 2022, the cost of the Administrative and Financial Manager was shared 50/50 between Phase 1 (RSSD1 T05.437) and Phase 2 (RSSD2 T05.1849). The total cost under Phase 2 is EUR 84,911.67 of which EUR 39,169.15 spent and EUR 45,742.52 committed.
- Administration/Procurement Officer: After the recruitment process, the contract started on 15 February 2022 with a duration of 12 months and is entirely under Phase 2 (RSSD2 T05.1849). The total cost of the contract is EUR 72,181.78 of which EUR 15,538 spent and EUR 56,643.78 committed.
- The consultant for the dedicated management of the PMU team international staff was contracted at a cost of 621,71.

Budget Line 3.1.2 Local Personnel

During the reporting period an HR company was selected to manage the consultants for the finalisation of the needs assessment. The contract total cost is 17,386 of which EUR 7,260 was spent and EUR 10,126 committed as at 09 June.

Budget Line 3.1.3 Travel and subsistence costs

EUR 2,990 was spent during the reporting period. A tender procedure was launched to identify the economic operator to whom the service will be entrusted for the Team's travels and transfers.

Budget Line 3.1.4 Project office costs

Two offices were rented for PMU staff, one in Tunis and one in Tripoli.

The Tunis office has one room at the Tunis Business Center with 3 workstations; EUR 2,790.36 was spent and EUR 12,245.54 committed as at 09 June.

The office in Tripoli is in 50 per cent cost sharing between Phase 1 and Phase 2. Under Phase 2, EUR 15,000 was committed and EUR 3,798.48 was spent for stationery or bank fees.

Budget Line 3.1.5 Equipment and supplies

EUR 19,173.16 was spent to purchase computer equipment, namely 3 lap tops with licences, 1 satellite Link and 1 printer.

Budget Line 3.2.1 International Personnel

- Programme Officer (Coordination of Technical Secretariat): After the recruitment process, the contract started on 02 May 2022 with a duration of 12 months and is entirely under Phase 2 (RSSD2 T05.1849). The total cost of the contract is EUR 79,305.50 of which EUR 4,336 spent and EUR 74,969.50 committed.

Budget Line 3.2.3 Support to Governance Bodies

EUR 21,600 was spent for the kick-off event (travel, accommodation, meeting room rent) and simultaneous translation.

Budget heading 3: Programme Coordination and Management

During the reporting period:

- Total funds received: 1,753,968.
- Spent and committed: 509,593.
- Balance: 1,244,375.

Budget heading 4: Communication and Visibility

4. Communication and Visibility	Budget Year 1	Funds received	Spent during reporting period	Committed in the reporting period	Total Cost (in EUR)
4.1 Communication and Visibility Staff	203 445	203 445			0
4.2 Communication and Visibility Services	60 000	60 000	665	1 829	2 494
Communication and Visibility	263 445	263 445	665	1 829	2 494

As at 09 June 2022, for this budget heading no costs are recorded as having been spent or committed, with the exception of budget line 4.2 Communication and Visibility Services.

A contract for the proof reading service was signed for EUR 2,494, of which EUR 665 was spent and EUR 1,829 committed.

Budget heading 4: Communication and Visibility

During the reporting period:

- Total funds received: EUR 263,445
- Spent and committed: EUR 2,494
- Balance: EUR 260,952

Budget heading 5: Monitoring, evaluation and audits

As at 09 June 2022, for this budget heading no costs are recorded as having been spent or committed.

Procedures for the selection and contracting of monitoring and evaluation and programme audit services were finalised.

Budget heading 5: Monitoring, evaluations and audits

During the reporting period:

- Total funds received: EUR 248,800.
- Spent and committed: EUR 0,00.
- Balance: EUR 248,800.

Budget heading 7: Indirect costs - The indicated indirect costs (EUR 271,032) are calculated as 7% of the accrued expenses and committed equal to EUR 3,871,892.

Complete programme documentation with original administrative documents is available for reference at the:

Italian Agency for Development Cooperation (AICS)
Tunis Regional Office
1, rue de Florence, Mutuelleville
1002 - Tunis, Tunisia

and

PMU Office c/o Tunis Business Center
Immeuble Sarra, Boulevard Principal
Les Berges du Lac
1053 - Tunis, Tunisia



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Information on the control and audit measures

In line with AICS procedures, programme financial control is ensured through:

1. An internal double check mechanisms ensured by full segregation of responsibilities between PMU staff as initiator and AICS staff as verifiers;
2. An external service provider selected through tender procedure in order to carry out an independent financial and systems audit of the programme, as per standard EU terms of reference and in accordance with Art 3.12 of the General Conditions.

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