

EUKI guidelines on legal, commercial and budgetary procedures

2022 - **will be updated in 2023**

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1. Definition of terminology

- **Implementer:**

Implementer refers to the organization submitting the project idea (1st stage of idea competition) or project proposal (2nd stage of idea competition). If the proposal gets selected for EUKI financing, GIZ will offer the implementer a Grant Agreement (for German and non-German recipients). In the contract, the implementer is called recipient or *Zuschussempfänger*. The implementer is responsible for steering the project in terms of its outcome/ outputs but also all budgetary issues.

- **Implementing Partner(s):**

Implementing partners are institutions receiving forwardings (transfers) from the overall grant and make a direct contribution to achieving the project's outcome (overarching project goal) and/or outputs (specific project goals). A separate budget for each implementing partner must be submitted as part of the financial proposal. The GIZ contract determines the relation between implementer and implementing partner(s) under Article 5 of Grant Agreement (for German and non-German recipients). An implementing partner is called *third-party recipient* in the contract.

Please carefully read the [Information-on-Project-Financing-EUKI-7th-Call](#), especially the paragraphs on the *legal framework* as well as *project partnerships*.

2. Notes on budget compilation

Please note the following when drawing up a budget:

- **Template structure:** Please do not change the structure of the budget categories in the budget financing plan template ([Annex E](#)). Please use the existing formulas to calculate your project budget.
- The first tab - *Recipient* in the budget template is meant for potential implementers; it should contain all the estimated expenditure incurred by the implementer. In addition, the expenditure of potential implementing partners is shown in budget category 8 *Forwarding of funds*. The total funding volume for the project is added up under *Grand Total*.
- **If other organizations besides the implementer** will receive shares of EUKI/GIZ funding as final recipients, please create an additional tab for each implementing partner (*Sub grant to final recipient*) in the budget and list estimated expenditure that will be incurred by this implementing partner. Please include only those implementing partners in the budget who are included under 1.3 *Implementing partners* in the project proposal.

- Please note that a project with a large number of implementing partners presents an administrative challenge for the implementer. Thus, we recommend to calculate necessary expenditure for project steering in your budget.
- Due to the administrative work and increased risk of the settlement procedure not being carried out properly, **the maximum number of implementing partners is four.**
- Please list single expenditure clearly and comprehensibly in the first column of the budget. In the following column each expenditure should be assigned to one or more output(s) described in the project proposal. If there is no information for a particular budget category, please leave it blank.
- **Only the own and/or third-party funds that can be monetarily classified and for which evidence can be provided, may be included in the budget**, i.e. it must be possible to assign them to individual expenditure. In-kind contributions or non-cash inputs can be listed in the project proposal (section 6.5). For third-party contributions, written confirmation from the donor of these contributions must be included in Annex C of the project proposal, stating the amount of third-party funding. In case there is more than one third party donor involved, the amount stated in the column *Third-party funds* should correspond to the co-financing amounts stated in Annex C of the project proposal.

If own and/or third-party funds are contributed to the project, please separate **exactly** which expenditure is to be covered by EUKI/GIZ funding and which by own/third-party contributions. **A single budget item/expenditure must be fully financed by either EUKI funding or own/third-party funding.**

- The last three columns should be used to assign different expenditure to their source of funding, to either EUKI/GIZ or own/third-party funds. Only with the help of a strict allocation it is possible to calculate administrative expenses correctly. Administrative expenses have to be calculated as a percentage of direct expenditure (see budget category 7. Administration).

3. Explanatory notes on budget categories

Regarding the financial management of the grant, the recipient shall always comply with the requirements as stipulated in the Financial Guidelines for the applicable contract which are stated in Annex 3 of the contract and are available under: www.giz.de/financing and www.euki.de/en/selection-procedure/

1. External Experts/ Consultants

Please list only external experts that are not employed by your organization, but whose services are commissioned via a subcontract (e.g. advisors/consultants on technical matters etc.).
Requirements for the award of contracts for goods and services:

Please note Article 6 of Grant Agreement or Zuschussvertrag regarding requirements for award procedures.

2. Staff

Please list only expenditures for internal staff that have a **regular** employment contract and are assigned to the project/are working for the project. These expenditures include:

- Gross salary incl. employer's contribution to social benefits
- Other regular salary components defined contractually (except boni)
- Severance payments upon termination of a contract, provided they are a requirement under employment law (and not part of a contractual agreement) and provided they are only listed as the proportion that corresponds to the actual working hours spent on the project. Severance payments that are not based on applicable employment law are not eligible.

Please state function and role in the project of each employee in the first column (*Description/category of expenditure*) and factor in the estimated working time in the project.

Project personnel should be calculated at an average of at least 10% in relation to full-time employees over the entire project period.

Evidence must be provided for personnel expenditures in the form of monthly or annual payslips/payroll journals. In case payslips do not allow an adequate traceability, contracts of employment should be handed in as well. Traceability is, for example, not ensured in case information on payslips is not comprehensible or personnel expenditure for project staff exceeds amounts paid to other employees disproportionately. In order to ensure a complete documentation, the records and originals of supporting documents (e.g. payslips, timesheets) need to be kept at the Recipient's/Zuschussempfänger's premises. Please carefully read Annex 3 of the Grant Agreement or Zuschussvertrag (www.giz.de/financing and www.euki.de/en/selection-procedure).

**3.
Transportation/
Travel**

Travel expenditures and per diems are eligible for financing but they must be directly attributable to the project and comply with the internal or national travel regulations of the implementer/implementing partner or published regulations by the German Federal Ministry of Finance.

Please list all travel expenditure in this budget category, e.g. for travel of your own staff and travel expenditure of external persons participating in conferences and workshops.

Travel expenditure of external experts (consultants/advisors) are not to be included here but shall be accounted for in budget category 1. *External Experts/Consultants* and are part of their subcontract.

Budgeting of travel expenditures:

Please budget travel expenditures by taking into account an average amount per trip and the number of trips. A disaggregated depiction, broken down into flights, accommodation, additional expenses of subsistence and other expenses is not required.

Number of trips:

EUKI is planning to hold EUKI conferences every two years in Berlin to facilitate communication between implementers and partners and BMWK. Additionally, it should be taken into account that further networking and capacity building events (possibly also organized by the EUKI-Secretariat) could take place during the project period. Therefore, please plan an adequate annual travel budget by calculating three trips per year/project.

Further information on settlement of travel expenditure:

See below a list of per diems and overnight allowances valid for travel abroad in 2022. Please note the maximum per diem and overnight allowance amounts applicable for the different years of project implementation. The current regulations can be accessed under the following [link](#).

If meals were provided elsewhere, please reduce the per diems by the following percentages:

Breakfast 20% (if, for example, included in accommodation expenses)

Lunch 40% (if provided, for example, at events)

Dinner 40% (if provided, for example, at events).

4. Training Costs

Under this category all expenditure related to workshops, training courses, meetings, networking and other events held by implementer and implementing is eligible. For budgeting of this category, please list planned workshops/training, courses/meetings/events and types of expenditure which shall be incurred for the respective event and contracted under one service package, such as catering, rental fee of venue, equipment rental etc. Base your calculation on experience and local customary costs. Travel for external guests and participants is not be included here but under 3. *Transportation/travel*. Single cost items related to the abovementioned events which are not contracted as part of a service package shall be budgeted under the respective budget category (e.g. IT services, printing of flyers, advertisements under 6. *Other costs/Consumables*).

Requirements for the award of contracts for goods and services:

Please note Article 6 of Grant Agreement or Zuschussvertrag regarding requirements for award procedures.

5. Procurement of Goods	<p>Expenditure for materials, equipment or miscellaneous purchases can be listed in this category. Please name budgeted expenditures precisely and show clearly how they have been calculated.</p> <p><i>Requirements for the award of contracts for goods and services:</i></p> <p>Please note Article 6 of Grant Agreement or Zuschussvertrag regarding requirements for award procedures.</p>
6. Other costs/ Consumables	<p>Other expenditure for the project, such as publications, translations, IT services can be listed in this category. Please name budgeted expenditure precisely and show clearly how they have been calculated.</p> <p><i>Requirements for the award of contracts for goods and services:</i></p> <p>Please note Article 6 of Grant Agreement or Zuschussvertrag regarding requirements for award procedures.</p>
7. Administratio n costs	<p>Indirect project expenditures incurred through use of existing infrastructure (such as office rent, telephone, internet etc.) that cannot be directly attributed to the project can be claimed as administrative costs.</p> <p>Administrative costs must be reasonable and plausible and may not under any circumstances exceed 11% of the direct expenditures (budget category 1-6).</p>
8. Forwarding of Funds	<p>In this category (in the Recipient's budget) the sums of all grants that will be forwarded to implementing partners (sub grants to Final Recipients) will be calculated by an automated function of the budget template. The Recipient shall ensure that the terms and conditions of the Agreement are applied equally to the contractual relationship between the Recipient and the Final Recipients. <i>Requirements for the award of contracts for goods and services:</i></p> <p>Please note Article 6 of Grant Agreement or Zuschussvertrag regarding requirements for award procedures.</p>

Overview of travel expenses: per diem and overnight accommodation allowances for selected countries (as of 2022)¹ – will be updated in 2023

Country/City	Per diems abroad per whole day of absence (at least 24 hours)	Per diems abroad (day of arrival and departure/ absence of more than 8 hours per day)	Overnight accommodation allowances abroad up to EUR... with evidence
Albania	27	18	112
Andorra	41	28	91
Armenia	24	16	59
Austria	40	27	108
Azerbaijan	30	20	72
Belgium	42	28	135
Bosnia and Herzegovina	23	16	75
Bulgaria	22	15	115
Croatia	35	24	107
Cyprus	45	30	116
Czech Republic	35	24	94
Denmark	58	39	143
Estonia	29	20	85
Finland	50	33	136
France			
- Lyon	53	36	115
- Marseille	46	31	101
- Paris and départements 92, 93 and 94	58	39	152
- Strasbourg	51	34	96
- the rest of the country	44	29	115
Georgia	35	24	88
Greece			
- Athens	46	31	132
- the rest of the country	36	24	135
Hungary	22	15	63
Iceland	47	32	108
Ireland	58	39	129
Italy			
- Milan	45	30	158
- Rome	40	27	135
- the rest of the country	40	27	135
Kosovo	23	16	57
Latvia	35	24	76
Liechtenstein	56	37	190

¹Based on allowance which can be found [here](#)

Luxembourg	47	32	130
Malta	46	31	114
Macedonia	29	20	95
Moldova, Republic of	24	16	88
Monaco	42	28	180
Montenegro	29	20	94
Netherlands	47	32	122
Norway	80	53	182
Poland			
- Gdansk	30	20	84
- Krakow	27	18	86
- Warsaw	29	20	109
- Wroclaw	33	22	117
- the rest of the country	29	20	60
Portugal	36	24	102
Romania			
- Bucharest	32	21	92
- the rest of the country	27	18	89
Serbia	20	13	74
Slovak Republic	24	16	85
Slovenia	33	22	95
Spain			
- Barcelona	34	23	118
- Canary Islands	40	27	115
- Madrid	40	27	118
- Palma de Mallorca	35	24	121
- the rest of the country	34	23	115
Sweden	50	33	168
Switzerland			
- Geneva	66	44	186
- the rest of the country	64	43	180
Turkey			
- Istanbul	26	17	120
- Izmir	29	20	55
- the rest of the country	17	12	95
Ukraine	26	17	98
United Kingdom of Great Britain and Northern Ireland			
- London	62	41	224
- the rest of the country	45	30	115

Following rates apply for travel in/to Germany:

Per diem: 28 EUR

Accommodation allowance: 70 EUR

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH has been commissioned by the German Federal Ministry for Economic Affairs and Climate Action (BMWK) to hold this ideas competition as part of the European Climate Initiative.

