

	Budget Line	Definition and detailed information
1	Experts	
1.1	International personnel	International personnel assigned to the Project/Contribution: Salary incl. all relevant components like fixed salary, variable remuneration, social security, living abroad allowance, non-recurring costs at the end of staff assignment such as compensation payments and other personnel-related costs (e.g. rent, school fees for children, home leave allowance).
1.2	National personnel	National personnel assigned to the Project/Contribution: Salary incl. all relevant components like fixed salary, variable remuneration, social security, non-recurring costs at the end of staff assignment and other personnel-related costs.
1.3	Project personnel in Germany	Personnel assigned to the Project/Contribution in Germany: Salary incl. all relevant components like fixed salary, variable remuneration, social security and other personnel-related costs.
1.4	Integrated experts	Integrated experts are integrated in the local labor market by placing them at local employers. GIZ grants a contribution to their salary on the basis of a local employment contract. The grant includes a basic salary top-up, amounts for social security, living abroad allowance and other personnel-related costs.
1.5	Returned experts	Returning experts receive grants from German public funds when returning from transition, newly industrializing and developing countries. Returned experts have completed a study or work experience in Germany and go back to a transformation or developmental country of origin and have an employment contract with a public or private employment agency in the partner country. GIZ subsidises the local employment services in the partner country on the basis of a private-law grant agreement.
1.6	Internal technical/ admin. services in a GIZ Head office	Personnel from HQ providing technical and methodological advisory services as well as other administrative project support, such as bookkeeping, HR, procurement, travel management, other administrative project support such as sub-contracting. These services are logged in with time sheets and billed to projects in accordance with the causality principle based on German price law.
1.7	Internal technical/ admin. services in a GIZ Country office	Personnel from country offices working mainly on bookkeeping, HR, procurement and travel management as well as other administrative project support. These services are logged in with time sheets and billed to projects in accordance with the causality principle based on German price law.
1.8	Consulting contracts (incl. travel costs)	International, regional and local consultants and consultancy firms for all measures related to the Project/Contribution (including translation, interpretation services and other services). Audit costs for financing agreements may be included.
1.9	Travel costs	Travel costs for all experts (except 1.8 Consulting contracts) assigned to the Project/Contribution including flight tickets, transportation costs, accommodation and subsistence allowance pursuant to the German regulations on wage tax as published by the German Federal Ministry of Finance. Travel costs for participants of training measures. Costs for workshops and seminars organized by GIZ including costs for catering and venue.
1.10	Development workers	Development workers are seconded on the basis of the German Development Workers' Act (Entwicklungshelfer-Gesetz, EhfG) and receive the maintenance allowances and benefit in kind specified in their contract of service incl. social security, external qualification measures, non-recurring costs at the beginning and end of staff assignment, and other personnel-related costs (e.g. rent, school fees for children).
2	Procurement	
2.1	Procurement of goods and equipment	International and local procurement of activity-related goods and equipment (incl. vehicles and fuel) as well as office, IT equipment and consumables, and office equipment, printing, procurement for beneficiaries/implementing partners. There are also transport costs, insurances and field installation. Training and workshop materials; access to databases & journals are included.
2.2	Construction contracts and procurement of construction materials	International and local procurement of construction material, procurement of goods for constructions and construction contracts (new construction, reconstruction, renovation, civil engineering, coordination of construction works)
3	Financing	
3.1	Grants to partners	Contracts with government authorities, political partners and ministries, also including payments e.g., trust funds or basket financing that are located with and processed by the partner.
3.2	Local subsidies	Grants to local organisations that do not yet have sufficient technical, commercial or administrative capacity. Financial processing is carried out by the GIZ Country Office.
3.3	Grants to other donors	Grants to other donors, e.g., under country or sector programmes payments in trust funds or basket financing managed by another donor.
3.4	Grants and subsidies (German and international)	Grants to German/ European and international organisations/ institutions
3.5	Scholarship	A monthly scholarship is provided to participants for the duration of their training course.
4	Other Direct Costs	
4.1	Costs at the Academy for International Cooperation (AIZ)	Costs for internal experts that participate in trainings at the AIZ (Akademie für internationale Zusammenarbeit), e.g. course fees, training rooms, technical equipment necessary for the training, catering and accommodation provided by AIZ.
4.2	Apportionments and allocations Head office	Project office costs for project personnel working at the Headquarters in Germany, like costs of premises, facility services, printing and telecommunication. Costs for medical services (vaccinations, check-up, medical treatment) of international personnel assigned to the Project/Contribution. Costs for IT-Licences and sector networks
4.3	Operating costs in country of assignment	Project office costs such as rent, electricity, water, telecommunication, Internet, maintenance, vehicle repairs, vehicle maintenance, etc. Compensation payments for national personnel assigned to the Project/Contribution, costs for HIV/AIDS policy, social health protection, and other shared costs (e.g. conferences, sector coordination). Security and Risk Management System Costs ensure the security of GIZ's international and national personnel
4.4	Preliminary costs for proposal preparation	Costs for the preparation of offers (e.g. personnel costs, external experts, workshops and related costs)
4.5	Other expenses and revenues	Other costs such as vehicle insurance, vehicle tax, business events, costs of payment transactions.
5	Total Direct Costs	
6	Indirect Costs (Overheads and risk mark up)	<p>The overheads are used to charge all general, administrative activities for the implementation to the projects that have not already been allocated via time sheets, apportionment/allocation or the other three overhead rates. This includes services such as human resources/ payroll of Head Office employees, procurement of services (consulting contracts if applicable with tender), accounting, payments, incoming invoice verification, final accounts, controlling, audit, facility services, office costs, IT, legal affairs and insurance, public relations work, Management Board, pension provisions, staff council, childcare centre, etc</p> <p>*Legislation stipulates that a price-based risk markup must be calculated in order to cover entrepreneurial risks. In contrast to private sector companies, a surplus in the annual financial statements is not distributed to the shareholder (German Federal Government). In accordance with the Articles of Association, it is used for purposes such as GIZ-financed projects in development cooperation/ selfinitiated measures.</p>
7	German VAT	VAT due in Germany stem from projects without an executing agency in another country and/ or financings (line 3): While financing amounts are treated as so-called transitory items and are not subject to VAT, all ancillary services (that are necessary for the preparation, implementation and follow-up of the financing, like time sheets of GIZ-country offices, head quarter) as well as the corresponding overheads and the risk markup (14) are subject to VAT due in Germany.