

Cost Categories

<p>DIRECT/OUTPUT COSTS are the costs of all necessary and reasonable inputs, which are linked to and are directly necessary to deliver the outputs.</p>	
<ul style="list-style-type: none"> • Project specific investments/equipment. • Salaries (documented by time registration). • Travels. • Events, conferences related to outputs. 	<p>Guidance and thresholds:</p> <ul style="list-style-type: none"> • Linked and allocated to specific outputs as per agreed results framework/Theory of Change (ToC). • Related to all staff working directly on outputs no matter their physical location. • Personnel costs shall be documented through time registration. <p>Direct activity costs will typically cover the following areas:</p> <ul style="list-style-type: none"> • Project management (i.e., management of an activity or package(s) of activities that contribute to the targeted outputs). • Technical assistance, monitoring, and compliance. • Activity specific service delivery. • Activity specific pilot studies and appraisals. • Project specific advisory and support to local implementing partners (i.e., supporting local operational capacity and localisation). • Purchase of physical assets/items for project-specific activity (incl. IT equipment). <p>DGBP budget and reporting template</p> <ul style="list-style-type: none"> • “Project Activities” are all inputs excluding staff inputs/expenses. Thereby, it includes consultancies, workshop and seminar costs, minor equipment, communication materials etc. • “Investments” are all equipment/assets with a multiyear use and acquired at a cost above DKK 3,500. All such assets must be included in a fixed asset list. • “Staff Inputs” are all inputs related to the specific DGBP outputs at cost price, including all statutory costs.
<p>PROJECT SUPPORT COSTS are the costs required to support the delivery of the project, but which cannot be directly linked to a specific output. It includes project and grant management, technical delivery, quality control functions, visibility and communications, human resources and security, compliance, finance, procurement, payroll, information technology and administration.</p>	
<ul style="list-style-type: none"> • Salaries related to project supporting activities. • Investment and equipment for project support staff. • Travel related to project supporting activities. • Other essential project supporting services/expenses /functions. 	<p>Guidance and thresholds:</p> <ul style="list-style-type: none"> • Related to HQ, regional and country offices. • Justifiable, explained and documented. • Primarily consisting of (common) pooled cost functions (i.e., project supporting cost functions with a benefit to several projects/donors/grants/funding arrangements). • Inclusion of pooled DGBP project support costs (and allocation to relevant outputs) shall be documented through a transparent and reasonable cost allocation mechanism (among donors e.g., through pro rata, time registration-key, full time equivalents, head count or similar) or through the inclusion of specific budget items. • Allocation to outputs shall be documented through a fair, transparent and reasonable allocation mechanism. <p>Project Support Costs will typically cover the following areas:</p> <ul style="list-style-type: none"> • Management of project staff. • Planning, coordination of activities and preparation of documentation. • IT equipment for project supporting functions. • Recruitment of project specific staff. • Project specific studies, reporting and finance and procurement tasks.

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	<ul style="list-style-type: none"> • Project specific or cross cutting reviews and external evaluations. • Participation of resource persons in connection with project evaluations. • Fair share of necessary personnel related costs (for essential project supporting staff and functions e.g. social security, HR, security/safety and finance incl. expat related costs) allocated through time registration or fair/transparent reallocation keys/cost allocation mechanism. • Fair share of project supporting cost functions at HQ, regional and/or country offices through reallocation keys/ cost allocation mechanism (e.g. warehouse and office costs including rent, cleaning, utilities and supplies, telephone and internet costs, goods, materials, maintenance, payroll, procurement).
<p>LOCAL ADMINISTRATION COSTS are the costs required to set up a dedicated delivery structure or costs that are statutory to implementing a project in the location.</p>	
<ul style="list-style-type: none"> • Non-output specific costs required uniquely for the DGBP project 	<p>Guidance and thresholds:</p> <ul style="list-style-type: none"> • Unique to the project but not linked explicitly to an output neither a project support cost. <p>Local administration will typically cover the following areas:</p> <ul style="list-style-type: none"> • Setting up a field office for the sole purpose of the DGBP project. • Fees and costs towards mandatory public approval and/or annual review of project activities
<p>AUDITING are the costs associated with the annual audit, the project completion audit and audits related to the financial support to commercial partners in accordance with the EU state aid rules and the General Block Exemption Regulation (GBER). The costs include the professional audit fee, the auditor reimbursable expenses, and costs related to all field aspects of the external audit process e.g. meetings with beneficiaries.</p>	
<p>ADMINISTRATIVE COSTS (INDIRECT COSTS) are the costs of all necessary and reasonable inputs associated with functions, which are directly necessary to manage the non-commercial partner(s) as a whole, provide oversight over all its activities and put into place the overarching policies, frameworks and systems that enable it to operate. It is not practicable to relate indirect costs to individual funding arrangements, but without the functions they represent, the DGBP project may not be delivered effectively, efficiently, on time, and safely.</p>	
<ul style="list-style-type: none"> • Covered by 7% administrative overhead • No specification needed. 	<p>Guidance and thresholds:</p> <ul style="list-style-type: none"> • No specification needed. • Max 7 % of actual direct cost (i.e., excl. unallocated flexible funds that are unassigned by end of year). • Non-activity specific costs, i.e., costs, which are not a result of or linked to the DGBP project. <p>The following costs are typically considered to be covered by the administrative fee:</p> <ul style="list-style-type: none"> • Administration and accounting of the non-commercial partner(s) itself/themselves (i.e., not related to project activities). • Visits and monitoring visits not part of activity-specific monitoring. • Recruitment of non-activity-specific personnel. • Contact/dialogue with the MFA and/or the DGBP Secretariat (other than participation in coordination of activities financed under the MFA grant). • Fund raising for project related co-funding. • Planning of applications and negotiating proposals.

	<ul style="list-style-type: none"> • General compliance and administrative and legislative reporting tasks in relation to the non-commercial partner(s) (e.g., VAT, audit, legal). • General budget and accounts tasks not related to the project. • Involvement of the leadership in the general governance and cooperation (by leadership is to be understood the general secretary/director and members of the board/executive committee not involved in activity specific tasks). <p>Indirect cost functions enable the non-commercial partner(s) to deliver effectively and operate professionally. Enabling functions include:</p> <ul style="list-style-type: none"> • Maintaining the non-commercial partner(s) legally in the jurisdiction in which it is constituted. • Governing and managing the non-commercial partner(s) and ensuring that it is appropriately directed and well controlled. • Ensuring the non-commercial partner(s) overall compliance with applicable, laws, regulations and other requirements in its home country or countries. • Developing, maintaining, and applying the non-commercial partner(s) frameworks and policies required to enable it to operate globally, including but not limited to risk management policy and framework, the procurement policy, the financial control policies and frameworks, the employment policies, the due diligence framework, other necessary compliance policies, the quality control policies, and frameworks. • Developing and maintaining the global systems and network required to ensure the effective and efficient delivery of the non-commercial partners functions e.g., the underlying global communications network and security and communications platforms. • General engagement and administration related to the international alliance membership, if applicable. • Preparing, reviewing, and acting upon financial and operational performance reports for the non-commercial partner(s) as a whole.
<p>INELIGIBLE COSTS are the costs, which are not accepted for funding under the DGBP.</p>	
	<p>Guidance and thresholds:</p> <ul style="list-style-type: none"> • Not to be included in budgets or reporting. • Shall be covered by others (i.e., non-MFA) sources of funding. <p>The following costs are considered ineligible (unless explicitly agreed):</p> <ul style="list-style-type: none"> • Losses due to fraud and corruption. • Purchase of land and buildings. • Disallowed costs (disallowed costs of local partners or costs irrelevant for the agreed purpose of the funding arrangement or outside project period). • Costs of fundraising. • Costs of gifts and donations. • Alcohol and tobacco. • Excessive or reckless expenditure. <p>Please refer to the DGBP Operational Guidelines and/or DGBP Administrative Guidelines for additional information.</p>