

## **FINANCIAL PLAN of EFESC** (approved by Solsona participants on March 11, 2010)

### **Income sources**

There are 5 different income sources for the first 2 years (until Sept 2011):

- Leonardo da Vinci-grant (8 partners)	398000€/2 yrs
- Fee from National agencies	2500€/yr
- Membership fee	250€/yr
- Investors	?
- Sponsors	?

### **General startup**

We have decided that we will start up ECC at minimal costs. Because we can use the financial support of Leonardo and the capacity of the partners in the project we have the opportunity to give this European certification a flying start. KWF is willing to take care of the secretariat, the set-up of the database is covered by Leonardo-grants and will be organised by Skov&Landskab at a beneficial cost-quality ratio. Inverde will take care of the promotional aspects together with ENFE and also these costs for first communication (e.g. website, folder,...) will be paid by Leonardo. These are just some of the tasks covered by Leonardo-partnership. The complete set of responsibilities and who to contact when questions you'll find attached to the minutes of the Solsona meeting.

The grant of Leonardo only covers part of the staff costs/time needed to successfully organise this process, for extra time invested we need to bring money into the Efesc-organisation. We will search for membership owners (the national agencies, project partners, industry,...) for the first two years. Sponsorship can help. After the first two years there will be an evaluation of the financial plan and financial owners and a fee per certificate will support the financial stability of this certification scheme.

### **Most important Leonardo contributions:**

To set up the certification scheme three project partners (DK, B, UK) designed a project proposal in the EU Leonardo funding scheme. The proposal was approved in 2009 and will run till 2011. The project budget allows us to set up criteria for the test (final approval Solsona 1), design the test (final approval Solsona 2), organise a database, create a website (first pages available in Solsona) and disseminate the results to the sector of chainsaw users (both professionals and non professionals), forest and tree worker industry, branch organisations, certifying bodies, insurance companies, training centres, potential sponsors, governments, ...

<b>SUBCONTRACTING Description</b>	<b>Partner(s)</b>	<b>WP</b>	<b>Cost</b>
developing of Chainsaw operators' database	DK	6	12600
development of website with integrating of database	BE	7	9000
translation costs/ dissemination	BE	7	5000

<b>OTHER COSTS</b>	A1	INVERDE	NPTC	IPC	SKOVS	KWF	CTFC	ENFE
<b>Description / Partner number</b>	0	1	2	3	4	5	6	7
Publishing and printing (WP7)	1000	1000	500	500	500	500	500	500

<b>STAFF COSTS</b>	A1	INVERDE	NPTC	IPC	SKOVS	KWF	CTFC	ENFE
<b>Partner</b>	A1	INVERDE	NPTC	IPC	SKOVS	KWF	CTFC	ENFE
<b>Partner number</b>	0	1	2	3	4	5	6	7
<b>Staff costs</b>	57370	44070	19495	26760	29105	21505	21415	11730

There's also a budget for travel and subsistence, which allows partners to get together and prepare for the meetings. A total amount of 400.000 euro is involved of which the partners of the project invest 25% themselves.

Off course the partners who are not involved in the Leonardo project but helped us to design the project also invested money to attend the various meetings in Brussels, Arnhem, Gehren and Solsona.

### Estimated costs first two years:

#### Secretariat (QUALITY ASSURANCE/ADMIN)

Prior to receiving funding money we have made the exercise on how much it would cost to make Efesc operational at the lowest costs possible, but maintaining the quality. In the table below the minimum required posts to have the system up and running are listed in the assumption KWF will take on the role of secretariat and NPTC will help with the communication and database. Also these are not exact figures they give an idea of how much money is to be raised.

In June 2009 the Leonardo-budget got approved through which several posts can be financed with this grant, though the exact distribution among partners is a lot more complicated than the example you see below. To run this certification scheme from the second half of 2010 till 2011 the project partners have agreed to start up with existing staff in various organisations. The extra time that is needed on top of time paid for by Leonardo-money will be calculated at a daily staff costs of 200€/day.

We estimated the staff costs involved as follows (at an agreed day cost of 200 €):

	<b>partner</b>	<b>days</b>	<b>Efesc-budget</b>	<b>Leonardo Budget</b>
<b>Financial accounting</b>	Inverde	5		1000
<b>Website maintenance</b>	Inverde	5		1000
<b>Telephone</b>	KWF/NPTC/other	30	6000	
<b>Communications</b>	NPTC/KWF/other	17	3400	
<b>maintain database</b>	?	35	7000	
<b>meeting organisation</b>	KWF	10		2000
<b>meeting attendance</b>	KWF	10		2000
<b>organisation of audit system</b>	KWF	8		1600
<b>Total</b>	24.000	120	16400	7600

The first two years we can use project money but these figures also give an insight of the costs after the project. We estimate an extra cost (others, legal advise, extra printing costs, ...) of roughly 15.000 euro a year. Off course these figures give the minimum to establish a reliable system.

**This gives a minimum total of 31400€ (16400 + 15000) to be raised for EFESC**

#### Other costs

#### Estimated extra costs for auditing N.A.s

The first auditing will be held by a group process during a scheduled meeting (Oct 6-7, Brussels) to reduce the costs.

From that moment every new candidate N.A. should be audited by a foreign auditor of another N.A. Audits will be repeated every three years. KWF will organise this.

#### Auditing costs to be paid by new N.A.'s:

3 days for auditor @ €350 = €1050 + flight 400€

Accommodation/Travel in country/Subsistence – organised en paid by NA

#### Executive Board (FINANCIAL REGULATION)

The first two years there will be no extra money (other than Leonardo) to run this body. If sponsorship is found and extra meetings apart from Leonardo meetings are necessary we can use sponsorship money. Travelling costs and a day fee should be provided.

## How will all this money be raised?

### National Agencies

In the start-up phase we count on National Agencies to bring together this budget. We have agreed to start with an annual fee of 2500 euro for every agency. Later on (after 2011) we will have a higher fee for agencies with more than 1000 certificates per year than smaller ones. We estimate that the first year at least following countries will have at least one agency.

6-(8) NA'S:

UK, candidate estimate per/yr 10,000

BE, candidate estimate per/yr 100

NL, candidate estimate per/yr 1000

DE, candidate estimate per/yr 1000

CZ, candidate estimate per/yr 100

ES, candidate estimate per/yr 100

DK, candidate estimate per/yr ?

Annual fee:

2.500€: if 8 NA's = 20.000€

This means if 8 NA's will join this project we will have enough money to run our business during the first two years (from half 2010 till half 2012).

### Membership

All organisations who want to take part of Efesc and take part in this process, can become a member of EFESC by paying a membership fee of 250€ per year. They can send a representative of their organisation to the GA-meetings (once a year) and vote on the decisions proposed by the EB. The preconditions to become a member of EFESC are written in the nota on GA.

### Investors

During the last meeting in Brussels the idea of a investors was discussed.

The contribution of an investor to the organisation of Efesc can be considered as a (risk) investment. Instead of putting this money (let's say 5000€, but the amount doesn't need to be the same for every partner) on a bank account, you invest it in the organisation. The organisation (the secretary) returns an annual rate of 0.5 to 2% to the investors, according to the profits (but preferably no less than on a bank account). You invest/engage yourself for a minimum period of three years (your money is fixed), in case you want to withdraw after this period you will get your investment back. The partnership will then look for a new investor to invest money.

We can introduce decision rights **on financial aspects** of the organisation based on amount of investment.

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To secure that this certification scheme will not become a money machine (low cost has to stay the leading motive in every case) financial owners should be non profit organisations or governmental bodys. Profit organisations can help by sponsorship.

### **Sponsorship**

Off course the data mentioned before are the absolute minimum. If we want to win sustainability of our system more money will be necessary. During the Solsona meeting we will discuss about sponsorship. We will aim on strong sponsors who put their financial shoulders under our project for a longer period and at a substantial contribution. Potential partners will be found in chainsaw manufacturers, safety gear companies, insurance business,...

<b>After 2011</b>
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We have decided that after 2011 a different contribution (fee) should be asked to national agencies who have more than 1000 certificates per year.

After this we have to agree about the contribution per certificate. We will aim on a minimum sum to find financial stability. Big certifiers should pay less than smaller ones.

It's the competence of the Executive Board to propose an annual financial plan that has to be agreed by the investors after the advise of the general assembly.

At the end of 2011 sponsorship has to be evaluated.

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