Ministerie van Buitenlandse Zaken

Guide to model budget

Mine Action and Cluster Munitions Programme III (2025-2030)

20 December 2024

Guide to model budget for grant policy framework MACM III

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1. Introduction

There are several advantages to have a standardized model budget (see annex to this Guide and annex 6.2 to the grant policy framework). Project budgets often give rise to differences of opinion that need to be resolved, especially about the types of cost that qualify for funding by the Dutch Ministry of Foreign Affairs (MOFA). Furthermore, different activities carried out by the same organization cannot be easily compared if different formats and definitions of cost types are used.

The standard model budget addresses the above issues and so makes matters clearer for all concerned. **In the context of the MACM III, the budget model as described in the following chapters must be used to draw up the program activity budget. Other layouts will NOT be accepted**.

2. Model budget

The model budget consists of various cost categories and subcategories presented in Table i. When drawing up the activity budget for the application, the annex 6.2 to the grant policy framework belonging to this model is completed and submitted along with the application.

Note. The model budget is intended to be used by implementing organizations to draw up:

- the annual budgets submitted during the MOFA funded project period;
- the annual financial report (to be audited) in the context of approved MOFA funding. In this financial report, a narrative explanation must be added for each cost category.

Table i – Model budget with fixed cost categories and subcategories

I.	**Direct staff costs of the applicant**
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IX	**Contingencies (max. 4% of VIII)**
	A. Optional percentage reserved for contingencies (maximum 4% of VIII)
X	**Grand total of applicant and local partners = VIII+IX**

3. Explanatory notes on individual cost types

An explanation of the various cost categories and the cost types in each category is provided below.

Please note that with regard to the mine action activities up to 5% of the total country budget can be used for activities that increase the impact of mine action activities by linking to humanitarian aid, socio-economic development and peacebuilding efforts *(triple nexus*). In addition, also up to 5% of each total country budget can be used for capacity strengthening activities targeting local NGOs.

3.1. Direct costs

3.1.1. Staff costs (applicant)

Direct staff costs are costs for hours worked that can clearly be attributed – either fully or in part – to the MOFA-funded activities. The staff costs are directly, clearly and demonstrably related to the MOFA-funded activities.

Direct staff costs allowed under this grant policy framework are elaborated below.

A. Staff costs in respect of non-local employees (including seconded staff)

This category includes all costs in respect of (the applicant's) staff – both head office and seconded staff – that can be demonstrably attributed – either fully or in part – to a MOFA-funded activity. Staff costs are calculated on the basis of actual costs incurred using the formula P x Q, as explained below.

1. Staff costs: P x Q

In order to arrive at the (applicant's total) direct staff costs included in the activity budget, the number of planned hors (Q – see 3 below) is multiplied by the respective hourly rates (P – see 2 below) for all staff (of the applicant) fully or partly involved in the activities.

2. P-component

The following costs qualify as direct staff costs (^):

- Gross salary, including holiday allowance, pension and social insurance contributions, insurance and employer contributions that can be attributed to the activity.
- Costs relating to secondment such as a foreign posting allowance, rent allowances and relocation allowances. Costs relating to job-related allowances, market-related allowances and deputisation allowances are eligible only if they are based on a substantiated, written internal decision by the organization.
- Education and training costs are reimbursed based on actual costs, in accordance with the applicable collective labour agreement, which should be annexed to the budget.
- Allowances for commuting are subject to the ceilings laid down in the collective labour agreement.

<u>Calculation of productive days</u>
The daily cost of a member of staff is calculated by dividing the total cost of a staff member by their productive days per year.
The number of productive hours is calculated as follows.

1. The number of working days in a week is 5. This number is multiplied by the number of weeks per year. As a rule, this produces approximately 261 workable days, depending on the year.

2. Subsequently, the number of hours per day, as laid down in the collective labour agreement, is determined. There are 7.2 hours per day in a 36-hour week, 7.6 hours per day in a 38-hour week, and 8 hours per day in a 40-hour week.
3. The number of workable days (1) is then multiplied by the number of workable hours per day (2) to produce the annual total of available hours.
4. Annual leave, average sickness absenteeism in hours and public holidays that fall on a working day are then deducted from this total (3) to produce the number of workable hours.
5. As a next step, also a percentage of indirect hours is deducted from the total (3). 10% of the total hours per working week is an acceptable deduction[1].These hours relate to meetings necessary to implement the activities, time to take courses, departmental activities, etc. This is work that must be performed to implement the activities financed by MOFA.
6. After allowing for these hours, the calculation produces the annual number of productive hours. As a rule, total workable hours per year exceed total direct productive hours by a factor of 1.11.

Table ii – Example of how to calculate productive hours based on a 36-hour week:

Nr.	Category	Calculation	Hours
i	Annual total of available hours	261 days x 7,2 hour	1879,2
ii	Hours of public holidays on a working day	6 days x 7,2 hour	43,2 -/-
iii	**Subtotal**	i – ii	**1836**
iv	Leave (hours)		167 -/-
v	Sickness absence (in hours) (5%)	5% x iii	92 -/-
vi	**Number of workable hours** (see A. below)	iii – iv – v	**1577**
vii	Indirect productive hours (10%)	10% x vi	158 -/-
viii	**Number of direct productive hours** (see B. below)	vi – vii	**1419**

There are two ways to calculate the hourly rate per staff member:
A. Hourly rate based on workable hours
If the organization bases the hourly rate on the number of workable hours, it will divide the staff member's gross salary by more hours than it would if it based the hourly rate on the number of productive hours. If the organization has used the number of workable hours to calculate its budgeted rates, the hourly rate can be multiplied by a factor of 1.11 in order to cover all costs incurred by the staff member. The application of the multiplication factor may not lead to the total costs charged to donors exceeding 100% of the costs.

B. Hourly rate based on productive hours
If the organization bases its hourly rate on the number of productive hours, the rate will generally be higher than a rate based on the number of workable hours, as the number of productive hours allows for training courses, travel during work time, etc. In that case, the hourly rate is an all-in rate and a multiplication factor is not applied to the staff costs as there is a risk of payment exceeding 100% of the actual costs or of unauthorized overtime being paid.

2. Q-component
A number of hours per staff member is planned for each (sub)activity in the activity budget to be drawn up later. During implementation, hours are monitored and accounted for on the basis of actual time worked and registered.

B. Staff costs for local employees
The salaries of local staff of (the applicant) must be in line with the local context. Organizations are expected to have guidelines to setting them.

As in the case of direct staff costs of head office staff and expatriate seconded staff (category A above): the P x Q-calculation is generally used for (the applicant's) local staff costs.

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[1] 10% is also considered an acceptable standard for indirect hours in the entral Government Fees Guide 2019.

C. External: Consultants and advisers

The cost of external consultants and service providers (e.g. advisers) are charged on the basis of the contractually agreed hourly rate and number of hours, including office costs if applicable. Prior to the conclusion of a contract, bids must be assessed on the quoted hourly rates and number of hours. The maximum hourly rate to be applied is the one for 2024: €221 excluding VAT. The rates of possible local consultants and advisers must be in line with local price levels.

The following website provides an indication of local price levels: https://www.numbeo.com/cost-of-living/

Note. All staff costs that cannot be allocated to the activity are classified as indirect staff costs, which are part of the overheads/indirect costs (see chapter 3.2 for an explanation).

3.1.2. Other direct program costs (applicant)

Other direct program costs are costs for, among other things, equipment that can easily be allocated – either fully or in part - to the activities funded by MOFA. The other direct programme costs are directly, clearly and demonstrably related to the MOFA-funded activities.

A. Program activity costs

Costs that are incurred for the purpose of achieving the agreed objectives of the activity. Examples include specific training and capacity-building educational programmes for the ultimate beneficiaries of the funding.

A1. Costs to coordinate the cooperation between applicant and the local partners

The costs incurred by the applicant to coordinate the activities between the applicant organization and the local partners (through sub-contracting). They are presented as a separate item in the activity budget, namely cost category II.A.1 (see Table i in section 2). Coordination costs are actual costs stemming from the implementation of the activity and can therefore be characterized as direct costs.

B. Activity-related travel costs

Travel costs that may be claimed are determined by (the applicant's) travel expense policy. Expenses are reimbursed on the basis of actual costs or, if there is a travel policy, on the basis of agreements on fixed allowances for daily expenses with the exception of accommodation, which is reimbursed on the basis of actual costs. Daily Subsistence Allowance Rates may be used for activity-related travel costs as well. As a rule, Costs of air travel are reimbursed on the basis of economy class tickets.

C. Project office costs

Project office costs for (the applicant) are possible costs incurred by a local country office, indispensable to execute the MOFA-funded activities. The following costs are allowable:

- *rent;*
- *maintenance costs and office supplies to carry out the project in full or in part;*
- *IT equipment specifically for the project office.*

All the costs concerned are charged to the activity on the basis of actual cost. If the project office carries out various activities, including non-MOFA activities, the costs are charged proportionately to the activities concerned. IT equipment may be purchased only on the basis of the outcome of a contract award procedure.

Project office costs under II.C only apply to the applicant party. Possible project office costs of local partners are to be included in VI.A (see section 3.1.3).

D. Activity-related equipment and investments costs

The cost of equipment related directly to the implementation of the project activities, such as:

- *movable property, e.g. inventory;*
- *cars purchased, rented or leased for the project;*
- *supplies.*

The purchase of movable property, supplies etc. must be in accordance with the Theory of Change and, if applicable in the case of mine action activities started in the inception phase an activity plan. Purchases must be made in accordance with the applicant's procurement policy, described in the ORIA. Only actual equipment and investment costs will be reimbursed. Depreciation and/or residual values are not allowable. The amount of the reimbursement for project-related equipment and investment costs depends on whether equipment is purchased, rented or leased and the reasons for an investment decision.

E. Monitoring, evaluation and auditing

The costs of external monitoring and project audits are charged to the activity as direct costs and are reimbursed on the basis of actual costs under the following conditions:

- Terms of Reference (ToR) have been drawn up.
- At least one quotation has been requested.
- The regularity and accuracy of expenditure and receipts have been determined by a project audit.
- Monitoring and evaluation assess the extent to which results budgeted before the start of the activity have been achieved.
- Special investigations of an activity can be reimbursed only with the prior approval of the responsible MOFA/BHOS budget holder. Special investigations include fraud and corruption investigations.
- A learning component is included, also for investigations of the assumptions made in the programme's Theory of Change (ToC). The increasing inclusion of a learning component is reflected in the change in terminology from monitoring and evaluation (M&E) to monitoring, evaluation and learning (MEL).

NB: When preparing the budget, one should take account of the requirement to draw up a report of factual findings as part of the audit.[2] This requirement stems from the new 2022 audit protocol and entails higher costs than an audit without a report of factual findings.

3.1.3. Direct program costs local partners

Direct program costs of local partners have to be presented under VI.A, separately from the direct costs of the applicant party. Please note that the explanation on the various subcategories under section 3.1.1 and 3.1.2 also applies to local partners with the exception of:

- 3.1.1.B.C (*External: Consultants and advisers*)
- 3.1.2.A1 (*Costs to coordinate the cooperation between applicant and the local partners*)

Due to the coordinating nature of the applicant partners, these costs are strictly reserved for the applicant.

[2] https://www.nba.nl/globalassets/themas/thema-controleprotocollen/ministeries/ministerie-van-buitenlandse-zaken/copro20044a4-buzamodelprotocol-activiteit-04022022-engels.docx

3.2. Overheads / Indirect costs

Indirect costs are not directly linked to the activity, for example indirect staff costs (such as secretarial costs), phone charges and heating costs.

An organization funded by MOFA may receive money from several other donors and run a number of different activities in parallel. Indirect costs can be allocated proportionately to the various donors and activities on a pro rata basis or by means of allocation formulas.

The following principles apply to this cost category:

a. In all cases, the funds must to the greatest extent possible be used to achieve the intended changes that will benefit the target group. Indirect costs as defined in this document should therefore be kept to a minimum. Indirect costs are subject to a maximum of 15% of the sum of direct and indirect costs (see row V of Table i in section 2). This is referred to as the '15% rule' in this document. Knowledge institutions using full costing for staff costs form a possible exception to this rule. How to deal with this is explained in section 4.

b. The 15% rule not apply as an annual limit, but applies to the entire duration of the MOFA-funded activities. This approach offers sufficient flexibility and meets the practical needs of implementing organizations if the indirect cost rate exceeds the 15% threshold due to unforeseen circumstances (such as COVID) or is lower than originally calculated. The text box below explains the practical application of this rule.

What happens if indirect costs are higher than budgeted?

As a rule, all substantial budget variances (both positive and negative) must be reported and explained to MOFA every year. This is especially true if indirect costs exceed the 15% threshold. This may occur occasionally, although MOFA may always request an explanation of such an increase and indirect costs must not in any case exceed 15% of the sum of direct and indirect costs at the end of the project.

The following (fictitious) example illustrates the foregoing. Suppose the mapping process (see section 6) calculates an indirect cost rate of 14%, but indirect costs have risen to 14.8% by the end of the activity. In this scenario the policy department has to decide whether to permit this increase. The additional 0.8% can be deducted from direct costs (in other words at the expense of the project results) OR the organization itself can pay the difference from its own (non-MOFA) funds, such that direct costs remain unchanged. If an audit is warranted due to the financial scale of the activity, it will also examine indirect costs. If no annual audit is to be performed, no additional examination of indirect costs will take place.

But what is the total indirect costs amount to 15.2% at the end of the project? It is again up to the policy department to decide whether to permit the increase in indirect costs and whether it will be reimbursed by MOFA or must be paid by the organization from its own funds. Under no circumstances, however, will the 0.2% above the 15% threshold be reimbursed by MOFA.

c. Indirect costs are based on the total actual indirect costs incurred by the organization.

3.2.1. Designating direct/indirect costs (applicant)

To designate costs to either direct or indirect cost categories, a so-called mapping process will be applied, based on the organization's ledger accounts. To this end, the total amount of the indirect costs in the general ledger accounts is related to the total of the costs in the general ledger accounts. For this purpose, the definitions in section 3.2.2 are to be used.

Concerning indirect costs, the following is important:

- The mapping process results in a fixed percentage for the indirect costs, calculated in relation to the total amount of direct and indirect costs. This percentage is used when drawing up the budget for the costs under category IV (see Table i in section 2).
- The indirect costs need no further specification during submission of the application and activity budget.
- However, the percentage used for the indirect costs is expressly subject to the audit that takes place with regard to the annual financial statement of the subsidy.

An example on how to determine the indirect cost percentage is provided in the table below.

Table iii – Fictitious calculation of the indirect costs percentage

A certain organization wishes to submit a grant proposal at MOFA and makes use of the model budget at hand. The 'mapping' of all general ledger accounts according to the definitions in section 3.2.2. is used to appropriately allocate direct and indirect costs. The mapping process shows that of the total of the general ledger accounts of €100 million, €88 million can be allocated as direct costs in the general ledger accounts and €12 million as indirect costs. The indirect cost percentage therefore amounts 12% (=€12 mln/€100 mln). Since this meets the 15%-rule, the 12% can be used when drawing the activity budget. If a general ledger account comprises both direct and indirect costs, a best estimate should be made of their pro rata allocation. In this example, €80 million can be posted as 100% direct costs, €12 million as 50% direct costs and €8 million as indirect costs. Direct costs therefore amount to €86 million (=€80 mln + 50%*€12 mln) and indirect costs €14 million (=€8 mln + 50%*€12 mln). In this case the indirect cost percentage is calculated at 14% (€14 mln/€100 mln).

3.2.2. Definitions of (allowed) indirect costs (applicant)

A. Costs of support staff and indirect staff costs

Costs of support staff and indirect staff are part of overheads / indirect costs and cannot be attributed directly to the activities funded by MOFA. This category mainly concerns:

- salary costs of management, finance, HR, IT, administration and other support staff;
- travel expenses if, unlike those described in section 3.1.C, they cannot be attributed to the activities being funded by MOFA. In that case they may be charged as indirect costs in accordance with the organization’s applicable policy.

B. Administrative costs not related to the activity

Insurance

All types of insurance required for the applicant’s normal business operations that cannot be attributed to specific (MOFA-funded) activities, such as:

- directors’ liability insurance;
- liability insurance;
- buildings insurance (if applicable);
- legally required insurance for vehicles;
- insurance relating to the employer’s statutory obligations to employees;
- travel insurance;
- measures to mitigate financial risks such as foreign exchange risks – in this case policy and procedures must be in place to prevent speculative transactions.

Accountant and notary costs
All accountant and notary costs, related to the applicant's normal operations, that cannot be attributed to specific activities.

Consultancy and legal costs and other general costs
All other consultancy and legal costs, related to the organization's normal operations, that cannot be attributed to specific activities.

One-off legal costs (relating for example to a reorganization or legal proceedings due to the dismissal of a staff member) are not considered indirect costs and are not therefore eligible for reimbursement.

Subscriptions, contributions and membership fees
Subscriptions, contributions and membership fees are only considered indirect costs if they relate to the organization's normal development cooperation operations.

C. Other non-activity related costs

Office costs
All costs necessary to provide a good, clean and safe working environment consistent with the standards an employer should reasonably satisfy.
These costs include (in so far as they are not already covered under direct costs – see section 5.2 (D)):

- rent;
- general costs and in-house emergency personnel costs;
- utilities;
- maintenance of the premises;
- cleaning and security;
- communication/telecom costs;
- office supplies;
- other organizational costs.

IT licences and systems
The cost of regular maintenance of the ERP system such as SAP or Oracle (accounting system) and systems needed for the conduct of normal operations, that cannot be attributed to specific activities.

Translation costs
Translation costs that can be attributed to the organization's normal operations. The costs of large one-off translation projects, in the context of a reorganization for example, are not considered indirect costs and are not eligible for reimbursement.

Depreciation
Depreciation costs reflect decreases in the value of:

- premises;
- ICT equipment and systems;
- other fixed assets.

Depreciation can be included in the calculation of indirect costs if the depreciated assets:

- are used not only for the MOFA-funded activities, but also for the conduct of normal operations; and/or
- are only used for a certain period while the activities are being carried out and still have a residual value thereafter.

The depreciation periods may vary according to the asset type.

If depreciation costs are charged, the organization must adopt a consistent approach. This will be examined as part of the annual audit of the annual accounts.

Integrity policy and implementation
Any organization that receives MOFA funding to carry out activities is required to have procedures and a policy relating to integrity, including the appointment of at least one confidential adviser, rules protecting whistleblowers and the option of engaging internal or external investigative capacity in response to a report of a breach of professional ethics or inappropriate behavior. The cost of setting up and implementing this system is considered to be an indirect cost.

3.2.3. Indirect costs of local partners

Similar to direct program costs, also indirect costs of local partners have to be presented (under VI.B) separately from the indirect costs of the applicant party. Please note that the explanation on the various subcategories under section 3.2.1 and 3.2.2 also applies to local partners.
The 15% rule also applies to local partners. As is the case for the applicant, fixed indirect cost rates for local partners may not be determined randomly. They also are based on the ledger accounts of the respective local partner(s). However, these rates do not have to be filled out under VI.B in the model budget. Instead as much as possible they have to be included in the underlying PxQ-calculations of the local partners (see annex to this Guide and annex 6.2 to the grant policy framework).

Also the percentage local partners use for their indirect costs is subject to the audit that takes place with regard to the annual financial statement of the grant.

3.3. Non-allowable expenses

General costs for items that are not linked to the activities carried out for MOFA are NOT eligible for reimbursement and cannot therefore be included in the model budget. They include:

- costs associated with developing or submitting a funding application and other costs that are incurred before receipt of a grant award decision;
- VAT (and income tax) that can be offset by the applicant, lead party or co-applicant;
- costs due to inflation which larger than 5% of the total eligible costs;
- investment costs and depreciation that are not directly related to the activities for which MOFA/BHOS grants have been awarded;
- profit margins on expenditure such as salaries;
- PR and marketing;
- Research & Development;
- costs of registering and maintaining intellectual property rights;
- that part of total indirect costs that exceeds the permitted maximum of 15% of the sum of direct and indirect costs. In the case of 20% total indirect costs, for example, 5% are considered ineligible.

3.4 Contingencies

Unexpected circumstances like extreme weather events can result in additional costs for MOFA-funded activities that are not covered by the activity budget.
The item 'contingencies' is intended to cover these costs.

A percentage of costs to cover contingencies (on the accumulated costs of applicant and local partners) can be included in the activity budget. The percentage will of course depend on the expected uncertainty stemming from the nature of the policy area and the organization's operational context. A maximum of 4% of the sum of the accumulated direct and indirect costs is applied in the MOFA model budget.

An exception applies to knowledge institutions that use full costing or rates agreed with the national government. Percentages for contingencies may not be included in the budget if all-in rates of this kind are used (see section 4).

The item 'contingencies' cannot be used while the activities are being carried out without the prior approval of the MOFA budget holder.

3.5 Inflation

In recent years, inflation has dramatically increased costs for implementing organizations. This section describes how to incorporate inflation into a budget for future activities:

a) It is possible and sensible to incorporate future inflation in the cost structure when preparing a multi-year budget for newly started activities. The maximum percentage to be used for this purpose is 5% per year. For example, if the hourly rates are still €100 in 2025, they may be set to a maximum of €105 for 2026, etc. for the years thereafter.
b) If, during implementation, it turns out that inflation rate exceeds the rate budgeted under 'a', the implementing organization will have to discuss with the MOFA budget holder how to deal with this. The budget holder has the freedom to decline a higher rate.
c) Should the budget holder want to work towards a solution with the implementing organization, this will mainly lie in the sphere of adjusting downwards pre-agreed activities and results.
d) Under no circumstances is it allowed to include inflation rates in any form or stage of implementation under 'Contingencies' (refer to section 3.4).
e) Nor is it allowed to 'hide' inflation adjustments under 'indirect costs'. This also will be nearly possible since for grants MFA works with a mandatory budget model with a maximum percentage of indirect costs of 15%. What percentage applies to a particular organization is not arbitrary (refer to section 3.2), but based entirely on a mapping process of the general ledger accounts of that organization.

In case the implementing organization has not taken inflation into account in the initial budget of the grant (and has kept the costs for the entire duration at the level of the starting year of the project), it has to follow steps b to e above - in case of a request to be allowed to process inflation during the project.

4. Model budget within partnerships

With *partnerships* we mean collaboration between an applicant party (formal recipient of the grant) and one or more local parties for the purpose of execution of the activities to be financed by MOFA.

Under MACMIII grant applications may **only be submitted by single applicants** (without partners). Partnerships are mainly (further) developed during the inception phase. Therefore when **applying** for a grant the applicant organization must include an **estimation of the expenses of the foreseen local partners** in the budget (splitting direct and indirect costs). The partnership with local partners developed during the inception phase is presented only in the inception report. Annexed to this inception report the applicant must submit an updated budget for the period 1-1-2026 to 31-12-2026. If mine action activities (demining, EORE, victim assistance) will already be started during the inception phase, then for these activities an activity plan and related budget have to be submitted. See also the annex 6.2, budget line VI "programme costs local partners" to the grant policy framework).

Please note that for the Indirect Cost Rate (ICR) of local partners, when applying for a grant, the applicant has to enter an estimated IRC for its local partners in each of the countries where the activities are executed. It goes without saying that the IRC of local partners may vary from country to country (sheet 1.A Budget by year country 1 to 1.E Budget by year country 5). Therefore, for each country of operation an IRC of the local partners has to be entered.

Furthermore, please note that the IRC of local partners is a weighted average of the various partners. For all local partners also the 15% rule applies, implying that partner A with an IRC of 16% cannot compensate partner B's IRC of 14%. Also for partner A the maximum IRC is 15%. When exceeded, the surplus has to be financed from other sources than MOFA.

Annex – Activity budget to be included in the grant application

The activity budget to be included in the grant application should be based on the standardized model budget (section 2 of this guide), the programme's Theory of Change and possibly also an activity plan, if mine action activities (demining, EORE, victim assistance) will be started during the inception phase (see section 4). The latter has to be submitted only if mine action activities on the ground start during the inception phase. The Theory of Change and -if applicable- the activity plan, define the type and duration of the activities and necessary interventions in relation to the intended results and required resources.

The activity budget consists of two overviews (see sheets on the following pages):

1. budget by year (consisting of maximum 5 country sheets and 1 cumulative sheet)
2. budget by country and activity area

Key points before filling out the Excel Model Budget!

- In line with The Ministry of Foreign Affairs Grant Decree[3], a narrative explanation must be added to the budget by year (sheet 1.A.Budget by year-country 1 – 1.E.Budget by year-country 5), giving insight in how all figures of these sheets 1 were developed.
- The applicant has to submit separate budget-by-year-sheets for each country-proposal. The excel format leaves room for (maximum) country specific budgets (sheet 1.A.Budget by year-country 1 – 1.E.Budget by year-country 5). The total of these sheet is automatically calculated in sheet 1.Budget by year-all countries.
- In column D of the sheets mentioned under the previous bullet the applicant has to enter expenses (and income) during the inception phase. Although the inception phase is primarily intended to (further) develop partnerships with local organizations, also mine action activities may be undertaken during this phase. Therefore, costs for both activity types may be entered in Column D.
- The applicant also must submit all underlying PxQ-calculations of sheet 1.A Budget by year country 1 to 1.E Budget by year country 5 (please refer to section 4 on expenses of local partners).
- Sheet 1.Budget by year-all countries –apart from the expenses- has to give insight in the income related to the MOFA funded activities. At the bottom of the sheet, various income sources are included, which the applicant may choose from. In case that the MOFA funded activities generate income, please:
    - Fill in the amount per source per year in the correct rows/columns in sheet 1.Budget by year-all countries;
    - Add an explanation on the sources and amount of income to the narrative explanation belonging to sheet 1.Budget by year-all countries. The explanation e.g. describes the origin and identity of the source, assurance of income, etc.

> *Article 27, Ministry of Foreign Affairs Grant Decree: "The budget gives insight in income, including contributions of third parties, and expenses related to the intended activities for the next twelve months of the period for which the grant is requested. The budget includes an explanation per budget item.".*

- In case MOFA needs clarification on the (financial) information submitted with the application, further explanation can be requested from the applicant at any time during the assessment process, be it with due regard for article 7, third paragraph of the MOFA Grant Decree.[4].

[3] https://wetten.overheid.nl/BWBR0018039/2013-07-01

[4] If Article 4:5 of the General Administrative Law Act has been applied, application of the first and second paragraph implies that the date receipt of the grant application shall be the date the grant application was supplemented.

- Apart from the budget by year (sheet 1A-1E), a budget by country and activity area (sheet 2) should be provided. It goes without saying that sheet 2 is also based on the Theory of Change and activity plan if applicable).
- The indirect cost rate is explained in section 3.2.
- In multiyear budgets inflation and annual salary increases should be incorporated as laid down in the collective labour agreement (refer to section 3.1.1).
- In the light of the activities' progress and new circumstances, adjustments within budgets not only have to be made during the inception phase, but may also be made annually in the period thereafter. Provided MOFA's explicit permission has been obtained. The proposal to adjust the budget must be compatible with the ministry's intended results and acceptable in the light of the activity's circumstances.

Sheet 1 – Budget by year for all countries of operation

	Period 1 (01/06/25-31-31/05/2026)							
EXPENSES (total of all countries)	*Year 1 - Inception Phase - (01/06/2025 - 31/12/25)*	*Year 1 - remaining period - (01/01/26 - 31/05/26)*	*Period: 01/06/26 - 31/12/26*	*Period: 01/01/27 - 31/12/27*	*Period: 01/01/28 - 31/12/28*	*Period: 01/01/29 - 31/12/29*	*Period: 01/01/30 - 31/05/30*	*Total*
EXPENSES OF APPLICANT PARTY								
I. Direct staff costs of the applicant								
A. Staff costs for non-local personnel of applicant (in EUR)	-	-	-	-	-	-	-	-
B. Staff costs for local personnel of applicant (in EUR)	-	-	-	-	-	-	-	-
C. External: consultants and advisers (in EUR)	-	-	-	-	-	-	-	-
II. Other direct programme costs of the applicant								
A. Programme activity costs - excluding coordination costs (see row 18) (in EUR)	-	-	-	-	-	-	-	-
A.1 Costs to coordinate the cooperation between applicant and local partners (in EUR)	-	-	-	-	-	-	-	-
B. Activity-related travel costs (in EUR)	-	-	-	-	-	-	-	-
C. Project office costs (in EUR)	-	-	-	-	-	-	-	-
D. Activity-related equipment and investment costs (in EUR)	-	-	-	-	-	-	-	-
E. Monitoring, evaluation, learning and auditing (in EUR)	-	-	-	-	-	-	-	-
III. Subtotal of I and II	-	-	-	-	-	-	-	-
IV. Overheads / indirect costs applicant	Applicant's Indirect Cost Rate (based on ledger accounts)	0,00%						
A. Fixed indirect costs (in EUR) - based on the the ICR entered in cell E24 (=max. 15% of V)	-	-	-	-	-	-	-	-
V. Subtotal Direct costs and indirect costs applicant (=III + IV)	-	-	-	-	-	-	-	-
EXPENSES OF LOCAL PARTNERS								
VI. Estimated programme costs of local partners								
A. Direct costs of local partners (in EUR)	-	-	-	-	-	-	-	-
(estimated) Local partners' Indirect Cost Rate (based on their ledger accounts) Average of values entered in sheet 1.A.Budget by year-country 1 - 1.E.Budget by year-country 5		0,00%						
B. Indirect costs of local partners (in EUR) (=max. 15% of VII)	-	-	-	-	-	-	-	-
VII. Total programme costs local partners	-	-	-	-	-	-	-	-
VIII. Subtotal of applicant and local partners (V and VII)	-	-	-	-	-	-	-	-
IX. Contingencies (Max. 4% of VIII)								
A. Optional amount (EUR) reserved for contingencies (max 4% of VIII)	-	-	-	-	-	-	-	-
X. Grand total of applicant and local partners (VIII + IX)	-	-	-	-	-	-	-	-

INCOME (source and amount by year)	Year 1 - Inception Phase - (01/06/2025 - 31/12/25)	Year 1 - remaining period - (01/01/26 - 31/05/26)	*Period: 01/06/26 - 31/12/26*	*Period: 01/01/27 - 31/12/27*	*Period: 01/01/28 - 31/12/28*	*Period: 01/01/29 - 31/12/29*	*Period: 01/01/30 - 31/05/30*	*Total*
Dutch Government								-
International Government(s)								-
International Organisation(s)								-
Financial Sector (loan, guarantee, ...)								-
Business contributions								-
Private donors (including private persons)								-
Income generated by the activities (services) funded by MFA								-
Knowledge institutes								-
Other (sources of) income.....								-
Total Income	-	-	-	-	-	-	-	-

Sheet 1.A – 1.E: Budget per year per country

Sheet 1.A - Budget by year for country

BRIEF INSTRUCTION ON HOW TO FILL THIS SHEET

Organisation name	*Enter the applicant's organisation name*
Date	*Enter the date of filling out this sheet*

		Period 1 (01/06/25-31-31/05/2026)							
EXPENSES in country......	Enter country of operation	*Year 1 - Inception Phase - (01/06/2025 - 31/12/25)*	*Year 1 - remaining period - (01/01/26 - 31/05/26)*	*Period: 01/06/26 - 31/12/26*	*Period: 01/01/27 - 31/12/27*	*Period: 01/01/28 - 31/12/28*	*Period: 01/01/29 - 31/12/29*	*Period: 01/01/30 - 31/05/30*	*Total*
EXPENSES OF APPLICANT PARTY									
I. Direct staff costs of the applicant									
A. Staff costs for non-local personnel of applicant (in EUR)									-
B. Staff costs for local personnel of applicant (in EUR)									-
C. External: consultants and advisers (in EUR)									-
II. Other direct programme costs of the applicant									
A. Programme activity costs - excluding coordination costs (see row 18) (in EUR)									-
A.1 Costs to coordinate the cooperation between applicant and local partners (in EUR)									-
B. Activity-related travel costs (in EUR)									-
C. Project office costs (in EUR)									-
D. Activity-related equipment and investment costs (in EUR)									-
E. Monitoring, evaluation, learning and auditing (in EUR)									-
III. Subtotal of I and II		-	-	-	-	-	-	-	-
IV. Overheads / indirect costs applicant	Enter applicant's Indirect Cost Rate in cell E24 (based on ledger accounts) (ICR = overhead / (total direct costs plus overhead))		0,00%						
A. Fixed indirect costs (in EUR) - based on the the ICR entered in cell E24 (=max. 15% of V)		-	-	-	-	-	-	-	-
V. Subtotal Direct costs and indirect costs applicant (=III + IV)		-	-	-	-	-	-	-	-
EXPENSES OF LOCAL PARTNERS									
VI. Estimated programme costs of local partners									
A. Direct costs of local partners (in EUR)									-
(based on their ledger accounts) Enter the (estimated) local partners' Indirect Cost Rate in cell E30 The % entered is the weighted average of all local partners' ICR, whereby...... ICR = overhead / (total direct costs plus overhead)			0,00%						
B. Indirect costs of local partners (in EUR) (=max. 15% of VII)		-	-	-	-	-	-	-	-
VII. Total programme costs local partners		-	-	-	-	-	-	-	-
VIII. Subtotal of applicant and local partners (V and VII)		-	-	-	-	-	-	-	-
IX. Contingencies (Max. 4% of VIII)									
A. Optional amount (EUR) reserved for contingencies (max 4% of VIII)									-
X. Grand total of applicant and local partners (VIII + IX)		-	-	-	-	-	-	-	-

Sheet 2: Indicative budget per country by activity area

Sheet 2 - Indicative budget per country by activity area

BRIEF INSTRUCTION ON HOW TO FILL THIS SHEET	
Organisation name	*Enter the applicant's organisation name*
Date	*Enter the date of filling out this sheet*

	I	II	iii	iv	v	vi	vii	viii
EXPENSES	Mine Action: Clearance	Mine Action: Victim Assistance	Mine Action: EORE	Mine Action: Triple Nexus (max 5% of VI)	Mine Action: Capacity Strengthening of local partners (excluding NMAAs) (max 5% of VI)	Total of mine action activities (I - V)	Capacity strenghtening NMAA	Total
Country 1						-		-
Country 2						-		-
Country 3						-		-
Country 4						-		-
Country 5						-		-
I. Grand total	-	-	-	-	-	-	-	-