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# Business Support Facility for Resilient Agricultural Value Chains

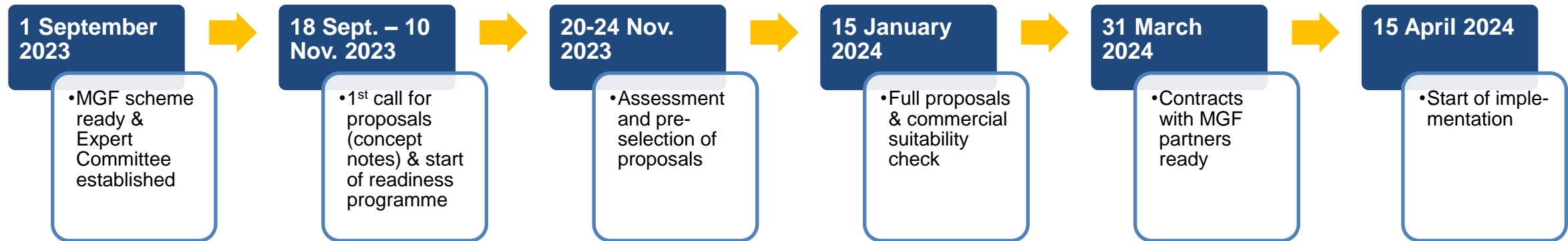
Contracts and Finance

6 October, 2023



# Output 2 – Timeline for Matching Grant calls

## Call: Cocoa, Maize, Livestock





# Agenda

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- **Budget Template**
- **Eligible Costs**
- **Contracting types**

# Budget template

- Country of operation: Ghana
- Project value: 1.514.000 GHS
- Consortia share: 50%
  
- Consortia share must be at least 50% . All budget lines must be split by the pre-agreed share.
- ▲ Not possible that fully pays for one budget line (e.g., training costs) and you for the other (e.g., staff costs)

# Eligible Costs

- Only **direct costs** with no mark ups can be covered
- Cost occurred within contract term

- Eligible costs are :

- 👍 Remuneration for your company's own employees
- 👍 Fees for external experts
- 👍 Travel expenses, air ticket
- 👍 Costs of materials and equipment
- 👍 Costs of capital goods
- 👍 Other costs


- Ineligible costs are :

- 🚫 Sales and distribution costs, including advertising costs
- 🚫 Municipal trade tax
- 🚫 Costs of independent research and development
- 🚫 .... Please check Annex 3\_Guidelines on costs eligible for reimbursement for an extensive list

# Eligible Costs

- 1) Remuneration for your company's own employees / Personnel costs
- We need the **estimated daily rates**
  
- **Employer gross: EUR 30k**
- **Social security contributions: EUR 10k**
- **Seasonal bonuses: EUR 500**

*Estimated daily rates:*  $\frac{(30.000+10.000+500)}{220 \text{ working days}} = 184,09$

 Use annual figures

# Eligible Costs

- **2) External Service providers**
- This includes all contracts with subcontractors or external firms, e.g.:
  - costs of external workshops, seminars, and training events (incl. all services relevant for the workshops e.g., facilitation). The experts can either be listed individually or consolidated in a pool. The technical requirements profile of the experts must be described. The award procedures must be documented.
  - production and printing of teaching and information material
  - preparation of studies
  - provision of consultancy services
  - transportation and logistics costs



The external service providers need to be agreed with the **Business Support Facility for Resilient Agricultural Value Chains** team.



# Eligible Costs

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- **3) Travel expenses and air tickets**
- Eligible at maximum rates for tax purposes but should not exceed the GIZ lump-sum standard rates in the respective country as applicable at the date of signing the agreement → Information provided upon request.
- Only Economy Class air tickets are eligible (no premium economy, no business class)



# Eligible Costs

- **4) Costs of materials and equipment and of capital goods**
  - Should not exceed 30% of the budget
  - Approval of GIZ needed for: agro chemicals (e.g., pesticides) or medicine, sum of procurement crosses EUR 50.000
- A. Hand-over to a public-benefit or public-sector organization at the end of the project  
→ Full cost eligible
- B. Remains with private company  
→ Only Depreciation during project phase eligible for reimbursement

# Eligible Costs

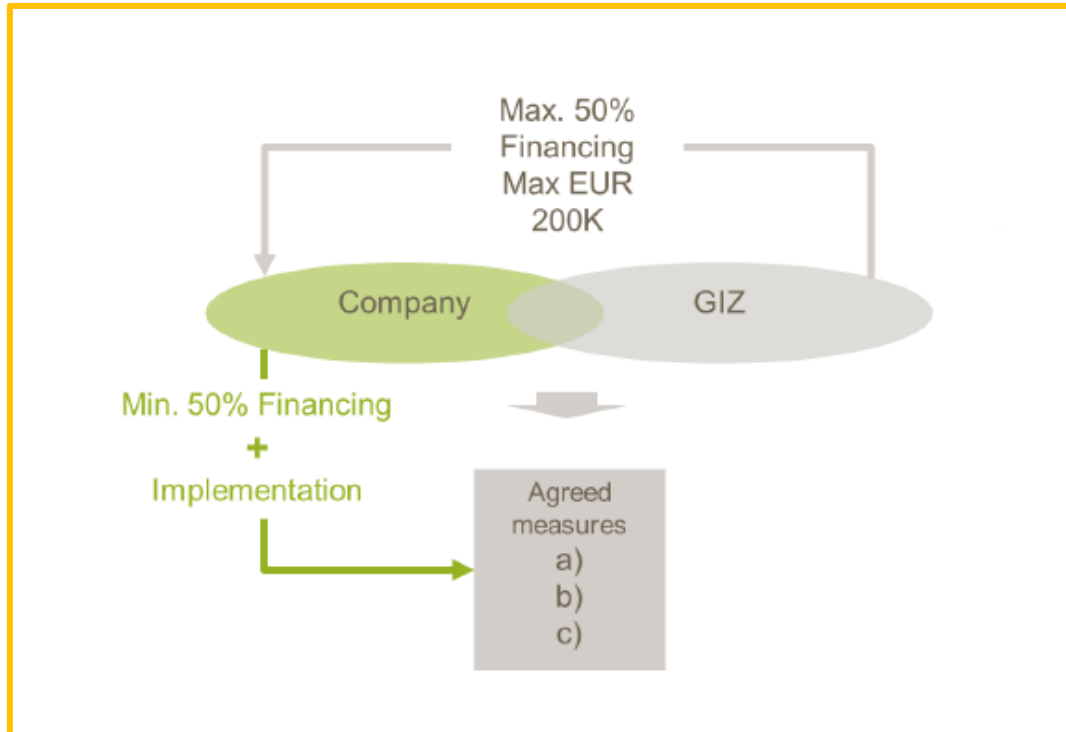
- **4) Costs of materials and equipment and of capital goods**
- only depreciation during the contract term is eligible for reimbursement
- Example Maize Processing Machine :
- Price: EUR 10.000
- Purchased during Project Phase
- 100% used for project
- Amortization period: 5 years
- Depreciation rate: 20%
- Each year until project end, costs of EUR 2000 can be reported

# Eligible Costs

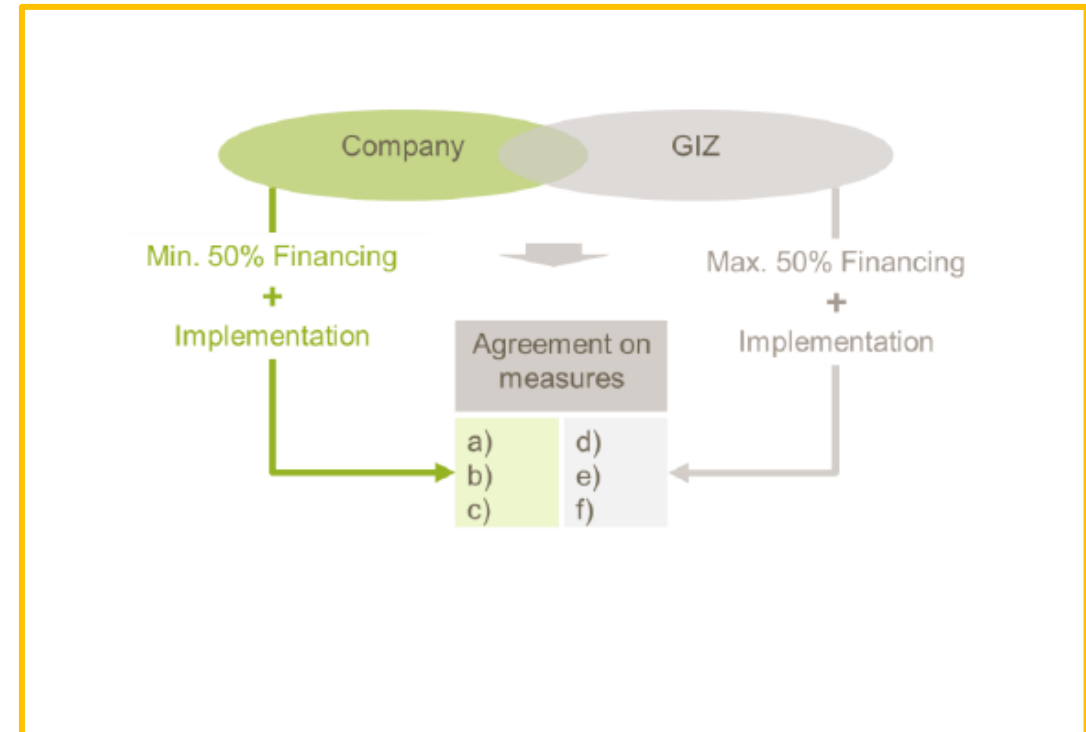
- **5) Other cost (including training cost)**
  - All costs related to training for smallholder farmers
  - Expenses related to pilot tests
  - Costs of the audit of the Matching (max. EUR 3500) per audit
  - Prorated project-related operating costs (e.g., prorated office rent)
- Pre-agree budget lines may be crossed by 10%, if more GIZ approval needed
- New budget lines may be added during course of project, but approval by GIZ needed
- Semi-annual reporting of costs to GIZ.

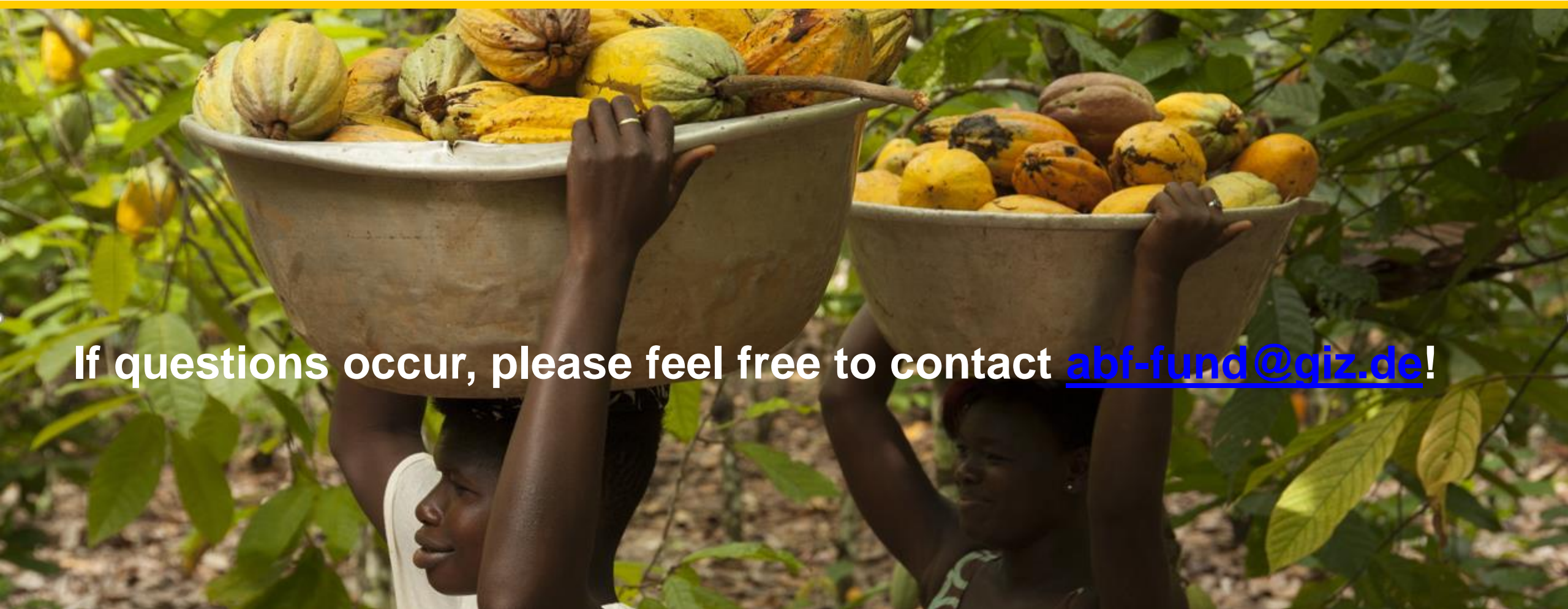
# Contracting types

## Implementation Agreement



## Cooperation Agreement





If questions occur, please feel free to contact [abf-fund@giz.de](mailto:abf-fund@giz.de)!