Water and Development Partnership Programme Phase 3

Guidelines for budgeting projects

Last updated on 23 May 2022 by the programme management team

This document provides budgeting guidance for applicants developing a proposal for funding from the third phase of the Water and Development Partnership Programme (DUPC3). Applicants are requested to use the programme budget template to present the financial resources needed for their proposed project activities described in the proposal narrative, and follow these budgeting guidelines. In case the proposal is submitted to a specific Call for Proposals under the programme, please also check the Call guidelines for specific conditions that may apply.

Template

The budget template (excel sheet) to be used for proposal submission is available on the Water and Development Partnership Programme webpage1 under ‘Documents for project leaders’. Please read the first sheet of the template ‘Instructions’ carefully before filling out the other tabs.

In case you have questions and/or remarks about the budget format please contact the Programme Management (secretariat_dupc3@un-ihe.org).

Budgets should include all eligible costs and co-funding contributions. Costs that are not included in the approved budgets, cannot be reimbursed. For IHE Delft staff, please be aware that your (part of the) budget will need to be checked by Liaison Office before it is submitted. Please contact the Liaison Office timely. If IHE Delft is leading a submission of a project, the project leader will need to start the project workflow before submission2.

Budget indications

The Water and Development Partnership Programme strives to have a minimum of 40% of the budget of projects under the programme to be spend by organisations from low- and middle- income countries as defined by OECD in the latest DAC list3 of ODA Recipients. In case the proposal is submitted to a specific Call for Proposals, please check the Call guidelines for (additional) budget criteria and eligible costs.

To make your budget clear and reduce the time invested in correction rounds, we advise you to specify all budget items as much as possible, especially those that are a big umbrella of different costs. You can also specify the items in the column ‘Remarks’.

Compensation for staff time

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1 https://www.un-ihe.org/dupc3-ihe-delft-partnership-programme-water-and-development
2 https://source.un-ihe.org/info-staff/archive/staff-source-info/liaison-office/proposal-preparation/project-workflow-0/
The programme asks in the budget template to indicate if individuals belong to a marginalized group\(^4\). Which groups are considered marginalized and/or underrepresented differ per society and per situation. If you prefer not to indicate this in your budget you can contact Nadine Sander (n.sander@un-ihe.org).

Including unidentified staff is allowed to a limited extent and needs to be justified.

**IHE Delft**

For staff of IHE Delft Nuffic OKP tariffs (see Annex 1) will be applied for reimbursement of staff time based on actual days worked and includes compensation for overheads. Please check these rates in AFAS or contact the Liaison Office to get detailed information on the actual tariffs per staff member per year.

Only citizens from low- and middle- income countries can be hired as Post Docs with funding from the programme. Please check IHE Delft’s Internal guidelines for project budgeting\(^5\) on how to include a (full-time) Post Doc in a project.

If specified in the call text, citizens from low- and middle- income countries can be included in the budget to conduct PhD research with funding from the programme. See Annex 2 for further conditions on including PhD research in projects as well as guidelines on budgeting the associated costs.

IHE Delft non-academic staff are in principle not eligible to be included in the budget, unless additional tasks are being performed.

**External organizations**

The following options can be used for budgeting staff time of external organisations in a project proposal:

1. **Preferred option, and if adequate financial structure is in place, is that partner uses their own pre-defined rates, based on their own accounting system.**

   - External organisations have to be able to justify the rates used with adequate documentation, i.e. by a letter from their head of Finances or Management or proof of accounts from previous Donor funded projects, to be checked before the grant is issued. This is also in view of potential audits to be conducted at the end of the project.

   The rate cannot be higher than the maximum Nuffic OKP tariffs which are set by the Dutch Ministry of Foreign Affairs (see Annex 1) and are based on an eight-hour working day. You can contact the programme management for information about these rates (secretariat_dupc3@un-ihe.org).

2. **If a partner cannot provide a pre-defined calculation of rates per day, it is proposed that they will calculate a rate per person based on:**

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\(^4\) Have a look at the FAQ page to read more on who are considered marginalized and/or underrepresented groups

\(^5\) Only accessible for IHE staff: https://source.un-ihe.org/info-staff/archive/staff-source-info/liaison-office/budget-templates/internal-guidelines/
- Monthly gross salary of experts included in the proposal times a multiplier of 1.5, accounting for a lumpsum compensation of social security and overheads (for monthly fee) divided by 21 working days to determine the daily fee.

This rate should not be higher than the Nuffic OKP rates (see Annex 1) and be justified by adequate documentation concerning the gross salary of the staff concerned, for example by a letter of their head of Finances or Management – to be checked before grant is issued.

3. If no proof of salary or rates can be provided, the following compensation is proposed:

<table>
<thead>
<tr>
<th>Position</th>
<th>Compensation [euro/day]</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor/Managerial function</td>
<td>€ 290,-</td>
<td>Appointed as full Professor/Managerial function at partner university</td>
</tr>
<tr>
<td>Senior staff</td>
<td>€ 170,-</td>
<td>&gt; 7 years’ experience (after post-graduate studies)</td>
</tr>
<tr>
<td>Junior staff</td>
<td>€ 110,-</td>
<td>&lt; 7 years’ experience (after post-graduate studies)</td>
</tr>
<tr>
<td>Field/research/project assistants</td>
<td>According to standard regulations of the partner organization with a maximum of € 50,-</td>
<td>With no postgraduate degree / with &lt;1 year of experience</td>
</tr>
</tbody>
</table>

All above-mentioned rates are based on (maximum) 21 working days per month. Daily tariffs are based on an eight-hour working day. The reimbursement of costs is always based on actual days worked.

**Not eligible**

European organisations from low- and middle-income countries and organisations from high-income-countries (other than IHE Delft), international organizations and subsidiaries of international organizations or organizations based in high-income-countries are not eligible for funding for their time even if they have a local registration in an eligible country.

Please also note that individuals originating from high-income countries that are employed by an eligible organization in a non European, low- and/or middle-income country are in principle not eligible to get their time and out-of-pocket costs reimbursed unless the added value of their involvement is well justified and they play a very modest role.

Please note that with private sector organizations we refer to ‘practitioners’ organizations that fulfil a specific role in managing water such as privatized water utilities or companies that deliver specialized technologies. Therefore private consultants involved in activities typically carried out by other organizations (e.g. research, education, advocacy) are not eligible for reimbursement of their time and can only claim limited amounts of funding for out-of-pocket costs in case the added value for their participation can be made explicit.

Subcontracting of non-eligible organisations by eligible organisations after the project submission and approval is also not allowed.
To determine which countries are considered non-European, low-, middle-, and high-income countries, the OECD DAC List of ODA Recipients will be followed, which can be found here\(^6\). Please note that the year of the call applies.

In case you are unsure if your organization is eligible for funding, please contact the programme team (secretariat_dupc3@un-ihe.org).

**Co-funding**

Projects are expected to co-fund a certain percentage of the requested programme funds (specified in the Call text). This co-funding is on top of the requested funds from the programme. This co-funding may come from IHE Delft or from external organisations. Both will need to provide a supporting letter citing the amount of co-funding they commit to the project, and where it is coming from.

Co-funding cannot come from the same source as the Water and Development Partnership Programme (DUPC3): Ministry of Foreign Affairs of The Netherlands.

**External organizations**

External organizations are obligated to report on their co-funding. When and how is up to the project coordinator. They can show it every year in their financial report, or send a letter with the amount of co-funding. We advise to do it every year so it will be part of their normal reporting process.

**Overheads**

Only if overheads are not included in the tariffs used to reimburse staff time, a maximum of 20% of the total budget is eligible for funding overheads, if this is required by the internal rules of a partner organization. The overheads are part of the total partner budget and an explanation for the overheads needs to be given.

**Cost for travel and DSA**

**Transportation:** Cost for national and international air travel will be reimbursed based on actual costs of economy class tickets. Within the budget the number of flights, for IHE Delft and external organisations, should be clearly shown. In line with the programme’s ambition to reduce greenhouse gas emissions, travel by train or other public transport is encouraged (even when it leads to higher costs) and travel in first-class is allowed for public transport. Project teams should only include travel costs in case the planned activities cannot be carried out by teleconferencing or online collaboration.

**Accommodation and Daily Subsistence Allowances (DSA):** DSA can only be included in the budget and paid out to participants, when participants make expenditures for accommodation and/or meals. For the accommodation the actual costs of lodging (e.g. hotel, hostel, B&B) will be compensated. In addition to the accommodation costs, a flat rate amount will be reimbursed for other costs based on the non-room rate percentage of the DSA list. The internal rules of the organization are followed, with as maximum amount the rates defined by the Dutch Government (you can request this list via the secretariat of the programme). IHE Delft staff can find this list on the Source\(^7\).

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\(^7\) [https://source.un-ihe.org/info-staff/archive/staff-source-info/financial-management/claiming-expenses-0/daily-subsistence/](https://source.un-ihe.org/info-staff/archive/staff-source-info/financial-management/claiming-expenses-0/daily-subsistence/)
For stays in the Netherlands a deviating rule will be applied, namely costs of lodging of maximum €105 euro per night, excluding breakfast and taxes (Tourist, VAT) plus DSA €71,- per day for other costs. In the event the visitor claims more than 8 overnight stays the petty expenses will be reduced with 10 Euro, bringing the total (maximum) lump sum DSA to €61 per day. This is based on the IHE Manual for claiming expenses natural persons\(^8\) that is in place since 1 April 2020.

**Consumables**

Cost for consumables will be reimbursed based on actual costs made for as long as they are not included in the standard overhead budgeted for the organization.

**Equipment**

The programme only funds equipment essential to carry out the proposed research. In case the budget for this equipment exceeds 5 per cent of the requested funds, this will need to be discussed and approved by the project management prior to submission (secretariat_dupc3@un-ihe.org). Cost for equipment will be reimbursed based on actual costs and should represent market conformity.

Procurement rules of partner organization need to be followed. In case the partner does not have these rules in place, please contact the programme management team. Project leaders are responsible to arrange the handover of ownership of equipment (contact the programme management team for templates for handover and acceptance).

The equipment should be budgeted under the partner who will be the owner of the equipment, even if another organisation is purchasing it.

**PhD Research**

PhD research can be included in a project in several modalities. Annex 2 explains the different modalities in order of preference from the programme’s perspective. The annex also stipulates the conditions for including PhD research in projects as well as guidelines on budgeting the associated costs.

**Funding for MSc fellowships**

One- or two-year MSc fellowships for citizens from non-European, low- and middle-income countries can be funded under the programme as long as the MSc research is explicitly linked to the content of the project and part of the broader capacity strengthening strategy of the project. Fellowships will be reimbursed in line with the standard regulations of the hosting organization and may include tuition fees, living allowances for the fellows and other associated costs. In addition, 14 days can be added against the applicable tariffs for supervision of the MSc fellow by the mentor. This supervision time also includes time for the mentor to integrate the research activities of the fellow into the broader project.

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\(^8\) Only accessible for IHE staff: https://source.un-ihe.org/info-staff/archive/staff-source-info/financial-management/claiming-expenses-0/cluing-expenses/?authenticate_token=9fbac72486e-9382-77a466b7dd0e
In case IHE Delft is the hosting organization, the most recent information on fellowship costs for different kinds of MSc studies at IHE Delft can be found on the Source\(^9\) (only accessible for IHE Delft staff). External organization can request this information via the secretariat of the programme.

**Communication and Dissemination**

These costs are eligible for funding and can include (logistic and out-of-pocket) costs for among others (online) workshops, training and education, events, translation and communication materials according to normal practice as well as time for experts from non-European, low- and middle-income countries and/or IHE Delft supporting this. These costs should be specified as much as possible or/and be accompanied with additional information in the column ‘Remarks’.

**Other costs**

Costs related to financial services (e.g. bank transfers, exchange rates), insurance, duties, taxes (including non-refundable VAT) and other charges are eligible in case they are directly related to implementing the project.

If the partner’s total budget is higher than 125,000 EURO an audit report is required. The audit fee can be included in the budget. An audit report only needs to be submitted at the end of the project, unless otherwise agreed.

Any other costs items, not fitting under the above-mentioned categories, can be considered for reimbursement if they are directly related to implementing the project. This needs to be discussed with and will be assessed by the programme management team.

**Budget submission and budget adjustments.**

When submitting the final budget, the budget needs to be checked by IHE Delft’s Liaison Office and Finance Department. External organisations can contact their IHE Delft team member or the programme team (secretariat_dupc3@un-ihe.org) to get in contact with IHE Delft’s Liaison Office and Finance Department. IHE Delft led projects need to start the project workflow before submitting a proposal to the programme management.

Projects are requested to budget per activity and year, according to the budget template. It is highly recommended to avoid carrying over budget to the next year due to strict overall planning of the programme and therefore it’s important to budget the project per year in a realistic way. Extension of the end date of the project requires written approval from the Programme Coordinator. Budget shifts between activities and/or organizations of more than 10% also require written approval of the Programme Coordinator. Changes in a budget need to be clearly justified and still adhere to the budget requirements in these guidelines and those specific to the call the project was submitted under.

Costs can only be reimbursed if included in the approved budget. All proof of costs made (e.g. time writing, receipts) need to be administered and submitted to IHE Delft’s Finance department to receive the next advance payment and in case an audit report is required (budget is above 125,000 EURO) all proof of costs made during the timeline of the project need to be shown during the audit. In case your

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\(^9\) [https://source.un-ihe.org/info-staff/fellowship-admission](https://source.un-ihe.org/info-staff/fellowship-admission)
organization does not have the administration to keep track of time writing, you can contact the programme management for templates that can be used.

Questions or information

IHE Delft applicants can contact the Liaison Office or the programme management (secretariat_dupc3@un-ihe.org).

Applicants from partner organisation can contact their IHE Delft counterpart or the programme management (secretariat_dupc3@un-ihe.org).
Annex 1. IHE Delft Nuffic OKP tariff list as of 1 August 2019

The below table show how the gross monthly salary of an employee (full time = 21.67 days) should be translated into a gross monthly salary under Nuffic OKP and the related daily tariff.

<table>
<thead>
<tr>
<th>Gross Monthly Salary From:</th>
<th>Gross Monthly Salary To:</th>
<th>Daily Tariff</th>
</tr>
</thead>
<tbody>
<tr>
<td>€ 1,362</td>
<td>€ 1,589</td>
<td>€ 240</td>
</tr>
<tr>
<td>€ 1,589</td>
<td>€ 1,816</td>
<td>€ 278</td>
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<tr>
<td>€ 1,816</td>
<td>€ 2,043</td>
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<td>€ 351</td>
</tr>
<tr>
<td>€ 2,270</td>
<td>€ 2,497</td>
<td>€ 388</td>
</tr>
<tr>
<td>€ 2,497</td>
<td>€ 2,724</td>
<td>€ 425</td>
</tr>
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<td>€ 2,951</td>
<td>€ 463</td>
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</tr>
<tr>
<td>€ 3,632</td>
<td>€ 3,859</td>
<td>€ 609</td>
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<tr>
<td>€ 3,859</td>
<td>€ 4,086</td>
<td>€ 647</td>
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<td>€ 4,086</td>
<td>€ 4,313</td>
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<tr>
<td>€ 4,313</td>
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<td>€ 925</td>
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<td>€ 6,356</td>
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<tr>
<td>€ 7,945</td>
<td>€ 8,172</td>
<td>€ 1,119</td>
</tr>
<tr>
<td>€ 8,172</td>
<td>€ 8,291</td>
<td>€ 1,134</td>
</tr>
</tbody>
</table>

Max 21.67 days per month.

The fees specified above reimbursed for project activities by employees or consultants of Dutch organisations or organisations involved as partners that are registered in Europe, North America or Australia. The fee rates are determined by the level of the salary of the individual expert. The fee rates are fixed amounts for the time of the expert. The salary groups are considered to be gross monthly income of employees, excluding a possible thirteenth month and a contribution for holiday expenditures, bonuses or any other rewards or/and compensation.
Annex 2 PhD research

There are several ways of involving PhD students in projects under the Water and Development Partnership Programme. This Annex explains these different options, including the benefits and associated budget implications. In all cases, the PhD students (partially) funded by the programme have to come from non-European low- and middle-income countries, preferably from the programme’s focus regions. Moreover, preference will be given to female candidates and/or candidates from marginalized and/or underrepresented groups in society. PhD students (partially) funded by the programme are expected to deliver additional outputs, such as facilitating events, participating in the programme’s learning networks, conducting outreach activities, and writing impact-stories as part of their research plan. Costs related to the (public) defence and printing of the thesis are not eligible for funding. We expect that these costs are budgeted as co-funding.

In order of preference, the following options are available for involving PhD students in projects funded by the programme:

1. PhD candidate enrolled at partner university:
   o Arrangement: a person is enrolled as PhD candidate at the partner university in a non-European, low- or middle-income country where the research takes place and supervision is done jointly between staff members of the partner university and an IHE Delft colleague (e.g. as co-supervisor).
   o Benefits: ownership in non-European, low- and middle-income countries; cost-effective; stimulating joint research; strengthening capacities on PhD supervision.
   o Assumptions: the salary/living allowance paid to the candidate is considerably lower than estimated costs for option 4 (see below); the (length of the) administrative procedures of enrolling PhD candidates at partner university are reasonable; co-supervision by IHE Delft is possible.
   o Eligible costs: tuition fee, living allowances/salary for candidate, time for supervisory team, research related costs (e.g. field research, lab, travel, conferences), all for a maximum period of the formal time set to conduct PhD research at partner university and within the duration of the project.
   o PhD related costs which will not be covered by the programme funds: costs related to the (public) defence, printing of the thesis.

2. PhD candidate employed and funded by partner and enrolled at IHE Delft (“IHE contract PhD”):
   o Arrangement: a person is funded (via employee contract or fellowship arrangement) by a partner – preferably an organization based in a non-European, low- or middle-income country where the research takes place – and enrolled as a PhD candidate at IHE Delft. Supervision is done jointly between staff members of IHE Delft and a staff member of the partner organization (e.g. as co-supervisor, resource person). Payment of salary/living allowance to the candidate goes via the partner organization.
   o Requirements: PhD candidate has an employee contract with the organisation involved for at least the duration of the PhD; the PhD candidate can only spend a maximum of 2 years at IHE Delft in The Netherlands; we advise for the temporary stays in The Netherlands, based on living costs in the area of Delft, that the candidate receives a minimum of nett 2,000 Euro per month from her/his employer (required top-ups for this period in Nethelands can be budgeted as well).
Benefits: stimulating joint research; strengthening capacities on PhD supervision.
Assumptions: the total costs are considerably lower than estimated costs for option 4 (see below); co-supervision by partner organization is possible.
Eligible costs: tuition fee, salary/living allowance for student, time for supervisory team, research related costs (e.g. field research, lab, travel, conferences), all for a maximum period of 4 years and within the duration of the project.
PhD related costs which will not be covered by the programme funds: costs related to the (public) defence, printing of the thesis.
We have attached a few requirements to including this type of PhD funding in the project. Please contact us through secretariat_dupc@un-ihe.org.

3. PhD candidate employed by and enrolled at IHE Delft and partially funded by the programme:
Arrangement: a person is employed as junior researcher (“IHE standard PhD”) at IHE Delft to conduct PhD research which is for at least 50% funded by another source than funding originating from the Dutch Ministry of Foreign Affairs (DGIS). The remaining budget for funding the PhD involvement can be charged on the programme. Supervision is done jointly between staff members of IHE Delft and a staff member of (one of) the partner organizations from a non-European, low- and/or middle-income country involved in the project (e.g. as co-supervisor).
Benefits: collaboration with non-programme funded projects (matching funds); administratively easiest.
Assumptions: only direct-salary related costs of the junior researcher need to be budgeted plus time for IHE Delft supervisory team based on the Nuffic OKP tariffs; co-supervision by partner organization is possible. The Junior Research position is approved by the IHE Delft Rectorate as part of the IHE Delft Departmental annual work plan and budget.
Eligible costs: direct salary-related costs of the junior researcher, time for supervisory team, research related costs (e.g. field research, lab, travel, conferences) for a maximum period of 4 years and within the duration of the project.
PhD related costs which will not be covered by the programme funds: costs related to the (public) defence, printing of the thesis.

4. PhD candidate employed by and enrolled at IHE Delft and fully funded by the programme (“IHE Standard PhD”):
Arrangement: a person is employed as a junior researcher at IHE Delft to conduct PhD research. Supervision is done jointly between staff members of IHE and a staff member of (one of) the partner organizations in the project (e.g. as co-supervisor).
Benefits: administratively easiest.
Assumptions: only direct-salary related costs of a junior researcher need to be budgeted plus time for IHE supervisory team based on Nuffic OKP tariffs; co-supervision by partner organization is possible. The Junior Research position is approved by the IHE Delft Rectorate as part of the IHE Delft Departmental annual work plan and budget.
Eligible costs: direct salary-related costs of a junior researcher (estimated at 224,600 euro for four years), time for supervisory team, research related costs (e.g. field
research, lab, travel, conferences) for a maximum period of 4 years and within the duration of the project.

o PhD related costs which will not be covered by the programme funds: costs related to the (public) defence, printing of the thesis.