**Q&A Regarding Full Proposal Process**

**Q:** What is the difference between indirect cost and operational cost?  
**A:** Support costs that has to do with general administration should be covered under [indirect costs](https://amg.um.dk/bilateral-cooperation/financial-management) (see annex 7 – *development grants*), but support costs that can be directly attributed to specific outputs, can be budgeted under operational costs (outputs/outcomes) through a fair share calculation. The fair-share approach should be explained in the comments and/or the budget section of the application template.  
  
**Q:** When formulating the Full Proposal, is it permitted to make changes to the budget as presented in the Concept Note?  
**A:** Yes, changes to the budget from the Concept Note to the Full Proposal is allowed. While making changes to the project is welcome, especially based on feedback given and lessons learned, making significant changes to the project is discouraged.  
  
**Q:** What are the procurement guidelines and do they also apply to partners, subgrantees, etc.?  
**A:** The organisation can utilize funds in accordance with its own policies and procedures. Further, the organisation undertakes, and is accountable for, all procurement activities according to own regulations and procedures and in line with international good practice (Value for Money, Fairness, Integrity and Transparency)  
  
**Q:** Regarding ‘Annex 3 – Partner Presentation and Justification’, which organisations should be listed?  
**A:** All partners of the consortium must be presented on ‘Annex 3 – Partner Presentation and Justification’, with maximum one page per partner organisation. I.e., all contractual partners of the consortium, which figure by name in the application as partners and who will be bound by a consortium agreement. Subgrantees and local partners, which figure elsewhere in the application but which are not consortium partners should not be listed. Single applicants not part of a consortium need only present itself.  
  
**Q:** Is there a minimum or maximum in regards to what share of the funds are allocated for subgranting?   
**A:** No, there's no minimum or maximum for sub granting. What is expected is a coherent application, where there is a coherence between what is proposed to do and the budget that is associated with that.  
  
**Q:** What are the expectations regarding MEAL framework, especially since the implementation time for the projects have a relative short timeframe?   
**A:** It is expected that partners organisation of the DDI use their own MEAL systems already in place, while following the DDI reporting flow, which will be communicated at a later stage.   
 **Q:** Is it possible to add additional partners to consortiums during the Full Proposal phase?  
**A:** Yes, it is possible to add additional partners to consortiums during the Full Proposal phase. While making changes to the project is welcome, especially based on feedback given and lessons learned, making significant changes to the project is discouraged.   
  
**Q:** Is co-funding required?   
**A:** There is no requirement for co-funding, but it is welcome if it helps present a stronger project, i.e. adds value beyond the DDI financed activities, for example at Outcome level.

**Q:** What are the expectations/requirements for public communications and recognition of the funding provided by the DDI?  
**A:** We ask all our partners to use the DDI logo and communications material when/where relevant, which can be discussed on a case-by-case basis.  
  
**Q:** What are the reporting requirements for the project?  
**A:** Budget monitoring is based on two bi-annual reporting, consisting of one annual audited report in June and one interim financial report in Q3 (budget v. actual). The partners send in a short quarterly status update regarding project progress every 3 months. One status update is replaced by the annual progress report – which is due every year in April. Annual plans and an updated budget are due in November.

**Q:** Regarding regional prioritisations, should the proposed project include countries from more than one region in the Global South?  
**A:** The number of priority countries to be included in each project must be between 5-15 countries. There are no distinct requirements for global coverage – or that it should cover more than one region. See section 5. ‘Geographical coverage and targeting’ on page 8 of the Information Note for more on geographical prioritisation.   
  
**Q:** Where in the budget template should audit cost be allocated? And should the audit be performed for each member of the consortium or only for the lead applicant?  
**A:** The audit line is at the very bottom of the budget template. The requirement is that the whole project is audited with deadline 6 months after the end of the project. The objective of the financial audit is to obtain reasonable assurance about whether financial statements regarding the funds granted through the MFA are free from material misstatement. [Further guidance can be found in Annex 5A and 5B.](https://amg.um.dk/bilateral-cooperation/financial-management)  
  
**Q:** Are there any restrictions on the kinds of advocacy activities that can be done, such as targeting of private sector companies and governments?   
**A:** There are no restrictions per say. But for example, targeting government agency as recipients of a training grant would be problematic for funding set aside for support to civil society.  
  
**Q:** What does the line contingency in the budget cover? And what is to be done with funds, such as contingency, if it is not used?  
**A:** Contingency can cover currency fluctuations and other unforeseen crisis or shocks. Towards the end of the project, if these funds have yet to be used, they can be reprogrammed into activities. Unused funds by the end of the project must be returned to the MFA. Contingency is set to maximum 10%, but it can be less too, based on the risks identified.  
  
**Q:** What is an investment to the MFA?  
**A:** It's a multi-use item that can be transferred at the end of the project of above EUR 500 in value. Expenditures for assets exceeding a value of 500 EUR, such as vehicles, computers, mobile phones, satellites/GPS devices must be included in the asset list and included in reporting. Other transferrable items should also be included in the asset list and included in reporting.

**Q:** As there are no specific requirements for how partners report to the consortium lead, would output based contracts be possible with sub grantees, in the sense that they will report on which outputs they have achieved instead of how they have spent the money?  
**A:** Output based contracting is in principle fine, but bear in mind that there is an audit requirement. So be sure that any contract stipulates requirements for an audit trail. But if the organisation/consortium can handle an audit trail, even for small contributions then the answer is yes. Otherwise, no. Small sub-grants are something that the DDI specifically supports, so we are very much in favour of micro grants and small grants being part of these projects.

**Q:** If a project has a programme manager who contributes to several of the outputs, should their salary be split per output or can it be reported under one output with a clarifying comment saying that it applies for the whole project?  
**A:** There are two questions here: one on how to budget and the other one on how to allocate costs. It is recommended that cost allocation is based on a time registration system or something similar where cost is allocated in a transparent manner to the grant. The budget should reflect reality, but be modelled in a way that can be managed afterwards. If a project has a programme manager who contributes to several different outputs, it is recommend to split per output. The consequence, of course, is that when the cost has to be allocated, their time has to be registered on three different budget lines. So exactly how this is budgeted, is something that the organisation/consortium has to consider internally.

**Q:** What does the acronym TA stand for?  
**A:** TA means technical assistance.  
  
**Q:** Regarding ‘Annex 4 - Project References’, should the referenced projects be dived equally among the consortium partners?  
**A:** Not necessarily - ‘Annex 4 - Project References’ ask for the most relevant projects be referenced, so pick three projects that are most aligned with the DDI programme and the proposed project.   
  
**Q:** Regarding ‘Annex 4 - Project References’, can ongoing projects be included or only completed ones?  
**A:** Ongoing projects may also be listed in ‘Annex 4 - Project References’  
  
**Q:** If the project secures co-funding, where should this be included in the budget template?  
**A:** In the budget template excel sheet, simply expand with a column somewhere where it makes sense, with the given amount. Remember to reflect upon the co-funding in the section five in the full proposal template.  
  
**Q:** Are there any requirements for partner organisation in consortiums to be based in OEDC DAC listed countries?  
**A:** No, partner organisation in consortiums does not need to be based in OEDC DAC listed countries. But project activities must take place primarily within countries featured on the OEDC DAC list, with flexibility given so transnational, cross-border and diaspora groups will be able to work from outside their local context.  
  
**Q:** If, for example, nothing is changed in a specific section on the context analysis from Concept Note to Full Proposal, would the score stay the same?  
**A:** That depends on how well the context analysis fits in with the expanded format of the Full Proposal – it is crucial that it is a coherent Proposal.  
  
**Q:** Upon closing the project, does DDI expect a project audit, an organizational audit, or an audit of all organizations that are part of the consortium?  
**A:** At the end of the project you will conduct and submit a full project audit. Deadline is 6 months after the end of the activity period.  
  
**Q:** Regarding ‘Annex 3 – Partner Presentation and Justification’, if an applicant is not part of a consortium, but rather have proposed a larger group of local partners in the various implementation countries, is it still necessary to fill out ‘Annex 3 – Partner Presentation and Justification’ for each of these partners?  
**A:** ‘Annex 3 – Partner Presentation and Justification’ should only include a presentation of each consortium members. In case of single applicants, that entails a presentation of the applicant alone.

**Q:** How detailed should the budget be? When looking at the outcome budget example that has been shared, it is grouped into output, activities and then grouped into a few simple cost categories. How specified should it be?

**A:** We would expect budgets that are aligned to the results framework and narrative, so that these can be understood and read together (coherence). As for the question to the level of detail, the aggregate level would be sufficient (200 workshops x price). But it is recommended to use the comment section in the template to explain the underlying costs in short form. How you want to show the expected distribution between partners and countries, whether you include a narrative that can supplement the budget, or you show it by numbers is up to you and how you structure the application.

**Q:** Is there a Risk management matrix template to fill in for the full proposal? This is mentioned in the information note, but the template has not been shared.

**A:** No – it was decided to remove this template in order to simplify the application process.

**Q:** Do we need a signature on this proposal?

**A:** No – that is not necessary.

**Q:** Could you elaborate on what the audits need to entail?

**A:** The requirement is that the whole project is audited with deadline 6 months after the end of the project and/or period. The objective of the financial audit is to obtain reasonable assurance about whether financial statements regarding the funds granted through the MFA are free from material misstatement. Further guidance can be found in Annex 5A and 5B here: <https://amg.um.dk/bilateral-cooperation/financial-management>. The financial audit must be carried out in accordance with International Standards on Auditing (ISAs).

**Q:** Can we copy and paste some sections from the concept note, or should we revise the entire proposal?

**A:** Yes – you can do that. But be mindful that it fits with the expanded format of the Full Proposal – it is crucial that it is a coherent Proposal.

**Q:** In the concept note, we submitted a budget narrative, do we need to include this again in the proposal narrative? Or is the focus more on value for money?

**A:** Chapter 5 in the Full Proposal Template should give the reader a full understanding of the budget and the choices made – not just focussed on value for money. It is possible to include some of the relevant elements from the budget narrative from the concept note.

**Q:** Is it allowed to submit additional annexes?

**A:** No, additional annexes not mentioned in the e-mail invitation is not allowed.

**Q:** Is it only the lead applicant who should submit annex 5-8 or should these documents be submitted for each member of the consortium?

**A:** Annexes 5-8 should as a minimum be submitted by the Lead applicant. For consortium partners with a substantial portfolio of the planned activities and specific ownership/responsibility for certain project outcomes/outputs, you can (i.e. not a requirement) submit the annexes from these partners in addition, if it furthers the reading and understanding of the application.

**Q:** Regarding the Project References in Annex 4 – are these case studies that the consortium organizations can fill out? Or is there a preference for us to procure references related to those initiatives?

**A:** The project references should consist of the 3 most relevant descriptions of projects either previously implemented or currently being implemented by either the lead applicant or by one of the co-applicants in the consortia. The project cases should be chosen based on relevance of theme, geography, target-group, and partners.

**Q:** Is it possible to use partners and 3rd parties as fiscal sponsors for sub-granting, as long as the audit trail is not compromised.

**A:** Yes it is possible to use partners and 3rd parties as fiscal sponsors for sub-granting, as long as the audit trail is not compromised.

**Q:** If a project has a phase 1 and phase 2, but each phase is just under 10 million DKK. – can we lump them together so that we can meet the 10 million DKK threshold for the project references?

**A:** Yes – if it’s the same project that just had two phases, and those two phases would be over 10 million DKK added together then you would be able to use the project as a reference.

**Q:** Are we able to change our priority countries? Or should we stick with the countries that we originally proposed?

**A:** Yes – you are allowed to change the priority countries. But do keep in mind that you would run a risk when making significant changes to the project like this. So, we would advise only to do this if it you are sure that it will strengthen the project, reach, or impact.

**Q:** Should the output based budget follow a 70-30 breakdown between programme and salary/operational costs, or should it follow 80-20%?

**A:** The split should reflect the project you are proposing, bearing in mind the principles of local leadership and value for money. We cannot give an exact guidance to the split.

**Q:** Is it possible to include financial controller and MEL positions are directly linked programme staff in the output based budget?

**A:** Yes it is possible to include the positions mentioned for the time they are working on this project. Use the budget notes to describe the allocation principle.

**Q:** Is there a maximum amount that can be requested per semester?

**A:** The payment schedule will depend on how you plan the project. Usually we will send disbursements twice per year equivalent of 50% of the annual budget per disbursement.

**Q:** How much time is allocated for submitting the report at the end of each semester? How long does it typically take for DDI to approve the report and process the subsequent fund transfer?

**A:** The DK MFA works with pre-payments, roughly equivalent to 6 months of activity cost. The following disbursement released upon reporting for the previous period. We will usually need about 4 weeks from reporting to release of the next tranche. But if all is in synch, you will always have operating cash at your disposal.

**Q:** Are bank fees eligible operational costs?

**A:** Yes, bank fees are eligible costs and can be allocated under the operational part of the budget.

**Q:** Could you please provide us with the format or template for financial reporting?

**A:** The format for financial reporting will be shared upon contracting, but is a standard budget vs. actual report, following the approved budget.

**Q:** In presenting the roles of individuals and key personnel contributing to the success of the program and delivery of the outputs, should we describe the personnel in the budget based upon the official job title (per contracts) or the specific role and contributions to the project?

**A:** In the budget use the official job title (per contracts), as this will make more sense in terms of auditing and controlling. If relevant, use the comment section in the budget template to shortly explain the contribution of said staff.

**Q:** Does the MFA have additional guidance on the Fair Share calculation approach or can you refer us to any relevant Danish or European Union resources? For example, does the MFA recommend a particular cost basis for Fair Share calculation for the project team’s workspace (based on FTE, square footage, etc) or is it for the applicant to propose?

**A:** The fair-share calculation is up to the applicant to propose. If you are using similar methodology towards other donors, just use the same. If not, FTE is quite common and easily understood. But other methods that can be explained are also accepted. Use the comment section in the budget template to shortly explain the method applied.