

Better Cotton GIF Budget and Funding Guidelines

June 2024

Introduction

This document provides applicants to Better Cotton GIF Small Farm Fund with guidelines to complete the budget associated with their proposal.

Budget completion

- Use the budget template provided in the online application form. The first tab of the Excel template includes guidance on how to complete the template.
- New applicants only need to submit a one-year budget
- Existing Small Farm Fund applicants are requested to complete a three-year budget in line with their application. A detailed budget is only requested for year 1. For years 2 and year 3, we only ask you for the total for each of the main budget headings.
- The funding provided by GIF must be consistent with the average annual turnover of the partner organization during the recent 3 years up and progression will be monitored
- BCI GIF expects applicants to develop budgets bearing in mind inflation throughout the project lifetime. The inflation rate used will depend on current and projected inflation rates in the country where the project is being delivered, as well as the particular items of expenditure. Please base inflation rates on the official data of your country. We will question any rates which appear disproportionately high or low.
- Any expenditure not included in / exceeding- the approved and contracted budget will not be compensated by the Fund.

Currency and Exchange Rate

- The budget should be prepared in local currency. This will generate an equivalent Euro budget based on the exchange rate for each country provided by GIF.
- The Fund will contract all funded Partners in Euros.
- The exchange rate used to report expenditures will be the exchange rate of the date when the disbursement was received.
- A disbursement is always equal to the amount invoiced and paid by GIF. Bank charges and fees must be accounted for as costs.

Salaries

- Programme Partners must comply with the relevant national/regional laws in relation to paying at least minimum wages for each position funded by the project.
- Salaries must cover all mandatory social charges, taxes and related benefits, such

as health and life insurance.

- Salaries should not include work-related expenses (fuel, transport, phone costs) Work-related expenses will be reflected in the Travel and accommodation section.
- There must be equal pay for equal work with no discrimination made on the basis of gender, race, ethnicity or other status.
- Management staff directly involved in the project can be funded by the GIF. The amount will depend on the proportion of their time spent on the project.
- Annual increases in salaries should be based on: 1.inflation /COLA adjustments 2. increments according to the organisation HR's policy.

Travel and accommodation expenses

- Travel costs must relate directly to programme delivery activities. Costs typically include travel of field staff to communities for training, monitoring and oversight purposes or participation in project meetings.
- All travel related costs should be included under this section e.g. fuel and vehicle maintenance allowance for field staff, vehicle rental, accommodation, etc. Please indicate clearly what is the cost and for who (e.g. Fuel allowance for 20 FFs for 12 months). Please keep separate budget lines for the various field staff fuel or travel costs (e.g. FFs, PUM, Women trainers etc)
- Whenever possible, include unit type and quantity of units requested.

Monitoring, Evaluation and Learning (MEL) costs

- The project should budget for relevant MEL activities that enable accurate data to be collected to understand the level and reasons for changes in farmer knowledge, attitudes and practices, and changes in key impact indicators. MEL costs will typically include costs of printing or setting up digital surveys and monitoring materials, printing Farmer Field Books, training on tools used for data collection and analysis, costs for data collection and analysis tools, and costs for meetings used to identify learning. etc. If a project is newly funded and / or does not have data on impact or outcome indicators from the previous season, the project should consider including a baseline data collection study in the budget. Baseline data serves as a reference point, allowing you to measure changes over time and attribute those changes to project interventions.
- MEL staff and MEL travel related costs should be included in the relevant salaries and travel expenses sections respectively.

Capital expenditure

- The GIF will consider funding of capital items needed for the project's delivery on a case-by-case basis. GIF will not fund building costs, the purchase of cars, land or heavy equipment. If the purchase of capital items is agreed, please refer to the GIF Procurement Policy and Procedures for Programme Partners.
- GIF capital expenditure can be up to a maximum of 10% of the GIF grant requested.

Overhead costs

- Overhead costs (eg. as office rent, telephone and internet access, etc.) serve to cover the transversal indirect costs not directly linked to the project and should be in proportion to the number of projects the Programme Partner is running and the income those projects represent.
- Overhead costs are limited to a maximum of 10% of the total costs funded by GIF.

Other contribution to the project

- All applicants must disclose full project costs including their own project contributions

or contributions from third-party partners/other donors.

- Common costs shared between different projects from different donors must be apportioned fairly.
- Programme Partners are encouraged to provide a monetary contribution to the project, either from their own sources or from other donor funding. All contributions must be auditable.

Contribution to Local Partners

- Local Partners are organisations overseen by the Programme Partner which implement the majority of, or all field activities on behalf of the Programme Partner.
- Any GIF contribution transferred to Local Partners must be clearly indicated in the budget template.
- The Programme Partner is the primary grantee who receives the funds and transfers them to the Local Partner. The Programme Partner is responsible for overseeing the work of the Local Partner, disbursing funds in accordance with the collaboration agreement between Programme Partner and Local Partner and ensuring all applicable policies are met.

GIF Contribution to commercial partners

- BCI GIF has identified four categories of commercial partners. For these, GIF contribution is capped at a maximum percentage for each category. Note that figures below reflect GIF's *maximum* contribution, the actual grant amount will be based on the quality of the proposal.

Type of commercial partner	Cap for GIF matched funding
Supply chain actor	15%
Agri consultancy	80%
Agri tech solutions	50%
Miscellaneous agri business	To be decided on a case-by-case basis

Ineligible costs include

- Costs of activities that may lead to civil unrest.
- Costs of activities that discriminate against any group based on age, gender reassignment, disability, race, colour, ethnicity, sex and sexual orientation, pregnancy and maternity, religion, or belief.
- Statutory fines, criminal fines, penalties and associated legal costs.
- Costs of works or activities fully funded by other sources whether in cash or in-kind, for example, if premises are provided free of charge.
- Costs of activities in breach of legislation.

- Bad debts.
- Payments for unfair dismissal and associated legal costs.
- Replacement or refund of any funds lost to fraud, corruption, bribery, theft, terrorist financing or another misuse of funds.
- Costs incurred before the project start date, including those associated with preparing the application.
- Debt and debt service charges.
- Provisions for losses or debts.
- Interest owed.
- Exchange losses.