

BEST

VOLUNTARY SCHEME
FOR BIODIVERSITY AND
ECOSYSTEM SERVICES
IN TERRITORIES OF
EUROPEAN OVERSEAS



BEST 2.0

Promoting conservation and sustainable use of
Biodiversity and Ecosystem Services in Overseas
Countries and Territories

Guidelines for Applicants

Medium Grants 2015

Regions: Pacific - Caribbean

**Deadline for submission of proposals: 4th December 2015 at 23:59
(Brussels date and time)**

(in order to convert to local time click [here](#))



Notice

This guidance document provides useful information on how to apply for BEST 2.0 funding. It relates to applications for Medium Grants. Applicants are strongly recommended to read this document in full before completing and submitting a Medium Grant proposal.

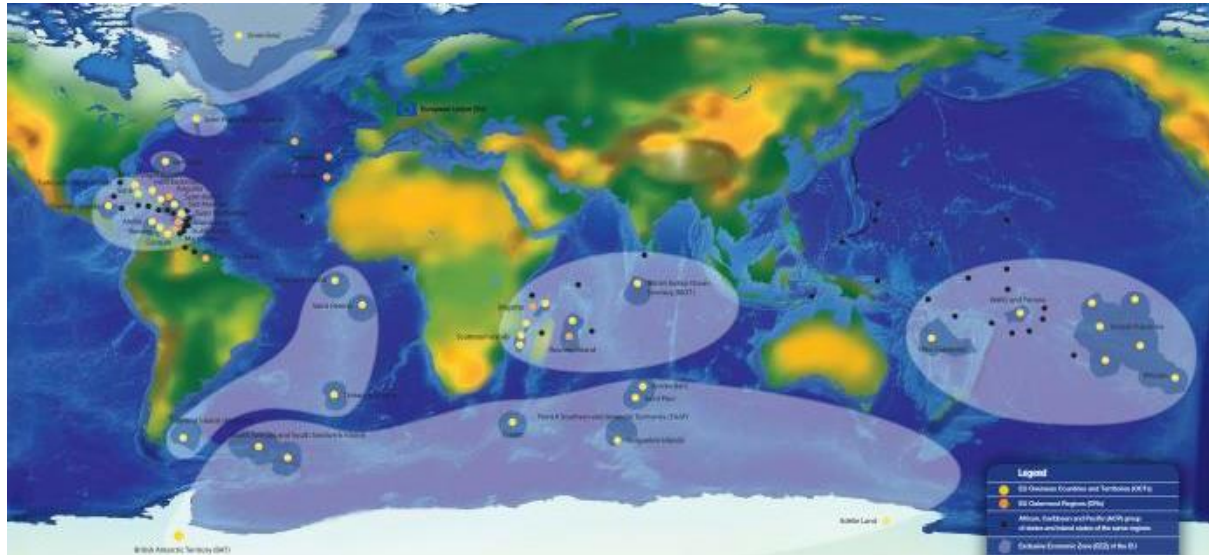
1. Overview of BEST 2.0

1.1. Background

The BEST 2.0 Programme (hereafter BEST 2.0), which is part of the EU Biodiversity for Life (B4Life) flagship, provides grant funding for small-scale and medium-scale field actions on the ground for biodiversity conservation and sustainable development in the EU Overseas Countries and Territories (OCTs) - countries and territories with a special link to one of the following Member States: Denmark, France, the Netherlands and the United Kingdom.

The OCTs are found in five regions around the world:

- Pacific
- Caribbean
- South Atlantic
- Indian Ocean
- Polar and Sub-Polar



Legend: ● OCTs

1.2. Objectives of BEST 2.0

- The overall objective of BEST 2.0 is to promote **the conservation of biodiversity and sustainable use of ecosystem services**, including ecosystem-based approaches to climate change adaptation and mitigation, as a basis for sustainable development in OCTs.

- The specific objective is to enable, empower and strengthen local authorities and civil society organisations which are committed to local development, biodiversity conservation and sustainable use of ecosystem services in OCTs.
- BEST 2.0 is designed to provide substantive and effective support for actions at the local, as well the regional levels; regional cooperation being key in the regions where the OCTs are located. BEST 2.0 will as well catalyse the efforts and will constitute a key contribution to the achievement of the global objectives and goals in terms of biodiversity, sustainable development and climate change.

1.3. Financial allocation

The overall indicative amount made available for this call for proposals is EUR 2 000 000 (**two million euros**).

Size of grants

Any grant requested under this call for proposals must fall between the following minimum and maximum amounts:

- **Minimum amount: EUR 100 001**
- **Maximum amount: EUR 400 000**

Any grant requested under this call for proposals must fall between the following maximum percentages of total eligible costs of the action:

- Maximum percentage: **95 %** of the total eligible costs of the action (i.e. a minimum of **5%** co-funding is required)

2. Rules for this call for proposals

These guidelines set out the rules for the submission, selection and implementation of the actions financed under this call, in conformity with the Practical Guide, which is applicable to the present call (available at <http://ec.europa.eu/europeaid/prag/document.do?locale=en>).

2.1. Eligibility criteria

There are three sets of eligibility criteria, relating to:

- 1) The actors:
 - the **lead applicant**, i.e. the entity submitting the application form
 - if any, its **co-applicant(s)** (*where it is not specified otherwise the lead applicant and its co-applicants are hereinafter jointly referred to as “applicants”*)
 - and, if any, **affiliated entity(ies)** to the lead applicant and/or co-applicant(s).
- 2) The actions for which a grant may be awarded.
- 3) The costs:
 - the types of costs that may be taken into account in setting the amount of the grant.

2.1.1 Eligibility of the applicants (i.e. applicant and co-applicant(s))

Lead applicant

(1) In order to be eligible for a grant, the lead applicant must be:

- **A public or private body, actor or institution** (applications from individuals are not eligible).
- **Registered** in an EU Member State or in an EU Overseas Country and Territory.
- **Directly responsible** for the preparation and management of the project: applications presented by a body acting as an intermediary for a third party are not acceptable.

Grants are open to:

- **Civil society organisations and community-based initiatives** (working with local government partners is encouraged).
- **Local governments and their departments and services** (working with civil society is encouraged).
- **Municipalities or communal services** (working with civil society and local government is encouraged).
- **SMEs meeting the criteria of micro-enterprise** as defined in EC recommendation of 06.05.2003¹.
- **European Members State bodies****
- **Regional bodies****
- **International bodies****

** In these cases applicants must fulfil the eligibility condition requiring the existence of a partnership with the local government and/or local civil society and socio-professional actors and the implementation of capacity building activities.

Conflict of interest:








Grantees cannot be current employees or close relatives (i.e. immediate family) of IUCN or BEST 2.0 employees. Organisations that are member of the IUCN may apply for grants, but will have to demonstrate their legal and structural independence from IUCN as an organisation and IUCN French Committee in order for their application to be accepted.

Government-owned enterprises or institutions are eligible provided they can establish that:

- i) The enterprise or institution has a legal personality independent of any government agency or actor.
- ii) The enterprise or institution has the authority to apply for and receive private funds.
- iii) The enterprise or institution may not assert a claim of sovereign immunity.

¹ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2003:124:0036:0041:en:PDF>

The eligibility for Medium Grants applicants is as follows:

Applicant	Medium Grant
Local civil society organisations, non-profit organisations	 *
Small socio-professional organisations, small profit organisations (5-10 permanent staff, annual balance or turnover <€ 2 million)	 *
Municipalities, cities of a Territory	 *
Territorial government and services	
European Member State bodies**	
Regional bodies**	
International bodies**	

* In partnership with other organisations

** In these cases applicants must fulfil the eligibility condition requiring the existence of a partnership with the local government and/or local civil society and socio-professional actors and the implementation of capacity building activities.

(2) Potential applicants may not participate in calls for proposals or be awarded grants if they are in any of the situations listed in section 2.3.3 of the Practical Guide.

In the Applicant Declaration the lead applicant must declare that the lead applicant himself, the co-applicant(s) and affiliated entity(ies) are not in any of these situations.

The lead applicant may act individually or with co-applicant(s).

If awarded the grant, the lead applicant will become the beneficiary identified as the Coordinator in the grant contract. The Coordinator is the main interlocutor of the BEST 2.0 Secretariat. It represents and acts on behalf of any other co-beneficiary (if any) and coordinates the design and implementation of the action.

Co-applicant(s)

Co-applicants participate in designing and implementing the action, and the costs they incur are eligible in the same way as those incurred by the lead applicant.

Co-applicants must satisfy the eligibility criteria as applicable to the lead applicant.

Co-applicants must sign the mandate included as Annex 1 to these guidelines.

If awarded the grant contract, the co-applicant(s)(if any) will become beneficiary(ies) in the action (together with the Coordinator).

2.1.2 Affiliated entities

The lead applicant and its co-applicant(s) may act with affiliated entity(ies).

Only the following entities may be considered as affiliated entities to the lead applicant and/or to co-applicant(s):

Only entities having a structural link with the applicants (i.e. the lead applicant or a co-applicant), in particular a legal or capital link.

This structural link encompasses mainly two notions:

(i) Control, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings:

Entities affiliated to applicant may hence be:

- Entities directly or indirectly controlled by an applicant (daughter companies or first-tier subsidiaries). They may also be entities controlled by an entity controlled by an applicant (granddaughter companies or second-tier subsidiaries) and the same applies to further tiers of control;
- Entities directly or indirectly controlling the applicant (parent companies). Likewise, they may be entities controlling an entity controlling the applicant;
- Entities under the same direct or indirect control as the applicant (sister companies).

(ii) Membership, i.e. the applicant is legally defined as a e.g. network, federation, association in which the proposed affiliated entities also participate or the applicant participates in the same entity (e.g. network, federation, association) as the proposed affiliated entities.

The structural link shall as a general rule be neither limited to the action nor established for the sole purpose of its implementation. This means that the link would exist independently of the award of the grant; it should exist before the call for proposals and remain valid after the end of the action.

By way of exception, an entity may be considered as affiliated to an applicant even if it has a structural link specifically established for the sole purpose of the implementation of the action in the case of so-called “sole applicants” or “sole beneficiaries”. A sole applicant or a sole beneficiary is a legal entity formed by several entities (a group of entities) which together comply with the criteria for being awarded the grant. For example, an association is formed by its members.

What is not an affiliated entity?

The following are not considered entities affiliated to an applicant:

- Entities that have entered into a (procurement) contract or subcontract with an applicant, act as concessionaires or delegates for public services for an applicant,
- Entities that receive financial support from an applicant,
- Entities that cooperate on a regular basis with an applicant on the basis of a memorandum of understanding or share some assets,

- Entities that have signed a consortium agreement under the grant contract (unless this consortium agreement leads to the creation of a "sole applicant" as described above).

How to verify the existence of the required link with an applicant?

The affiliation resulting from control may in particular be proved on the basis of the consolidated accounts of the group of entities the applicant and its proposed affiliates belong to.

The affiliation resulting from membership may in particular be proved on the basis of the statutes or equivalent act establishing the entity (network, federation, association) which the applicant constitutes or in which the applicant participates.

If the applicants are awarded a grant contract, their affiliated entity(ies) will not become beneficiary(ies) of the action and signatory(ies) of the grant contract. However, they will participate in the design and in the implementation of the action and the costs they incur (including those incurred for implementation contracts and financial support to third parties) may be accepted as eligible costs, provided they comply with all the relevant rules already applicable to the beneficiary(ies) under the grant contract.

Affiliated entity(ies) must satisfy the same eligibility criteria as the lead applicant and the co-applicant(s). They must sign the affiliated entity mandate included as Annex 2 to these guidelines.

2.1.3 Associates and contractors

The following entities are neither applicants nor affiliated entities and do not have to sign the "co-applicant mandate" or "affiliated entity mandate":

- **Associates**

Other organisations may be involved in the action. Such associates play a real role in the action but may not receive funding from the grant, with the exception of per diem or travel costs. Associates do not have to meet the eligibility criteria referred to in section 2.1.1.

- **Contractors**

The beneficiaries and their affiliated entities are permitted to award contracts. Associates or affiliated entity(ies) cannot be also contractors in the project. Contractors are subject to the procurement rules set out in Annex 8.

2.1.4 Eligible actions: actions for which an application may be made

Definition

An action is composed of a set of activities.

Duration

- Medium Grants have a maximum duration of **36 months** for projects submitted in 2015.

Applicants are required to submit projects with a starting date between **March 2016** and **June 2016**.

Sectors or themes

Actions must relate to the **conservation and/or sustainable use of biodiversity and ecosystem services including ecosystem-based climate change adaptation or mitigation in the European OCTs.**

Location

Actions must take place in **one or more of the Overseas Countries and Territories in the following regions:**

- **Pacific**
- **Caribbean**

Types of action

To be eligible for funding:

- the project activities must be located in one or more of the OCT(s), benefit local OCT actors and contribute to the BEST 2.0 objectives;
- the proposed activities must comply with the BEST 2.0 and IUCN environmental and social safeguard aspects (see Annex 3).

BEST 2.0 projects **must contribute to tangible impacts in terms of the conservation, sustainable development and/or sustainable use of biodiversity and ecosystem services, including ecosystem-based climate change adaptation or mitigation.**

Fundamental research projects will not be funded. Only applied research will be funded when the proposals include research activities with tangible follow-up actions using the results of the research, i.e. new management or conservations measures, proposal of a new practical management plan or new policy, of a new protected area or in vivo pilot site, new natural resources management plan, with activities implementing the results of the research.

The following types of action are ineligible:

- The purchase of land, involuntary resettlement of people, or activities that negatively affect physical cultural resources, including those important to local communities
- Activities adversely affecting individuals and local communities or where these communities have not provided their broad support to the project activities
- The removal or altering of any physical cultural property (includes sites having archaeological, paleontological, historical, religious, or unique natural values)
- Activities that duplicate work previously funded by BEST.

Financial support to third parties

Applicants may not propose financial support to third parties through sub-grants.

Visibility

The applicants must take all necessary steps to publicise the fact that the European Union has financed or co-financed the action through the BEST 2.0 Programme. As far as possible, actions that are wholly or partially funded by the European Union must incorporate information and communication activities designed to raise the awareness of specific or general audiences of the reasons for the action and the EU support for the action in the country or region concerned, as well as the results and the impact of this support.

Applicants must comply with the BEST 2.0 Credit and Logo Usage Policy (see Annex 4).

Number of applications and grants per applicants/affiliated entities

An organisation can submit **a maximum of two proposals per call** as lead applicant and/or co-applicant/affiliated entity.

Nonetheless, **an organisation can only be awarded one grant as lead applicant**. If two proposals on which an organisation is lead applicant successfully pass the assessment steps, only the proposal with the highest score will be retained for the award of a grant.

On the other hand, a single entity may be awarded **a grant for its proposal as lead applicant and may also be involved in another grant-awarded proposal as co-applicant/affiliated entity**, provided it can demonstrate that it has sufficient human and technical resources to successfully implement both projects.

2.1.5 Eligibility of costs: costs that can be included

Only 'eligible costs' can be covered by a grant. The categories of costs that are eligible and non-eligible are indicated below. The budget is both a cost estimate and an overall ceiling for 'eligible costs'.

Reimbursement of costs for **Medium Grants** is based on the **actual costs** incurred by the beneficiary(ies) and affiliated entity(ies).

Recommendations to award a grant are always subject to the condition that the checks preceding the signing of the grant contract do not reveal problems requiring changes to the budget (such as arithmetical errors, inaccuracies, unrealistic costs and ineligible costs). The checks may give rise to requests for clarification and may lead the Contracting Authority to impose modifications or reductions to address such mistakes or inaccuracies. It is not possible to increase the grant or the percentage of EU co-financing as a result of these corrections.

It is therefore in the applicants' interest to provide a **realistic and cost-effective budget**.

Eligible direct costs

To be eligible under this call for proposals, costs must comply with the provisions of Article 13 of the General Conditions to the standard grant contract (see Annex 7).

Audit

All BEST 2.0 Medium Grants are required to undergo an external audit by an auditor selected by the BEST 2.0 Secretariat following the completion of the project. Applicants are required to include an amount of **EUR 15 000** within their project budget to cover the cost of this audit.

Contingency reserve

The budget may include a contingency reserve **not exceeding 5 %** of the estimated direct eligible costs. It can only be used with the prior written authorisation of the BEST 2.0 Secretariat.

Eligible indirect costs

The indirect costs incurred in carrying out the action may be eligible for flat-rate funding, but the total must **not exceed 7 %** of the estimated total eligible direct costs. Indirect costs are eligible provided that they do not include costs assigned to another budget heading in the standard grant contract. The lead applicant may be asked to justify the percentage requested before the grant contract is signed. However, once the flat rate has been fixed in the Special Conditions of the grant contract, no supporting documents need to be provided.

Contributions in kind

Contributions in kind mean the provision of goods or services to a beneficiaries or affiliated entities free of charge by a third party. As contributions in kind do not involve any expenditure for beneficiaries or affiliated entities, they are not eligible costs.

Contributions in kind may not be treated as co-financing. However, if the description of the action as proposed includes contributions in kind, the contributions have to be made.

Ineligible costs

The following costs are not eligible:

- debts and debt service charges (interest);
- provisions for losses or potential future liabilities;
- costs declared by the beneficiary(ies) and financed by another action or work programme receiving a European Union (including through EDF) grant;
- purchases of land or buildings
- currency exchange losses;
- credit to third parties

2.2. How to apply and the procedure to follow

2.2.1 Proposal applications

Please complete the Medium Grant Proposal Application Form carefully and as clearly as possible so that it can be assessed properly. Applications must be submitted in accordance with the instructions in the proposal application form.

Applicants must apply in **English** or **French**.

Any error or major discrepancy related to the points listed in the instructions in the application form or any major inconsistency in the proposal (e.g. if the amounts in the budget worksheets are inconsistent) may lead to the rejection of the application.

Clarifications will only be requested when the information provided is unclear and thus prevents the Contracting Authority from conducting an objective assessment.

Hand-written proposals will not be accepted.

Please note that **only the completed Medium Grant Proposal Application Form and the published annexes which have to be filled in** (budget, logical framework etc.) will be evaluated. It is therefore of utmost importance that these documents contain ALL the relevant information concerning the action. **No additional annexes should be sent.**

2.2.2 Where and how to send proposal applications

The proposal should be **submitted electronically** on the BEST 2.0 portal (<https://portals.iucn.org/best>).

However, in case of technical difficulties applicants can submit via email to the relevant regional focal point (see the list below) copying the BEST 2.0 Secretariat (BEST2.0secretariat@iucn.org).

BEST 2.0 Region	Contact Name	Contact Email
Caribbean	Romain Renoux Julie Belmont	romain.renoux@rnsn.org julie.belmont.carspaw@guadeloupe-parcnational.fr
Pacific	Aur�lie Bocquet	aurelie.bocquet@iucn.fr

Lead applicants must verify that their proposal is complete using the checklist for proposals. Incomplete proposals may be rejected.

2.2.3 Deadline for submission of proposals

The deadline for the submission of proposals for 2015 BEST 2.0 Medium grants is **4th December 2015**.

2.2.4 Further information about proposals

Questions may be sent by email to the relevant regional focal point or the BEST 2.0 Secretariat using the email addresses above **no later than 10 working days before the deadline for the submission of proposals**, indicating clearly the reference of the call for proposals.

Please note that questions that may be relevant to applicants, together with answers are published on the BEST 2.0 portal (<https://portals.iucn.org/best>) along with other important notices. Please check the website prior to submitting your proposal.

2.3. Evaluation and selection

Proposals will be examined and evaluated by the BEST 2.0 Secretariat and the relevant Regional Advisory Committee. All proposals will be assessed according to the following steps and criteria.

(1) STEP 1: Administrative checks

During the administrative check the following will be assessed:

- If the deadline has been met. Otherwise, the proposal will be automatically rejected.
- If the proposal satisfies all the criteria specified in section 2.1 of this document. This includes also an assessment of the eligibility of the action. If any of the requested information is missing or is incorrect, the proposal may be rejected on that **sole** basis and the proposal will not be evaluated further.

The eligibility verification will be performed on the basis of the supporting documents submitted with the Due Diligence and Financial Capacity Form.

- The declaration by the lead applicant will be cross-checked with the supporting documents provided by the lead applicant. Any missing supporting document or any incoherence between the declaration by the lead applicant and the supporting documents may lead to the rejection of the application on that sole basis.

- The eligibility of applicants and the affiliated entity(ies) will be verified according to the criteria set out in sections 2.1.1, 2.1.2 and 2.1.3

(2) STEP 2: Proposal evaluation

The proposals that pass the administrative checks will be further evaluated using the evaluation criteria in the evaluation grid below.

Stage 1:

Criteria	Maximum score	Awarded score	Assessor comments
Technical coherence and understanding (max 40 points) <ul style="list-style-type: none"> • The proposal should demonstrate an understanding of the rationale of BEST. • The proposal must be clear, detailed, coherent, realistic and feasible in terms of activities and expected results. 			
Are the project's overall objective, purpose and intended results appropriate, achievable and consistent with objective of the BEST 2.0 Programme?	10 points		
Is the proposed approach feasible, does the proposal clearly identify any risks and provide solutions to mitigate/overcome them?	10 points		
Does the project logical framework contain objectively verifiable indicators for measuring the outcome of the action at the purpose and result levels?	5 points		
Are the action plan and the timeline for completing the work clear and realistic?	5 points		
Have all of the relevant stakeholders been identified and will they be involved in the project implementation?	5 points		
Is there a clear approach for ensuring the sustainability of the project activities beyond the end of the project and promoting replication?	5 points		
Financial coherence and availability (Max 30 points) The proposal should demonstrate a financial coherence and sufficient quality of the proposed budget. It needs to be consistent with the technical proposal, to prove its cost-efficiency and value for money. This implies that the proposal needs to demonstrate an efficient project management. The proposal must be coherent, realistic and feasible in terms of resources and timetable. It must include the availability of competent staff providing a sufficient input to achieve the project deliverables.			
Is the budget adequate: is the ratio between the estimated costs and the expected results satisfactory?	15 points		
Are the activities appropriately reflected in the budget?	15 points		

Policy coherence (Max 30 points)

The regional hub teams provide feedbacks on the relevance of the projects with regard to their contribution to sustainable development of the OCT through biodiversity conservation and sustainable use. Such relevance will be assessed in reference to policy or strategy frameworks such as:

- The Overseas Association Decision (OAD)², in particular its article 16, but also biodiversity-relevant provisions under articles 15 and 17 to 25.
- The BEST regional ecosystem profiles, when available, or the BEST ecosystem profile works.
- The OCT environmental profiles as appropriate.
- The updated local relevant strategy(ies) (on biodiversity, Climate change, marine ecosystems, ...) when available.

Is the project relevant to the regional ecosystem profile works?	15 points		
Will the project support the implementation of relevant territorial, national and local strategies including the OCT environmental profiles ³ (where relevant)?	10 points		
Will the project support a tangible implementation of the OAD?	5 points		
TOTAL SCORE	100 points		

The threshold of Stage 1 is 65 points. Only proposals which pass this threshold will go to Stage 2.

Stage 2:

Criteria	Maximum score	Awarded score	Assessor comments
Criterion 1: Does the proposal demonstrate added value in terms of tangible results on the ground, innovation, potential for sustainability, and stimulation of best-practice in terms of conservation biodiversity and ecosystem services?	10 points		
Does the proposal include dissemination activities?	5 points		
Total	15 points		
Criterion 2: Does the proposal demonstrate added value in terms of tangible results on the ground, sustainable development model demonstration, innovation and stimulation of best-practice in terms of sustainable use of natural resources and ecosystem services?	10 points		
Does the proposal include dissemination activities?	5 points		

² <http://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32013D0755>

³ The OCT environmental profiles are available on the EC website:
https://ec.europa.eu/europeaid/overseas-countries-and-territories-environmental-profiles-2015_en

Total	15 points		
Criterion 3: Does the proposal demonstrate added value in terms of tangible results on the ground, innovation, adaptation and/or mitigation model demonstration and stimulation of best-practice in terms of climate change adaptation, mitigation, green and blue infrastructures?	10 points		
Does the proposal include dissemination activities?	5 points		
Total	15 points		
TOTAL (total score obtained for the criteria (1-3) addressed by the project/number of criteria (max 3) addressed by the project)	Out of 15 points⁴		
Bonus criteria			
Does the action foster regional cooperation and synergies at the regional and/or sub-regional level?	5 points		
Does the action support capacity-building, experience sharing, and /or foster local partnerships?	5 points		
Total for Stage 2	25 points		
OVERALL TOTAL	125 points		

After the evaluation, a table will be drawn up listing the proposals ranked according to their score. The highest scoring proposals will be recommended for funding until the available budget for this 2015 call for proposals is used.

2.4. Notification of applicants

2.4.1 Content of the notification

The BEST 2.0 Secretariat - through the BEST Regional Teams – provides an explanation to all applicants whose concept notes or proposals are unsuccessful as part of its focus on building capacity. Applicants are encouraged to contact the relevant Regional Team or the Secretariat if they have additional questions about the decision. If the applicant is not satisfied with the response, a grievance may be submitted to the BEST 2.0 Coordinator at

BEST2.0secretariat@iucn.org

⁴ The proposal can address one, two or all three of the criteria of Stage 2. If the proposal addresses two criteria the total score will be divided by two to get a score out of 15. If the proposal addresses all three criteria the total score will be divided by three to get a score out of 15.

or by mail to the following address:

*BEST 2.0 Programme Secretariat
IUCN
Attn: BEST 2.0 Coordinator
28, Rue Mauverney
1197 Gland
Switzerland*

2.4.2 Indicative timetable

	DATE	TIME*
Deadline for requesting any clarifications from the BEST 2.0 Secretariat and Regional Teams	24 th November 2015	23:59
Deadline for submission of proposals	4 th December 2015	23:59
Information to lead applicants on full proposal evaluation	19 th January 2016*	-
Notification of award decision	19 th January 2016*	-
Contract signature	January/February 2016*	-

***Provisional date.** All times are in the time zone of Belgium.



2.5. Implementation after the award decision

Following the award decision, the beneficiary(ies) will be offered a contract based on the standard grant contract (see Annex 6). By signing the proposal application form the applicants agree, if awarded a grant, to accept the contractual conditions of the standard grant contract.

Where implementation of the action requires the beneficiary(ies) and its affiliated entity(ies) (if any) to award procurement contracts, those contracts must be awarded in accordance with the BEST 2.0 Procurement Policies and Procedures (Attachment 3 to the standard grant contract).

Useful links:

Project Cycle Management Guidelines

http://ec.europa.eu/europeaid/aid-delivery-methods-project-cycle-management-guidelines-vol-1_en

The implementation of grant contracts: A Users' Guide

<http://ec.europa.eu/europeaid/companion/document.do?nodeNumber=19&locale=en>

Financial Toolkit

http://ec.europa.eu/europeaid/funding/procedures-beneficiary-countries-and-partners/financial-management-toolkit_en

Please note: The toolkit is not part of the grant contract and has no legal value. It merely provides general guidance and may in some details differ from the signed grant contract. In order to ensure compliance with their contractual obligations beneficiaries should not exclusively rely on the toolkit but always consult their individual contract documents.

* * *

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Annex 1: Co-applicant Mandate

Co-applicant Mandate

The co-applicant authorises the Applicant **<insert the name of the lead applicant organisation>** to submit on their behalf the present application form and to sign the standard grant contract (Annex 6 of the Guidelines for Applicants, "grant contract") with IUCN, acting for and on behalf of the European Commission, ("Contracting Authority"), as well as, to be represented by the Applicant in all matters concerning this grant contract.

I have read and approved the contents of the proposal submitted to the Contracting Authority. I undertake to comply with the principles of good partnership practice.

Name:	
Organisation:	
Position:	
Signature:	
Date and place:	

Annex 2: Affiliated Entity Mandate

Affiliated Entity Mandate

The affiliated entity authorises the Applicant **<insert the name of the lead applicant organisation>** to submit on their behalf the present application form and to sign the standard grant contract (Annex 6 of the Guidelines for Applicants, "grant contract") with IUCN, acting for and on behalf of the European Commission, ("Contracting Authority"), as well as, to be represented by the Applicant in all matters concerning this grant contract.

I have read and approved the contents of the proposal submitted to the Contracting Authority. I undertake to comply with the principles of good partnership practice.

Name:	
Organisation:	
Position:	
Signature:	
Date and place:	

Annex 3: Safeguards Aspects for BEST 2.0 Grants

BEST 2.0 appraises projects not only on their technical merit, but also on their environmental and social ramifications. Therefore, procedures for addressing environmental and social issues are included in the project cycle management process. A **core principle of BEST 2.0 is to prevent and mitigate any harm to people and thus to incorporate environmental and social concerns as an intrinsic part of project cycle management.**

Environmental and social safeguards will be tracked during all stages of the project cycle with the main objective of **ensuring that supported activities comply with the policies and guidelines laid out in the Operational Manual and IUCN environmental and social safeguard policies⁵.** This includes confirming that measures are incorporated into the project design to **prevent, minimize, and mitigate potential adverse environmental and social effects** of individual projects.

BEST 2.0 addresses environmental and social issues throughout the project cycle as follows:

Design:

- Inquire on, and assess, environmental, and social guidelines
 - Discuss with project designers and study any reports as requested
 - Prepare comments and requests for additional information
 - Advise on any specific requirements for compliance
 - Review and assess for approval and/or any special measures required
- Implementation

Implementation:

- Continue to inquire and review environmental and social safeguard issues
- Prepare any comments and requests for new information
- Review and advise on implementation of any special measures required

Evaluation:

- Ensure inclusion and review environmental and social safeguard issues in final project reporting as well as any lessons learned
- Post all related information and documents on the [BEST 2.0 portal](#) for global learning

Environmental and social safeguard assessment process

BEST 2.0 will assess environmental and social safeguards **throughout the project implementation.** This review may be deemed satisfactory, or may involve further discussion with the grantee. In some cases, additional information may be required for further review and discussion. Throughout the project implementation, BEST 2.0 will maintain contact with the grantee to obtain clarification on information provided and request any additional information and documentation needed. BEST 2.0 will focus on analysing the materials provided by the grantee to determine the following aspects related to the environmental and social effects of the project:

- Compliance with BEST 2.0 and IUCN environmental and social safeguard policies
- Potential for the project to cause adverse environmental impacts

⁵ <http://iucn.org/about/values/>

- Potential for the project to cause adverse social impacts
- Capacity of the applicant to implement any required safeguard-related measures during the preparation and implementation of the project.

At the conclusion BEST 2.0 will identify any environmental and social effects of the project and define any safeguard requirements necessary.

This process is tracked throughout project implementation similar to the tracking of performance toward project objectives. At each performance reporting stage, grantees will revisit the safeguard policy issues to reconfirm their status, adjust any that may have changed during implementation, and make any necessary mitigation steps as needed. In cases where grantees are implementing mitigation actions, they will report on the progress of such implementation similar to that which they are doing for other project elements. The intent of this process is to ensure that the environmental and social safeguard issues are continually monitored and mitigated throughout project implementation.

The final step is to evaluate the environmental and social issues at project completion. Any related documents and lessons learned will be shared via <https://portals.iucn.org/best> to help in the design and mitigation of negative environmental and social impacts in future projects.

IUCN Environmental and Social Management Framework (ESMF) – relevant extracts

The full IUCN Environmental and Social Management Framework (ESMF) document and related policies can be found at: <http://iucn.org/about/values/>

*The ESMF defines environmental and social impacts as (i) any change, potential or actual, to the **physical, natural, or cultural environment**, and (ii) any **impact on people** resulting from the project or activity to be supported by IUCN.*

Impacts on people, “social impacts”, include wellbeing, culture, community and political systems, personal and property rights, equity and health and safety.

While the main objective of IUCN projects is to realise positive environmental and social impacts, there is a recognition that unwanted negative environmental and social side effects from the projects may occur. Hence it is the purpose of the ESMS to minimize the negative impacts and maximize positive ones.

Recognizing that projects operate in complex social and environmental systems, the ESMF uses two lenses for focusing its approach on impact management. For one, the focus is set by the ESMF principles with particular emphasis on the rights and interests of women and of vulnerable groups such as poor, displaced, landless, persons with disabilities, elderly, children or ethnic minorities. The second lens is provided by the E&S Standards which present environmental and social policy areas that are of highest concern to IUCN.

Each project is systematically screened on a wide range of potential negative environmental and social impacts that are covered by the definition above. The identification of impacts should not be limited to direct impacts but, as relevant, should also involve an assessment of potential indirect, cumulative and transboundary impacts.

Environmental & Social Standards

Involuntary resettlement and access restrictions.

IUCN does not fund projects involving land acquisition and large-scale resettlement. However, some projects may include restrictions of access to natural resources, economic displacement, or small-scale relocation of activities and/or settlements that may be incompatible with conservation requirements. All project concepts are thus assessed for their potential to restrict access to natural resources. In case of expected impacts, a more detailed assessment is carried out, following an established process framework, and leading to the preparation of a specific Action Plan that describes the process and principles for determining restrictions, compensation and other mitigation measures. These are developed with the full participation of potential and actual affected persons and using the principle of free prior and informed consent.

Indigenous peoples.

The objectives of the IUCN policy standard on indigenous peoples are to avoid adverse impacts on indigenous peoples and to provide them with benefits that are regarded by these groups as culturally appropriate. While IUCN projects are generally designed to enhance the benefits for both conservation and peoples, the indigenous peoples policy recognizes the distinct circumstances that expose these groups to different types of risks and impacts from development projects. As social groups with identities that are often distinct from dominant groups in their national societies, indigenous peoples are frequently among the most marginalized and vulnerable segments of the population. At the same time the policy standard, together with the standard on involuntary resettlement, recognizes that indigenous peoples play a vital role in sustainable development and emphasizes that the need for conservation should be combined with the need to benefit indigenous peoples. Potential negative impacts of projects on indigenous peoples will be assessed as part of the ESMS and with the participation of affected communities. The requirements include social analysis to improve the understanding of the local context and affected communities, a process of free, prior, and informed consent (FPIC) and the development of project-specific measures to avoid adverse impacts and enhance culturally appropriate benefits.

Natural Habitats.

The IUCN standard on protection of natural habitats is based on a series of IUCN resolutions, guidelines and tools that have been widely applied. These are aimed at enhancing positive conservation effects and not causing or facilitating loss or degradation of both critical and non-critical natural habitats, ecosystems (including forest ecosystems) and ecosystem services, and species. The ESMS procedures ensure that in case of any potential negative impacts on natural habitats, ecosystems and ecosystem services, alternatives are developed or appropriate mitigation or compensation measures are proposed.

Physical cultural resources (PCR).

IUCN has consolidated its PCR-related policies and regulations in a standard that provides guidelines on how to avoid or minimize adverse impacts on PCR. A physical cultural resource can be: (a) a tangible, movable or immovable cultural property, site, building or group of buildings with paleontological, archaeological, historical, cultural, artistic, religious or symbolic value for a nation, people or community, or (b) a natural feature with cultural, religious or symbolic significance for communities associated with that feature. If PCRs are present in project areas and measures should be put in place to ensure that they are identified, adverse impacts to them are avoided and that a procedure is in place in case of a “chance find” of a resource during project execution. This is particularly relevant for projects that support development of protected area management plans and other land and natural resource use planning, projects that support alternative livelihood activities, and projects that include small infrastructure construction.

IUCN Policies as foundation of ESMF

IUCN has developed a wealth of policies which have been adopted in form of resolutions by IUCN Members at the Members Assemblies of the World Conservation Congresses.⁴ A substantial part of these policies deal with social and environmental matters and as such act as the foundation of the ESMF. The most relevant policies are summarized below.

IUCN has adopted a number of policies and resolutions addressing social issues. Of principal relevance are the Policy on Social Equity in Conservation and Sustainable Use of Natural Resources, adopted by the IUCN Council in February 2000, the Resolution WCC 1996-053 Indigenous Peoples and Protected Areas, adopted in 1996 at the WCC in Montreal and the IUCN Policy on Conservation and Human Rights for Sustainable Development adopted in 2012 (Resolution WCC 2012-099).

The Policy on Social Equity “calls for the integration and promotion of social equity as a fundamental condition for sustainable conservation and natural resource use. It recognizes social and economic factors that affect natural resource use and biological diversity, and the important linkages between human well-being and healthy ecosystems. It presents the goal of social equity in the context of IUCN’s overall mission and briefly provides a conceptualization of its rationale, and its implications for our efforts to conserve the integrity and diversity of nature”. Furthermore, it calls for an “effective and coherent strategy to ensure that conservation does not accentuate or perpetuate existing social, economic and cultural inequities and inequalities.”

IUCN has adopted a number of policies and resolutions addressing gender equality and women empowerment. Of vital significance is IUCN Policy on Gender Equity and Equality, adopted in 1998, revised in 2007 and adopted by Resolutions WCC 2008-005 Mainstreaming Gender Equity and Equality within the Union. Other important resolutions are WCC 1996-005 Definition of a Gender Policy (Montreal 1996); WCC 2000-028 Gender Policy (Amman 2000), WCC 2004-009 Establishing Gender Equity as a Mandate in the Strategic Activities and Themes of IUCN (Bangkok 2004).

IUCN Gender Policy states that “IUCN’s commitment to gender equality and equity is Union wide and it should be an integral part of all policies, programs and projects”. In addition Resolution WCC 2008-005 mandate “that gender equity and equality are an imperative in the implementation of the IUCN Programme as well as annual plans of programmes, initiatives and projects carried out by the Secretariat”.

With respect to biodiversity conservation, ecosystem management and sustainable use of natural resources, hundreds of policies have been produced in the past 60 years. A few examples are provided, including the most recent policies and guidelines on the IUCN Red List of Threatened Species, which reports on the conservation status of 62,000 species of animals and plants (see Resolution WCC 2012-017 on Enhancing the Usefulness of the IUCN Red List); the Resolution on Biodiversity, protected areas and Key Biodiversity Areas (WCC 2012-036) to ensure effective conservation planning inside and outside protected areas; policies on all types of ecosystems including forests (primary or not, tropical, temperate and boreal), in relation to biological diversity and forests (Resolution WCC 1996-020), forest certification (Resolution WCC 1996-022), corruption in the forest sector (Resolution WCC 2000-039), deforestation related to climate change (Resolution WCC 2008-134), primary forest conservation (Resolution WCC 2012-060), and associated guidelines such as the ITTO/IUCN Guidelines for the Conservation and Sustainable Use of Biodiversity in Tropical Timber Production Forests.

Adopted in 1996 and 2004, IUCN policies on the definition and application of the precautionary approach are still the main references on this issue (Resolution WCC 1996-045 and Resolution WCC 2004-075). Last but not least, emerging in the mid-1990s, one important body of policies and guidelines relates to invasive species, drylands and land

degradation, water resources, the latter encompassing issues related to dams, prior and during the establishment of the World Commission on Dams (WCD, 1998), and in subsequent years after publication of the WCD Report in 2012 (Resolution WCC 2012-089 on Dams and hydraulic infrastructure). This work covers specifically dam policies, governance, monitoring of performances, disclosure of information, conflict resolution, and capacity building in environmental and social impact assessment.

The IUCN website of the Global Policy work of IUCN includes all policy references including IUCN policy statements and position papers since 2000. An explicit platform has recently been created harboring the entire body of IUCN Resolutions and Recommendations approved since the 1950s.

Annex 4: BEST 2.0 Credit and Logo Usage Policy

BEST 2.0 Credit and Logo Usage Policy

The Grantee(s) shall publicise the project and its results taking account of the guidance provided in the Communication and Visibility Manual for European Union External Actions which can be found here: https://ec.europa.eu/europeaid/sites/devco/files/communication_and_visibility_manual_en_0.pdf

The Grantee(s) shall take all necessary steps to publicise the fact that the BEST 2.0 Programme funded by the European Union has financed or co-financed the Project. The Grantee(s) shall acknowledge the European Union's financial contribution in information given to the final recipients of the project, in its internal and annual reports, and in any dealings with the media.

Any notice or publication by the Grantee(s) concerning the Project, including those given at conferences or seminars, shall specify that the Project has received European Union funding through the BEST 2.0 Programme. Any publication by the Grantee(s), in whatever form and by whatever medium, including the internet, shall include the following statement: 'This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Grantee(s)'s name > and can under no circumstances be regarded as reflecting the position of the European Union.'

The Grantee(s) shall acknowledge the support given by the Union in all documents and media produced in the framework of the project, using the BEST logo and the EU logo provided by the BEST 2.0 Secretariat.

The logos should be clearly displayed and should enjoy equal prominence (i.e. the two logo areas should be of equal size).

The EU and BEST logos may not be referred to as a certified quality label or eco-label. Their use shall be restricted to dissemination activities.

For audio-visual material, the credits at the beginning and/or at the end shall include an explicit and readable mention to the BEST 2.0 financial support (e.g. *"With the contribution of the BEST 2.0 Programme funded by the European Union"*).

Annex 5: Guidelines & Checklist for Assessing Action Budgets & Simplified Cost Options

Guidelines & Checklist for Assessing Project Budgets & Simplified Cost Options

Introduction

This document includes guidance and a checklist for the BEST 2.0 Secretariat to assess Project Budgets (further referred to as 'Project Budget' or 'Budget') including simplified cost options for Grant Contracts at the proposal stage.

The Project Budget is attached as Annex III to the Grant Contract. It includes inter alia a mandatory justification worksheet ('Justification Sheet') to be completed by the Beneficiary. This worksheet is a key document and will be further referred to as 'Justification Sheet'.

The guide and checklist can be used to assess the plausibility and reasonableness of Grant Contract Project Budgets which are:

- not based on or do not include simplified cost options;
- based in full or in part on (a combination of) simplified cost options

Simplified cost options, which are not authorized for medium grants may take the form of:

- **unit costs:** these cover all or certain specific categories of eligible costs which can be clearly identified (as indicated in the Budget at proposal stage) and are expressed in amounts per unit.

Example: unit cost per working month for personnel costs based on internal policies and average (payroll) costs; unit costs for small local transportation or other expenses in rural areas (often in expense categories with many small value items and/or with poor documentation), per diems⁶ etc.

- **lump sums:** these cover in global terms all or certain specific categories of eligible costs which can be clearly identified (as indicated in the Budget at proposal stage).

Example: global cost for the organisation of an opening event, global cost for the production of information videos etc.

- **flat-rate financing:** this covers specific categories of eligible costs which can be clearly identified (as indicated in the Budget at proposal stage) and are expressed as a percentage of other eligible costs.

Example: local office costs and related expenses (maintenance, security, a shared car etc.) charged as a percentage of staff costs, indirect costs, etc.

Simplified cost options can apply to one or more of the direct cost headings of the budget (i.e. cost headings 1 to 6), or to sub-cost headings or to specific cost items within these cost headings.

Section I of this document sets out **general and guiding principles** for assessing the plausibility and reasonableness of Project Budgets - i.e. with or without simplified cost options - at proposal stage. Section II is a **checklist** which describes the procedures and checks that BEST 2.0 Secretariat staff can perform for assessing common expenditure categories as well as common and major expenditure items in these categories. It is structured around the expenditure categories in the template for Project Budgets.

⁶ Per diems are not considered as a simplified cost option for the purposes of Union financing when a Grant Beneficiary reimburses a fixed amount to its staff in accordance with its staff rules and requests for the reimbursement of that amount in the Action Budget. Such per diems are considered actual costs.

The checklist is not comprehensive and the specific circumstances and context of the Project should be taken into account on a case-by-case basis.

ATTENTION

- This document is **not a formal approval document**. It is a supporting tool to determine whether a Project budget for a Grant Contract proposed by a Beneficiary is plausible and reasonable. Consequently the checklist serves as a basis for a decision to be taken by the BEST 2.0 Secretariat whether the Project Budget is acceptable.
- Swift Small Grant applicants can propose simplified cost options at the proposal stage. The BEST 2.0 Secretariat will decide whether such costs can be accepted during the contracting phase on the basis of the Budget submitted. The BEST 2.0 Secretariat will base its decision on an analysis of the Budget performed through the checks in these guidelines.
- **Only Swift Small Grant applicants can use simplified cost options.**
- Once simplified cost amounts (as specified in the Project Budget) have been assessed and approved by the BEST 2.0 Secretariat such costs will no longer be subject to a detailed ex post verification of actual underlying cost data. Hence, Auditors will not be required to check supporting documents to verify the actual costs incurred but they must focus on a correct application of the formulas for the calculation of the cost based on related inputs and relevant quantitative and qualitative information. Nevertheless, the Beneficiary must keep all underlying data and records relating to actual costs for inspection by IUCN, the Court of Auditors and/or the European Commission or anti-fraud service as set out in Article 15 of the General Conditions of the Grant contract
- If a verification/audit reveals that the calculation methods used by the beneficiary(ies) or its affiliated entity(ies) to determine unit costs, lump sums or flat-rates are not in line with relevant conditions or factual information (e.g. the generating events have not occurred), the BEST 2.0 Secretariat may establish such costs as not eligible and recover up to the amount of the simplified cost options used.

I General and Guiding Principles

Budget – definitions

The budget for a Grant Contract should be a realistic plan for the future expressed in quantitative terms. The budget should be based on the objectives and activities set out in the Grant Contract and it constitutes an essential part of it. The budget should be based on a combination of financial, quantitative and qualitative information. The budget is an essential part of the financial report for the Project financed by the Grant Contract.

- The budget is a **planning** tool. An organisation with objectives and activities in the form of a budget will be able to plan and make better decisions.
- The budget is a **control** tool. A budget helps an organisation to control expenditure by setting cost guidelines, benchmarks, estimates and criteria. The budget must reflect all expenditure in line with the planned activities.
- The budget is a tool for **financial compliance**. The contractually agreed budget categories and lines are overall spending limits.
- The budget **mirrors the financial report**. Actual expenditure incurred will be presented in the financial report and be compared with budgeted expenditure.

Responsibilities of the Grant Beneficiary

Beneficiaries of Grant Contracts should:

- Draw up a reliable, plausible, transparent and realistic Project Budget in line with the objectives, activities and time period defined for the Project.
- Explain in the Justification Sheet the assumptions used to draw up the Budget and the methods and sources used to:
 - quantify the project inputs (e.g. number of assets to be acquired, staff numbers to be employed / allocated and time period).
 - value Project inputs (e.g. prices of assets to be acquired, salaries of staff, fees of consultants)

The beneficiary should be able to provide – on request of the BEST 2.0 Secretariat and in addition to the Budget and the Justification Sheet – further explanations, documents and sources used to draw up the budget. Failure to do so casts doubt on the reliability and plausibility of the budget.

NB: Information to be included in the Project Budget in case of simplified cost options

Applicants proposing simplified cost options must clearly indicate in the first worksheet of the Project Budget, each heading/item⁷ of eligible costs concerned by this type of financing, i.e. state in capital letters "UNIT COST" (per month/flight etc.), "LUMP SUM" or "FLAT RATE" in the Unit column, as in the example below.

Budget for the Project	All Years			
Costs	Unit	# of units	Unit value (in EUR)	Costs (in EUR)
1. Human Resources				
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ⁴				
1.1.1 Technical	per month	12	4.000	48.000
1.1.2 Administrative/ support staff	UNIT COST per month	12	3.500	42.000
1.3 Per diems for missions/travel ⁵				
1.3.1 Abroad (staff assigned to the Project)	per diem	60	100	6.000
1.3.2 Local (staff assigned to the Project)	UNIT COST per diem	200	20	4.000
Subtotal Human Resources				100.000
2. Travel⁶				
2.1. International travel	Per flight	5	1.000	5.000
2.2 Local transportation	UNIT COST Per month	12	200	2.400
Subtotal Travel				7.400
4. Local office	FLAT RATE		3%	2.700
4.1 Vehicle costs	Per month			
4.2 Office rent	Per month			
4.3 Consumables - office supplies	Per month			
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month			
Subtotal Local office				2.700
5. Other costs, services⁸				
5.1 Publications ⁹				
5.2 Studies, research ⁹	LUMP SUM			8.000
Subtotal Other costs, services				8.000

In the above example:

- The costs for 1.1.1. Technical staff will be reimbursed on the basis of actual costs incurred. The costs for 1.1.2 Administrative/ support staff will be reimbursed on the basis of the UNIT COST per month. When actual payroll data are available, the amount of 42.000 EUR will be reimbursed (the auditor verifies the quantitative data (i.e. number of months and staff concerned) and checks whether the unit cost is the one which was approved as simplified costs option).

⁷ Use different lines for each type of simplified cost options and per beneficiary.

- *The cost for the local office (heading 4) will be reimbursed by calculating the 3% on the final cost of salaries (1.1.Salaries) Additional information is provided in the Justification Sheet. (see below)*
- *If the study is carried out in accordance with the conditions agreed, a lump sum of EUR 8.000 will be reimbursed.*

Moreover, applicants must in the second column of the Justification Sheet and for each corresponding budget item or heading:

- describe the information and methods used to establish the amounts of unit costs, lump sums and/or flat-rates for the costs to which these refer, etc.
- explain the formulas for calculation of the final eligible amount ⁸
- identify the beneficiary who will use the simplified cost option (in case of affiliated entity, specify first the beneficiary), in order to verify the maximum amount per each beneficiary (which includes if applicable simplified cost options of its affiliated entity(ies))

Responsibilities of the BEST 2.0 Secretariat

The BEST 2.0 Secretariat (i.e. its staff dealing with assessing the Project budget) should assess the plausibility and reasonableness of the Project budget and its underlying assumptions and principles.

NB: Approved simplified cost options

Each heading/item of eligible costs for which "UNIT COST", "LUMPSUM" or "FLAT RATE" is stated in the Unit column **in the final version of the Project Budget** which is attached to the final signed Grant Contract is deemed to have been assessed and approved by the BEST 2.0 Secretariat as **simplified cost option** (see example above).

Tips for reviewing a budget

- The Justification Sheet of the budget should describe how the Budget has been established. The BEST 2.0 Secretariat should review whether assumptions and principles used by the beneficiary(ies) to draw up the budget are plausible and realistic. Hence it is essential to have or obtain a good understanding of the objectives and activities of the Project. The first step is to identify the activities. Next resources and inputs should be listed in order to review qualitative, quantitative and financial data.
- The Budget should be clear, transparent and comprehensive.
- The Budget should be realistic. Rough estimates and amounts which are not explained cast doubt on the reliability of the budget. This involves a high risk of over- and underestimates.
- Quantitative and qualitative data should be clear and plausible taken into account Project objectives and activities. *Examples:* type and number of assets / items to be acquired (e.g. vehicles, equipment), qualifications and number of staff and time required (hours, weeks, months), types, units and measures of materials to be acquired (e.g. weight, distance, content etc.).
- Cost and price data should be plausible and verifiable with appropriate supporting documents and other sources, both internal (grant beneficiary) and external.

⁸ *Examples:*

- *Staff costs: number of working hours/days * hourly or daily rate*
- *Travel expenses: distance in km * transport cost per km; number of days * daily allowance for the country;*
- *Specific costs related to the organization of an event: number of participants at the event * total cost per participant etc.*

- Budgeted expenditure should be properly classified to avoid overruns which may result in ineligible expenditure.
- Budgetary principles - in particular cost allocation principles and keys- should be coherent with existing accounting policies (if applicable) and be based on plausible assumptions.
- The arithmetical accuracy of the budget should be checked.
- Budgeted expenditure should be eligible in accordance with applicable contractual conditions.

Sources of Information

The use of sources of information which can be used to assess budgeted costs can vary with the:

- nature of expenditure (e.g. capital expenditure salary costs, technical assistance fees);
- availability of sources and documents. For example: access to and availability of historical records at beneficiary or at the Delegation;
- use of actual or historical information.

In some cases it may be necessary or useful to use different sources to evaluate budgeted cost and to corroborate information obtained from another source.

A first distinction can be made between actual and historical information:

- **Actual information ('ACT')**

Actual information is **present** information about an organisation used to help [forecast the organisation's future](#) i.e. to draw up a budget.

- **Historical information ('HIST')**

Historical information is **past** information about an organisation used to help [forecast the organisation's future](#) i.e. to draw up a budget.

A distinction can also be made between information obtained from the BEST 2.0 Secretariat and from the beneficiary:

- **BEST 2.0 Secretariat ('BS')**

This means that the information is obtained **by** BEST 2.0 Secretariat staff from the BEST 2.0 Secretariat's own sources or by BEST 2.0 Secretariat staff directly from independent external sources. Information may be actual or historical. The information may relate to past information which relates to the same beneficiary or which relates to another beneficiary. Depending on the type of information this may only be useful if the other beneficiary is comparable (e.g. size, sector, geographic location, type of activities and projects etc.)

- **Beneficiary ('BEN')**

Information is obtained by BEST 2.0 Secretariat staff **from** or **through** the beneficiary.

The following table is an overview of these sources illustrated with examples.

Sources			Examples
ACT	BS	1 BEST 2.0 Secretariat information systems, databases, knowledge CA staff	Rules and rates for Per Diems
			Knowledge project managers with regard to costs of similar assets and services procured for on-going Projects
		2 Publicly available information (Internet, newspapers, magazines, brochures)	Government / Ministry salary scales
			Social security charges (rates, %)
			Cost for travelling (e.g. prices of flights, trains etc.)
			Utility costs (electricity, water, gas, fuel) and taxes and levies (e.g. sewer and solid waste charges)
			Rental prices per m2 (country, city) on the internet or obtained from real estate agencies
		3 Information obtained directly from contractors	Quotes from suppliers (e.g. equipment) and service providers (e.g. technical assistance fees)
	BEN	4 Information relating to <u>ongoing</u> Projects implemented by <u>other</u> beneficiaries.	Contracts (employment, rental, leasing, technical assistance)
			Costs and prices equipment and vehicles
HIST	BS	1 Beneficiary information systems, records and documents	Same as for ACT - BS 2 and 3 above
			Contracts (employment, rental, leasing, technical assistance)
		1 BS historical archives/ project files, information systems, databases, knowledge and experience Commission staff	Costs / prices equipment and vehicles in tender and procurement files, invoices. Technical specifications of the same or comparable equipment and vehicles.
			Salaries and related costs in past project files
			Conference and seminar costs in past project files
			Database consultants, technical assistants (e.g. fee rates), other contractors.
			Costs of service providers (technical assistance, audit, evaluation) in past project files.
		2 Information relating to <u>past</u> Projects implemented by <u>other</u> beneficiaries.	Same as for HIST – BS 1 above
	BEN	1 Beneficiary historical records and documents	Purchases of equipment, vehicles etc.
			Salaries and related costs in accounting / payroll systems
			Costs of service providers (technical assistance, audit, evaluation)

Sources			Examples
			Utility costs (electricity, water, gas, fuel) and taxes and levies (e.g. sewer and solid waste charges)
			Office communication costs (telephone, fax, internet)

Tips for reviewing source information and documents

- A proper Justification Sheet in the Budget is a minimum requirement. Supporting evidence in documentary form, whether paper, electronic or other medium should be obtained – where appropriate on a sample basis - for major expenditure items.
- Evidence directly obtained from independent external sources (outside the beneficiary) is stronger than evidence obtained from the beneficiary. *Examples:* quotes for computer equipment obtained directly from the supplier or from the internet.
- Information and documents generated internally are more reliable if they have been subject to control and approval. Large organisations usually have strong internal controls and established and formal rules and procedures as opposed to small and medium sized organisations. *Examples:* official salary scales used by a Ministry or a large international NGO are good evidence whereas the (informal) salary policies of a small local NGO are not so good evidence as this information can be easily manipulated. In the latter case a reality check with external benchmarks is advisable.
- Original documents are stronger evidence than photocopies or facsimiles. An original suppliers invoice or contract is more reliable than an internally approved receipt note.
- Actual information obtained by BEST 2.0 Secretariat staff independent from the grant beneficiary is in principle the most reliable source of supporting information for budgeted costs.
- Historical information obtained by BEST 2.0 Secretariat staff from the beneficiary may be less reliable but can constitute appropriate supporting information for budgeted costs.
- Article 13 of the General Conditions for BEST 2.0 financed grant contracts for Projects provides the criteria for eligible costs. Budgeted costs should be reviewed for eligibility with these contractual conditions.
- Article 15 of these General Conditions provides criteria and examples of the type of documents, records and information that beneficiaries should keep. This Article provides useful guidance for evaluating the costs in the Project budget.

Quantitative, qualitative and costing aspects

An assessment of budgeted costs involves an examination of underlying quantitative, qualitative and costing aspects.

Quantitative aspects

In most cases quantitative aspects must be examined. *Examples:* number of items to be acquired, number of staff required, number of consultants, timing aspects (hours, days, months etc.), measures (weight, distance etc.) and allocation keys (percentages, numbers). Quantitative aspects should be examined for plausibility by taking into account activities and information in the Justification Sheet and contractual documents.

Qualitative aspects

The importance of qualitative aspects varies with the nature of expenditure and can have a substantial impact on the costs.

Examples:

For capital expenditure (e.g. computer equipment, vehicles) the main technical specifications and requirements have a substantial impact on costs and prices. For computer equipment memory sizes have a direct and substantial impact on the purchase price.

Staff salaries and consultancy fees. Qualifications, expertise, experience and sometimes specific requirements have a direct and substantial impact on salary cost. The same is true for fees charged by technical assistants, consultants and experts.

Costs

Costs, prices, fees, unit costs, cost rates etc. must be checked for plausibility and reasonableness. Depending on the nature and magnitude more time may have to be spent on the examination of costs.

Examples:

For capital expenditure the price / costing aspect is very important. The purchase prices of computer and technical equipment (e.g. medical equipment) have a direct and substantial impact on the budget. Hence a proper examination should involve obtaining reliable price information or confirming prices in documents provided by the beneficiary with external sources (e.g. obtaining quotes from suppliers)

The same is often true for salaries of project staff. In some cases a check with copies of salary records provided by the grant beneficiary may not be considered sufficient and an additional check with benchmarks external to the beneficiary may be necessary (e.g. salary scales of a ministry or of large NGOs).

Generally speaking it is not necessary to carry out a complete and comprehensive review of all cost headings and of all sub-categories. The following should be considered on a case-by-case basis:

- the use of sample checks within cost categories;
- a focus on high or unusual costs or cost items;
- quality of the Project budget. If Project budgets are transparent and explained in a clear Justification Sheet, a limited review based on a number of key and sample checks may be sufficient to accept the entire budget as being plausible. Project budgets which are not clear and founded will require more work and possibly a full review. In some cases the quality of a budget may be so poor that it may be necessary to ask the beneficiary to redo the work and provide a new Project budget.

II CHECKLIST

The checklist is composed of procedures and checks that apply to

- **each** cost category / subcategory
- **specific** cost categories: *human resources, travel, equipment and supplies, office costs and other costs and services.*

ALL Project budget cost categories : sub categories		
1	Verify the arithmetical accuracy of the figures in the cost budget and supporting schedules, if necessary / appropriate on a sample basis.	Specific cost budget and supporting schedules, tables and breakdowns of costs. It is a good and common practice to include these schedules in annexes to the budget and/or to integrate them in the Justification Sheet
2	Contact the beneficiary to obtain clarification and/or additional information if necessary / appropriate.	
3	Lump sums (if applicable) Lump sums for financing the cost budget or parts of it can be accepted if : - total budgeted costs concerned are plausible; - activities and resources financed by lump sums are clearly defined	When budgeted costs are used as a basis for lump sums, unit costs or flat rates this means that actual costs incurred (and related to these budgeted costs) will not be made subject to verification. In this case budgeted costs should be (more) critically reviewed.
4	Unit costs (if applicable) Unit costs for financing the cost budget or parts of it can be accepted if : - total budgeted costs concerned are plausible; - quantitative data concerned are plausible; - unit costs are properly and consistently calculated; and - activities and resources financed by unit costs are clearly defined	
5	Flat rates (if applicable) Flat rates (e.g. percentage rates) for financing the cost budget or parts of it can be accepted if : - total budgeted costs concerned are plausible; - quantitative data concerned are plausible; - Flat rates (%) are properly and consistently calculated; and - activities and resources financed by flat rates are clearly defined	

Project budget cost category: HUMAN RESOURCES ('HR')		
Objectives: - to assess the plausibility of the total budgeted costs for human resources ; and if <u>applicable</u> - to assess the budgeted costs used as a basis for simplified cost options in order for the BEST 2.0 Secretariat to approve simplified cost options for financing		
#	Procedures and checks	Sources / documents / examples
1	Is qualitative information plausible / in line with project activities? - qualifications, experience, special skills required - local staff and/or international staff, expats - tasks: managerial, financial, administrative, operational, technical, support..	Project description and Justification Sheet <i>In particular:</i> detailed description of profiles / requirements for staff to perform project tasks
2	Is quantitative information plausible / in line with project activities? - numbers of staff for the various tasks (see # 1) - part-time or full-time - time period during which staff should be employed / allocated to the project (weeks, months, years)	Project description and Justification Sheet <i>In particular:</i> description of assumptions / principles used to quantify staff numbers and to define time periods
3	Are gross salaries : - based on regular pay/salary policies of the beneficiary, - based on official, generally applicable pay/salary scales - in line with relevant standards / criteria / benchmarks (country, sector..)	Current, ongoing employment contracts of the beneficiary Salary and payroll data of the BEN Official pay scales (ministry, sector, large NGOs...) Past project information in Commission archives, knowledge Commission staff. <i>Examples:</i> employment contracts, pay slips, information in project financial reports and in audit and evaluation reports. Country / sector benchmarks. <i>Examples:</i> employment offices (public sector) and employment / recruitment agencies (private sector), internet
4	Are social security charges : - properly computed on the basis of applicable rules (% of salary / salary components; fixed amounts..) - based on official, generally applicable rules and regulations?	Public / government / employment office / sector publications, guides, brochures
5	Are salary related costs : - properly computed on the basis of applicable rules (% of salary / salary components; fixed amounts...) - based on internal policies and rules - based on official, generally applicable rules and regulations	Beneficiary internal policies and rules (HR / management memo's, guidelines) Government / tax / employment office communications (internet, brochures..) Sector rules and policies (e.g. health, agriculture, transport) in official brochures, internet <i>Examples:</i> sickness insurance and pension schemes, allowances (representation, meals, phone...), reimbursement of expenses for training.

6	<p>Are per diems:</p> <ul style="list-style-type: none"> - properly computed on the basis of applicable rules? - based on internal policies and rules? - based on official, generally applicable rules and regulations? - based on plausible, realistic numbers of days charged to the project? 	<p>Beneficiary internal policies and rules (HR / management memo's, guidelines) Government / tax / employment office communications (internet, brochures..) Same as for 5 and Commission rules / rates in contractual conditions, PRAG.</p>
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Project budget cost category: TRAVEL		
<p>Objectives:</p> <ul style="list-style-type: none"> - to assess the plausibility of the total budgeted costs for travel; and <u>if applicable</u> - to assess the budgeted costs used as a basis for simplified cost options in order for the BEST 2.0 Secretariat to approve simplified cost options for financing 		
#	Procedures and checks	Sources / documents / examples
1	<p>Is qualitative information plausible / in line with project activities?</p> <ul style="list-style-type: none"> - necessity of international and local travel for the project - type and frequency of travel: air, train, bus, sea, other; local, international costs per trip, subscriptions public transport (weekly, monthly) 	<p>Project description and Justification Sheet <i>In particular:</i> necessity of international travel (higher costs)</p>
2	<p>Is quantitative information plausible / in line with project activities?</p> <ul style="list-style-type: none"> - number of trips (local and international) needed to attend seminars and meetings, for on-site visits.. - timing (e.g. start of project, mid-term, end) and time periods (weeks, months) 	<p>Project description and Justification Sheet <i>In particular:</i> description of assumptions / principles used to quantify data.</p>
3	<p>Are travel costs:</p> <ul style="list-style-type: none"> - based on regular policies of the beneficiary? - based on official, generally applicable policies and rules - based on reliable and appropriate information? - in line with relevant standards / criteria / benchmarks 	<p>Beneficiary internal policies and rules (HR / Management memo's, guidelines) Government / NGO policies and rules (internal guidelines, memo's, brochures.....) Information for other projects in project financial reports and in audit and evaluation reports. Knowledge CA staff Internet: rates national / international flight, train and bus tickets Quotes from travel agencies <i>Examples:</i> reimbursement of subscription local transport</p>

Project budget cost category: EQUIPMENT AND SUPPLIES		
Objectives: <ul style="list-style-type: none"> - to assess the plausibility of the total budgeted costs for equipment and supplies; and <u>if applicable</u> - to assess the budgeted costs used as a basis for simplified cost options in order for the BEST 2.0 Secretariat to approve simplified cost options for financing 		
#	Procedures and checks	Sources / documents / examples
	Definition: equipment relates to a broad category which is usually called fixed assets with following characteristics: <ul style="list-style-type: none"> - substantial / very high acquisition costs - costs are capitalised and written off in an organisations accounting records (capital expenditure) - used for a period of time which usually exceeds one year - assets usually acquired through a procurement process 	<i>Examples:</i> <i>Vehicles:</i> cars, lorries, forklifts, ambulances, motorbikes <i>IT equipment:</i> computers, servers, printers, software and licenses <i>Equipment</i> (including special / technical equipment): test and measurement, laboratory, cleaning and storage equipment and systems <i>Machinery:</i> forestry machines and healthcare machines <i>Office equipment:</i> photocopiers, faxes, scanners, data projectors <i>Various:</i> refrigerators, mobile and smart phones, specific devices
	Definition: supplies relates to a broad category of tangible assets with following characteristics: <ul style="list-style-type: none"> - moderate / low acquisition costs (compared to typical fixed assets). - accounted for as expenditure in organisations accounting records (not capitalised and written off); - used for a period of time which may or may not exceed one year - can be but do not always have to be acquired through a procurement process 	<i>Examples:</i> Spare parts and components for machinery, equipment, vehicles Tools including specific technical tools Materials: wood, stone, plastic materials of various types and nature for project activities; chemical products ...
Purchase of equipment and supplies		
1	Is qualitative information for equipment / supplies plausible / in line with project activities? <ul style="list-style-type: none"> - necessity of equipment / supplies for the project - technical requirements and specifications - use of specific, technical expertise (internal / external) required - do procurement and origin rules apply? 	Project description and Justification Sheet <i>In particular:</i> specific technical requirements and use of technical expertise
2	Is quantitative information for equipment / supplies plausible / in line with the project activities? <ul style="list-style-type: none"> - number and type of items required for the project (see # 1) - timing and time periods (weeks, months) 	Project description and Justification Sheet <i>In particular:</i> a proper estimation of number of items, units may require the use of special, technical expertise

Project budget cost category: EQUIPMENT AND SUPPLIES (continued)		
3	<p>Are budgeted unit costs for equipment and supplies:</p> <ul style="list-style-type: none"> - properly explained for each item in the Justification Sheet (basis, sources used)? - broken down into relevant parts where applicable (e.g. additional charges / costs may apply for transport, insurance and for specific additional features and options) - in line with relevant standards / criteria / benchmarks 	<p>Information provided by the beneficiary (e.g. quotes and offers)</p> <p>Cost and price info directly obtained by BEST 2.0 Secretariat staff (e.g. quotes from suppliers, internet)</p> <p>Cost and price info in past project files kept by the CA (tender and procurement files, invoices, project financial reports, audit reports..)</p> <p><i>Examples:</i> prices and technical specs for computer equipment can be easily checked on websites of major computer suppliers</p> <p>The costs of purchasing specific medical equipment (e.g. an x-ray machine) can be checked with offers / quotes obtained from suppliers of specialized medical equipment or by inquiry at e.g. hospitals, medical centres, ministries (standards and guidelines), umbrella organisations in the health and medical care sector....</p>
4	<p>Are total budgeted costs for equipment & supplies:</p> <ul style="list-style-type: none"> - properly computed on the basis of appropriate and reliable quantitative and financial information? - inclusive of, where applicable, additional charges and costs? 	See # 1 to 3 above
Renting of equipment		
5	Are considerations for renting or buying (e.g. cost benefit) properly explained in the Justification Sheet for the Project?	
6	<p>Are rental costs:</p> <ul style="list-style-type: none"> - properly explained for each item / group of items in the Justification Sheet? (basis, sources used)? - properly documented (if rental costs are substantial)? - properly computed (number of items and time period covered) 	<p>On-going contracts of the beneficiary for rental / leasing of equipment</p> <p>Information on rental costs:</p> <ul style="list-style-type: none"> - directly obtained by BEST 2.0 Secretariat staff (e.g. quotes from service providers, internet) - kept by the CA: information on rental costs in project financial reports or audit reports.. <p><i>Examples:</i> rental costs for vehicles (e.g. cars) or for medical or technical equipment</p>

Project budget cost category: OFFICE COSTS		
Objectives: - to assess the plausibility of the total budgeted office costs ; and if applicable - to assess the budgeted costs used as a basis for simplified cost options in order for the BEST 2.0 Secretariat to approve simplified cost options for financing		
Note: the procedures and checks set out below relate to the most common types of office cost. The same or similar procedures and checks may be used for other types of office costs.		
#	Procedures and checks	Sources / documents / examples
1	Is qualitative information plausible / in line with project activities? - type of office and related costs necessary for the project? - tasks: managerial, financial, administrative, operational, technical, support.. to be performed inside / outside the office	Project description and Justification Sheet <i>For example</i> specific requirements e.g. minimum surface / office space in m2,
2	Is quantitative information plausible / in line with project activities? - time period for which office costs will be incurred - number of items where applicable (e.g. consumables), measures (m2 for rental costs)	Project description and Justification Sheet <i>In particular:</i> description of assumptions / principles used to quantify and estimate costs.
3	Are budgeted office costs : - based on plausible and realistic estimates? - properly explained in the Justification Sheet? - properly documented where necessary / appropriate (e.g. office rental contract) - based on appropriate allocation keys (building owned or <u>part</u> of a rented or owned building used for the project) - in line with adequate historical data of the beneficiary? - in line with historical data for office costs of other project beneficiaries with comparable offices (type, location, surface..)	Beneficiary historical costs info (financial reports, general ledger and trial balance cost accounts...) Detailed cost info in supporting schedules and documents provided by the beneficiary Office costs in past project files kept by the CA (project financial reports, audit reports..)
Typical and common office costs - procedures and checks in addition to the ones set out at # 3 above		
4a	Office rental costs. - based on rental contract and proper allocation keys where applicable - based on current / historical office costs and proper allocation keys if offices are owned - in line with relevant standards / criteria / benchmarks	As at # 3 above and: - rental contract provided by the beneficiary. - benchmarks: rental prices per m2 (country, city) on the internet or obtained from real estate agencies
4b	Consumables and office supplies - based on a proper breakdown, supporting schedule - focus on high value items	As at # 3 above and: cost / price information supplied by the beneficiary (e.g. quotes, invoices, order forms, offers received)
4c	Utility costs (electricity, water, gas, fuel) and taxes and levies (e.g. sewer and solid waste charges) - based on appropriate historical data - based on ongoing contracts - in line with relevant standards / criteria / benchmarks	As at # 3 above and: - cost / price information supplied by the beneficiary (e.g. contracts, invoices) - publicly available cost / price information on websites of utility service providers
4d	Maintenance and cleaning	As at # 3 and 4c above
4e	Communication (telephone, fax, internet..)	As at # 3 and 4c above

Project budget cost category: OTHER COSTS AND SERVICES

Objectives:

- to assess the plausibility of the total budgeted costs for other costs and services; and if applicable
- to assess the budgeted costs used as a basis for simplified cost options in order for the CA to approve simplified cost options for financing

#	Procedures and checks	Sources / documents / examples
1	Is qualitative information plausible / in line with project activities? - type and nature of other costs and services necessary for the project? - use of external services providers (requirements, qualifications, profiles...) - qualifications, experience and expertise of staff of service providers	Project description and Justification Sheet <i>In particular:</i> profiles of and key requirements for service providers
2	Is quantitative information plausible / in line with the project activities? - timing (e.g. start of project, mid-term, end) and estimated time charged by service providers (hours, man days....) - number of items where applicable (e.g. brochures, publications)	Project description and Justification Sheet <i>In particular:</i> description of assumptions / principles used to quantify and estimate costs.
3	Are budgeted unit costs, rates, fees for services: - properly explained for each item in the Justification Sheet (basis, sources used)? - based on plausible and realistic source information? - supported by appropriate documents where applicable - in line with relevant standards / criteria / benchmarks	Information supplied by the beneficiary : - quotes from suppliers (e.g. for brochures) and service providers for unit prices / costs, rates, fees - past and on-going contracts for technical assistance, evaluation, audit / verification (invoices...) Information obtained by BEST 2.0 Secretariat staff: - same info as above supplied by the beneficiary - knowledge project managers with regard to costs of similar services procured for past and on-going Projects - database consultants, technical assistants (e.g. fee rates), other contractors - past project files: tender and procurement documents, invoices of service providers, audit and verification reports
4	Are total budgeted other costs and costs of services properly computed on the basis of appropriate and reliable quantitative and financial information?	See # 1 to 3 above

Project budget cost category: OTHER COSTS AND SERVICES (continued)		
<i>Typical and common office costs - procedures and checks in addition to the ones set out at # 3 above</i>		
5a	Publications.	As at # 1 to 4 above and a detailed description of sorts and numbers of publications needed
5b	Studies and research	As at # 1 to 4 above and: - a detailed description of the expected output (e.g. report) - if possible / applicable the (draft) terms of reference for the engagement - details of the time required (e.g. mandays) and expert qualifications, expertise and experience
5c	Expenditure verification (by external auditor)	As at 5b
5d	Evaluation	As at 5b
5e	Translation and interpretation	As at 5b
5f	Financial services (bank guarantee costs)	Information supplied by the beneficiary - evidence of bank charges on bank statements and other official bank documents such as contracts, bank brochures / leaflets
		Information obtained by BEST 2.0 Secretariat staff: - same info as above supplied by the beneficiary - bank charges / rates on bank websites
5g	Conferences and seminars	As at 5b and, where appropriate, supporting schedules and detailed breakdowns of budgeted conference and seminar costs
5h	Visibility Projects. These include for example: - materials: publication boards, brochures, business cards representation gadgets (pens, key rings, stickers etc.) - advertising and publicity in media (TV, radio, internet).. - presentations	As at 5b

Annex 6: Standard Grant Agreement Template

BEST 2.0 Grant Agreement Template Medium Grants

SPECIAL CONDITIONS

This Grant Agreement ("Agreement") is made between

IUCN, International Union for Conservation of Nature and Natural Resources, a quasi-governmental international organization established and existing under the laws of Switzerland, with a principal place of business at Rue Mauverney 28, 1196 Gland, Switzerland ("IUCN"),

And

[COMPLETE NAME, TYPE OF LEGAL ENTITY, COUNTRY/JURISDICTION IN WHICH ESTABLISHED AND EXISTING, AND ADDRESS OF OTHER PARTY], ("Grantee"),

with IUCN and Grantee referred to individually and jointly as "Party" and "Parties."

Preamble

Funding in support of this Agreement is made available by **BEST 2.0** Programme - Promoting the conservation and sustainable use of **Biodiversity and Ecosystem Services** in Overseas Countries and Territories, funded by the European Union, represented by the European Commission, Directorate-General for Development and Cooperation, Cooperation — EuropeAid.

The Parties hereby agree as follows:

1. THE GRANT. IUCN, in its role of BEST 2.0 Secretariat, will make available to the Grantee grant funds from BEST 2.0, in a total amount not to exceed [INSERT AMOUNT IN WORDS] EURO (EUR [INSERT AMOUNT]) (the "Grant") for the purpose and on the terms and conditions set forth in this Agreement. In all cases the use of the funds shall conform to the restrictions and limitations set forth in the General Conditions (**Attachment 2 to the Agreement**), the Procurement Policies and Procedures (**Attachment 3 to the Agreement**), and the agreed budget.

2. PURPOSE OF THE GRANT. The Grant is provided to support the project described in **Attachment 1** to this Agreement (the "Project"). The Grant shall be used solely for the purposes and activities described therein. Grantee shall be solely responsible for complying with all applicable provisions of this Agreement and will ensure that they are transmitted to and become binding upon any third parties retained by Grantee for the implementation of the Project (the "Sub-contractors").

3. TERM. The period covered by the Agreement shall commence on [DDMMYYYY] (the "Effective Date") and shall expire on [DDMMYYYY] (the "Expiration Date"), unless terminated prior to the Expiration Date in accordance with Article 11 of the General Conditions (**Attachment 2 to the Agreement**). All expenses to be paid out of Grant funds must be incurred during the Term of the Agreement.

4. FINANCING THE PROJECT.

4.1. The total eligible costs of the Project are estimated at [INSERT AMOUNT IN EURO] as set out in the Budget.

4.2. IUCN undertakes to finance a maximum amount of [EUR]. The grant is further limited to [enter applicable percentage] of the total estimated eligible costs of the Project.

4.3. The final amount of IUCN's contribution shall be determined in accordance with Articles 13 and 16 of Attachment II General Conditions.

4.3. Maximum 7% of the final amount of direct eligible costs of the Project established in accordance with Articles 13 and 16 of General Conditions (**Attachment 2 to the Agreement**), may be claimed as indirect costs.

5. PAYMENT SCHEDULE. Subject to the terms and conditions contained herein, IUCN will make payments of Grant funds to the Grantee as follows:

- an initial pre-financing payment of 100% of the part of the estimated budget for the first reporting period financed by BEST 2.0 is calculated applying the percentage of co-financing stated in Article 4.2. and is made to a Grantee no later than 30 days after IUCN's receipt of this Agreement executed by both Parties, together with Grantee's Payment Request;
- further pre-financing payment(s) of the part of the estimated budget financed by BEST 2.0 will constitute up to 90% of the remaining Grant budget and will be paid to the Grantee no later than 30 days after the approval of the Medium Grant Technical and Financial Progress Reports accompanied by a corresponding Payment Request;
- if at the end of the reporting period the part of the expenditure actually incurred which is financed by BEST 2.0 is less than 70 % of the previous payment and less than 100 % of any previous payments, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous pre-financing payment and the part of the expenditure actually incurred;
- the balance of 10% is paid to the Grantee no later than 45 days after the approval of the Final Medium Grant Technical and Financial Report accompanied by an external audit report and a corresponding Payment Request.

It is understood that the total sum of pre-financing payments may not exceed 90% (ninety percent) of the amount referred to in Article 4 above and that IUCN may withhold payment of any part or all of any payment until after it has approved, in its sole discretion, the aforesaid Medium Grant Technical and Financial Progress Report and Medium Grant Technical and Financial Final Report.

All payments provided for above shall be made to the following account:

Name of Bank:

Bank Address:

Account Holder Name:

SWIFT code:

Bank Account:

IBAN code:

No payments of Grant funds shall be made under this Agreement other than as set forth above.

6. REPORTING.

6.1. **Progress Reports.** The Grantee shall submit the following Progress Reports to IUCN together and within thirty (30) days following the end of the relevant twelve month period:

i. Medium Grant Technical Progress Report: To be submitted by Grantee to IUCN in a format to be provided by BEST 2.0 Secretariat and including, *inter alia*, a detailed update on progress made against objectives; during the previous twelve month period;

ii. Medium Grant Financial Progress Report: To be submitted by Grantee to IUCN in a format to be provided by BEST 2.0 Secretariat.

iii. A Forecast of Expenses for the duration of the project's implementation in the format specified in the BEST 2.0 Operational Manual.

[LIST ANY SPECIFIC DOCUMENT THAT IUCN MIGHT WANT TO OBTAIN FROM GRANTEE, OR "ANY OTHER DOCUMENTATION THAT IS DIRECTLY RELATED TO THE PROJECT"]

b. **Final Reports.** The Grantee shall submit the following Final Reports to IUCN together and within sixty (60) days following the Expiration Date or the effective date of termination of this Agreement:

i. Medium Grant Technical Final Report. To be submitted by Grantee to IUCN in the format to be provided by BEST 2.0 Secretariat and including, *inter alia*, a comprehensive, detailed description of activities completed and an evaluation of accomplishments/successes under this Agreement.

ii. Medium Grant Financial Final Report. To be submitted by Grantee to IUCN in the BEST 2.0 format to be provided by BEST 2.0 Secretariat.

6.3. Grantee must retain all receipts for a period of five years after the end of the project.

6.4. Depending on the outcomes of the Grantee's risk assessment IUCN reserves the right to perform a closer scrutiny of the reported information, including but not limited to requests for additional information and clarifications, sample checks and requests of supporting documents.

7. Other Specific Conditions Applying to the Project

7.1. <insert as required>

8. Notice and Contact Persons

8.1. Except as may be expressly provided otherwise in the Agreement, any notice given by either Party to the other shall be deemed properly given if specifically acknowledged by the receiving Party in writing or if delivered by hand, fax, special courier service or electronic mail with return receipt, to the following addresses (or such other address as each Party may notify in writing from time to time to the other Party).

8.2. The Parties' respective contact persons shall be:

For BEST 2.0 Secretariat Name : Position: Address Tel: + Fax + Mob: E-mail:	For Grantee Name : Position: Address Tel: + Fax + Mob: E-mail:
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8.3. Either Party may change its contact person, address, or facsimile number by written notice to the other Party. Notices shall be deemed to be received on the first business day following receipt.

9. ENTIRE AGREEMENT. This Agreement consists of this agreement proper and Attachments 1 through 4, which are an integral part hereof. This Agreement constitutes the entire agreement and understanding between the parties with respect to its subject matter and supersedes any prior or contemporaneous agreements or understandings in reference thereto between the Parties.

10. The obligations of IUCN as BEST 2.0 Secretariat, under this Agreement, are neither made on behalf of nor are binding on any of the other Funding Sources.

11. IN WITNESS WHEREOF, the duly authorized representatives of the Parties have executed two counterparts of this Agreement, each of which shall be deemed an original and which together shall constitute one and the same instrument, on the date(s) indicated below:

IUCN, INTERNATIONAL UNION FOR CONSERVATION
OF NATURE AND NATURAL RESOURCES
IUCN

[NAME OF GRANTEE ORG]

NAME [ENTER NAME OF PERSON SIGNING]
BEST 2.0

NAME [ENTER NAME OF PERSON SIGNING]

NAME
IUCN

TITLE
ORGANIZATION

Annex 7: General Conditions applicable to grant agreements financed by BEST 2.0

General Conditions applicable to grant agreements financed by BEST 2.0.

ARTICLE 1 - GENERAL PROVISIONS

General principles

- 1.1. The Grantee(s) and IUCN in its role of BEST 2.0 Secretariat are the only parties to this Agreement.
- 1.2. This Agreement and the payments attached to it may not be assigned to a third party in any manner whatsoever.

Data protection

1.3. Any personal data will be processed solely for the purposes of the performance, management and monitoring of this Agreement by IUCN and may also be passed to the bodies charged with monitoring or inspection tasks under European Union law. Grantee(s) will have the right of access to their personal data and the right to rectify any such data. If the Grantee(s) have any queries concerning the processing of personal data, they shall address them to IUCN.

Obligations of the Grantee(s)

1.4. The Grantee(s) shall carry out the Project taking all necessary and reasonable measures to ensure that the Project is carried out in accordance with the Description of the Project in Attachment I and the terms and conditions of this Agreement. To this purpose, the Grantee(s) shall implement the Project with the requisite care, efficiency, transparency and diligence, in line with the principle of sound financial management and with the best practices in the field.

ARTICLE 2 - OBLIGATION TO PROVIDE FINANCIAL AND NARRATIVE REPORTS

2.1. The Grantee(s) shall provide IUCN with all required information on the implementation of the Project. The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed, the results expected and obtained and the budget details for the Project. The level of detail in any report should match that of the Description of the Project and of the Budget for the Project. These reports shall:

- a. cover the Project as a whole, regardless of which part of it is financed by IUCN;
- b. consist of a narrative and a financial report drafted using the templates provided by the BEST 2.0 Secretariat;
- c. provide a full account of all aspects of the Project's implementation for the period covered, including in case of simplified cost options the qualitative and quantitative information needed to demonstrate the fulfilment of the conditions for reimbursement established in this Agreement ;

- d. be drafted in the currency and language of this Agreement;
- e. include any relevant reports, publications, press releases and updates related to the Project;

2.2. Additionally the final report shall cover any period not covered by the previous reports.

2.3. The Special Conditions may set out additional reporting requirements.

2.4. IUCN may request additional information at any time. The Grantee shall provide this information within 30 days of the request, in the language of the Agreement.

2.5. If the Grantee fails to provide any report or fails to provide any additional information requested by IUCN within the set deadline without an acceptable and written explanation of the reasons, IUCN may terminate this Agreement according to Article 11.2 (a) and (f).

ARTICLE 3 - LIABILITY

3.1. IUCN cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Grantee(s) while the Project is being carried out or as a consequence of the Project. IUCN cannot, therefore, accept any claim for compensation or increases in payment in connection with such damage or injury.

3.2. The Grantee(s) shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the Project is being carried out or as a consequence of the Project. The Grantee(s) shall discharge IUCN of all liability arising from any claim or Project brought as a result of an infringement of rules or regulations by the Grantee(s) or the Grantee(s)'s employees or individuals for whom those employees are responsible, or as a result of violation of a third party's rights. For the purpose of this Article 3 employees of the Grantee(s) shall be considered third parties.

ARTICLE 4 - CONFLICT OF INTERESTS AND GOOD CONDUCT

4.1. The Grantee(s) shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective performance of this Agreement. Such conflict of interests may arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest.

4.2. Any conflict of interests which may arise during performance of this Agreement must be notified in writing to IUCN without delay. In the event of such conflict, the Grantee(s) shall immediately take all necessary steps to resolve it.

4.3. IUCN reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken if necessary.

4.4. The Grantee(s) shall ensure that its staff, including its management, is not placed in a situation which could give rise to conflict of interests. Without prejudice to its obligation under this Agreement, the Grantee(s) shall replace, immediately and without compensation from IUCN, any member of its staff in such a situation.

4.5. The Grantee(s) shall respect human rights and applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards.

ARTICLE 5 - CONFIDENTIALITY

5.1. Subject to Article 15, IUCN and the Grantee(s) undertake to preserve the confidentiality of any information, notwithstanding its form, disclosed in writing or orally in relation to the

implementation of this Agreement and identified in writing as confidential until at least 5 years after the payment of the balance.

5.2. The Grantee(s) shall not use confidential information for any aim other than fulfilling their obligations under this Agreement unless otherwise agreed with IUCN.

ARTICLE 6 - VISIBILITY

6.1. The Grantee(s) shall take all necessary steps to publicise the fact that BEST 2.0 Programme funded by the European Union has financed or co-financed the Project. Such measures shall comply with the BEST 2.0 Credit and Logo Usage Policy.

6.2. In particular, the Grantee(s) shall mention the European Union's financial contribution in information given to the final recipients of the Project, in its internal and annual reports, and in any dealings with the media. It shall display the European Union logo and BEST 2.0 wherever appropriate.

6.3. Any notice or publication by the Grantee(s) concerning the Project, including those given at conferences or seminars, shall specify that the Project has received European Union funding through BEST 2.0 Programme. Any publication by the Grantee(s), in whatever form and by whatever medium, including the internet, shall include the following statement: 'This document has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of < Grantee(s)'s name(s) > and can under no circumstances be regarded as reflecting the position of the European Union.'

6.4. The Grantee(s) authorises IUCN and the European Commission to publish its name and address, nationality, the purpose of the grant, duration and location as well as the maximum amount of the grant and the rate of funding of the Project costs.

ARTICLE 7 - OWNERSHIP/USE OF RESULTS

7.1. Unless otherwise stipulated in the Special Conditions, ownership of, and title and intellectual and industrial property rights to, the Project's results, reports and other documents relating to it will be vested in the Grantee(s).

7.2. Without prejudice to Article 7.1, the Grantee(s) grant IUCN and the European Commission the right to use freely and as it sees fit, and in particular, to store, modify, translate, display, reproduce by any technical procedure, publish or communicate by any medium all documents deriving from the Project whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

7.3. The Grantee(s) shall ensure that it has all rights to use any pre-existing intellectual property rights necessary to implement this Agreement.

7.4. In case natural, recognizable persons are depicted in a photograph or film, the Grantee(s) shall, in the final report to IUCN, submit a statement of these persons giving their permissions for the described use of their images. The above does not refer to photographs taken or films shot in public places where random members of the public are identifiable only hypothetically and to public persons acting in their public activities.

ARTICLE 8 — AMENDMENT OF THE AGREEMENT

8.1. Any amendment to this Agreement, including the annexes thereto, shall be set out in writing. This Agreement can be modified only during its execution period.

8.2. The amendment may not have the purpose or the effect of making changes to this Agreement that would call into question the grant award decision or be contrary to the equal

treatment of applicants. The maximum grant referred to in Article 1 of the Special Conditions may not be increased.

8.3. If an amendment is requested by the Grantee(s), a duly justified request shall be submitted to IUCN thirty days before the date on which the amendment should enter into force, unless there are special circumstances duly substantiated and accepted by IUCN.

8.4. Where the amendment to the Budget or Description of the Project does not affect the basic purpose of the Project and the financial impact is limited to a transfer between items within the same main budget heading including cancellation or introduction of an item, or a transfer between main budget headings involving a variation of 15% or less of the amount originally entered (or as modified by addendum) in relation to each concerned main heading for eligible costs, the Grantee may amend the budget and promptly inform IUCN accordingly in writing. This method may not be used to amend the headings for indirect costs, for the contingency reserve, for in-kind contributions or the amounts or rates of simplified cost options.

8.5. Changes of address, bank account may simply be notified by the Grantee. However, in duly substantiated circumstances, IUCN may oppose the Grantee's choice.

ARTICLE 9 — IMPLEMENTATION

Implementation Agreements

9.1. If the Grantee(s) have to conclude implementation Agreements with contractors in order to carry out the Project, these may only cover a limited portion of the Project and shall respect BEST 2.0 Procurement Policies and Procedures set out in Attachment 3 of this Agreement.

9.2. To the extent relevant, the Grantee(s) shall ensure that the conditions applicable to them under Articles 3, 4, 5, 6, 7 and 15 of these General Conditions are also applicable to contractors awarded an implementation Agreement.

ARTICLE 10- EXTENSION AND SUSPENSION

Extension

10.1. The Grantee shall inform IUCN without delay of any circumstances likely to hamper or delay the implementation of the Project. The Grantee may request an extension of the Project's implementation period as laid down in Article 3 "TERM" of the Special Conditions in accordance to Article 8. The request shall be accompanied by all the supporting evidence needed for its appraisal.

Suspension by the Grantee(s)

10.2. The Grantee may suspend implementation of the Project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. The Grantee shall inform IUCN without delay, stating the nature, probable duration and foreseeable effects of the suspension.

10.3. The Grantee or IUCN may then terminate this Agreement in accordance with Article 11.1. If the Agreement is not terminated, the Grantee(s) shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow, informing IUCN accordingly.

Suspension by IUCN

10.4. IUCN may request the Grantee(s) to suspend implementation of the project, or any part thereof, if exceptional circumstances, notably of force majeure, make such implementation excessively difficult or dangerous. To this purpose, IUCN shall inform the Grantee(s) stating the nature and probable duration of the suspension.

10.5. The Grantee(s) or IUCN may then terminate this Agreement in accordance with Article 11.1. If the Agreement is not terminated, the Grantee(s) shall endeavour to minimise the time of its suspension and any possible damage and shall resume implementation once circumstances allow and after having obtained the approval of IUCN.

10.6. IUCN may also suspend this Agreement or the participation of a Grantee(s) in this Agreement if IUCN has evidence that, or if, for objective and well justified reasons, IUCN deems necessary to verify whether presumably:

- a. the grant award procedure or the implementation of the Project have been subject to substantial errors, irregularities or fraud;
- b. the Grantee(s) have breached any substantial obligation under this Agreement.

10.7. The Grantee(s) shall provide any requested information, clarification or document within 30 days of receipt of the requests sent by IUCN. If, notwithstanding the information, clarification or document provided by the Grantee(s), the award procedure or the implementation of the grant prove to have been subject to substantial errors, irregularities, fraud, or breach of obligations, then IUCN may terminate this Agreement according to Article 11(2) h.

Force majeure

10.8. The term force majeure, as used herein covers any unforeseeable events, not within the control of either party to this Agreement and which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosion. A decision of the European Union to suspend the cooperation with the partner country is considered to be a case of force majeure when it implies suspending funding under this Agreement.

10.9. The Grantee(s) shall not be held in breach of its contractual obligations if it is prevented from fulfilling them by circumstances of force majeure.

Extension of the implementation period following a suspension

10.10. In case of suspension according to Articles 10.2, 10.4 and 10.6, the implementation period of the Project shall be extended by a period equivalent to the length of suspension, without prejudice to any amendment to the Agreement that may be necessary to adapt the Project to the new implementing conditions.

ARTICLE 11 — TERMINATION OF THE AGREEMENT

Termination in case of force majeure

11.1. In the cases foreseen in Article 10.2 and 10.4, if the Grantee(s) or IUCN believes that this Agreement can no longer be executed effectively or appropriately, it shall duly consult the other. Failing agreement on a solution, the Grantee(s) or IUCN may terminate this Agreement by serving two months written notice, without being required to pay indemnity.

Termination by IUCN

11.2. Without prejudice to Article 11.1, in the following circumstances IUCN may, after having duly consulted the Grantee(s), terminate this Agreement or the participation of any Grantee(s) in this Agreement without any indemnity on its part when:

- a. a Grantee(s) fails, without justification, to fulfil any substantial obligation incumbent on them individually or collectively by this Agreement and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of receipt of the letter;
- b. a Grantee(s) is bankrupt or being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- c. a Grantee(s)), or any related entity or person, have been found guilty of an offence concerning their professional conduct proven by any means;
- d. a Grantee(s), or any related entity or person, have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the European Union's financial interests;
- e. a change to a Grantee(s)'s legal, financial, technical, organisational or ownership situation or the termination of the participation of a Grantee(s) substantially affects the implementation of this Agreement or calls into question the decision awarding the grant;
- f. a Grantee(s) or any related person, are guilty of misrepresentation in supplying the information required in the award procedure or in the implementation of the Project or fails to supply – or fails to supply within the deadlines set under this Agreement - any information related to the Project required by IUCN;
- g. a Grantee(s) has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established;
- h. IUCN has evidence that a Grantee(s), or any related entity or person, has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Project;
- i. IUCN has evidence that a Grantee(s) is subject to a conflict of interests;
- j. the European Commission has evidence that a Grantee(s) has committed systemic or recurrent errors or irregularities, fraud, or serious breach of obligations under other grants financed by the European Union and awarded to that specific a Grantee(s) under similar conditions, provided that those errors, irregularities, fraud or serious breach of obligations have a material impact on this grant.

11.3. In the cases referred to in points (c), (d) (f) (h) and (j) above, any related person means any physical person with powers of representation, decision-making or control in relation to the Grantee(s). Any related entity means, in particular, any entity which meets the criteria laid down by Article 1 of the Seventh Council Directive No 83/349/EEC of 13 June 1983.

End date

11.4. IUCN shall postpone this end date laid down in Article 3 of the Special Conditions, so as to be able to fulfil its payment obligations, in all cases where the Grantee(s) has submitted a payment request in accordance with Agreement provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in Article 12. IUCN shall notify the Grantee(s) of any postponement of the end date.

11.5. This Agreement will be terminated automatically if it has not given rise to any payment by IUCN within two years of its signature.

Effects of Termination

11.6. Upon termination of this Agreement the Grantee(s) shall take all immediate steps to bring the Project to a close in a prompt and orderly manner and to reduce further expenditure to a minimum.

Without prejudice to Article 13, the Grantee(s) shall be entitled to payment only for the part of the Project carried out, excluding costs relating to current commitments that are due to be executed after termination.

To this purpose, the Grantee(s) shall introduce a payment request to IUCN within the time limit set by Article 14.2 starting from the date of termination.

In the event of termination according to Article 11.1, IUCN may agree to reimburse the unavoidable residual expenditures incurred during the notice period, provided, the first paragraph of this Article 11.6 has been properly executed.

In the cases of termination foreseen in Article 11.2 a), c), d), f), h) and j) IUCN may, after having properly consulted the Grantee(s) and depending on the gravity of the failings, request full or partial repayment of amounts unduly paid for the Project.

ARTICLE 12 — APPLICABLE LAW AND DISPUTE SETTLEMENT

12.1. This Agreement shall be governed by the laws of Switzerland

12.2. The parties to this Agreement shall do everything possible to settle amicably any dispute arising between them during the implementation of this Agreement. To that end, they shall communicate their positions and any solution that they consider possible in writing, and meet each other at either's request. The Grantee(s) and IUCN shall reply to a request sent for an amicable settlement within 30 days. Once this period has expired, or if the attempt to reach amicable settlement has not produced an agreement within 120 days of the first request, the Grantee(s) and IUCN may notify the other part that it considers the procedure to have failed.

12.3. Failing amicable settlement, any dispute, controversy or claim arising out of, or in relation to, this Agreement, including the validity, invalidity, breach, or termination thereof, shall be resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with these Rules.

The number of arbitrators shall be one. The seat of the arbitration shall be Lausanne. The arbitral proceedings shall be conducted in English.

FINANCIAL PROVISIONS

Article 13 – Eligible costs

Cost eligibility criteria

13.1. Eligible costs are actual costs incurred by the Grantee(s) which meet all the following criteria:

a) They are incurred during the implementation of the Project as specified in Article 3 “TERM” of the Special Conditions. In particular:

(i) Costs relating to services and works shall relate to activities performed during the implementation period. Costs relating to supplies shall relate to delivery and installation of items during the implementation period. Signature of a contract, placing of an order, or entering into any commitment for expenditure within the implementation period for future delivery of services, works or supplies after expiry of the implementation period do not meet this requirement

(ii) Costs incurred should be paid before the submission of the final reports.

(iii) An exception is made for costs relating to final reports, including expenditure verification, audit and final evaluation of the Project, which may be incurred after the implementation period of the Project;

(iv) Procedures to award contracts, as referred to in Article 9, may have been initiated and contracts may be concluded by the Grantee(s) before the start of the implementation period of the Project, provided the provisions of Attachment 3 have been respected.

b) They are indicated in the estimated overall budget for the Project;

c) They are necessary for the implementation of the Project;

d) They are identifiable and verifiable, in particular being recorded in the accounting records of the Grantee(s) and determined according to the accounting standards and the usual cost accounting practices applicable to the Grantee(s);

e) They comply with the requirements of applicable tax and social legislation;

f) They are reasonable, justified and comply with the requirements of sound financial management, in particular regarding economy and efficiency

Eligible direct costs

13.2. Subject to Article 13.1 and, where relevant, to the provisions of ATTACHMENT III being respected, the following direct costs of the Grantee(s) shall be eligible:

a) the cost of staff assigned to the Project, corresponding to actual gross salaries including social security charges and other remuneration-related costs; salaries and costs shall not exceed those normally borne by the Grantee(s), unless it is justified by showing that it is essential to carry out the Project;

b) travel and subsistence costs for staff and other persons taking part in the Project, provided they do not exceed those normally borne by the Grantee(s) according to its rules and regulations, or the rates published by the European Commission at the time of such mission if reimbursed on the basis of simplified cost options;

c) purchase costs for equipment (new or used) and supplies specifically for the purposes of the Project;

d) costs of consumables;

- e) costs entailed by contracts awarded by the Grantee(s) for the purposes of the Project referred to in Article 9;
- f) costs deriving directly from the requirements of the Agreement (dissemination of information, evaluation specific to the Project, audits, translation, reproduction, insurance, etc.) including financial service costs;
- g) duties, taxes and charges, including VAT, paid and not recoverable by the beneficiaries, unless otherwise provided in the Special Conditions.

Simplified cost options

13.3. In accordance with the detailed provisions in the Special Conditions and in the Budget of the Project, eligible costs may also be constituted by any or a combination of the following cost options:

- a) unit costs;
- b) lump sums;
- c) flat-rates.

13.4. The methods used by the Grantee(s) to determine unit costs or lump sums shall be clearly described and substantiated in the Budget, shall ensure compliance with the no-profit rule and shall avoid double funding of costs. For Swift Small Grants ≤ EUR 50,000, the no-profit rule does not apply.

The information used can be based on the Grantee(s)' historical and/or actual accounting and cost accounting data or on external information, where available and appropriate.

Costs declared under simplified cost options shall satisfy the eligibility criteria set out in Article 13.1 and 13.2. They do not need to be backed by accounting or supporting documents, except in cases where they are warranted by outcomes of risk assessment procedures and expressly stated in the Special Conditions.

These costs may not include ineligible costs as referred to in Article 13.7 or costs already declared under another costs item or heading of the budget of this Agreement.

The amounts or rates of unit costs or lump sums set out in the Budget may not be amended unilaterally and may not be challenged by ex post verifications.

Indirect costs

13.5. The indirect costs for the Project are those eligible costs which may not be identified as specific costs directly linked to the implementation of the Project and may not be booked to it directly according to the conditions of eligibility in Article 13.1. However, they are incurred by the Grantee(s) in connection with the eligible direct costs for the Project. They may not include ineligible costs as referred to in Article 13.7 or costs already declared under another costs item or heading of the budget of this Agreement.

A fixed percentage of the total amount of direct eligible costs of the Agreement not exceeding the percentage laid down in Article 4 of the Special Conditions may be claimed to cover indirect costs for the Project. Flat-rate funding in respect of indirect costs does not need to be supported by accounting documents. This amount shall not be taken into account with regard to the maximum amount of simplified cost options.

In kind contributions

13.6. Any contributions in kind, which shall be listed separately in the Budget, do not represent actual expenditure and are not eligible costs.

Notwithstanding the above, if the Description of the Project provides for contributions in kind, such contributions have to be provided.

Non-eligible costs

13.7. The following costs shall not be considered eligible:

- a. debts and debt service charges (interest);
- b. provisions for losses or potential future liabilities;
- c. costs declared by the Grantee(s) and financed by another Project or work programme;
- d. purchases of land or buildings;
- e. currency exchange losses;
- f. credits to third parties;
- g. cost leading to personal or private profit.

ARTICLE 14 — PAYMENTS

Payment procedures

14.1. IUCN must pay the grant to the Grantee following one of the payment procedures below, as set out in Article 5 “Payment Schedule” of the Special Conditions.

Option 1: **SWIFT SMALL GRANTS** with a total amount equal to or below 50,000 EUR

- a. A pre-financing payment covering 75% of the total Grant budget is made to a Grantee no later than 30 days after the IUCN’s receipt of this Agreement executed by both Parties, together with Grantee’s Payment Request.
- b. The balance of 25% is paid to the Grantee no later than 45 days after the approval of the Swift Small Grant Final Technical and Financial Report accompanied by a corresponding Payment Request.

Option 2: **SMALL GRANTS** with a total amount equal to or below 100,000 EUR.

- a. A pre-financing payment covering 100% of the first project year Grant budget is made to a Grantee no later than 30 days after the IUCN’s receipt of this Agreement executed by both Parties, together with Grantee’s Payment Request.
- b. A pre-financing payment of 90% of the second project year Grant budget is paid to the Grantee no later than 30 days after the approval of the Small Grant interim report accompanied by a corresponding Payment Request.
- c. The balance of 10% is paid to the Grantee no later than 45 days after the approval of the Final technical and Financial Small Grant Report accompanied by a corresponding Payment Request.

- the reporting period is intended as a twelve-month period unless otherwise provided for in the Special Conditions. When the remaining period to the end of the project is up to 18 months, the reporting period shall cover it entirely;
- within 45 days following the end of the reporting period, the Grantee shall present an interim report or, if unable to do so, it shall inform IUCN of the reasons and provide a summary of progress of the Project;

Option 3: **MEDIUM SIZE GRANTS** with a total amount equal to or below 400,000 EUR

- a. an initial pre-financing payment of 100% of the part of the estimated budget for the first reporting period financed by BEST 2.0 is calculated applying the percentage of co-financing stated in the Grant Agreement and is made to a Grantee no later than 30 days after the receipt of this Agreement executed by both Parties, together with Grantee's Payment Request;
- b. further pre-financing payment(s) of the part of the estimated budget financed by BEST 2.0 will constitute up to 90% of the remaining Grant budget and will be paid to the Grantee no later than 30 days after the approval of the Medium Grant interim report accompanied by a corresponding Payment Request;
- c. if at the end of the reporting period the part of the expenditure actually incurred which is financed by BEST 2.0 is less than 70 % of the previous payment and less than 100 % of any previous payments, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the previous pre-financing payment and the part of the expenditure actually incurred;
- d. the balance of 10% is paid to the Grantee no later than 45 days after the approval of the Final Technical and Financial Medium Grant Report accompanied by an external audit report and a corresponding Payment Request.

The total sum of pre-financing payments may not exceed 90 % of the amount referred to in Article 1 "The Grant" of the Special Conditions.

Submission of final reports

14.2. Final Technical and Financial Reports shall be submitted by the Grantee(s)

- a. **SWIFT SMALL GRANTS.** The Grantee shall submit the Final Technical and Financial Reports to IUCN together and within forty-five (45) days following the Expiration Date or the effective date of termination of this Agreement in the BEST 2.0 format specified in the BEST 2.0 Operational Manual.
- b. **SMALL GRANTS.** The Grantee shall submit the Final Technical and Financial Reports to IUCN together and within sixty (60) days following the Expiration Date or the effective date of termination of this Agreement in the BEST 2.0 format specified in the BEST 2.0 Operational Manual.
- c. **MEDIUM SIZE GRANTS.** The Grantee shall submit the Final Technical and Financial Reports to IUCN together and within ninety (90) days following the

Expiration Date or the effective date of termination of this Agreement in the BEST 2.0 format specified in the BEST 2.0 Operational Manual. The Final Technical and Financial Reports shall be accompanied by expenditure verification report.

Payment request

14.3. The payment request shall be drafted using the model in Annex V and shall be accompanied by:

- a. A Technical and Financial report in line with the template provided by the BEST 2.0 Secretariat;
- b. A Forecast Budget for the following reporting period in case of request of further pre-financing;
- c. An expenditure verification report or a detailed breakdown of expenditure if required under Article 14.8;

Payment shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information provided.

Payment deadlines

14.4. The initial pre-financing payment **SWIFT SMALL GRANTS, SMALL GRANTS** and **MEDIUM SIZE GRANTS** shall be made within 30 days of the receipt by IUCN of this Agreement executed by both Parties, together with Grantee's Payment Request.

14.5. Further pre-financing payments shall be made within 30 days from the date of approval of the project Interim Report.

However, further pre-financing payments and payments of the balance shall be made within 90 days of receipt of the payment request by IUCN in any of the following cases:

14.6. Final balance

The payment request is deemed accepted if there is no written reply by BEST 2.0 Secretariat within the deadlines set above.

Suspension of the period for payments

14.7. Without prejudice to Article 11, IUCN may suspend the time-limits for payments by notifying the Grantee that:

- a. the amount indicated in its request of payments is not due, or;
- b. proper supporting documents have not been supplied, or;
- c. IUCN needs to request clarifications, modifications or additional information to the technical or financial reports, or;
- d. IUCN has doubts on the eligibility of expenditure and needs to carry out additional checks, including on-the-spot checks to make sure that the expenditure is eligible, or;
- e. it is necessary to verify whether presumed substantial errors, irregularities or fraud have occurred in the grant award procedure or the implementation of the Project, or;
- f. it is necessary to verify whether the Grantee(s) have breached any substantial obligations under this Agreement, or;

g. the visibility obligations set out in Article 6 are not complied with.

The suspension of the time-limits for payments starts when the above notification is sent by the IUCN to the Grantee. The time-limit starts running again on the date on which a correctly formulated request for payment is recorded. The Grantee shall provide any requested information, clarification or document within 30 days of the request.

If, notwithstanding the information, clarification or document provided by the Grantee, the payment request is still inadmissible, or if the award procedure or the implementation of the grant proves to have been subject to substantial errors, irregularities, fraud, or breach of obligations, then IUCN may refuse to proceed further with payments and may, in the cases foreseen in Article 11, terminate accordingly this Agreement.

In addition, IUCN may also suspend payments as a precautionary measure without prior notice, prior to, or instead of, terminating this Agreement as provided for in Article 11.

Expenditure verification report and Detailed Breakdown of Expenditure

14.8. The Grantee must provide an expenditure verification report for any final report in the case of a grant of more than EUR 100 000.

The expenditure verification report shall conform to the model to be provided by IUCN and shall be produced by an auditor approved or chosen by IUCN. The auditor shall meet the requirements set out in the Terms of Reference for expenditure verification to be provided by IUCN.

The auditor shall examine whether the costs declared by the Grantee(s) and the revenue of the Project are real, accurately recorded and eligible under this Agreement.

14.9. If no expenditure verification is required with requests for pre-financing payments, a detailed breakdown of expenditure covering the preceding reporting periods not already covered, shall be provided for every other request for further pre-financing payment and starting with the second request for further pre-financing payment.

The detailed breakdown of expenditure shall provide the following information for each cost heading in the financial report and for all underlying entries and transactions: amount of the entry or transaction, accounting reference (e.g. ledger, journal or other relevant reference) description of the entry or transaction (detailing the nature of the expenditure) and reference to underlying documents (e.g. invoice number, salary slip or other relevant reference), in line with Article 15.1. It shall be provided in electronic form and spread sheet format (excel or similar) whenever possible.

The detailed breakdown of expenditure shall be supported by a declaration of honour by the Grantee that the information in the payment request is full, reliable and true and that the costs declared have been incurred and can be considered as eligible in accordance to this Agreement.

The final report shall in all cases include a detailed breakdown of expenditure covering the whole Project.

Rules for currency conversion

14.10. IUCN shall make payments to the Grantee to the bank account referred to in the Special Conditions to the Grant Agreement, which allows the identification of the funds paid by IUCN. Payments shall be made in the currency set in the Special Conditions.

Reports shall be submitted in the currency set out in the Special Conditions, and may be drawn from financial statements denominated in other currencies, on the basis of the Grantee(s)' applicable legislation and applicable accounting standards. In such case and for

the purpose of reporting, conversion into the currency set in the Special Conditions shall be made using the rate of exchange at which the payment by IUCN was recorded in the Grantee(s)' accounts.

Costs incurred in other currencies than the one used in the Grantee(s)' accounts shall be converted according to its usual accounting practices.

In the event of an exceptional exchange-rate fluctuation, the Parties shall consult each other with a view to amending the Project in order to lessen the impact of such a fluctuation. Where necessary, IUCN may take additional measures such as terminating the Agreement.

ARTICLE 15 — ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS

Accounts

15.1. The Grantee(s)' shall keep accurate and regular accounts of the implementation of the project using an appropriate accounting and double-entry book-keeping system.

The accounts:

- a. may be an integrated part of or an adjunct to the Beneficiary(ies)'s regular system;
- b. shall comply with the accounting and bookkeeping policies and rules that apply in the country concerned;
- c. shall enable income and expenditure relating to the project to be easily traced, identified and verified.

15.2. The Grantee shall ensure that any financial report as required under Article 6 "Reporting" of the Special Conditions can be properly and easily reconciled to the accounting and bookkeeping system and to the underlying accounting and other relevant records. For this purpose the Grantee(s)' shall prepare and keep appropriate reconciliations, supporting schedules, analyses and breakdowns for inspection and verification.

Right of access

15.3. The Grantee(s) shall allow verifications to be carried out by IUCN, the European Commission, the European Anti-Fraud Office, the European Court of Auditors and any external auditor authorised by IUCN. The Grantee(s) have to take all steps to facilitate their work.

15.4. The Grantee(s) shall allow the above entities to:

- a. access the sites and locations at which the Project is implemented;
- b. examine its accounting and information systems, documents and databases concerning the technical and financial management of the Project;
- c. take copies of documents;
- d. carry out on the-spot-checks;
- e. conduct a full audit on the basis of all accounting documents and any other document relevant to the financing of the Project.

15.5. Additionally the European Anti-Fraud Office shall be allowed to carry out on-the-spot checks and inspections in accordance with the procedures laid down by the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

15.6. Access given to agents of the European Commission, European Anti-Fraud Office and the European Court of Auditors and to any external auditor authorised by IUCN carrying out verifications shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject.

Record keeping

15.7. The Grantee(s) shall keep all records, accounting and supporting documents related to this Agreement for five years following the payment of the balance and for three years in case of grants not exceeding EUR 50 000, and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim has been disposed of.

They shall be easily accessible and filed so as to facilitate their examination and the Grantee(s) shall inform IUCN of their precise location.

15.8. All the supporting documents shall be available in the original form, including in electronic form.

15.9. In addition to the reports mentioned Article 6 “Reporting” of the Special Conditions, the documents referred to in this Article include:

- a. Accounting records (computerised or manual) from the Grantee(s)’s accounting system such as general ledger, sub-ledgers and payroll accounts, fixed assets registers and other relevant accounting information;
- b. Proof of procurement procedures such as tendering documents, bids from tenderers and evaluation reports;
- c. Proof of commitments such as contracts and order forms;
- d. Proof of delivery of services such as approved reports, time sheets, transport tickets, proof of attending seminars, conferences and training courses (including relevant documentation and material obtained, certificates), etc;
- e. Proof of receipt of goods such as delivery slips from suppliers;
- f. Proof of completion of works, such as acceptance certificates;
- g. Proof of purchase such as invoices and receipts;
- h. Proof of payment such as bank statements, debit notices, proof of settlement by the contractor;
- i. Proof that taxes and/or VAT that have been paid cannot actually be reclaimed;
- j. For fuel and oil expenses, a summary list of the distance covered, the average consumption of the vehicles used, fuel costs and maintenance costs;
- k. Staff and payroll records such as contracts, salary statements and time sheets. For local staff recruited on fixed-term contracts, details of remuneration paid, duly substantiated by the person in charge locally, broken down into gross salary, social security charges, insurance and net salary. For expatriate and/or European-based staff (if the Project is implemented in Europe) analyses and breakdowns of expenditure per month of actual work, assessed on the basis of unit prices per verifiable block of time worked and broken down into gross salary, social security charges, insurance and net salary.

ARTICLE 16 — FINAL AMOUNT OF THE GRANT

Final amount

16.1. The Grant may not exceed the maximum ceiling in Article 1 “Grant” of the Special Conditions either in terms of the absolute value or the percentage stated therein.

If the eligible costs of the Project at the end of the Project are less than the estimated eligible costs as referred to in Article 1 of the Special Conditions, the grant shall be limited to the amount obtained by applying the percentage laid down in Article 4.2 of the Special Conditions to the eligible costs of the Project approved by IUCN.

16.2. In addition and without prejudice to its right to terminate this Contract pursuant to Article 11, if the Project is implemented poorly or partially - and therefore not in accordance with the Description of the Project in Attachment I - or late, IUCN may, by a duly reasoned decision and after allowing the Grantee(s) to submit its observations, reduce the initial grant in line with the actual implementation of the Project and in accordance with the terms of this Agreement. This applies as well with regards to the visibility obligations set out in Article 6.

No profit

16.3. The grant may not produce a profit for the Grantee(s), unless specified otherwise in Article 7 of the Special Conditions. Profit is defined as a surplus of the receipts over the eligible costs approved by IUCN when the request for payment of the balance is made.

16.4. The receipts to be taken into account are the consolidated receipts on the date on which the payment request for the balance is made by the Grantee that fall within one of the two following categories:

- a. income generated by the Project, unless otherwise specified in the Special Conditions;
- b. financial contributions specifically assigned by the donors to the financing of the same eligible costs financed by this Agreement. Any financial contribution that may be used by the Grantee(s) to cover costs other than those eligible under this Agreement or that are not due to the donor where unused at the end of the Project are not to be considered as a receipt to be taken into account for the purpose of verifying whether the grant produces a profit for the Grantee(s).

16.4. Where the final amount of the grant determined in accordance with the Agreement would result in a profit, it shall be reduced by the percentage of the profit corresponding to the final IUCN contribution to the eligible costs actually incurred approved by IUCN.

ARTICLE 17 — RECOVERY

Recovery

17.1. If any amount is unduly paid to the Grantee, or if recovery is justified under the terms of this Agreement, the Grantee undertakes to repay IUCN these amounts.

17.2. In particular, payments made do not preclude the possibility for IUCN to issue a recovery order following an expenditure verification report, an audit or further verification of the payment request.

17.3. If a verification reveals that the methods used by the Grantee(s) to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this

Agreement and, therefore an undue payment has been made, IUCN shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat rate financing.

17.4. The Grantee undertakes to repay any amounts paid in excess of the final amount due to IUCN within 45 days of the issuing of the debit note, the latter being the letter by which IUCN requests the amount owed by the Grantee.

Annex 8: BEST 2.0 Procurement Policies and Procedures

BEST 2.0 Procurement Policies and Procedures

Prior to undertaking any purchases of goods or services with Grant funds, the Grantee is required to have institutional procurement policies in effect that are substantially the same as those listed below. The specific procurement procedures listed in section II are applicable to all purchases of goods/services with Grant funds, and must be followed in all cases.

I. POLICIES

A. All purchases of goods and services must be made with complete impartiality based solely on the merits of supplier proposals, including such considerations as cost, quality, delivery and payment terms. No employee, officer, or agent of Grantee may participate in the selection, award, or administration of a contract if an actual or apparent conflict of interest would arise.

B. Grantee is responsible for ensuring that all equipment is received in good condition. Grantee must examine and test goods upon receipt to ensure that the vendor has met all terms and conditions of the purchase agreement.

C. All purchases of services, from individuals or organizations, must be made on the basis of a written contract which must set forth in detail the relevant terms of the contract including, without limitation, the proposed scope of work, deliverables, amounts and terms of payment, timelines and the Parties' relative responsibilities and liabilities for non-performance.

D. Grantee must ensure that adequate insurance is obtained for the actual replacement value of any equipment purchased.

E. Procurement contracts may be entered into only with responsible suppliers who are reputable, well established and are suppliers of the type of goods and services being purchased in the normal course of business. No award shall be made to a supplier who has engaged in corrupt or fraudulent practices in competing for or executing the contract in question.

II. PROCUREMENT PROCEDURES

A. Purchases of goods and services with a unit cost of less than EUR 5000 may be made 'off the shelf.' No specific number of bids is required.

B. Purchases of goods with a unit cost of more than EUR 5,000 but less than EUR 50,000 must be based on written quotations received from at least three potential suppliers. Quotations must include the price, the description and quantity of the goods, as well as the delivery time and place.

i. Grantees are advised to initially request more than three quotations.

ii. If there are at least three potential suppliers of the goods at competitive prices and in Grantee's country, Grantee may purchase in that jurisdiction without requesting quotations from potential suppliers located in foreign countries.

iii. If this is not the case, then Grantee must request quotations from suppliers in at least two different countries, including the country where Grantee's main office is

located. Quotations for foreign goods offered by a firm located in Grantee's country are considered as quoted from abroad for purposes of satisfying the "two different countries" rule. This is applicable, by way of example and not limitation, to items such as computers, and vehicles that are normally imported by dealers of the foreign manufacturers who are also able to provide after sales services.

C. Purchases of Services in excess of EUR 5000 but less than EUR 50,000 must be based on a comprehensive Terms of Reference specifying in detail the necessary subject area qualifications and expected outputs. Statements of interest or CVs must be received from at least three potential firms or individuals.

- i. All purchases of services must be memorialized in written documentation that includes fixed outputs and specific payment terms.

- ii. Fees may be paid on an hourly/daily rate, or on a fixed fee basis. All fees paid to individuals must be consistent with previous salary/fee history, as documented in a CV.

- iii. File documents must reflect clearly the list of individuals or firms invited to bid, the statements of interest or CVs, salary/fee history, and rationale for selection.

D. Purchases of goods and services with a unit cost in excess of US\$50,000 are subject to special competitive bidding procedures.

- i. Such purchases are not allowed without separate written authorization from IUCN.

- ii. In the event that purchases in excess of EUR 50,000 are authorized, IUCN shall provide Grantee with detailed instructions on bidding requirements that Grantee shall comply with.

Annex 9: Project Budget

1. Medium Grants - Budget for the Project¹

Costs	All Years				Year 1 ²			
	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
1. Human Resources								
1.1 Salaries (gross salaries including social security charges and other related costs, local staff) ³								
1.1.1 Technical	Per month				Per month			
1.1.2 Administrative/ support staff	Per month				Per month			
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)	Per month				Per month			
1.3 Per diems for missions/travel ⁴								
1.3.1 Abroad (staff assigned to the Project)	Per diem				Per diem			
1.3.2 Local (staff assigned to the Project)	Per diem				Per diem			
1.3.3 Seminar/conference participants	Per diem				Per diem			
Subtotal Human Resources								
2. Travel⁵								
2.1. International travel	Per flight				Per flight			
2.2 Local transportation	Per month				Per month			
Subtotal Travel								
3. Equipment and supplies⁶								
3.1 Purchase or rent of vehicles	Per vehicle				Per vehicle			
3.2 Furniture, computer equipment								
3.3 Machines, tools...								
3.4 Spare parts/equipment for machines, tools								
3.5 Other (please specify)								
Subtotal Equipment and supplies								
4. Local office								
4.1 Vehicle costs	Per month				Per month			
4.2 Office rent	Per month				Per month			
4.3 Consumables - office supplies	Per month				Per month			
4.4 Other services (tel/fax, electricity/heating, maintenance)	Per month				Per month			
Subtotal Local office								
5. Other costs, services⁷								
5.1 Publications ⁷								
5.2 Studies, research ⁷								
5.3 Expenditure verification/Audit								
5.4 Evaluation costs								
5.5 Translation, interpreters								
5.6 Financial services (bank guarantee costs etc.)								
5.7 Costs of conferences/seminars ⁸								
5.8. Visibility Projects ⁹								
Subtotal Other costs, services								
6. Other								

1. Medium Grants - Budget for the Project ¹					Year 1 ²			
Costs	All Years							
	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)	Unit	# of units	Unit value (in EUR)	Total Cost (in EUR)
Subtotal Other								
7. Subtotal direct eligible costs of the Project (1-6)				0				0
8. Indirect costs (maximum 7% of 7, subtotal of direct eligible costs of the Project)				0				0
9. Total eligible costs of the Project (7+ 8)				0				0
10. Provision for contingency reserve (maximum 5% of 7, subtotal of direct eligible costs of the Project)				0				0
11. Total eligible costs (9+10)				0				0

1. The description of items must be sufficiently detailed and all items broken down into their main components. The number of units and the unit value must be specified for each item depending on the indications provided. The budget has to include costs related to the Project as a whole, regardless the part financed by BEST 2.0.

2. This section must be completed if the Project is to be implemented over more than one reporting period (usually 12 months).

3. If staff are not working full time on the Project, the percentage should be indicated alongside the description of the item and reflected in the number of units (not the unit value).

4. Indicate the country where the per diems are incurred.

Per diems are not considered a simplified cost option for the purposes of Union financing when the Grant Beneficiary reimburses a fixed amount to its staff according to its staff rules and asks for the reimbursement of that same amount in the Project budget. That is an actual cost.

Otherwise, if the Beneficiary proposes a reimbursement on the basis of simplified costs option (for instance a "unit cost"), it must specify "UNIT COST per diem" in the "unit value" column and the applicable rates (in any case the final eligible cost may not exceed the rates published by the E.C. at the time of such mission).

5. Costs for CO2 offsetting of air travel may be included. CO2 offsetting shall in that case be achieved by supporting CDM/Gold Standard projects (evidence must be included as part of the supporting documents) or through airplane company programmes when available. Indicate the place of departure and the destination. If information is not available, enter a global amount.

6. Please separate cost for purchase or rental.

7. Specify the typology of costs or services. Global amounts will not be accepted.

8. Only indicate here when fully subcontracted.

9. Communication and visibility activities should be properly planned and budgeted at each stage of the project implementation.

NB: The Beneficiary(ies) alone are responsible for the correctness of the financial information provided in these tables.

2. Justification of the Budget for the Project

Costs	All Years	
	Clarification of the budget items <i>Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the Project (e.g. through references to the activities and/or results in the Description of the Project).</i>	Justification of the estimated costs <i>Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs as described in the Guidelines for Grants Applicants</i>
1. Human Resources		
1.1 Salaries (gross salaries including social security charges and other related costs, local staff)		
1.1.1 Technical		
1.1.2 Administrative/ support staff		
1.2 Salaries (gross salaries including social security charges and other related costs, expat/int. staff)		
1.3 Per diems for missions/travel		
1.3.1 Abroad (staff assigned to the Project)		
1.3.2 Local (staff assigned to the Project)		
1.3.3 Seminar/conference participants		
Subtotal Human Resources		
2. Travel		
2.1. International travel		
2.2 Local transportation		
Subtotal Travel		
3. Equipment and supplies		
3.1 Purchase or rent of vehicles		
3.2 Furniture, computer equipment		
3.3 Machines, tools...		
3.4 Spare parts/equipment for machines, tools		
3.5 Other (please specify)		
Subtotal Equipment and supplies		
4. Local office		
4.1 Vehicle costs		
4.2 Office rent		
4.3 Consumables - office supplies		
4.4 Other services (tel/fax, electricity/heating, maintenance)		
Subtotal Local office		
5. Other costs, services		
5.1 Publications		
5.2 Studies, research		
5.3 Expenditure verification/Audit		
5.4 Evaluation costs		
5.5 Translation, interpreters		
5.6 Financial services (bank guarantee costs etc.)		

2. Justification of the Budget for the Project

Costs	All Years	
	Clarification of the budget items <i>Provide a narrative clarification of each budget item demonstrating the necessity of the costs and how they relate to the Project (e.g. through references to the activities and/or results in the Description of the Project).</i>	Justification of the estimated costs <i>Provide a justification of the calculation of the estimated costs. Note that the estimation should be based on real costs as described in the Guidelines for Grants Applicants</i>
5.7 Costs of conferences/seminars		
5.8. Visibility Projects		
Subtotal Other costs, services		
6. Other		
Subtotal Other		

3. Expected sources of funding & summary of estimated costs¹

		Amount	Percentage
		EUR	%
Expected sources of funding			
BEST 2.0 contribution sought in this application (A)			
Other contributions (Applicant, other Donors etc)			
<i>Name</i>	<i>DESCRIPTION</i>		
Revenue from the Action			
Expected TOTAL CONTRIBUTIONS			
Estimated Costs			
Estimated TOTAL ELIGIBLE COSTS ² (B)			
BEST 2.0 contribution expressed as a percentage of total eligible costs ³ (A/B x 100)			#DIV/0!

1. Expected sources of funding and estimated costs must be in balance. It is reminded that the figures introduced in the table shall respect all the points included in the checklist for the full application form.

2. as per heading 11 of the Budget of the Action

3. do not round, enter percentage with 2 decimals (e.g. 74,38%)