Budget Guidelines NORHED II

These budget guidelines are in support of the NORHED II call for applications and seeks to assist the applicant in the budgeting process by outlining budget frames and regulations. During the process of developing these budget guidelines Norad has taken into consideration important feedback from partner institutions from the first phase of NORHED. This includes better cost recovery for time spent by academic staff involved in various project activities and more hours allowed for supervision.

The NORHED project period is either three (2021-2023) or six years (2021-2026), with a tentative budget frame of 10-20 million NOK. An overall financial plan for the project must be included in the application form (Grants Portal). In addition, a detailed budget with a breakdown for all partner institutions involved in the project must be uploaded as a separate budget attachment. The application will not be considered if this is not included.

A template for the budget breakdown is available both in the Grants Portal and on the NORHED website. The budget template specifies the level of financial details required for NORHED project proposals. The budget shall include a breakdown for each project partner, as well as the total budget for the project, for the entire implementation period. The budget is specified for the first three years, while the last three years are accumulated (relevant for six years projects only). For the last three years, detailed annual budgets will be required for approval ahead of the financial year in question.

Financial Year (FY) for all projects shall follow the FY of the Norwegian applicant institution (1 January till 31 December), that will become the agreement partner (Grant Recipient) once the project is awarded support.

NORHED key budget categories are 1) Salary and Personnel costs, 2) External consultants, 3) Travel costs, 4) Investments, and 5) Other costs. The budget lines within each category are numbered for easy reference. It is important that the applicant fills in quantity and unit price (hours/day/week/month), as well as number of students/faculty, number of courses/participants, etc. as relevant. Norad acknowledge that these units might change during implementation, hence being tentative. It is, however, important that the plan is as realistic as possible.

Indirect costs are included in the lump sum for salary compensation. Overhead will not be added to the total budget as this is not permitted according to the Norwegian budgetary regulations for development assistance to governmental institutions. The same principle will apply to all partners, regardless of whether they are private or public institutions. See section 1 below for more details.

The total budget will be assessed in relation to relevance and realism, including effectiveness and appropriate resource-allocation for planned activities, as outlined in the Evaluation Grid.
The total budget shall be in NOK. The underlying partner budgets should be in either functional currency or transfer currency and be converted to NOK. The risk of inflation and currency fluctuations is an integral part of any project involving partners in more than one country. Normally, the currency fluctuations will level out during the project period.

1. Salary and Personnel Costs

Salary expenses for employees involved in the project can be compensated up to a total of one-year lump sum per year each for the Grant Recipient and a main partner institution in a South-based partner country, if relevant. For other partner institutions (South or North), salary compensation can be included for up to a total of 6 months lump sum per year. We want to underline that this distribution is depending on the role and responsibilities of each partner in the project. The compensation must include all salary expenses related to both academic and administrative staff, for activities such as curriculum development, teaching, research participation, supervision, participation in annual meetings, workshops, courses and conferences, dissemination activities etc., as well as administration related to coordination, accounting and reporting performed by the partner institution’s employees, specifically for the project.

The distribution for staff compensation may differ from one project to another, depending on the objectives of the projects, and must therefore be determined by the partner institution in question, in accordance with limitations as described below. Furthermore, there might be a need for e.g. more teaching and supervision at the beginning of a project and more time for research at a later stage. Hence, the compensation for staff may be less than one year/6 months in one year and higher another year, while the total must not exceed maximum compensation for the entire project period.

The lump sum for one annual full-time equivalent position at Norwegian institutions shall follow the compensation in accordance with the Norwegian Research Council’s regulations for one-year salary for scientific personnel in the university sector (for 2021 NOK 1 156 000\(^1\)). This includes all costs for salary, social costs, indirect costs and general running costs.

The lump sum for one annual full-time equivalent position at South-based partner institutions shall be calculated in accordance with the institutional salary compensation scale at Assistant Professor level with an additional 45 % to cover social costs, indirect costs and general running costs at the institution.

The salary budget should consider annual salary increase/adjustments.

Projects should indicate units and unit costs for each budget line. When calculating the units, the total annual lump sum compensation can be divided into 12 months or 1628 working hours (ref. the Norwegian Research Council).

\(^1\) [https://www.forskningsradet.no/sok-om-finansiering/budsjett/budsjettet-skal-innehold/satser-for-forskertid-i-uh-sektoren/](https://www.forskningsradet.no/sok-om-finansiering/budsjett/budsjettet-skal-innehold/satser-for-forskertid-i-uh-sektoren/)
The compensation for salaries shall be disbursed to the relevant institution, not to the individuals. Any additional expenses for staff at the Grant Recipient or partner institutions will be considered as a contribution by that institution and to be covered by other/own funding.

Scholarships/fellowships are not considered salary compensation and thereby not included in the lump sum, but under 1.3 Scholarships/Fellowships below.

1.1 Faculty compensation

1.1.1 Curricula development/ teaching/ project meetings:
Salary compensation for curricula development (including new modules, MOOCS etc.), teaching and examination can be compensated, but not when these activities take place at home institution. As interdisciplinary activities are encouraged, compensation for academic staff from other units (faculties or institutes) at home institutions could be permitted when such activities are not covered by the other unit. This does not apply to the Norwegian institutions.

1.1.2 - 1.1.3 Supervision:
Compensation for supervision of PhD candidates/ Master students that are receiving a full fellowship/scholarship can be supported when the candidates/students take their degree at another partner institution. Total hours shall not exceed 300 hrs supervision per PhD candidate or a total of 60 hrs supervision per Master student. If the candidate/student has supervisors from several institutions, the total supervision hrs should be shared between institutions as appropriate. Compensation for supervision of candidates/students at own institution cannot be supported.

1.1.4 Research time/ field work/ writing:
Salary compensation can be given for time a scientific faculty spends leading a research project, joint research (including field work, data collection, analysing, writing up an article, etc), presenting findings at a conference or other dissemination activities.

1.1.5 Other, if relevant:
Other salary compensation, e.g. for technical staff, lab assistant, librarian etc., can be compensated when the work is directly linked to the project.

1.2 Administration
Administrative work including project coordination, accounting, reporting, procurement, logistics etc. can be compensated with up to three months’ work for the Grant Recipient and from one to three months’ work per project partner, depending on roles and responsibilities in the project. In addition, Norad will compensate for human resource needs at Grant Recipient institution in order to manage the consolidated agreement with Norad. Such compensation will be negotiated between Norad and the Grant Recipient following awards of projects and determined depending on total Grant Recipient NORHED project portfolio, in an additional budget allocation.
1.3 Scholarships/Fellowships

1.3.1-1.3.3 Master scholarships/PhD and Post doc fellowships:
Full scholarships for Master and PhD studies can be supported and may include tuition fees and living expenses during the study period. Priority for full scholarship/fellowship for Master students and PhD/Post doc candidates will be given to employees at South-based partner institutions as a means to strengthen the institutional teaching and research capacity. It is expected that these students/candidates will enter into a bonding contract with their home institutions for continued services for at least two years upon completion of studies. Home institutions are encouraged to provide at least 50% reduction of regular working time for their staff undertaking PhD/Master degrees in order to enable them to prioritise studies and complete within normative time.

In addition, students representing underrepresented and marginalised groups (e.g. students with disabilities, financially challenged students, students from ethnic minority groups, internally displaced or refugees etc.), can be supported with full scholarship (up to 30% of entire cohorts). This could also include support to ensure gender balance.

Preference for full scholarship/fellowship is given to studies and research in the home country, but support can also be provided for studies at partner institution. Scholarships for full degrees in Norway or other relevant countries can only be supported when the degree programme/courses are not available in the home country.

For students/candidates taking the degree in the South, the scholarship/fellowship shall follow the South institution’s regulations and rates.

Short term mobility of student/candidates to another partner institution is encouraged. The maximum mobility stay for Master students is 6 months and for PhD/Post doc candidates 12 months.

For students/candidates undertaking full degrees in Norway or mobility/exchange visits exceeding four weeks for specific courses or as part of their research projects at a Norwegian partner institution, the Norwegian State Education Loan Fund’s (Statens lånekasse for utdanning) rates shall be used for Master students (approx. NOK 11 000/month) and the Norwegian Research Council’s rates for PhD/Post doc fellows’ research stays abroad (approx. NOK 19 000/month). For stays shorter than four weeks, compensation should be given as described under 3. Travels below.

Post doc fellows’ salary can be compensated fully at home institution in South-based partner country for up to 2 years.

PhD/Post doc candidates staying at other South-based institutions for more than four weeks can receive salary level compensation for equivalent position at hosting institution. This funding shall then replace the regular fellowship at home institution for the time in question.

Recipients of full scholarships/fellowships can be granted paid maternity leave of a minimum of three months, or in accordance with local regulations. Such costs can be covered through budget line 5.3 Gender mainstreaming initiatives.
For small/partial scholarships/grants, see 5.3 and 5.4 below.

1.3.4 Other, if relevant:
Limited scholarships/financial support can be provided for public sector employees to cover concrete expenses, e.g. course fees, mobility visits, small research grants, participation in conferences etc. to strengthen the collaboration between academia and public sector. Such costs can be covered under budget category 3. Travel Costs, as outlined below.

NORHED does not cover any expenses related to accompanying family members.

Additional cost for travel, fieldwork, research work, conference participation, publications etc. will be covered by other budget lines as described below.

2. External consultants

2.1. External consultants/experts
Procurement of external consultants and expertise shall be performed in accordance with the agreement. Any other ways of procuring goods or services must be justified.

Any external consultation important to reach the project objectives or to build capacity at the South-based partner institution, e.g. to provide teaching/training in special areas where the partners do not have sufficient competency and/or consultancy to perform external reviews etc. can be included in the budget.

If local/regional consultancy is found more relevant and/or cost effective than procuring consultancy from international experts, this will be encouraged. This could also apply to capacity building within administration systems or infrastructure at the South-based partner institution.

If services are needed over a longer period, it may be more practical and cost-efficient to enter into framework agreements.

2.2. Audit
Annual external audit costs must be included for all South-based partners. This could be performed by separate partner audits or one joint audit for all South partners in the project. Alternatively, a joint audit for several projects at the same institution could be done. It is recommended to enter into multi-annual contracts with the auditors (up to three years).

Norwegian partner institutions are exempt from external auditing as they are audited by the Norwegian Auditor General. However, the Grant Recipient will be responsible to ensure that annual audits of South-based partner institutions are timely performed according to requirements set in the agreement.

3. Travel costs
National and international travels related to project implementation can be covered. All travel costs including tickets, local travel (e.g. fuel/driver), visa fees, travel insurance,
accommodation and per diem shall be included here. This could also include registration and course fees when activities are taking place at a different institution than home institution in connection to short term stay.

Expenses for visits to Norway will be covered according to the Norwegian state travel regulations with regards to per diem (Statens Reiseregulativ). For stays in Norway, subtraction from per diem for free meals shall be as follows: 20% for breakfast, 30% for lunch, 50% for dinner. Accommodation will be covered based on hotel invoices.

Expenses for visits to other countries than Norway are based on the home country or home institution’s regulations for per diem and accommodation. However, if any country has compensation for per-diem and accommodation that exceeds the Norwegian regulations, the Norwegian rates shall be applied.

Local/domestic travels shall follow the home institution’s regulations for per-diem and accommodation. In cases where the national rates are so low that descent accommodation is not possible, expenses for meals and accommodation can be covered upon invoices from the hotel and restaurant. Per diem will then be deducted accordingly.

If project activities are organized at home institution, travel cost and per-diem are not covered.

Economy tickets are standard on all travel. It is further encouraged to combine travels for several activities back to back when possible, for cost efficiency and to limit Co2 emissions.

3.1-3.2 Travels related to curricula development, teaching/meetings/supervision and field work including supplies:
All field work expenses related to research projects, either by Master, PhD, Post doc candidates or faculties participating in research, can be compensated here. This includes supplies related to the research. Please specify in budget comments.

Time spent by staff at partner institutions on travel related activities should be part of the lump sum compensation under section 1 above. No sitting allowance is accepted.

3.3 Staff and student mobility including internship:
Staff and students at partner institutions in the South, as well as public sector employees, can be supported for participating in short term training, courses, summer schools, etc. within specific project thematic related areas and for institutional capacity building as well as for strengthening collaboration between academia and public sector.

Internships in public or private sector can be supported as a means to strengthen employability of students.

Master students can be supported with a max mobility stay of 6 months, and PhD and Post doc candidates can be supported with a max mobility stay of total 12 months.
Additional small financial start up grants can be provided for students undertaking longer stays away from home, in order to accommodate for additional expenses such as warm clothes and home supplies while in Norway, etc.

3.4 Workshops and conferences:
All costs related to participation in workshops and conferences can be supported if this is highly relevant to studies, supervision or research within the project. For participation at international conferences, the participant should be accepted for a presentation in order to receive support.

3.5 Other, if relevant:
Please specify.

4. Investments

Investment in infrastructure and equipment can only be covered for partner institutions in the South. The equipment becomes the property of the specific partner institution when the project is completed. Procurement shall be performed in accordance with the agreement.

For investments, a detailed budget shall be provided specifying the various components.

4.1 Infrastructure:
Small rehabilitation/construction works and furniture at partner institutions in the South can be supported in order to increase quality of teaching and research activities. Small scale rehabilitation and infrastructure which facilitates access for all students, including students with disabilities is encouraged.
New buildings will not be funded.

4.2 Scientific equipment and related supplies:
Scientific equipment, educational tools, books, electronic literature and electronic equipment, laboratory equipment and related supplies and consumables can be supported. Further, necessary information technology covering software and hardware for institutional development can also be supported. This includes ICT for financial and administrative purposes at the institution.

4.3 Installation, maintenance and insurance of equipment:
Availability of spare parts, maintenance and technical assistance must be considered when planning for procurements. Contracts for installation of equipment, training of technical personnel, maintenance of equipment and insurance could be included in the budget. It is recommended to enter into multiple years’ contracts, if relevant.

4.4 Other, if relevant:
Please specify.

5. Other costs

This should include all other costs related to project implementation, and could include:
5.1 Publications:
All costs related to publication, e.g. translation, editing, printing, open access fees etc. (including Master and PhD thesis), can be covered. Please specify in budget comments.

5.2 Dissemination:
Dissemination activities including policy briefs, guidelines, manuals, seminars, conferences, public meetings, media coverage etc. can be covered (except what is covered under staff compensation and travel costs). Please specify in budget comments.

5.3 Gender mainstreaming initiatives:
Any initiatives that will ensure equal opportunities for higher education, research, professional development and leadership can be supported. This could include, but is not limited to:
- Compensation for maternity leave for those receiving full scholarships and fellowships.
- Small grants provided to cover personal expenses like hygiene articles, local transport, stationaries, clothes etc. to ensure that female students in need can attend and complete the studies at graduate/post graduate level within project thematic areas and in countries where women’s underrepresentation is clear.
- Leadership training
- Mentoring groups
- Networks
- Security precautions at campus and/or at student hostels
- Courses on gender issues thematically related to project description
- Development of policies and guidelines at university or workplace (e.g. sexual harassment, enrolment and employment guidelines etc.)

5.4 Special initiatives to ensure inclusion:
Initiatives that will ensure equal opportunities for higher education, research, professional development and leadership for underrepresented or disadvantaged students are encouraged. This could include, but is not limited to:
- Small grants to cover personal expenses enabling disadvantaged students/students with disabilities to attend and complete studies at graduate/post graduate level
- Personal assistance
- “Big brother/sister” arrangements
- Special interest groups at university
- Development of equity and inclusion policy guidelines at university

Specific infrastructure and equipment to facilitate students with disabilities should be budgeted under 4. Investments.

5.5 Other, if relevant:
To encourage research activities among the faculty population in general, small competitive faculty research grants can be funded to cover field work and publication costs and should in principle contribute into a larger study at institutional level. Working time spent for this will not be compensated.

If other, please specify.