

THE CIVIL SOCIETY FUND
PROGRAMME

GUIDE TO PROGRAMME CONCEPT NOTE BUDGET PREPARATION 2021

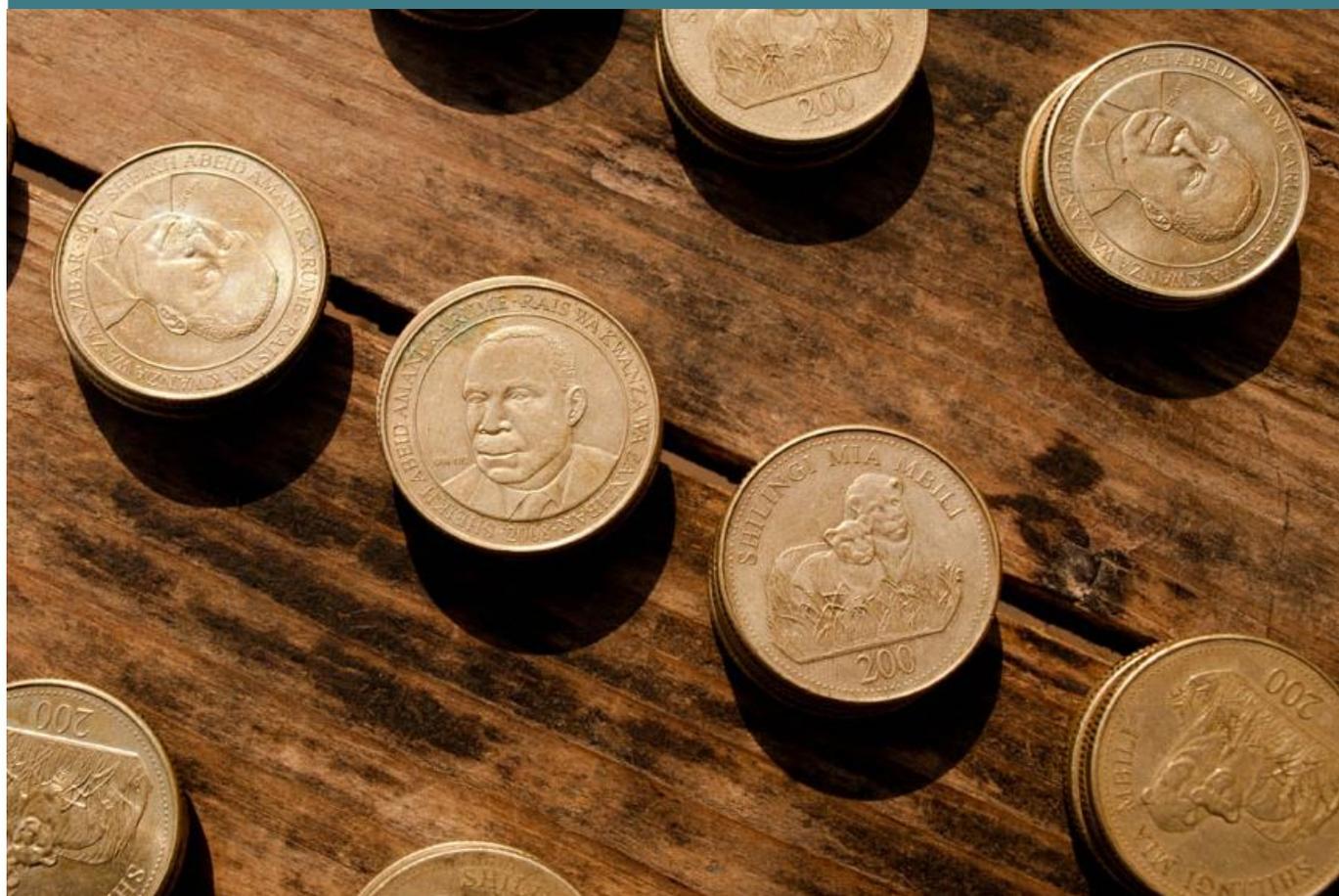


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1. VALIDITY OF THE GUIDE

This guide is valid for:

- Preparation of budget for Programme Concept Note applications to the Civil Society Fund in 2021.

2. HOW TO USE THE GUIDE

This guide sets out the requirements regarding how to present the budget. Accordingly, its instructions should be followed when drawing up a Programme Concept Note Budget.

Please note that requirements for managing the budget are found in the *Guide to the Administration of Programmes* (version April 2018). A new version of this guide is expected in April 2021 but the principles and requirements for managing the budgets are expected to be fairly the same as the changes are mainly expected to be in relation to formats.

Cost categories

A significant difference from previous calls for programme applications is the introduction of cost categories in the budget formats including the budget for Programme Concept Note.

The cost categories are a specification of cost in to cost sub-categories:

- **Direct costs:** A1, A2, A3, A5, A6 and A7.
A4 is not valid in relation to CISU programme applications and, hence, is not used.
- **Indirect costs:** B1.

The cost categories are specified in [Annex I](#).

3. GENERAL REQUIREMENTS

The budget must be prepared according to the corresponding format available on CISU's website.

The budget must be drawn up in Danish kroner (DKK).

A programme budget normally covers four years. The budget shall be presented following calendar years.

The budget must be presented in a clear and transparent manner. It is important for the assessment of the Programme Concept Note that the budget is easy to understand. In this respect, please note that the proportionality of cost level and the expected outcome is an important part of the assessment.

It is incumbent upon the Danish organisation to provide for insurance coverage of major equipment, stock, fixtures and project personnel to the extent possible.

If the budget contains salaries or fees of Danish personnel, the applicant organisation must be registered as appropriate with the Danish tax authorities.

4. PROGRAMME CONCEPT NOTE BUDGET FORMAT

Insert the name of the applicant (i.e. organisation name) and the programme title where indicated in row 6 of the format.

The Programme Concept Budget Format has cells that are automatically calculated. These cells are either blue or green. Please be aware not to write in blue or green cells. You may fill in numbers in the white cells only.

4.1. TURNOVER BUDGET

The first part of the format contains the Turnover Budget cf. below:

| 8 | | Total all years | 2022 | 2023 | 2024 | 2025 |
|----|--|-------------------|------------------|------------------|------------------|------------------|
| 9 | Turnover Budget | | | | | |
| 10 | A. Expected Liquid Funds (funds raised in Denmark) | 500.000 | 50.000 | 150.000 | 150.000 | 150.000 |
| 11 | B. Programme CSP Funds | 9.382.616 | 2.345.654 | 2.345.654 | 2.345.654 | 2.345.654 |
| 12 | C. Expected Co-financing | 1.600.000 | 350.000 | 350.000 | 450.000 | 450.000 |
| 13 | D. TOTAL | 11.482.616 | 2.745.654 | 2.845.654 | 2.945.654 | 2.945.654 |
| 14 | | | | | | |
| 15 | Liquid Funds (A) in % of PPA | 6% | 3% | 8% | 8% | 8% |
| 16 | Co-financing (C) in % of PPA | 21% | 18% | 18% | 23% | 23% |

The turnover budget gives an overview of all the funds that are expected to be used in the programme.

In the Turnover Budget, the following information needs to be filled out with respect to each of the years 2022 – 2025:

- **Liquid Funds** (funds raised in Denmark) can for example be contributions from supporters, funds from collections or inheritance that are directly channeled to partners in support of long-term development cooperation which falls within the framework of the Civil Society Policy published by the Danish Ministry of Foreign Affairs.
- **Co-financing** of activities means funds from other donors, the EU or the organisation's international PPA partners, which fall within the framework of the Civil Society Policy published by the Danish Ministry of Foreign Affairs. In the case of a joint programme/activities with grants raised and implemented by a local partner in the South or by the applicant's international alliance partners, these funds from other donors can also be counted as co-financing, provided that the Danish organisation is also playing a formal role in the undertaking.

For further elaboration on what may be included as Expected Liquid Funds and Expected Co-financing please see [Annex II](#) (in Danish only).

When in doubt on how to categorize an own financing input, please consult with CISU. CISU will align with Danida's definitions of own financing.

Minimum requirement to Liquid Funds and Co-financing

How much Liquid Funds and Co-financing that is required as a minimum depends on the total size of the programme's budget (and later on final grant).

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The minimum requirements are specified in the table below:

| Size of budget (or grant) in millions DKK per year | Liquid Funds raised in Denmark in % of PPA* | Co-financing in % of PPA* | Liquid Funds + Co-financing in % of PPA* |
|--|---|---------------------------|--|
| Up to 4,5 | 0 % - 5 % | 0 % - 5 % | Minimum 5% |
| Between 4,5 - 7 | Minimum 2,5 % | Minimum 7,5 % | Minimum 12,5% |
| More than 7 | Minimum 5% | Minimum 12,5 % | Minimum 20% |

* PPA: Programme and Project Activities

The budget format automatically calculates the % of Liquid Funds (raised in Denmark) and Co-financing, respectively, so that you may check that your organisations meet the requirements. This is done in row 15 and 16 cf. the blue cells in the example below:

| | | | | | | |
|----|--|-----|-----|-----|-----|-----|
| 15 | Liquid Funds (funds raised in Denmark) (A) in % of PPA | 6% | 3% | 8% | 8% | 8% |
| 16 | Co-financing (C) in % of PPA | 21% | 18% | 18% | 23% | 23% |

4.2. EXPENSES BUDGET – OUTCOME AND COST CATEGORY BREAKDOWN

Outcomes (i.e. end of programme outcomes) needs to be specified in the application and, hence, also in the budget. This specification is done in the table *Expenses Budget - Outcome and Cost Category breakdown* in the budget format.

As the title indicates, the cost needs to be broken down in both outcomes and cost categories.

In section I, each outcome's total costs are specified. Furthermore, it specified how much of each outcome's costs falls into cost category A1, A2 and A3, respectively. Cf. table below (specifications are given in the white cells):

| 19 | Expences Budget with Outcome and Cost Category breakdown | | | | | | |
|----|---|-----------------|-----------|-----------|-----------|-----------|------------|
| 20 | | Total all years | 2022 | 2023 | 2024 | 2025 | % of Total |
| 21 | Main budget lines | | | | | | |
| 22 | I. Programme and Project Activities (PPA) (Details below) | 7.740.000 | 1.935.000 | 1.935.000 | 1.935.000 | 1.935.000 | 0,82 |
| 23 | Outcome 1 | 1.300.000 | 325.000 | 325.000 | 325.000 | 325.000 | 0,17 |
| 24 | Hereof Cost Category .A1 | 200.000 | 50.000 | 50.000 | 50.000 | 50.000 | 0,15 |
| 25 | Hereof Cost Category .A2 | 800.000 | 200.000 | 200.000 | 200.000 | 200.000 | 0,62 |
| 26 | Hereof Cost Category .A3 | 300.000 | 75.000 | 75.000 | 75.000 | 75.000 | 0,23 |
| 27 | Outcome 2 | 2.840.000 | 710.000 | 710.000 | 710.000 | 710.000 | 0,37 |
| 28 | Hereof Cost Category .A1 | 500.000 | 125.000 | 125.000 | 125.000 | 125.000 | 0,15 |
| 29 | Hereof Cost Category .A2 | 2.000.000 | 500.000 | 500.000 | 500.000 | 500.000 | 0,70 |
| 30 | Hereof Cost Category .A3 | 340.000 | 85.000 | 85.000 | 85.000 | 85.000 | 0,12 |

For elaboration on what costs that relates to the cost categories A1, A2 and A3 please see [Annex I](#).

The total costs of all the outcomes are automatically calculated in the budget line I. *Total PPA Expenses Budget* (row 47, not illustrated).

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In part II of the table, the following costs needs to be specified:

- **Information activities in Denmark** (cost category A5): This cost may not exceed 2% of PPA.
- **Unallocated Funds and Budget Margin** (cost category A6): This cost may not exceed 15 % of PPA.
- **Auditing in Denmark** (Cost Category A7): Covers auditing in Denmark. Costs for auditing at local partners should be included in partner budgets under outcomes (cost category A2). It is thus not specified at this stage (concept note).

Please be aware of cost not exceeding the maximum percentages allowed. The percentages are automatically calculated cf. the blue cells in row 48 and 49 (see furthest right) in the table below:

| | | | | | | | |
|----|---|-----------|-----------|-----------|-----------|-----------|------|
| 47 | I. Total PPA Expenses Budget | 7.740.000 | 1.935.000 | 1.935.000 | 1.935.000 | 1.935.000 | 82% |
| 48 | A5. Information activities in Denmark (max 2% of PPA) | 154.800 | 38.700 | 38.700 | 38.700 | 38.700 | 2% |
| 49 | A6. Unallocated Funds and Budget Margin (max 15 % of PPA) | 774.000 | 193.500 | 193.500 | 193.500 | 193.500 | 10% |
| 50 | A7. Auditing in Denmark (Cost Category A7) | 100.000 | 25.000 | 25.000 | 25.000 | 25.000 | 1% |
| 51 | II. Total Direct Expenses Budget | 8.768.800 | 2.192.200 | 2.192.200 | 2.192.200 | 2.192.200 | 93% |
| 52 | III. Administration in Demark (max 7 % of I - II) (Cost Category B1) | 613.816 | 153.454 | 153.454 | 153.454 | 153.454 | 7% |
| 53 | IV. Grand Total Expenses Budget | 9.382.616 | 2.345.654 | 2.345.654 | 2.345.654 | 2.345.654 | 100% |

Finally, in part III of the table *Expenses Budget - Outcome and Cost Category breakdown*, the costs for Administration in Denmark are specified. You may budget with up to 7 % of budget line II.

4.3. EXPENSE BUDGET – GEOGRAPHICAL BREAKDOWN

The last part of the format contains the geographical breakdown of the programme and project activities (PPA). This breakdown is specified by:

- **Country/ Region:** Specify the PPA costs by country (and in rare cases by region if relevant) in the intervention countries.
- **Global Cross-Cutting expenses:** This budget line is used for geographically cross-cutting activities e.g., joint partner meetings, participation in international events etc.
- **Unallocated Funds and Budget Margin:** It is allowed to allocate up to 15 % of PPA in total to be used for unallocated funds and budget margin. The rules for use of this budget line will be specified in the forthcoming Guide to the Administration of Programmes (expected in April 2021). This budget line is calculated automatically with the input that you have state in the table *Expenses Budget - Outcome and Cost Category breakdown* above.
- **Denmark:** This budget line specifies the costs in Denmark.
- **Hereof shared programme support cost in Denmark, A3:** Specify the cost from cost category A3 to be spent in Denmark.

ANNEX I. COST CATEGORIES

| Cost category | Cost sub-category | Suggested budget specification | Ceilings and principles applied (including examples of typical cost areas/functions) |
|---|--|--|--|
| <p>DIRECT COSTS are the costs of all necessary and reasonable inputs associated with functions, which are directly necessary to deliver a programme or project. DIRECT COSTS (as defined by the Money Where It Counts protocol) includes the following cost functions:</p> <ul style="list-style-type: none"> • Programme/project and grant management, technical delivery, quality control functions. • Visibility and communications. • Human Resources and security. • Compliance. • Finance, procurement, payroll, information technology and administration. | | | |
| <u>A.</u> Direct costs. | <p>A.1. Direct activity cost. <i>(Aktivitetsomkostninger)</i></p> | <ul style="list-style-type: none"> • Programme/project activities. • Programme/project specific investments/equipment. • Salaries (HQ and local, documented by time registration). • Travel (activity specific only). • Events, conferences related to outcomes/outputs | <ul style="list-style-type: none"> • Linked and allocated to outcomes/outputs (c.f. agreed results framework/ theory of change, ToC). • Allocation to outcomes/outputs documented through fair, transparent and reasonable cost allocation mechanism (e.g. time registration-key, vehicle usage register or similar). • Personnel costs documented through time registration. • Pooled direct activity costs allocation documented through fair, transparent and reasonable cost allocation mechanism (between outcomes/outputs and among projects/donors/funding arrangements e.g. through pro rata, time registration-key, full time equivalents, head count or similar). <p>Direct activity costs will typically cover the following areas:</p> <ul style="list-style-type: none"> • Programme/project management (i.e. management of an activity or package(s) of activities that contribute to the targeted outcomes/outputs). • Technical assistance, monitoring and compliance. • Activity specific service delivery. • Activity specific pilot studies and appraisals. • Development of partnerships in Global South through capacity development, advocacy/policy work, strategic service delivery etc. • Programme/project specific advisory and support to local independent implementing partners (i.e. supporting local operational capacity and localisation). • Purchase of physical assets/items for programme/project-specific activity (incl. Information and Communication Technology (ICT)). |
| | <p>A.2. Implementation through local independent partners. <i>(Overførsler til uafhængige partnere / bevillingshavere)</i></p> | <ul style="list-style-type: none"> • Transfers to (or expenses by) local independent implementing partners. | <ul style="list-style-type: none"> • Linked and allocated to outcomes/outputs (c.f. agreed results framework/ theory of change, ToC). • Allocation to outcomes/outputs documented through fair, transparent and reasonable cost allocation mechanism (e.g. through pro rata, time registration-key, full time equivalents, head count or similar). • Unspecified admin fee or overhead lump sum not eligible. • 'Independence' analysed and justified in terms of the following indicative criteria: 1) judicial independence 2) independent governance structure, 3) financially diversified source of funding and 4) degree to which it is rooted in local community (e.g. through volunteers, membership base, local donation). (I.e. excluding transfers to country and regional offices, functioning as extensions of the DANIDA-funded organisation or the international alliances to which the DANIDA funded organisation is a member). <p>Direct transfers will typically cover the following areas:</p> <ul style="list-style-type: none"> • Implementation/operational cost by local independent partners in Global South (direct costs incl. audit expenses borne by implementing partner). • Indirect cost of local independent partner (i.e. inclusion of transparent and documented fair share of local partners' indirect costs acceptable, documented through transparent and reasonable cost allocation mechanism e.g. through pro rata, time registration-key, full time equivalents, head count or similar). |

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| | | | |
|--------------------------------------|--|--|--|
| A. Direct costs | <p>A.3.</p> <p>Allocated programme-support cost.</p> <p><i>(Program-understøttende funktioner / fælles-omkostninger)</i></p> | <ul style="list-style-type: none"> Salaries related to programme supporting activities. Investment and equipment for programme support staff. Travel related to programme supporting activities. Other essential programme supporting services/expenses/functions. | <ul style="list-style-type: none"> Justifiable/explained. Linked and allocated to outcomes/outputs (c.f. agreed results framework/ theory of change, ToC). Allocation to outcomes/outputs documented through fair, transparent and reasonable cost allocation mechanism (e.g. time registration-key or similar). Primarily pooled cost functions (i.e. programme supporting cost functions with benefit to several programmes/ donors/ grants/ funding arrangement). Pooled programme support costs allocation documented through fair share, transparent and reasonable cost allocation mechanism (between outcomes/outputs and among donors e.g. through pro rata, time registration-key, full time equivalents, head count or similar). <p>Programme support costs will typically cover the following areas:</p> <ul style="list-style-type: none"> Management of programme staff. Planning (such as a new phase of ongoing programmes/projects), coordination of activities and preparation of documentation. IT equipment (ICT) for programme supporting functions. Recruitment of programme/project specific staff. Programme/project specific studies, reporting, finance and procurement tasks. Programme/project specific advisory and support to local independent implementing partners (i.e. supporting local operational capacity and localisation). Programme/project specific or cross cutting reviews and external evaluations. Participation of resource persons in connection with evaluations. Expenses linked to HQAI/CHS verification/certification of partner itself. Fair share of necessary personnel related costs (for essential program supporting staff and functions e.g. social security, HR, security/safety and finance incl. expat related costs) through time registration or fair/transparent reallocation keys/ cost allocation mechanism. Fair share of programme supporting cost functions at HQ as well as local or regional country office, 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). |
| | A.4. | n/a | Not in use |
| | <p>A.5.</p> <p>Information</p> <p><i>(Oplysnings-aktiviteter)</i></p> | <ul style="list-style-type: none"> Salaries related to Programme Related Information (PRI) activities. Travel related to PRI. Other costs related to PRI. | <ul style="list-style-type: none"> Max 2% of A1+A2+A3 budget. Unspecified at the time of budgeting. Personnel costs documented through time registration. Reported/accounted with no link or allocation to specific outcome/output. Actual costs to be accounted only (i.e. no lump sum allowed). <p>Programme related information (PRI) will typically cover the following areas:</p> <ul style="list-style-type: none"> Activities related to enhancing the Danish public's engagement and understanding of Danish development assistance, the Sustainable Development Goals (SDGs). Activities to stimulate debate of globalisation and challenges faced by development countries and their populations. |
| | <p>A.6.</p> <p>Unallocated</p> <p><i>(Uallokerede midler , inklusiv budgetreserve)</i></p> | <ul style="list-style-type: none"> Unallocated funds | <ul style="list-style-type: none"> Unspecified at the time of budgeting. Linked and allocated to an outcome/output at time of accounting/reporting. Actual costs to be accounted only. Max 15% of PPA. <p>This cost category will be a direct activity cost and allocated to an outcome/output in the financial accounts but will not be allocated to a specific outcome/output at the time of budgeting.</p> |
| | A.7. Audit | <ul style="list-style-type: none"> Auditor's fee | <ul style="list-style-type: none"> Auditor's fee related to programme financial audit exclusively. |

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INDIRECT COSTS (as defined by the Money Where It Counts protocol) are the costs of all necessary and reasonable inputs associated with functions, which are directly necessary to manage the agency 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 directly, but without the functions they represent, programmes and projects could not be delivered effectively, efficiently, on time, and safely.

| | | | |
|---|--|---------------------------------|---|
| <p>B.</p> <p><u>Indirect costs.</u></p> | <p>B.1.</p> <p>Administration fee.</p> | <p>No specification needed.</p> | <ul style="list-style-type: none"> • No specification needed. • Max 7 % of direct cost. • Non-activity specific costs, i.e. costs, which are not a result of or linked to an individual development programme/project. <p>The following costs for administration are typically considered to be covered by the administrative costs:</p> <ul style="list-style-type: none"> • Administration and accounting of the organisation itself (i.e. not related to program activities). • Visits and monitoring visits not part of activity-specific monitoring (i.e. activity-specific monitoring is included in A.1 or A.3.). • Recruitment of non-activity-specific personnel (i.e. recruitment of activity-specific personnel and essential support staff is included in A.1 or A.3.). • Contact/dialogue with CISU (other than participation in coordination of activities financed under the CISU grant). • Fund raising. • Planning of applications and negotiating proposals. • General compliance and administrative and legislative reporting tasks in relation to the organisation (e.g. VAT, audit). • General budget and accounts tasks (i.e. program specific budget and accounting tasks are included in A.1 / A.3. according to actual time registration). • Involvement or the organisation’s 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). (I.e. activity specific involvement documented by time registration may be included in A.1. or A.3.). <p>Indirect cost functions enable the organisation to deliver effectively and operate professionally. Enabling functions include:</p> <ul style="list-style-type: none"> • Maintaining the organisation legally in the jurisdiction in which it is constituted. • Governing and managing the organisation and ensuring that it is appropriately directed and well controlled. • Ensuring the organisation’s overall compliance with applicable, laws, regulations and other requirements in its home country or countries. • Developing, maintaining and applying the organisational frameworks and policies required to enable the organisation 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 required to ensure the effective and efficient delivery of the organisation’s functions e.g. the underlying global communications network, security and communications platforms. • Preparing, reviewing and acting upon financial and operational performance reports for the organisation as a whole. |
|---|--|---------------------------------|---|

ANNEX II. OWN CONTRIBUTIONS (LIQUID FUNDS AND CO-FINANCING)

(In Danish only).

Egenfinansiering

Egenfinansiering er et krav der indføres stigende med programmets budgetmæssige størrelse. For alle programansøgninger skal foreligge en egenfinansieringsplan for den danske organisation. Endvidere skal fremsendes en oversigt over eksisterende og forventet samfinansiering hos relevante partnere.

Egenfinansiering består af en kombination af to typer finansiering:

- Likvide midler rejst i Danmark (eksempelvis støttebidrag, fondsstøtte til relevante indsatser under programmet, private midler fra indsamling eller arv), der kanaliseres direkte til samarbejdspartnerne til støtte for det langsigtede udviklingsarbejde der arbejder indenfor civilsamfundspolitikens rammer. Betegnes som 'Likvide midler' i budgetformatet og anses for en del af Programbudgettet og indgår i rapportering og revision.
- Samfinansiering af aktiviteter (fra andre donorer, fonde, EU eller fra organisationens internationale partnere), der ligger indenfor Civilsamfundspolitikens rammer. Hvis der er tale om et fælles indsatser/program/aktiviteter forankret hos en af de lokale partnere i Syd eller i ansøgers internationale alliance, vil finansiering fra sådanne andre donorer kunne medregnes som samfinansiering, hvis den danske organisation har en formaliseret rolle i indsatsen som en del af partnerskabet/samarbejdet. Beskrives i egenfinansieringsplanen og dokumenteres efterfølgende.

CISU vil tage udgangspunkt i samme fleksible praksis som Udenrigsministeriet i vurderingen af hvilke konkrete finansieringsformer, der kan medregnes som henholdsvis 'Midler rejst i Danmark' eller 'Samfinansiering'.

Egenfinansiering beregnes som en procent af PPA (Program og Projekt Aktiviteter).

Niveauet af egenfinansiering afhænger af programmets budgetstørrelse for basisbevillingen.

Procentsatserne udtrykker hvad der som minimum skal medregnes inden for de to typer:

| Budgetgruppe | Midler rejst i Danmark | Samfinansiering | Tilsammen mindst |
|---|------------------------|-----------------|------------------|
| 1. Budget til og med 4,5 mio/kr/år | 0 % - 5 % | 0 % - 5 % | 5 % |
| 2. Budget fra 4,5 til og med 7 mio/kr/ år | Min. 2,5 % | Min. 7,5 % | 12,5 % |
| 3. Budget over 7 mio/kr/år | Min. 5 % | Min. 12,5 % | 20 % |

For ansøgere som møder egenfinansieringskravet for første gang (førstegangsansøgere eller programmer godkendt før nov. 2017) samt for ansøgere, der pga. en forøget bevilling ift. det ansøgte beløb, overskrider en budgetgruppe, kan der ske en gradvis indfasning af egenfinansieringen over de første 3 år, således at det gældende egenfinansieringskrav er indfaset i det fjerde programår.