

# ACP-EU Cooperation Programme in Science and Technology

## Part 2 Budgets



ESASTAP  
european - south african science and technology  
advancement programme

# Two funding lots

- Lot 1 - 17.8M Euros funding from the European Development Fund
- Lot 2 – 3M Euros funding from South Africa
- You need to specify which fund you are applying for (there are some differences in eligible countries)

# Drafting the budget

- When you plan the project, involve the finance department!
- Use the Excel template provided
- Your budget must reflect 100% of the project costs, even though the EU will only provide 85% of this amount
- All financial reports relate to expenditure on the full project, ie you must be able to account for the non-EU funded portion too

# Co-funding (1)

- DST will normally provide partial co-funding based on a well-motivated request
- Salary costs of existing staff can be designated as co-funding, however all budgeted costs must be AUDITABLE!
- The EU will provide 85% of whatever costs are incurred, so it is not a solution to reduce expenditure to avoid the co-funding requirement!

# Co-funding (2)

- The beneficiary institution is subject to external audit annually, so total costs (EU and non-EU) incurred there are recorded
- Other partners are not normally audited, but must be able to send proof of expenditure to the beneficiary institution

# Currency

- Budget must be submitted in Euros
- If the Rand strengthens against the Euro after you have submitted your budget you will have less money than expected to carry out the project!
- You can budget for bank charges to pay for forward cover against exchange losses



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# Budget categories

- Human resources
- Travel
- Equipment and supplies
- Other costs and services
- Contingency reserve (up to 5% of total)
- Administrative costs (up to 7% of total)

# Budget line items

- All line items must be fully justified and must relate to the activities described
- Try to budget as accurately as possible – any deviations of more than 15% have to be pre-approved
- Must include costs for an annual audit of the beneficiary institution
- Must include 10 000 euros for stakeholder meetings in Brussels
- You must identify where you expect your co-funding to come from, and how much



# VAT

- VAT can only be included in budget if the beneficiary institution proves that it can not claim back VAT
- Take care to factor in VAT on inter-institutional transfers (eg if the CSIR is a partner it will issue a VAT invoice to the beneficiary)

# Budget phasing

- You need to provide a detailed breakdown of your budget for year 1, based on the activities planned in the first year
- Do not over-budget in year 1; if you have spent less than 70% of budget at the end of the first year, the second tranche of funding will be cut accordingly

# Realistic budgeting

- Do not artificially inflate your budget to get it to the 1M euro limit!
- Costs and activities must relate to each other
- Make sure you do not ask for too little or too much