**Business Support Facility for Resilient Agricultural Value Chains**

**MOVE-ComCashew**

**Competitive Matching Grant Scheme First Call for Application**

**Guidelines on Costs Eligible for Reimbursement in Implementation Agreements**

**Eligible costs for reimbursement**

Only the actual direct **costs** immediately caused by the project are eligible for reimbursement in accordance with the percentage agreed in the contract**.** Costs that exceed the percentage of total costs or the upper limit set by the contract **will not be reimbursed**. The percentage rate applies uniformly to all cost items. Only costs of activities that have taken place within the contract term can be reimbursed.

**Determining costs eligible for reimbursement**

Only the actual direct costs (with no mark-ups) immediately incurred by the project are recognized as eligible for reimbursement. Overhead costs and other lump-sum amounts, imputed costs, amortization and depreciation, allocations to provisions and profit mark-up or other costing mark-ups are not eligible for reimbursement.

The following cost categories must be listed in the project budget:

* Remuneration for the PRIVATE COMPANY's own employees
* Fees for external experts
* Travel costs, air tickets
* Costs of materials and equipment
* Costs of capital goods
* Other costs

Specific features of the cost categories are explained in more detail below.

**Renumeration for Private Company’s own Employees/ Personnel Costs**

These include direct costs of personnel directly assigned for the financed project, including the statutory personnel ancillary costs. The daily rates for the PRIVATE PARTNER's own employees must be shown here. Estimated daily rates must be charged and correspond to the pure direct costs.

Please calculate and include any salary/collective bargaining increase when preparing the project budget. The budget cannot be changed later due to a salary increase.

When settling the costs, the actual values that are confirmed by the public auditor (according to audited historical financials) are used.

**Travel costs, air tickets**

When indicating travel costs, lump-sum subsistence allowances/ per diem and overnight accommodation costs are eligible for reimbursement at the maximum rates (evidence-based). This must not exceed the lump-sum GIZ standard rates in the respective country as applicable at the date of signing the agreement (this can be provided by the **Business Support Facility for****Resilient Agricultural Value Chains** team upon request).

Costs posted for air tickets must be economy class only (no premium economy).

**External Service providers**

This includes all contracts with subcontractors or external firms, e.g.

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

**Costs for equipment/capital goods**

For the purchase of equipment and other capital goods purchased for Matching Grant Fund activities, only depreciation during the contract term is eligible for reimbursement. The cost of equipment and capital goods should be in reasonable proportion to the project’s total budget. These costs should not exceed 30% of total costs (as a guideline value). For depreciation, an average useful life of five years or more is assumed (e.g., max. 20% p.a.). PCs or computer hardware are an exception and are depreciated uniformly over three years in all development partnerships with the private sector (i.e., at 33% p.a.).

**Amortisation and Depreciation**

In the case of capital goods still available to the PRIVATE COMPANY for commercial use after the contract term, only depreciation occurring during the contract term is eligible for reimbursement.

The share of capital goods and/or the pro-rated useful lives of amortised items continue to be eligible for reimbursement only if they are directly related to project implementation

As a rule, the amortisation period for standard software must be based on the depreciation period for hardware, i.e., it must be amortised over a customary useful life of three years.

When calculating amortisation and depreciation, the standards applicable in the country of assignment as reflected in the PRIVATE COMPANY's accounting are decisive.

For self-manufactured materials and equipment, only the actual costs (not including mark-up or development costs) can be reimbursed

NB: **Business Support Facility for****Resilient Agricultural Value Chains will not contribute to any huge, fixed assets such as vehicle, land, furniture and fixtures etc for this contract.**

1. **For computers, depreciation of 3 years applies. At the end of the project,** Partners pays 33% of the original cost of the laptop and keep it or
2. The laptop is handed over to other public partners

• **Eligible purchase prices**

Purchase prices for materials and equipment are refundable if they are handed over to a public-benefit or public-sector organization at the end of the project.

**Other costs including training costs**

Other reimbursable costs include:

* all costs related to training for smallholder farmers
* expenses related to pilot tests
* Costs of the audit of the Matching Fund with the private sector measure by a public auditor: the upper limit here is EUR 3,500 per audit.
* Project-related operating costs:

-only the prorated project-related operating costs are recognized (prorated office rent, communications and similar) and must be shown together with the basis for calculation to determine the amount of rent or depreciation

-costs of internal workshops, seminars, training events, e.g., rent, materials etc.

Expenditure categories that arise during the project but are not provided for in the original project budget are only permissible with written approval by GIZ and are included as a supplement to the contract.

Offsetting of up to EUR 2,500 or up to 10% of the respective budget line is permitted in the contractually agreed project budget. For amounts exceeding this, the agreement of GIZ is needed in advance.

**Other costs ineligible for reimbursement are**

* sales and distribution costs, including advertising costs
* municipal trade tax
* costs of independent research and development (not project related)
* costs of specific risks
* imputed profit
* the interest portion of allocations to pension reserves.
* purchase of land
* debt and provisions for loss
* transfer fees for foreign transfers
* internal entertainment
* any item or activity previously financed by the **insert VC** matching fund or another funding agency/donor.

**Procurement of Pesticides**

Please note that special rules apply to the procurement of pesticides and pharmaceutical products.

• With respect to the procurement of pesticides and biocides as well as other agrochemicals, the private partner should present all details on the use of these agrochemicals to the GIZ project manager, prior to the signing of the contract.

• The private company must also present details to the GIZ project manager when procuring pharmaceutical products.