



Indirect Project Costs(PBE)

Contents

1. Introduction	2
2. Area of Application	2
3. Definition	2
4. Calculation of the PBE.....	2
5. Invoicing of the PBE	2
6. Scope of Services	3

1. Introduction

There is a basic distinction between direct and indirect project costs in the area of project support¹. The Project Cycle Management costs of recipients of project support will be offset with a lump-sum Indirect Project Cost payment of a maximum of 10% of the direct project costs.

2. Area of Application

This rule applies to all areas of project support, as long as no other rule is specified in the relevant aid instruments². Support to the projects of multilateral and bilateral organisations could also be governed by this rule if no other specific rule applies.

3. Definition

The Indirect Project Cost (in short: PBE³) is a lump-sum payment to cover all administrative costs incurred by a recipient of project support in the carrying out of a specific project in line with the principles of Project Cycle Management (content, administration and organisation). The PBE may not exceed 10% of the direct project costs of a supported project, with a maximum possible payment of EUR 160,000.

4. Calculation of the PBE

The basis for the calculation of the share of the PBE to be financed by the ADA is the sum awarded by the ADA in support of a project, excluding any additional sums contributed by the recipient of the project support or third parties.

The percentage of maximum 10% to be paid by ADA applies to the actual direct project costs as invoiced and approved by ADA and not the originally planned level of project support.

5. Invoicing of the PBE

The PBE is to be invoiced at the time of the contractually agreed presentation of the intermediate and final accounts for a completed reporting and accounting period. The final control and confirmation of the amount of the PBE will take place as part of the final settlement of the total amount of project support.

¹ See Project Document, Appendix 3 Project Budget

² e.g. NGO Co-operation

³ Projektbegleitentgelt

6. Scope of Services

The PBE is intended to cover the following activities:

Project Planning

- The detailed planning and preparation of the project documents with the local partner organisation and coordination work with the ADA.

Content-related, administrative and organisational project management costs

- Drawing up a project contract with partner organisations
- Transfer of the project funds to the partner organisation and contractually agreed control of these funds
- Investments, supplies and services: the entire procurement process – including the obtaining of tenders for goods and services and the costs of transport and insurance, etc.
- External control of invoices in order to meet the contractually-agreed rules for the presentation of accounts⁴

Project Management

- Ongoing monitoring and backstopping in line with the PCM, including on-site monitoring visits and, where applicable, the implementation of management processes.

External Expert Consultants

- Drawing up of terms of references and job descriptions and carrying out of the choice of the appropriate consultants together with the local partner organisation
- Drawing up of contracts for consultants
- Briefing, Debriefing

Preparation of Reports, Communication with the ADA

- Presentation of contractually agreed activity and progress reports
- Presentation of contractually agreed financial reports, e.g. the preparation of intermediate and final accounts
- Applications for project modifications and extensions

Evaluation

- Preparation of and reaction to evaluation procedures (internal or external)

Networking and exchange of experiences related to the project in question

If the recipient of project support carries out these activities in both at headquarter level and through a local organisational structure then it is considered that the PBE covers all such activities in the form of a lump sum.

⁴

See the ADA General Terms and Conditions of Contract § 4.6.