

Temporary Adjustments to the Administrative Guidelines for grants for Civil Society Organisations that qualify as Strategic Partners in response to the COVID-19 crisis

In light of the global COVID-19 crisis, the Danish Ministry of Foreign Affairs (MFA) is introducing a number of temporary adjustments to the Administrative Guidelines for grants for Civil Society Organisations that qualify as Strategic Partners with the aim of providing the strategic partner organisations with increased flexibility. The temporary adjustments will be applicable throughout 2020 and also apply to the subsequently reporting regarding 2020.

The guiding principles behind these adjustments have been developed on the basis of dialogue with the strategic partners. They are based on the overall assessment that due to COVID-19 many planned activities cannot be implemented as originally planned, whereby the organisations might have difficulties realising planned activities, spending their grants and reaching the agreed results. There are, however, opportunities and a wish to redirect funds towards COVID-19 responses. This calls for a temporary increase in flexibility in the management of the grants.

The following temporary principles can be followed, if the organisations find it relevant to adjust their programmes in light of the COVID-19 crisis. If not, the general flexibility in administrative guidelines will continue to apply.

Redirection of funds towards COVID-19 responses and activities

All funds granted to the strengthening of civil society (lot CIV), labour markets (lot LAB) and humanitarian activities (lot HUM) can be used for COVID-19 responses.

For partners with both lot CIV and lot HUM, it continues to apply that is not possible to reallocate funds between lots, but funds under each lot can be used as COVID-19 response.

COVID-19 responses are defined as activities that may range across the humanitarian-development nexus and are directly aimed at preventing, alleviating, informing about or in other ways responding to the short term consequences of COVID-19 in the countries where the organisations are working. COVID-19 responses must have clear objectives and a results framework based on adaptive and flexible principles.

Reallocations

According to the existing guidelines, reallocations between country/regional and thematic areas are permissible up to a limit of 30 pct. of the debited or credited main budget lines. Reallocations above 30 pct. must be approved by the MFA upon request. This rule continuously applies.

It is expected that the strategic partners, if capacity allow, make use of their flexible funds (lot HUM) and unallocated funds (lot CIV and lot LAB) for COVID-19 responses.

Reporting

If the organisation decides to redirect funds to COVID-19 responses, the following reporting requirements will apply:

- A budget covering exclusively COVID-19 response for the second quarter of 2020 must be submitted to the desk officer for approval along with a very brief budgetary note summarising the rationale for changes. Budget template will be shared by MFA.
- Organisations will submit a simple result framework covering the COVID-19 response which can be added to the overall result framework for annual reporting purposes.
- By 1 July, the organisation must submit an updated 2020-budget covering all activities including COVID-19 responses for approval along with a brief budgetary note outlining significant changes in allocation as compared to the most recently approved budget.
- The desk officer may request a budget for the consecutive quarter covering COVID-19 responses.
- By 31 July, the organisation must submit a financial and short narrative report (one page only) covering the COVID-19 response during the second quarter. Reporting formats will be shared by MFA.
- The desk officer might request financial and narrative reports covering subsequent quarters.

Deadline for annual reporting

If the organisation faces difficulties meeting the annual reporting deadlines due to the COVID-19 crisis, a request may be made to the desk officer for a new deadline.

Transfer of unspent funds to the following year

According to the guidelines, unspent funds corresponding to a maximum of 15 pct. of the total partnership commitment for a given year can be carried forward to the following year without prior approval. If the organisation due to the effects of COVID-19, expects their unspent funds to exceed 15 pct. of the total commitment, they should enter into a dialogue with the MFA desk officer in Q3 about the transfer of a higher amount of unspent funds to the following year.

Own-financing

The Danish Finance Act and existing administrative guidelines will continue to apply on own-financing where organisations receiving funds under lot CIV and lot LAB are expected to raise own-financing. A minimum 5 pct. of the MFA contribution must be raised by the organisation in Denmark as own-financing in the form of cash contributions or similar (collections, donations)

in order to ensure a strong public engagement. If the organisation expects difficulties in raising the 5 pct. for 2020 due to the effects of COVID-19, they should enter into a dialogue with the MFA desk officer about possible dispensation for 2020. This is subject to final approval by the parliament's Finance Committee.

Administrative costs

The existing administrative guidelines will continue to apply to administrative costs and maintain a level of 7%.

Programme staff

In order to protect programme activities and ensure that organisations are able to restart activities with no delay, the MFA will accept a flexible approach to time registration for a limited period for project staff in Denmark and in the South. This means, that in the event the project staff are not able to work due to lockdowns and curfew caused by COVID-19 and where it is only possible to carry out a minimum of activities - or none - the most necessary operating costs (including salaries) can be incurred. The hours "not dedicated to specific activities" must still be time registered separately and can be done so in the period from 1 March 2020 to 1 September 2020. Organisations are encouraged to utilise remaining leave days or similar in this period. The situation will be closely monitored in dialogue between partners and the MFA, and adjustments to this will be communicated. Organisations utilizing this option are requested to provide the MFA with a status report by 1 May 2020.