



Co-funded by the Eco-innovation
Initiative of the European Union

**CIP Eco-innovation
Pilot and market replication projects
Call 2013**

Call Identifier: CIP-EIP-Eco-Innovation-2013

**Interim Report
Less-Water Bev.Tech
Contract ECO/13/630314**

**Covering the reporting period from
01/10/2014 to 30/04/2016
Reporting Date
< 31/05/2016 >**

Project coordinator: A DUE DI SQUERI DONATO & C. S.p.A.
Project website: www.lesswaterbevttech.com
Deliverable: D1.13 Interim Report (IR), coordination and timing control. Financial control

TABLE OF CONTENTS

- 1. PROGRESS OF WORK PLAN IN THE PERIOD 3
 - 1.1 General progress (max half page) 3
 - 1.2 Progress on all work packages against initial objectives 4
 - 1.3 Identified deviations, problems and corrective actions taken in the period 9
 - 1.4 Progress regarding performance indicators 9

- 2. PROGRESS REGARDING MARKET UPTAKE AND EXPLOITATION..... 10

- 3. WORK PLAN FOR THE NEXT PERIOD..... 10
 - 3.1 Planned activities in the next period 10
 - 3.2 Planned meetings, activities related to market uptake and dissemination activities 11

- 4. OTHER ISSUES 11

- 5. OVERVIEW ON HOURS SPENT 11

- 6. FINANCIAL REPORT 11

- 7. ANNEXES 13

1. PROGRESS OF WORK PLAN IN THE PERIOD

This technical report contains all the needed information for EASME to evaluate the state of implementation of the project, the respect of the work plan and how far project's objectives have been achieved. This includes financials as well as an overview of the hours spent by the staff allocated to the project per each partner and per WP.

The partners gave the project the nickname "Niagara" and commonly use it instead of the official acronym Less-Water Bev.Tech. This is to ease the communication activities (since the nickname is more appealing) and to provide the sense of water purity (which is the main idea behind the project).

1.1 General progress

The project was carried out by partners according to the scheduled timetable, without any particular problem or significant deviation to the original Gantt. Each of the scheduled task and deliverable has been produced by partners according to the responsibility set in the Annex I of the Grant Agreement.

The lead partner properly coordinated the overall project management and the cooperation among partners was very good, ensured by different means, like physical and virtual meetings (via SkypeTM, WebExTM), phone call, very frequent e-mail exchange and many different accesses in the project management tool (BaseCampTM). All the deadlines and the action plans were agreed together with the partners, which have been very active since the project start.

As for the technical activities, partners strongly worked with the aim of choosing the type of processes to be implemented to recover wastewater from the production of beverages and fruit juices, planning of activities linked to recording of the operating parameters for the duration of the project and final analysis of the data collected with the preparation of the necessary conclusions.

Then partners worked to put in place the innovative system for water treatment and waste recovery dedicated to a plant for beverage preparation, starting from the needed design activities (namely, the design of each of the function unit) to the engineering, integration and assembly in the client's premises, the CCdP - *Consorzio Casalasco del Pomodoro* (Fontantellato, Parma-Italy <http://www.ccdp.it/>), selected after having considered, contacted and visited other different options.

All the needed materials have been acquired to produce the water treatment system (both purchased and manufactured) and the pilot plant was actually installed in the client's premises on May 2015, with just one month of delay due to the needs expressed by the client in terms of layout and non-interference with the daily production processes. The client indicated the exact place in its premises also in terms of usable sqm.

The water treatment system is at present in its start-up phase which is scheduled according to a detailed sub-working plan, indicating the right timing and the needed partners' internal resources.

As for the fine-tuning of the existing business, the partners analysed the EU market and the relevant industrial sector, by quantifying the technical strengths and the economic advantages that new water treatment system will produce to the customers, and how penetrate in the EU market. The commercial activities will focus on a particular segment of customers (bottlers with medium-high capacity) mainly located in West Europe, where the cost of water in relation to its availability and consumption implies a higher willingness-to-pay for those customers.

The dissemination activities have been carried out, in particular through the project web site www.lesswaterbevtch.com and promotional material in various languages (brochures, flyers, roll-up, technical presentation, etc.), specifically designed to be shown and distributed during

sectorial exhibitions (mainly Djazagro in Algeria on April 2015 and Gulfood manufacturing in Dubai on October 2015), direct customers' visits, and in particular a corporate event, the "Orangina Day" (December 2015), with the aim to present its products and the latest development of the project to the main Orangina Suntory Group decision makers.

Furthermore, the first of a series of training courses for all the sales force have been carried out on October 2015 in Nigeria in order to get it ready for promoting the new water treatment system with the maximum efficiency.

1.2 Progress on all work packages against initial objectives

All the project progresses, in comparison to the planned activities (as in Annex I of the Grant Agreement), are hereafter reported, work package by work package.

In **WP1 (Management)**, the kick-off meeting has been held on October 1st, 2014 at A Due Spa premises, in which all the partners and external experts took part, putting the basis for a sound tasks implementation since the very beginning of the project. Both Project Management Team and Project Quality Team were created, in addition to an Administrative Group. The meeting was organised into two different sessions in which both administrative and technical aspects of the project were deeply discussed and analysed. An action plan for the next tasks to be performed was prepared and agreed among partners (*see deliverable D1.1 Project kick-off: meeting and action planning*).

Then, other five different transnational meetings have been carried out, as scheduled (on December 3rd 2014, March 16th 2015, July 22nd 2015, December 10th 2015 and March 10th 2016), in order to discuss and review on the project correct implementation, keeping all the key actors updated and fully coordinated. All the partners and external experts took part. The adopted scheme was the same of the kick off meeting, so that both administrative and technical issues were discussed in different sessions and in sub-groups in order to define the next steps to perform to reach the project goals (*see deliverables D1.2 Project coordination meeting/sub-meetings #1; D1.3 Project coordination meeting/sub-meetings #2; D1.4 Project coordination meeting/sub-meetings #3; D1.5 Project coordination meeting/sub-meetings #4 and D1.6 Project coordination meeting/sub-meetings #5*).

The web-platform for data sharing and communications among partners was set and updated with all the project materials as a Project Management tool (Basecamp™). In Basecamp™, which is on-line-based, all partners can easily and at anytime from anywhere do the following tasks: share files, check due dates, set discussions, collaborate on documents and activities, assign and review tasks (*see deliverable D1.11 Set up of an on-line web-platform for data sharing and communications among participants*).

The PR1 was prepared, sent and approved (*see D1.12 First Progress Report -PR1, coordination and timing control*). All the partners gave their contributions to finalise it, under the coordination of the lead partner.

The last activity was the preparation of this IR including both technical and financial data (*D1.13 Interim Report (IR), coordination and timing control. Financial control*). All the partners produced their relevant part of report.

As for **WP2 (Design of a new water treatment and waste recovery system)**, the activities have been coordinated by the WP leader (Unibo) and strongly supported by A Due Spa. CVAR participated with a minor role.

During this period the partners discussed much the activities for the scouting of clients, potentially interested for the installation of the pilot. Personnel from A Due and Unibo went directly to the possible clients' production plant for a survey on water usage and waste-water management. The collected samples have been delivered to the Laboratory in charge of the

analysis. A Due and Unibo also took part in the H2O - Accadueo exhibition held in Bologna to find out further possible technical solutions.

One basic characteristic of the chosen client (*Consorzio Casalasco del Pomodoro*) was that to have already one Osmosis System that could guarantee a near-continuous flow rate, also located near the A Due headquarter, in order to ease the activities for the collection of data needed for the engineering phase.

In parallel with the selection of the clients, partners carried out the technical deliverables, with the aims to design the innovative system for water treatment and waste recovery dedicate to a plant for beverage preparation.

The purpose of the work was the choice of the type of processes to be implemented to recover waste water from the production of beverages and fruit juices, with the final aim to construct the pilot plant to recover this water to be installed at a beverage or juice manufacturing and bottling company, recording the operating parameters for the duration of the project and final analysis of the data collected with the preparation of the necessary conclusions.

The recovery of water included a series of chemical and mechanical treatments that allow water purification and make it suitable, both from the microbiological, chemical and physical points of view to be reintroduced upstream of the production chain or for other purposes.

The contaminants of industrial drink production waste water are different in nature: organic compounds used for production (fruit juices, sugar, flour thickeners, ascorbic acid, citric acid,...), chemical products for washing and disinfecting production equipment (caustic soda, nitric acid, peroxides, chlorine,...), salts and metals (normally present in water used for production, but in this case concentrated and discarded by the reverse osmosis plants).

The treatment plant will have to be able to treat about 45,000 l/h of wastewater with a recovery of water of about 25,000 l/h (*see deliverables D2.1 Design of double reverse osmosis water treatment plant; D2.2 Functional unit upgrades and design actions; D2.3 Water recovery system design*).

Once the assembly, start-up and tuning phases of the water treatment system are complete, partners will fine tune the designs according to the emerged requirements, if needed.

Concerning **WP 3 (Engineering, integration and assembly of the new water treatment and recovery system)** partners started setting the technical activities, in order to proceed towards the industrialisation and pilot plant assembly (water treatment system and water recovery system only, not biogas plant). Within WP3, the design of each function units prepared in WP2 were developed and industrialised so as to verify the goodness of the proposed idea. Particular attention was given to the new water treatment system and to the water recovery system. These new plant allows the entire system to save about 198.000 m³/(year plant) and (potentially) an amount of electric energy.

The most of the needed components that constitute the machinery were commercial items, already purchased after the preparation of the bill of materials in the MRP. On the other hand, some pieces were produced on purpose by A Due and required adequate internal manpower to perform the needed manual works.

The partners finalised the engineering and integration phases by March 2016 and the assembly phase at client's premises by April 2016, just one month of delay, due to the decision where to install exactly the plant by the client, Consorzio Casalasco del Pomodoro - CCdP <http://www.ccdp.it/>. In fact, the assembly of the pilot plant totally met the client requirements in terms of layout. The client indicated the exact place (also in terms of sqm) in which placing the prototype in order that the machine test does not create interference with the daily production processes.

The construction of the individual functional groups and the interface with the existing system have been already made and the activities coordinated by the lead partner (A Due Spa), seeing

the participation of the other two partners with a minor role (*see deliverables D3.1 Double reverse osmosis water treatment plant engineering and realization; D3.2 Functional unit integration and engineering actions; D3.3 Engineering and realization of water recovery system; D3.4 Engineering and realization of control and supervising system*).

The activities performed in **WP4 (Start-up, tuning and performance/sustainability analysis)** concerned the installation of the water treatment system at the customer premises, finalised by May 2016, while the start-up will initiate within the first week of June 2016 and the test will run from early June 2016 onwards.

The main points taken into consideration for the carrying out of the tests are the following:

- a) the logistics complexity at client premises to be well managed by partners;
- b) the client must provide with the production waste (concentrates) to add to the water in order to enlarge the tests;
- c) the client must provide with the chemicals (e.g. sodium, sodium hypochlorite, etc.) necessary for the sanitisation stages of the new water treatment plant;
- d) the final evaluation on how reusing the treated waters (as an ingredient in the production line or for any other services and for utilities in the plant) must be done together by all the partners and the client in order to give the right value to the entire process.

Since the production waste (concentrates) must be collected and then inserted artificially and not automatically during the water treatment process, it was agreed that A Due and UniBO, in cooperation with the client, will perform the analyses altogether with dedicated personnel at the clients' plant premises with the aim to verify each single condition.

The water treatment system is at present in its start-up phase which is scheduled according to a detailed sub-working plan, indicating the right timing and the needed partners' internal resources.

No deliverables scheduled and produced in this period in this WP.

In **WP5 (Business plan & exploitation)**, A Due and Unibo discussed and analysed the EU market and the relevant industrial sector, while CVAR did not take part in this WP, as planned before. The analyses focussed on the quantification of the technical strengths and the economic advantages that new water treatment system will produce to the customers, and how penetrate in the EU market, by carrying out a complete competitive analysis, with some highlights on opportunities and threats.

The commercial activities will focus on a particular segment of customers (bottlers with medium-high capacity) mainly located in West Europe, where the cost of water in relation to its availability and consumption implies a higher willingness-to-pay for those customers.

A Due will be the first company to propose in the market this new integrated water treatment solution for the beverage processing, and this will allow the company to gain a bigger market share thanks to the first mover advantage.

As for the economic indicators, the values have been re-estimated and re-calculated taking into account different internal and external factors. The main internal factor are related to some small delays occurred in the implementation of the water treatment system, in particular to comply with the peculiar needs of the client that is willing to test and use the system for its own production in the second half of 2016. This led to a slight postponement of the potential economic turnover to be generated by the water treatment system over the next few years.

Among the external factors, it is worthwhile to underline that the current trends in the beverage industry is strongly influenced by the fall in fruit juice consumption in the first months of 2016 in Europe (as well as in the U.S.), that pushed some companies to concentrate their business elsewhere. In addition, the recent cuts in the estimated growth of EU GDP by

the IMF (due to many different reasons) suggest that there might be another fall in general consumptions and in the industrial production. All these phenomena impact on the European turnover estimates of the water treatment system (*see deliverable D5.1 Final Business Plan formal definition - EU market*).

In **WP6 (Dissemination activities)**, the activities have been coordinated by the lead partner, with the active participation of the other two partners with different level of efforts (minor role for CVAR).

The website was put on-line, with the goal to carry out a better dissemination and communication of the new technology (www.lesswaterbevtech.com). With this regard, the website is dynamic, easily connectable with the main standard applications (e.g. Youtube, Vimeo, etc.), as a very useful tool for communication, where the participants can publish information, since it is the main business card and window on the project to generate interest in all potential stakeholders (*see deliverable D6.10 Project Website*).

The project logo was created, the project information sheet was prepared and updated, to be published in the Eco-Innovation website (*see deliverables D6.1 Project information updates; D6.2 Project information updates*).

The dissemination activities continued also with participation to events, exhibition, one-to-one presentations to further potential clients and organisation of corporate events for clients: at the beginning of December 2015 A Due organised the “Orangina Day”, with the aim to present its products and the latest development of the Less-Water Bev.Tech project to the main Orangina Suntory Group decision makers.

Dedicated promotional material in various languages (brochures, flyers, roll-up, technical presentation, etc.) has been specifically designed to be shown and distributed during exhibitions and during the direct visits to customers.

Furthermore, A Due has planned a series of training courses for all the sales force (both internal and external), like the training made at the beginning of October 2015, in Lagos - Nigeria, to SBA Group, A Due’s sales representative for the Central African market, in order to get them ready for promoting the new water treatment system with the maximum efficiency.

As for the major subcontractors, after a transparent selection made comparing different offers, A Due Spa contracted the following bodies:

- Mrs. Micaela Guerzoni, a chemical expert that intervenes in the design, engineering and testing of the water treatment system, with particular regard to chemical aspects;
- Mr. Violi Maurizio, an experienced engineer in water treatment process, which intervenes in the design, engineering and testing of the water treatment system;
- P.M.I. S.r.l., a mechanical engineering company for the support in the design and engineering of the mechanical parts of the water treatment plant;
- Savi Laboratori for the development of ad-hoc chemical analyses on water samples.

The following equipment were purchased by A Due Spa:

- Laboratory instruments for chemical analysis;
- Components for assembling the pilot RO water treatment system (including a CIP-Cleaning In Place washing system, originally not included but strictly needed);
- Components for assembling the pilot filtrating water treatment system (sedimentation, filtering, ultrafiltration);
- Components for assembling the pilot UV water treatment system;
- Pipe, wires and other components for assembling the water treatment pilot plant;
- Materials and other consumables for system integration and testing.

The table below reports the deliverables listed in Annex I of the Grant Agreement which correspond to the present reporting period:

Del. N°	Deliverable name	Type	WP N°	Delivery date from Annex I	Delivered (yes/no) and status (draft/final)	Submission with report	Forecasted delivery date	Comments on progress
D1.1	Project kick-off: meeting and action planning	Meeting minutes	1	1/11/2014	Yes - final	PR1	1/11/2014	None
D6.1	Project information updates (pre-defined)	text, ppt	6	1/12/2014	Yes - final	PR1	1/12/2014	None
D1.2	Project coordination meeting/sub-meetings #1	Meeting minutes	1	1/01/2015	Yes - final	PR1	1/01/2015	None
D1.11	Set up of an on-line web-platform for data sharing and communications among participants	File/Document sharing website	1	1/01/2015	Yes - final	PR1	1/01/2015	None
D1.3	Project coordination meeting/sub-meetings #2	Meeting minutes	1	1/04/2015	Yes - final	PR1	1/04/2015	None
D6.10	Project Website	Website	6	1/04/2015	Yes - final	PR1	1/04/2015	None
D1.4	Project coordination meeting/sub-meetings #3	Meeting minutes	1	1/09/2015	Yes - final	PR1	1/09/2015	None
D2.1	Design of double reverse osmosis water treatment plant	Report	2	1/09/2015	Yes - final	PR1	1/09/2015	None
D2.2	Functional unit upgrades and design actions	Report	2	1/09/2015	Yes - final	PR1	1/09/2015	None
D2.3	Water recovery system design	Report	2	1/09/2015	Yes - final	PR1	1/09/2015	None
D1.12	First Progress Report (PR1), coordination and timing control	Report + Project Information Sheet	1	1/10/2015	Yes - final	PR1	30/09/2015	None
D6.2	Project information updates (pre-defined)	text, ppt	6	1/10/2015	Yes - final	PR1	30/09/2015	None
D1.5	Project coordination meeting/sub-meetings #4	Meeting minutes	1	30/11/2015	Yes - final	IR	30/11/2015	None
D1.6	Project coordination meeting/sub-	Meeting minutes	1	31/03/2016	Yes - final	IR	31/03/2016	None

Del. N°	Deliverable name	Type	WP N°	Delivery date from Annex I	Delivered (yes/no) and status (draft/final)	Submission with report	Forecasted delivery date	Comments on progress
	meetings #5							
D3.1	Double reverse osmosis water treatment plant engineering and realization	Pilot plant report	3	31/03/2016	Yes - final	IR	31/03/2016	None
D3.2	Functional unit integration and engineering actions	Pilot plant report	3	31/03/2016	Yes - final	IR	31/03/2016	None
D3.3	Engineering and realization of water recovery system	Pilot plant report	3	31/03/2016	Yes - final	IR	31/03/2016	None
D3.4	Engineering and realization of control and supervising system	Pilot plant report	3	31/03/2016	Yes - final	IR	31/03/2016	None
D5.1	Final Business Plan formal definition (EU market)	Business Plan	5	31/03/2016	Yes - final	IR	31/03/2016	None
D1.13	Interim Report (IR), coordination and timing control. Financial control	Report + Project Information Sheet	1	30/04/2016	Yes - final	IR	31/05/2016	None
D6.3	Project information updates (pre-defined)	text, ppt	6	30/04/2016	Yes - final	IR	30/04/2016	None

All the due deliverables with public dissemination level (PU) are in the project website for public download. The reference to EASME funding, the Eco-Innovation logo and the legal disclaimer are indicated in these published documents.

1.3 Identified deviations, problems and corrective actions taken in the period

No problems arose in terms of project implementation. However, after a careful analysis, the partners identified a slight problem in the original project formulation: the recovered water cannot be sent to the existing water treatment plant without do changing in its process. Therefore, considering that it is not easy (in terms of costs, stop time, warranty, etc.) doing such a modification in the existing plant, the partners decided to create an independent new treatment plant that takes the waste water from the “Beverage Preparation Pant”, treats this waste and feeds this recovered and purified water directly to “Beverage Preparation Pant”.

1.4 Progress regarding performance indicators

Presently, the performance indicators cannot be assessed as they concern a situation that will be achieved at the end of the project. No amendments are to be done.

2. PROGRESS REGARDING MARKET UPTAKE AND EXPLOITATION

No market uptake and exploitation have been performed so far, as scheduled. A full market assessment was completed, and a list of potential customers will be finalised. This list will be divided into subcategories or market segments in order of priority, to organise the market exploitation activities, starting from the top prioritised customers going downward, in order to implement the relevant actions in an effective and rational way.

The customer list will identify customers and the relevant key actors and decision makers to contact with the information package on the new water treatment system, in order to create an interest and plan one or more visits.

The fine-tuning of market scenario analysis is done according to a deepening and completion of the competitive analysis, through the five forces of Porter, identifying competitors, new entrants, suppliers, buyers, substitute products.

The Strategic Actions were updated as well as marketing strategy to be implemented to spread the new water treatment technology.

The competitive advantage for the water treatment system, and its sustainability in the medium term, depends on the following Strategic Pillars:

- Technology: for water saving and cost reduction
- IP protection: new international patent(s)
- First mover advantage: to gain market share
- Setting a new standard for the performance of the water treatment in the beverage processes: to leave the old technologies behind
- Developing distinctive capabilities: to develop a Learning Curve advantage
- Human resources: to stimulate a distinctive and specialised know-how
- Economies of Scope: to exploit important synergies
- Technology collaboration: to evaluate if becoming a supplier for the competitors

As for marketing and promotion, A Due Spa built a massive and structured marketing campaign using many different instruments, with the goal to increase the loyalty of the existing clients and to increase the clients' portfolio. The main points of the marketing campaign are multiple customer visits. Taking into account that the products of A Due are distinguished by high complexity and by high customisation degree, multiple direct visits to the Customer by a sale force member is considered to be the most appropriate tool in terms of sales promotion.

For this purpose A Due set up a series of training courses for all the sales force in order to get them ready for promoting the new water treatment system with the maximum efficiency.

3. WORK PLAN FOR THE NEXT PERIOD

3.1 Planned activities in the next period

In the next reporting period (May-December 2016), partners will meet twice for discussing on the project implementation at technical and administrative points of views (WP1). This will give the chance to discuss on how to amend, if needed, the agreed time plan and to deal with possible deviations, if any, that can emerge from the technical project implementation, in particular on WP4 Start-up, tuning and performance/sustainability analysis.

Partners will mainly work on WP4 tasks, in particular for Pilot plant start-up and operating parameters tuning, Performance & energy analysis, environmental and economic indicator assessment, Life cycle assessment.

The WP5 activities will continue with technology benefit demonstration, measurement and technology adaptation for the EU market, and the definition of the possibilities given by the

market analyses carried out also in MENA region.

In the next period, partners will organise a workshop (in WP6) focused on the most significant results of the project reached so far during an important sectorial exhibition. Workshops aim is to bring together professionals and researchers to discuss and validate the objectives achieved.

3.2 Planned meetings, activities related to market uptake and dissemination activities

As for the next project meetings (until the next report), partners intend to meet twice (August/September 2016 and December 2016, as scheduled), but the dates and the location are still to be agreed. The main topics to discuss will be both in technical and administrative spheres.

Concerning the activities to foster the market uptake, all the data needed to measure and demonstrate the benefits for the clients will be collected and organised for exploitation actions.

Partners plan to take part in the following exhibitions:

- Iran food & bev tec, May 30th - June 2nd 2016 in Teheran (Iran), the second largest economy in MENA region in terms of GDP (after Saudi Arabia) and population (after Egypt), a market with huge potential as a result of the attenuation of the sanction regime - <http://www.iran-foodbevtec.com/iranfoodbevtec.html>
- Gulfood Manufacturing 2016 (November 7-9th 2016 in Dubai-UAE), the leading exhibition in the sector for MENA countries, which are obviously interested in water saving - <http://www.gulfoodmanufacturing.com/>
- One further exhibition in Casablanca (Morocco) in Autumn/Winter (participation still to be decided)

4. OTHER ISSUES

No other issues to report.

5. OVERVIEW ON HOURS SPENT

Every partner based the calculations on the personnel timesheets, which are stored in the partners' administrative archives and at EASME disposal in case of any check. The remaining hours will be spent within the end of the project according to the project timetable.

6. FINANCIAL REPORT

A Due Spa reported costs in the following categories: staff, subcontracting, equipment and infrastructures, other specific costs, further to travels and indirect costs that are automatically calculated. The staff costs, the subcontracting costs and the equipment and infrastructures costs needed further rows since the IR template is limited to 20 rows. Therefore there is an additional table for each of the mentioned costs categories detailing the costs.

The Audit certificate issued by an independent registered auditor, Mr Giorgio Rusticali, attached to this IR, certify the soundness of the accounting/reporting system put in place by the project coordinator, the only partner required to produce such an audit certificate in the project.

As for the Staff cost, the hourly rate calculation has been made according to the principle in the financial guidelines for the years 2014 and 2015, while for the first months of year 2016

the company makes prudently use of those values as in the year 2015. In fact, the calculation is done every year in August/September by the external payroll specialist, according to the national regulations in force. It is reasonable to assume that the hourly costs are higher than in the previous year due to the increases in salaries and social charges, therefore using 2015 values for 2016 hours implies lower declared costs for the company.

In addition, the staff costs do not consider the month of April 2016 since the payments have been made in May 2016, out of the eligibility period.

The hours worked by each single person are recorder in monthly timesheets which are stored in the dedicated project archives at A Due premises.

Concerning the Subcontracting costs, it should be noted that:

- Omnia Aquae Srl has been replaced by a professional (Mr Violi Maurizio) to perform the design and engineering of the water treatment system. The choice have been made during the selection phase of the best subcontractor, due to the fact that the A Due collaborated with him since a long time, and developed together many water treatment plants. This allowed Mr Violi to get a good knowledge of company's plants and technologies, to build a good relationship with the management and technicians, further to the reciprocal absolute trust from a professional point of view. In addition Mr Violi worked not only in WP3 but also in WP2 and WP4.
- SMC Srl has been replaced during the selection phase of the best subcontractor by P.M.I. S.r.l. to perform the design of the mechanical parts of the water treatment plant. This company worked in WP2 and WP3.
- Dott.ssa Micaela Guerzoni, a chemical expert that intervened in the design and engineering of the water treatment system, with particular regard to chemical aspects. The expert intervened also in the integration of the water treatment system with the CDS production line, and in the testing phases and therefore worked not only on WP2 activities, but also in WP3 and WP4.

The subcontracts have been awarded to the bid offering the best value for money for the services (three different offers have been asked for). All the documentation is stored in the dedicated project archives at A Due premises.

Regarding the costs for Equipment and Infrastructures, only the invoices paid out during this reporting period have been charged in this IR. There are further invoices that will be paid in the next reporting period and that will be reported in the FR. In any case, the relevant costs are allocated 100% in the project according to the depreciation in months charged within the project (18 months are eligible out of 36 in total).

With reference to the Other specific costs, the costs for the participation in the exhibitions Djazagro 2015 and Gulfood manufacturing 2015 are charged only pro quota.

Among the same cost category, there are the travel costs of Mr Moschini (area manager, not included the project staff list) who travelled to Lagos in Nigeria to train to the agent (sale force) for Africa SBA Group (with Head office in Switzerland and regional offices spread throughout Africa, and Head Quarter for Africa in Lagos), including water treatment. They were present: Mr Claude Bosson CEO / MD of SBA, Mr Olivier Fraisse, Mr James Miururi, Mr Vladimiro Felix, Mr Chris Muller and Mr Thierry Wengler.

UniBO reported costs only in the staff category further to travels and indirect costs that are automatically calculated. The hourly rate calculation has been made according to the fact that the Italian Academic Staff, in compliance with national rules, does not have an employment contract (as in the companies) and, consequently, there is not a defined working time per year (or per month) as well as an official time registration system. The national law 240/2010 regulates only a "figurative productive time" to be used for reporting purposes and UniBo has

being using 1.500 hours per year until the year 2015, date when the Academic Board decided to adopt the standard hours per year equal to 1.720 hours. That is why there the total working hour for the year 2014 is different in comparison the following years. In addition, the used method is based on the cash principle and that is why there could be differences in hourly costs per year per person.

The hours worked by each single person are recorder in monthly timesheets which are stored in the dedicated project archives at Unibo premises.

CVAR Ltd reported costs only in the staff category further to travels and indirect costs that are automatically calculated. The hourly rate calculation has been made according to the principles defined in the financial guidelines. The hours worked by each single person are recorder in monthly timesheets which are stored in the dedicated project archives at Cvar premises.

The project did not generate revenues.

7. ANNEXES

This IR consists in 2 originals and 1 electronic format, and contains as annex:

- the Interim Financial statements of the eligible costs actually incurred, covering the correct reporting period, following the structure of the estimated budget, and including a consolidated statement and a breakdown between each beneficiary;
- the audit certificates on financial statement of the lead beneficiary;
- copies of bank statements, showing the transfer by the coordinator of the 1st pre-financing to each beneficiary;
- copies of the invoices for the three biggest items that fall under “Subcontracting”, “Equipment and infrastructures” and “Other specific costs”;
- copies of the deliverables scheduled to be produced in the relevant period (01/10/2014 - 30/04/2016), excluding those already sent together with the Progress Report 1 dated on 30/09/2015.

Mr. Simone Squeri
A Due Spa - CEO

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