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DEUTSCHE ZUSAMMENARBEIT

Implemented by
giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

BUDGET INSTRUCTIONS for Local Initiatives

(20.000 - 100.000 EUR)

Purpose of the Guidelines

These guidelines were prepared by the GIZ project "Community-Based Local Initiatives Project" (CLIP 2) to support interested candidates when creating their own budget using their proposal as a basis.

Budget

The budget is the numerical expression of a proposal. Therefore, a budget must reflect the proposal.

All planned expenditures in the budget need to relate to the content of the proposal. From reading the proposal, the inclusion of certain expenses should always be clear. At the same time, the budget alone should make sense to the reader.

A budget includes major lines which have sub-lines. The final total at the bottom shows the total amount of the budget and amount of the contract.

Budget Template

GIZ provides a budget template. The local subsidy recipient can adjust the budget according to their proposal. The name of the organisation, name of the project, running time, and currency in TRY must be entered in the budget.

The explanation of the calculated costs should be detailed and clearly mentioned in the description of each line.
Under procurement of materials and services, the type of unit should explain the unit of the procurement and it must be countable. For example, the type of unit for a trainer's fee can be "hourly", "daily" or "monthly", but not "total", "fee" or "lump sum".

The total amount of each sub-line has a formula, and it multiplies the quantity of the unit and the unit price. In this way, it gives you the total amount of the procurement.

Parallel Financing or Contributions from the Recipients' own Resources:

If there is a parallel financing or the local subsidy recipient contributes to the project with its own resources, this must be specified in the contract and must be reflected in the budget. In cases where costs are shared, this must be explained in the description.

The Cost Categories:

A – Salaries:

To cover the salaries by GIZ, legal responsibilities must be met. (e.g., SGK registration, income tax payment, etc.) the amount of salary in the budget should reflect the entire cost of the personnel. This cost should be total cost which includes net salary, income tax, SGK employee contribution and SGK employer contribution.

B – Materials and Equipment:

for procurement of materials and equipment to implement the project.

These materials and equipment must reflect the required items which are mentioned in the proposal of the project.

C – Project Running Cost:

which is needed to run the project.

For example: office rent, utilities of the offices, communication, transportation, stationary, cleaning materials, bank commission, shipments, maintenance for the office, etc.

If more than one donor finances running costs, it needs to be mentioned in the budget which share is funded by GIZ, and which donor funds the other share. Please mention these details in the column "description".

D - Transportation Costs:

for trainings, workshops, and meetings which are related to the project.

This can include flight tickets, accommodation, local transportation, taxi fees, transfers, etc.

Please consider: CLIP 2 does not cover per diems!

E – Services and Training Costs:

for all support staff, trainers, consultants and other fees for services and trainings.

Please consider that all taxes must be included in the amount.

Not only direct project activities, but also consultants who support the administration of the project should be considered under this category, e.g., a consultant for financial assistance or translation services.

Also catering services for food and beverages, entrance fees, translation fees etc. should be calculated under this category.

F – Strengthening Capacities of the Organisation

Under this category, you can calculate costs dedicated to the improvement of your NGO. This can be travel costs for attending trainings of GIZ (offered for free) plus training fees for a training of your choice. Please explain entries for this budget line in your proposal. The category should **not exceed 5.000 Euros.** This category will be used to report costs for participating in GIZ trainings and various proposed trainings if needed. All costs are only covered when evidence is provided.

In addition, most of the training for applicants will be provided by the mentoring (large) organisations and budgeted under their projects.

CLIP 2 does not accept:

- Projects that do not contribute to the objectives of CLIP 2
- Credit schemes
- Purchase of land, vehicles, or medicines
- Projects with high maintenance costs
- Lump-sum payments - all costs are settled against evidence
- Projects aimed at solely or majorly financing construction measures

Place and date

Ankara, Turkey / April 2021