



**Danida Fellowship Centre**

**February 2015**

**General Conditions for Grants to Development Research Supported through  
Denmark's International Development Cooperation**

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## **Important Alterations compared to April 2014 Edition**

A Partnership Agreement must be entered within the first half year of the project and the second disbursement to the project is conditional on the submission of the Partnership Agreement to DFC (not applicable to North driven projects granted before 2014).

All staff engaged by a Danida granted research project shall receive per diem and other reimbursable costs according to their country's rules, regulations and cost-norms. However, should local per diem rules exceed the applicable rates according to Danish rules (DKK 404/day for meals, plus DKK 1,250/night for hotel accommodation in 2015 rates), the Danish rules must be applied as a flat rate. If local rules imply that hotel costs are reimbursed by the local institution, only the rate for meals shall be applied.

The reporting (excluding the financial reporting) is now in an electronic online form, and the frequency for reporting has been adjusted as follows: *The first year progress* report format must be used by all research projects that have completed the first year of implementation. *The midterm progress report* format must be used half way through the project for the North driven projects and annually by the South driven projects. The deadlines for submission are unchanged: April 1 for the South driven projects and July 1 for the North driven projects. *The completion reporting* formats must be used by all projects and submitted within six months after the end date.

## Introduction

The General Conditions apply to the administration of grants to South driven development research (SDDR) projects, and North driven development research (NDDR) projects. The General Conditions also apply to individual postdoc and PhD projects (granted up to 2011).

SDDR projects in Tanzania and Vietnam are also subject to Framework Agreements, available at link <http://dfcentre.com/research/south-driven-development-research-projects/framework-agreements/>.

The General Conditions describe the requirements of the projects regarding budgeting, reporting, presentation of accounts, auditing and monitoring/evaluation. The Conditions include relevant Sections of the Danish Ministry of Foreign Affairs' "General Guidelines for Accounting and Auditing of Grants Channeled through Governmental, Parastatal and International Organisations". Link to Appendix 5: <http://dfcentre.com/wp-content/uploads/2014/03/2014-App-5-Generel-Guidelines-Government-2007.pdf>

Any deviation from the General Conditions is communicated separately in the Letter of Commitment for each granted project.

On behalf of the Ministry of Foreign Affairs, Danida Fellowship Centre (DFC) is responsible for the ongoing administration of the granted research projects. The responsibility for the political and strategic aspects of the support to development research rests with the Technical Advisory Services, Danish International Development Assistance (Danida), in the Ministry of Foreign Affairs.

All correspondence and questions in connection with the administration of grants may be directed to DFC at e-mail [research@dfcentre.dk](mailto:research@dfcentre.dk) or telephone +45 3536 1322. Reference should be made to the DFC project file number.

When a research grant is awarded, an agreement (Letter of Commitment) is entered between DFC, the Project Coordinator (main applicant), and the Responsible Institution. The agreement takes effect with the Head of the Responsible Institution and the Project Coordinator's endorsement of the Letter of Commitment. The grant is awarded to the Responsible Institution and not to the Project Coordinator.

The Letter of Commitment and the approved application (including project LogFrame and appendices, and any adjustments in which the objectives, outcomes, outputs, activities and budget are defined) in addition to the General Conditions are hereinafter referred to as the Grant Framework. By endorsing the Letter of Commitment, the Responsible Institution and the Project Coordinator pledge to

- carry out the project activities as laid down in the approved application;
- achieve the overall and immediate objectives, outcomes and outputs of the project;
- ensure that any conditions laid down in the Letter of Commitment are fulfilled;
- follow the applicable rules and regulations for administering the grant.

During the project implementation, due consideration must be given to the Ministry of Foreign Affairs'/ Danida's current development assistance policies. Danish development cooperation frameworks demand accountability of partners both in priority countries and in Denmark. This applies to all aspects of the project cycle, including the phases of planning, implementation, and follow-up. Partners receiving funding are subject to strict ethical requirements as well as requirements in terms of governance and administration, social accountability, and regarding documentation of academic input and output. Inclusion of all relevant stakeholders such as NGOs and interest organisations is encouraged.

The Strategic Framework for Danish Support for Development Research 2014 – 2018 ([http://um.dk/da/~media/UM/English-site/Documents/Danida/Partners/Research-Org/Strategi\\_DevelopmentResearch\\_web.pdf](http://um.dk/da/~media/UM/English-site/Documents/Danida/Partners/Research-Org/Strategi_DevelopmentResearch_web.pdf)) guides the implementation of the projects, and states that it

is a key objective that partnerships should be forged among equals, in the sense that researchers, organisations and institutions in both priority countries and in Denmark contribute to the design, implementation and completion (including policy inputs and dissemination in various forms) of research activities. Researchers and research institutions in selected priority countries are key partners in the implementation of the strategic framework. Capacity development should be directed to these partners and they should produce a major share of the research results.

### **Anti-corruption Policy**

The Ministry of Foreign Affairs' anti-corruption policy must be complied with, and the following Section must be respected as regards all agreements made: *No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made - neither directly nor indirectly - as an inducement or reward in relation to the project. Any such practice will be grounds for the immediate cancellation of the project and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Ministry of Foreign Affairs, a further consequence of any such practice can be the definite exclusion from any tendering for projects, funded by the Ministry of Foreign Affairs.*

Further information about the approach of the Ministry of Foreign Affairs towards corruption and transparency can be found at

<http://um.dk/en/~media/UM/English-site/Documents/About-us/Anti-corruption%20policy/Anti-corruption%20policy%20-%20english%20version%2020141024.pdf> and <http://um.dk/en/danida/en/about-danida/danida-transparency/>

## **1. Ethical and Other Approvals**

It is the responsibility of the Responsible Institution to obtain all relevant ethical approvals and other required permits *prior* to the initiation of the project activities requiring approval. The Responsible Institution must further ensure that the research is carried out in accordance with current international and national conventions and regulations. Compliance with these matters must appear in the first year and midterm reports.

## **2. Agreements with Partner Institutions**

All SDDR and NDDR projects granted in 2013 and onwards must have signed Partnership Agreement between the Responsible Institution and the partner institution(s) in place. The Partnership Agreement must be entered within the first half year of the project and the second disbursement to the project is conditional on the submission of the Partnership Agreement to DFC. DFC is not part of the Agreement. A template for a standard partnership agreement is available as Appendix 9.

It is recommended that the Partnership Agreement as a minimum include a clear agreement regarding how

- the project is to be organized;
- the distribution of responsibility for budgeting and accounts is handled;
- the project is to be implemented including, among others, research communication and publication strategy;
- PhD supervision responsibilities are handled;
- disagreements between project partners are to be resolved;
- the project is going to be closed, including handing over of project equipment, refer to Section 12.

With detailed commitments and expectations from all partners, the Partnership Agreement will constitute a tool for the practical administration of the project.

It is the responsibility of the Responsible Institution and the Project Coordinator to ensure that the partners involved administrate the allocated funds in a responsible and adequate manner, and that the project is carried out as in equal partnership between the research partners.

Partner organizations and others who receive part of the allocated funds must not be registered on either the UN or EU list of terrorist organizations.

### 3. Grant

The grant must be used exclusively for approved objectives, activities, and budget items. It is not possible to provide additional funding, and overspending cannot be covered by Danida funds. All expenditure must be effected within the project period.

Reallocations between main budget lines within the approved total budget (as it appears from the Letter of Commitment) can be made without prior approval of DFC by up to 10% of the lowest of the involved budget lines, on condition that the fulfilment of the project's objective will not change or be depreciated. Reallocations exceeding 10% must be justified and approved by DFC. This implies that in the final accounts, none of the budget lines must exceed a deviation of more than 10% (up or down) without documented approval from DFC. The calculation of reallocation is based on the total budget (as it appears in the Letter of Commitment). Reallocation between budget lines can only be made in accordance with the Grant Framework. Any reallocations between budget lines must subsequently be described and substantiated in the next annual accounts, as well as in the final accounts, with reference to the documented approval from DFC of changes above the 10% limit.

For certain types of institutions, the grant may be used to cover overheads that are costs not directly incurred from the research activity. Overheads are calculated as a fixed percentage of direct costs (please refer to Table 1 below for overhead rates). Direct costs means costs incurred as a direct result of the research activity.

For project grants administered by a government institution or a self-governing institution registered as having an account on the Appropriations Act, the Ministry of Finance's rules governing grant-financed research activity included in the Ministry of Finance's budget guidelines are to be followed. This implies that project support granted through a process of competition, the overhead of funds spent in Denmark as a maximum follow the rates below, both applying to expenses of Danish partners in NDDR and in SDDR projects.

**Table 1: Maximum overhead rates**

| <b>Institution/enterprise type</b>   | <b>Overhead</b> |
|--|-----------------|
| Danish institutions (including universities and government research institutes) which are subject to the rules regarding grant-funded research activities in the Danish Ministry of Finance's budget guidelines, and which are authorized to carry out grant-funded research activities  | 44 %            |
| Danish Authorized Technological Service Institutes (GTS-institutter)   | 20 %            |
| Danish institutions meeting all the following criteria:<br><ul style="list-style-type: none"> <li>- Receive and are expected to continue receiving a fixed state subsidy of minimum 25 % (measured in relation to the total annual turnover) to cover operating costs,</li> <li>- Are non-profit institutions which do not seek to generate profit, and where any profit may not be distributed among the owners,</li> <li>- Carry out research as a central purpose.</li> </ul> | 20 %            |
| Public Danish hospitals  | 3.1 %           |
| Danish state-recognised museums (cf. The Danish Museum Act)  | 3.1 %           |
| All other Danish institutions and enterprises  | 0 %             |

SDDR institutions and South partners to NDDR projects can charge an administration fee (overhead) to cover the direct expenses of the project administered as follows:

| <b>Institution/enterprise type</b>   | <b>Overhead</b> |
|--|-----------------|
| South-based research partner institutions, partners to NDDR projects (depending on local conditions)   | 12%             |
| SDDR projects in Ghana, Tanzania and Nepal granted in 2014 and onwards (depending on local conditions) | 12%             |
| SDDR projects in Ghana and Tanzania granted before 2014  | 7%              |
| SDDR projects in Vietnam granted before 2014   | 3%              |

No overhead can be charged by the Danish institution for funds transferred to their partners.

In the budgets, the overhead is calculated of the total budgets, while in the accounts the overhead is allocated according to the actual spending.

The following general administration costs are considered to be covered by the overhead:

- Office expenses (rent, cleaning, stationery, transport, electricity and water, support staff, and other operating expenses);
- Expenses relating to staff carrying out general administrative assignments, such as budgeting and accounting tasks;
- The Head of Institution's involvement in the cooperation.

Additional funds cannot be allocated to these types of expenses over and above the overhead.

Administration fees cannot be included for international institutions, as such institutions can only be supported for their direct services to the project activities. In addition, no overhead can be included of expenses relating to study periods in Denmark of PhD students, refer to Section 5.

If funding for items covered by the grant is granted from sources which are not specified in the grant framework, the Responsible Institution must inform DFC of this fact without delay. The Ministry of Foreign Affairs reserves the right to reduce the grant by a corresponding amount.

#### **4. Administration of Study Stays in Denmark**

The guidelines for Danida Fellowships apply to study periods in Denmark of PhD students from South institutions, refer to Appendix 8.

DFC must be advised minimum three months prior to initiation of the study period. The Project Coordinator is requested to coordinate the practical arrangements with DFC. DFC will annually deduct the actual expenses (travel, accommodation, allowances etc. included in the budget line 8) directly from the grant, informing the project by the end of the year.

DFC's administrative services for stays in Denmark of senior researchers (including postdocs) are optional. If DFC administers the stay in Denmark of senior researchers, the notification requirements above and the guidelines in Appendix 8 apply.

Should the study stays be longer than planned and budgeted for in the approved budget, it is important to contact DFC for possible reallocation of funds, as it must be ensured that sufficient project funds are available at DFC for study stays (budget line 8).

## **5. Period of Grant**

The project, including the finalization of PhD and MSc studies, must be completed within the grant framework's approved timeframe.

In cases of delays in carrying out the planned activities, the Project Coordinator may no later than one month prior to the closing date for the project, submit a request to DFC for a no cost extension of the project period. The request must indicate the new closing date for the project. The extension must be well justified, and it must be explained why the extension is necessary in order to complete the project and meet the goals. The extension must be used to complete the originally planned activities and must only include activities approved as part of the original grant framework. An application for a no cost extension to DFC should not include a revised budget, as DFC does not engage in approving revised budgets, but controls the annual and final accounts by comparing it to the original total budget stated in the Letter of Commitment.

Based and conditioned on the practice of the concerned institution, long-lasting illness and parental leave may justify the extension of an individual PhD/postdoc project. Request for extension of a PhD project must include a statement by the supervisor confirming the necessity of the extension and the satisfactory development of the PhD project.

As a general rule, a project cannot be extended more than twice, and for more than two years altogether.

## **6. Disbursement**

Institutions in Denmark and the South must establish a separate finance account/activity for the grant in order to distinguish the funds from other grants.

The annual installments are disbursed on the basis of a Disbursement Request from the Project Coordinator using the Disbursement Request Form (Appendix 4). The Request must cover the whole fiscal year and exclude expenses on the stay of the PhD students (and senior researchers, if applicable) administered by DFC (budget line 8), as these are covered directly by the project account at DFC. For projects which cover several fiscal years, the Disbursement Request must be submitted immediately prior to the next fiscal year.

In the SDDR projects disbursements to the Danish partner institution(s) are made by DFC directly upon written request from, and signed by, the Project Coordinator. In the NDDR projects the transfer of funds to the South partners are done through the Danish Responsible Institution.

The first transfer can be made in the first quarter, normally with an on-account amount of 50 % of the requested disbursement, and the second transfer can be made in the third quarter with the remaining amount, deducted unexpended funds at the end of the year as outlined in the previous year's accounts. Disbursement of the second installment is conditional upon DFC's receipt and approval of the annual accounts. Annual disbursements  $\leq$  DKK 250,000 will be transferred in one installment.

When transferring funds from DFC to institutions in Denmark, no other confirmation of the transfer will be provided than the quoted reference in the disbursement request. When transferring funds from DFC to institutions in the South, a bank transfer statement will be forwarded to the Project Coordinator when the disbursement has been processed.

## **7. Interest and Exchange Rate Gains and Losses**

Interest gained cannot be used to finance grant-funded research activities, but must be specified separately in the annual accounts and returned to DFC. Calculating accounts kept in foreign currency must be at the weighted average exchange rate calculated on basis of the C/F amount and the transfers in the fiscal year, so that artificial currency exchange rate gains and losses are avoided.



## **8. Non-compliance and Revocation of the Grant**

Non-compliance is deemed to occur if the project is not fulfilling the conditions of the grant framework. Among these:

- Non-fulfilment of the terms and conditions in the grant framework;
- Delayed commencement of the project. If the project is not initiated within six months after the anticipated project start date specified in the grant framework (or date of official approval in the South for SDDR projects), the grant will be discontinued, unless the Project Coordinator and Responsible Institution forward a justifying request considered acceptable by DFC;
- Other delays not approved by DFC;
- Lack of satisfactory progress towards the planned activities and achievement of the approved outputs;
- Missing or unsatisfactory submission of reports and accounts;
- Lack of obtainment of the necessary ethical and other approvals and authorizations;
- Significant non-approved changes in the project in relation to the grant framework, including changes of main researchers and institutions, refer to Section 10;
- Other irresponsible administration of grant funding, including the violation of the conditions presented here.

In the event of non-compliance, DFC and the Ministry of Foreign Affairs is entitled to take appropriate action with a view to limiting the consequences of the violation, and may issue a written reprimand requesting the violation to be remedied within a given grace time, initiation of consultant or auditor investigations of the project administration, suspension of further disbursements, or phasing out or closing down of the project. If the Responsible Institution fails to remedy the non-compliance by the specified deadline, the Ministry of Foreign Affairs may discontinue funding, revoke any residual funding and claim repayment of amounts already disbursed.

During the course of a project, it is the responsibility of the Project Coordinator to report immediately to DFC noticeable deteriorations in the conditions for completing the project as approved, including significant problems in the project's or its staff's relations to the host country's authorities, partner institutions, or project staff. This responsibility also applies if the Project Coordinator finds any suspicion of or actual cases of theft, fraud, corruption, misuse of funds, breach of contracts, court cases involving a larger amount of money, loss or possible loss of funds, qualifications or criticism in audit reports and other instances or misuse of funds. Such information should be reported immediately in writing, along with information on how the Responsible Institution intends to resolve and follow up on the difficulties or irregularities reported, among other things with regard to the Ministry of Foreign Affairs' duty to report to the National Audit Office of Denmark (Rigsrevisionen).

Should Danish support to a country be terminated as a result of a political decision, the support to research projects in the particular country may also be discontinued, by decision from the Ministry of Foreign Affairs.

A project agreement may be disconnected in writing by both parties (i.e. the Responsible Institution and DFC) with three months' notice. However, in the event of gross violation, the Ministry of Foreign Affairs is entitled to terminate the agreement with immediate effect. Before a possible termination, all parties are obliged to seek to resolve conflicts through negotiation. Unresolved conflicts cannot be brought before a court, but must be resolved through arbitration.

The Ministry of Foreign Affairs may make the processing of new applications by the Project Coordinator conditional on compliance with the terms and conditions of previous grants, including the total time allocation for a researcher on several projects exceeding what is considered feasible.

## **9. Terms and Conditions of Employment and Salary**

The responsibility for employment conditions (announcement, leave, salary, etc.) for staff engaged by the project, and whose salaries are covered by the grant, rests with the institution at which the individual staff is employed. Funding of salaries for staff, disbursed through the grant must follow the appropriate tariffs applying to the local institution in question. It is not accepted that staff is paid additional salaries on top of the salaries already received from the institution. Salaries should be seen as compensation/replacement salary paid to the institution for the time the staff allocates to the project. Double salaries and payment of consultancy fees will not be approved.

Payment of salary or remuneration to individuals must be declared in full to the tax authorities, and tax deductions must be made according to the appropriate rules.

The South/Danish institution is responsible for settlement of duty travel etc., and this must follow the relevant regulations of the Danish and the South institution respectively. All staff engaged by a Danida granted research project shall receive per diem and other reimbursable costs according to their country's rules, regulations and cost-norms. However, should local per diem rules exceed the applicable rates according to Danish rules (DKK 404/day for meals, plus DKK 1,250/night for hotel accommodation in 2015 rates), the Danish rules must be applied as a flat rate. If local rules imply that hotel costs are reimbursed by the local institution, only the rate for meals shall be applied.

The South/Danish institution is responsible for insurance of project personnel. Thus, DFC and the Ministry of Foreign Affairs cannot be held responsible for injuries and accidents occurred in connection with implementing the project.

No additional funding can be provided in connection with illness and parental leave, but time extensions are possible according to the rules in force, refer to Section 6.

If the Project Coordinator's or a main partner researcher's employment at one of the institutions comes to an end, the Responsible Institution must ensure that the project is continued with a suitable new Project Coordinator/researcher. The Responsible Institution must inform DFC in due time and ensure that the change in the persons involved will not depreciate the fulfilment of the project's objective.

A request for change of project coordinator and/or Responsible Institution must include statements from both institutions and the CVs of new suggested researchers and must be forwarded to DFC for approval.

Specifically for SDDR projects, DFC must be notified in cases of changes in all key project researchers. Documentation of the qualification of the new researchers must be submitted to DFC for approval.

Any changes in key project researchers must be stated in the first annual or midterm report with indication of the date of approval from DFC.

Should it be impossible to continue the project in a way that ensures that the objectives can be met, the responsibility to end the project showing the greatest possible consideration for the partners involved, especially ensuring that the PhD students can finalize their study programmes, rests with the Responsible Institution.

## 10. Purchases

All purchases must be made in accordance with international and/or national procurement regulations.

Project expenses must not include VAT, in case it is possible for the South/Danish institution to receive VAT refund from elsewhere.

All purchased equipment must be appropriately insured and kept in good working order. Prior to the completion of the final accounts, vehicles (if any) and all equipment of a value exceeding the taxable rate for small purchases must be sold off for the best possible price or handed over to partners (partner institutions/Responsible Institution) in South. The profit for sold items must be entered into the final accounts. If handing over items to partners in South, the accounts must indicate that the South institution has a signed hand-over document.

## 11. Progress Reporting and Quality Assurance

It is the responsibility of the Project Coordinator to report timely to DFC:

- *The deadline is April 1 for the annual reporting of the SDDR projects.*
- *The deadline is July 1 for the first year progress report and the midterm progress report of the NDDR projects.*
- *The deadline for submission of the completion report is six months after the approved completion date of the project for both NDDR and SDDR projects.*

The SDDR projects' progress reports are the basis for the reporting at the Annual Review Meetings and project progress meetings which are held annually in Tanzania, Ghana, and Nepal.

Progress reports must be signed by the Project Coordinator and the Responsible Institution, who hereby indicate, that the report is mutually agreed among all project partners, is true and accurate, and is complying with the conditions presented here. The completion report must be signed by all partners involved.

### Reporting formats

All reports must be submitted using the electronic format provided as Appendix 1, 2, or 3.

*The first year progress report* format must be used by NDDR and SDDR projects that have completed the first year of implementation. The reporting covers start-up activities of the project in terms of management set-up, partnership, methods and plans for outreach to stakeholders/users of the project results.

*The midterm progress report* format must be used by NDDR projects that are half way through the project and by SDDR projects for the second project year and onwards. The reporting covers the progress in project implementation, including the status of the partnership, research capacity building and processes, communication and outreach activities.

*The completion report* must be used by both NDDR and SDDR projects that have finalized implementation of project activities. The reporting covers the results of the project including research results, the partnership experiences, dissemination of results, publications, impact of the research activities, etc. It must include a Policy Brief to present the findings and recommendations of the project. The instruction for Policy Brief is available in Appendix 3a. For individual PhD projects, documentation must be submitted with the final report to verify the award of a PhD degree. The completion of a PhD project cannot be approved until this documentation has been forwarded.

The date of completion of the project is the end date which is stated in the Letter of Commitment or other end date which appears in later written approval by DFC of a no cost extension. In the case of a no cost extension for more than one year another (updated) midterm report must be submitted at the time of the originally approved completion date of the project.

In case specific conditions were attached to the approval of the previous reporting, the project is asked to submit a report the following year.

## **12. Quality assurance**

The reports will be subject to an administrative assessment by DFC of formal requirements to the reporting, the management and partnership of the project, and if the reporting (including the LogFrame) is sufficiently detailed to assess the quality of the progress towards or fulfillment of the approved objectives, outcomes and outputs.

In cases where the progress or any other circumstances deemed important for the project implementation can be questioned, the reports will be further assessed by the Ministry of Foreign Affairs and the Consultative Research Committee for Development Research.

## **13. Accounts and Audit**

### **13.1 NDDR Projects**

It is the responsibility of the Danish institution to ensure that adequate accounts are kept of the awarded research funds. Care must be taken to ensure that the adequate financial procedures are in place with proper internal control and in accordance with good bookkeeping and accounting practice. The Danish institution must keep the accounting records and materials in accordance with the Danish Bookkeeping Act's requirements, and keep them for a period of 5 years after the completion of the project activity.

It is the responsibility of the Project Coordinator to ensure that sub-statements – annual financial statements as well as final financial statements – from the partner institutions comply with the requirements for financial statements and auditing set out in this Section. In the event of misuse of funds, any loss must be borne by the Responsible Institution.

The audit process tests whether the project accounts in all essence have been drawn up in accordance with these guidelines and the Danida rules for presentation of accounts, and whether the transactions and use of the funds covered in the project accounts are in accordance with the grant framework, legislation and other regulations as well as concluded agreements and standard practice. In addition, an assessment is made of whether due financial consideration is shown in respect to the administration of the grant.

#### **13.1.1 Annual accounts and audit**

The fiscal year is January 1 – December 31.

***The deadline for submission of the annual accounts is July 1.***

The annual accounts must be submitted electronically and include both the Danish institution's and all partner institutions' part of the budget. It must contain a scanned signature by the Project Coordinator and the Responsible Institution's relevant accounting officer. With his/her signature, the Responsible Institution's accounting officer endorses that the annual accounts are true and accurate, that the total amount transferred by DFC is entered as income, that expenses are distributed according to entries in the approved budget and with the same level of detail, and in compliance with the conditions presented here.

In addition, the two signatures constitute the confirmation by the Responsible Institution that the grant has been used in accordance with the grant framework and agreement.

Sub-statements, auditors' statements concerning such sub-statements, bank statements and possible original vouchers from the partner institutions/enterprises are *not* to be submitted to DFC.

When presenting accounts, the accounts form in Appendix 5 must be used. The accounts must contain a report on the amount of unused funds at the end of the year. Any interest earned must be declared separately, as this must be returned to DFC at the end of the project.

It is the responsibility of the Responsible Institution to ensure that all accounts and the auditor statement, if any, are submitted in due time.

### **Danish institutions where the audit responsibility rests with the National Audit Office of Denmark**

The annual accounts of the grants must:

- 1) for the Danish Responsible Institution be signed by the Project Coordinator and endorsed by an employee duly authorised by the Head of the Responsible Institution. In addition, the Responsible Institution shall sign a Management Endorsement (refer to Appendix 6), which must include confirmation of receipt of the partner institutions' audited accounts, and that the auditor's endorsement is without qualifications.
- 2) for the partner institutions, as agreed with the National Audit Office of Denmark, be audited by an external auditor as per audit instruction presented in Appendix 7. The accounts must be accompanied by a statement of endorsement declaring that the audit has been carried out in accordance with the conditions presented in Appendix 7, as well as good public sector auditing practice. Any reservations must be included in the statement of endorsement.

### **Other Danish institutions**

The annual accounts of the grants for the Danish institution's and partner institution(s)'s accounts must be audited by an external auditor as per audit instruction presented in Appendix 7. The accounts must be accompanied by a statement of endorsement declaring that the audit has been carried out in accordance with the conditions presented in Appendix 7, and good public sector auditing practice. Any reservations must be included in the statement of endorsement.

#### **13.1.2 Final accounts and audit**

*The deadline for submission of the final audited set of project accounts is six months after the DFC approved completion date of the project.*

Any deviations on individual budget lines exceeding 10% between the total approved budget and the final accounts must be explained, and the approval by DFC must be quoted.

### **Danish institutions where the audit responsibility rests with the National Audit Office of Denmark**

The following is agreed with the National Audit Office of Denmark:

- 1a) For the Danish Responsible Institution for which the actual audit is carried out by the National Audit Office, the full set of final accounts must be signed by the Project Coordinator and endorsed by an employee duly authorised by the head of the Responsible Institution. In addition, the Responsible

Institution shall sign a Management Endorsement (refer to Appendix 6), which must include confirmation of receipt of the partner institutions' audited accounts, and that the auditor's endorsement is without qualifications.

- 1b) For the Danish Responsible Institution for which the actual audit is carried out by an external auditor designated to do so by the National Audit Office the full set of final accounts must be audited by an external auditor as per audit instruction, Appendix 7. The accounts must be accompanied by a statement of endorsement declaring that the audit has been carried out in accordance with the conditions presented in Appendix 7, as well as good public sector auditing practice. Any reservations must be included in the statement of endorsement.
- 2) For the partner institutions, the final accounts and audit must follow the regulations described in Section 13.1.1 Annual accounts and audit.

### **Other Danish institutions**

The final accounts and audit must follow the regulations described in Section 13.1.1 Annual accounts and audit.

### **13.2 SDDR Projects**

It is the responsibility of the South institution to ensure that adequate accounts are kept of the awarded research funds. Care must be taken to ensure that the adequate financial procedures are in place with proper internal control, and in accordance with good bookkeeping and accounting practice. The South institution must keep the accounting records and materials in accordance with country regulations, and keep them for a period of 5 years after the completion of the project activity.

An *accounting manual* must be prepared at project initiation as an integral part of the process of establishing the accounts Section and setting up the accounting system. A template accounting manual is available to the projects as Appendix 11 to these conditions. The manual must be approved by the external auditor of the project and submitted to DFC as early as possible after project initiation and at the latest before the second disbursement to the project. The manual must be updated yearly based on recommendations from the annual audit.

It is the responsibility of the Project Coordinator to ensure that sub-statements – annual financial statements as well as final financial statements – from the partner institutions comply with the requirements for financial statements and auditing set out in this Section, and to obtain the same sub-statements from all partner institutions, so that the Project Coordinator has the basis for drawing up and submitting financial statements covering the entire grant. In the event of misuse of funds, any loss must be borne by the Responsible Institution.

The audit process tests whether the project accounts in all essence have been drawn up in accordance with these guidelines and the Danida rules for presentation of accounts and whether the transactions and use of the funds covered in the project accounts are in accordance with the grant framework, legislation and other regulations as well as concluded agreements and standard.

#### **13.2.1 Annual accounts and audit**

The fiscal year is January 1 – December 31.

***The deadline for submission of the annual accounts is April 1.***

The annual accounts must be submitted electronically to DFC including:

1. Joint/combined annual accounts (covering the Responsible Institution and Danish partners' part of the budget) signed by the Project Coordinator.
2. Annual accounts of the Responsible Institution covering the Responsible Institution's part of the budget signed by the Project Coordinator and the Responsible Institution's relevant accounting officer. With his/her signature, the accounting officer endorses that the annual accounts are true and accurate, that the total amount transferred by DFC is entered as income, that expenses are distributed according to entries in the approved budget and with the same level of detail, and in compliance with the conditions presented here. In addition, the two signatures constitute the confirmation by the Responsible Institution that the grant has been used in accordance with the grant framework and agreement.

The annual accounts of the Responsible Institution must be audited by an external auditor. The accounts must be accompanied by a statement of endorsement declaring that the audit has been carried out in accordance with the conditions presented here (refer to Appendix 7) as well as good public sector auditing practice. Any reservations must be included in the statement of endorsement. In addition, an assessment is made of whether due financial consideration is shown in respect to the administration of the grant.

3. Annual accounts of the Danish partner covering the Danish partner's part of the budget signed by the Danish main researcher and the Danish institution's relevant accounting officer. With his/her signature, the accounting officer endorses that the annual accounts are true and accurate, that the total amount transferred by DFC is entered as income and that expenses are distributed according to entries in the approved budget and with the same level of detail.

The annual accounts of the Danish partner must be accompanied by either

- a. an endorsement by an employee duly authorised by the head of the Danish institution, if the responsibility for the audit rests with the National Audit Office of Denmark (refer to Appendix 4); or
- b. an auditor statement as per audit instruction Appendix 7, if the responsibility for the audit does not rest with the National Audit Office of Denmark.

When presenting accounts, the accounts form in Appendix 3 must be used. The accounts must contain a report on the amount of unused funds at the end of the year. Any interest earned must be declared separately, as interest must be returned to DFC at the end of the project.

It is the responsibility of the Responsible Institution to ensure that all accounts and the auditor statement are submitted in due time.

### **13.2.2 Final accounts and audit**

*The deadline for submission of the final audited set of project accounts (including all project partners' accounts) is six months after the DFC approved completion date of the project.*

The full set of final accounts must be audited by an independent certified accountant and, as agreed upon with the National Audit Office of Denmark, include the Danish partner institution's accounts as follows:

1. with the responsibility resting with the National Audit Office of Denmark, and the actual audit is carried out by the National Audit Office, the final accounts must be signed by the Danish Main Researcher (Coordinator on the Danish side) and endorsed by an employee duly authorised by the head of the Danish partner institution.

2. with the responsibility resting with the National Audit Office of Denmark and the actual audit carried out by an external auditor designated to do so by the National Audit Office, the final accounts must be audited by an external auditor as per audit instruction, Appendix 7.
3. the final accounts must be audited by an external auditor as per audit instruction, Appendix 7, if the responsibility for the audit does not rests with the National Audit Office of Denmark.

The final accounts and audit must follow the regulations described in Section 13.2.1 Annual accounts and audit.

Any deviations on individual items exceeding 10% between the total approved budget and the final accounts must be explained, and the approval by DFC must be quoted.

#### **14. Dissemination**

It is the wish of the Ministry of Foreign Affairs that the funded research should be readily accessible to the public. At all public communication with regard to the grant and all contact with the press, the Project Coordinator shall state clearly that the grant is awarded by the Danish Ministry of Foreign Affairs.

It is a key objective of the Strategic Framework for Danish Support to Development Research that the supported research is useful, accessible, actively disseminated, and communicated in appropriate forms to the various stakeholders, in a way that enables potential users to engage and make use of the research information, thus informing both development agendas and practical solutions in the countries involved. This includes the need for research results to be published in formats which are accessible to non-experts and may be appropriate for decision. Publication of research results in open access journals is encouraged. Policy Briefs with key recommendations to policy makers and other stakeholders must be produced as part of the Completion Report.

It must be stated in the reporting how the dissemination is/has been carried out. The annual reports must include link to the website of the project, which all projects must set-up. The project website must as a minimum include the basic project information as given in the application, updated descriptions of the achievements of the project and links to publications and other public presentations of the project results produced, proceedings of meetings, etc. The Responsible Institution must, as far as possible, ensure that access to the project website is available up to five years after the completion of the project. The completion reporting must include a publication and dissemination list with the available links.

Information about the grant, project, Project Coordinator and the involved institutions will be published in the Danida Research Portal (<http://drp.dfcentre.com/>), subject to the rules in the Danish Act on Processing of Personal Data (Act No 429 of 31 May 2000). Annual updates will be carried out by including the summaries stated in the annual reports.

#### **15. DFC's Supervision**

The Ministry of Foreign Affairs, DFC, the National Audit Office of Denmark (Rigsrevisionen), and the Public Accounts Committee (Statsrevisorerne) have the right at any time to request all relevant information from the project. The project staff must provide assistance and full access to the project inspection, document review, accounts analysis, equipment inspection, etc.



Throughout the project period, as well as the 5-year archiving period, DFC and their accountant must have the access to carry out investigations of the material serving as the basis for the grant accounts, as and when DFC deems it necessary.

In addition, the supervision can, by agreement with the institutions, include several other measures on the part of DFC in order to ensure insight and follow up of the organisation's administration of the grant. These measures can be as follows:

- Visits to the South/Danish Responsible Institution's administration with a view to inspecting the finance function's and the project management's procedures as well as the projects' procedures and organisational aspects.
- Spot-check inspections of the projects' activities in the form of visits from DFC Research Unit.
- Joint meetings for the Project Coordinator and their institution.
- Implementation of reviews and evaluations of the research activities receiving support. Likewise, independent reviews of the projects may be implemented geographically or according to topic.

## **16. Rights**

The Ministry of Foreign Affairs retains the right to use reports and forwarded research results free of charge without offering further remuneration to the authors other than already allocated via the research grant.

Should the grant recipient's utilization of patent rights, sale of know-how and their own production generate income, the Ministry of Foreign Affairs will not demand repayment of the grant, neither in part nor in full.

The Danish Act on Processing of Personal Data (Act No. 429 of 31 May 2000) gives you a number of rights when information is processed electronically, such as the right upon request to access and, if relevant, to correct information that is processed electronically.