



# The Danida Private Sector Development Programme

## Company Guidelines 2a

Project Preparation



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# Guidelines on the PSD Programme

This is the second publication in the series of company guidelines on the Danida Private Sector Development Programme (the PSD Programme). These guidelines contain an explanatory overview of the support possibilities under the project phase as well as instructions on how to draft a project application.

The series of company guidelines also includes:

- Company Guidelines 1: Outline of the Support Facilities  
Applications for Visits and Studies**
- Company Guidelines 2b: Applications for Support for Technical Assistance and Training**
- Company Guidelines 2c: Applications for Support for Environmental Measures**
- Company Guidelines: The Start-Up Facility**

*All guidelines including application and reimbursement forms are available in both Danish and English at the homepage of the PSD Programme:  
[www.ps-program.dk](http://www.ps-program.dk) /  
[www.psdprogramme.dk](http://www.psdprogramme.dk)*

In addition to the guidelines listed above, several reports about the establishment of business co-operation in specific countries and sectors are available. These reports can be downloaded or requested at the homepage of the PSD Programme.

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# 1 Introduction

## 1.1 Objective

The objective of the Danida Private Sector Development Programme (the PSD Programme) is to promote economic and social development in selected developing countries. Through advisory services and financial support the PSD Programme encourages Danish companies to establish long-term and mutually binding co-operation arrangements with local companies in these countries.

## 1.2 PSD Countries

The countries, in which the PSD Programme is available – the so-called PSD countries – include all the Danida programme co-operation countries in Africa, Asia and Latin America.

*The Business-to-Business (BtB) Programme* is a sister programme of the PSD Programme in South Africa. The BtB Programme has the same objectives as the PSD Programme, but only previously disadvantaged individuals/groups are eligible for support through the programme.

Please note that all requirements and regulations in this guideline apply to the BtB Programme. However, certain specific conditions also apply. Please contact the PSD Secretariat or the embassy in Pretoria for further information about these special conditions.

## 1.3 Elaboration of the Application

There are no requirements that applications for support through the PSD Programme are prepared in a specific way. Companies are therefore welcome to send an application in whichever form they find most appropriate. Applications must, however, include a number of specific elements, which can serve as a basis for a possible pledge of support.

These guidelines give instructions on how an application can be drafted and they have been prepared as a practical tool for companies wishing to apply for support under the project phase of the PSD Programme.

Along with these guidelines a number of appendices – checklists and forms – have been prepared that can be used in the process of drafting the project application in order to ensure that all relevant information is taken into account.

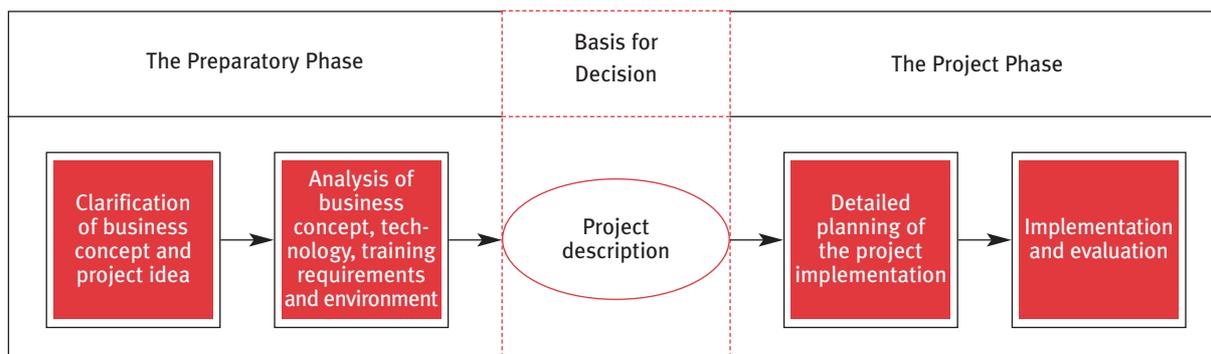
Checklist 1 presents a number of issues that should be included in the project description. Checklist 2 has been prepared with particular regard to the commercial aspects of the co-operation and can be utilised in connection with the implementation of feasibility studies and planning of PSD co-operation arrangements. The extent to which information in Checklist 2 should be included in the application depends upon the specific circumstances.

As a supplement to these guidelines, two more detailed guidelines have been prepared on the use of and requirements for technical assistance and training (2b) and environmental measures (2c). It is recommended to familiarise oneself with Company Guidelines 2b and 2c when reading this guideline.

For an overview of the Danida programme co-operation countries, please refer to [www.um.dk/danida/](http://www.um.dk/danida/)

## 1.4 The Different Phases of Co-operation

The process of establishing and implementing a PSD co-operation project often runs over a longer period and can normally be divided into two overall phases:



In the *preparatory phase*, initial contacts are created, the commercial basis is discussed and the need for various analyses is assessed and described. Subsequently, various analyses are conducted in order to assess the commercial basis, training requirements, adaptation of technology and the need for environmental measures. The results of the preparatory phase are collected and presented in a project description, which will form the basis for an assessment of the individual co-operation project carried out by Danida.

In the *project phase* – after support has been granted to a specific project – the final plan for the implementation of the co-operation is prepared. If detailed planning of for example specific training courses or environmental measures has not been carried out, this has to be one of the first activities to be carried out in the project phase. Subsequently, the different activities and results are evaluated.

Please refer to the more detailed description of the different phases of co-operation in Figure 1 in the appendices.

In the following the support possibilities under the different phases of the PSD Programme are presented. Subsequently, the requirements for the project description are presented, and guidelines are given on application, pledge of support and reporting. Finally, the rules for reimbursement and expenses eligible for support are described.

*Figure 1 in the appendices provides an illustration of the different phases of co-operation.*



Co-operation under the Start-up Facility has to be completed *within one year*. The co-operation can form the basis for the establishment of full-fledged PSD co-operation between the partner companies. Up to DKK 500,000 can be granted in support. The expenses eligible for support will be fully reimbursed.

Concerning atypical types of expenses not mentioned in the outline above, please refer to the embassy in the relevant PSD country as early as possible in the process in order to ascertain whether these costs will be covered or not.

In circumstances with a need for supplementary financing, it is important to coordinate the contact with the PSD Programme and other sources of finance in order for applications to be handled simultaneously in both systems.

Please note that the PSD Programme and the B-t-B Programme are implemented with the understanding that the support from the two programmes is a supplement to the partners' own contribution to the co-operation.

In the following the possibilities of support under the PSD Programme are presented:

*In the following the different types of expenses that are eligible for support under the project phase are presented.*

## **2.2 Technical Assistance and Training**

Technical assistance and training is often decisive for whether or not the partners can fulfil the commercial objectives of a project. Technical assistance and training should be perceived broadly and a holistic view of the various functions of the company should be adopted when contemplating the efforts to be made.

Technical assistance often implies that the Danish company posts one or more employees to the partner company for a longer or shorter period whereby they become involved in the daily operations of the company.

Training is generally perceived as a planned and structured process and should therefore be planned in more detail than technical assistance.

Company Guidelines 2b contain a detailed description of how training needs can be assessed and how a training plan might be structured.

*Technical assistance and training and environmental measures are covered with 90% within the overall guiding framework amount of DKK 5 mio.*

## **2.3 Environmental Measures (External and Working Environment)**

With the PSD Programme, Danida wishes to make its own contribution to improving working environment and environmental protection standards in the developing countries, and hence promote sustainable development. Companies therefore have the option of applying for subsidies for investments and training programmes aimed at improving the working environment and the external environment.

In connection with the implementation of PSD-supported projects, it is required that an assessment of the environmental record of the company is made. The assessment must identify any problems in relation to both the external environment and the working environment.

As a minimum, the PSD co-operation is required to comply with the laws and regulations in force in the PSD country. However, it may be appropriate or necessary to apply Danish/inter-

national standards as a starting point for the environmental initiatives to be carried out, e.g. if there are no local regulations or if they are not adequate for the situation at hand.

The assessment of the environmental record of the company should contain a description of:

- Existing environmental and working environment factors.
- What it will take to align present environmental and working environment conditions with national standards.
- Which additional measures that should be initiated in order for the co-operation to comply with Danish/international requirements on essential points. Where departures from these requirements in major areas can be anticipated, such departures (critical working environment/environmental parameters) must be identified and quantified.
- A detailed budget must be drawn up for the improvements planned.

Where no study containing this information is available, the application for the project phase must include a description of the working environment and of the effect of existing operations on the external environment, as well as the impact of the changes that will be carried out in connection with the co-operation.

The working environment and the impact on the external environment must also be described once the co-operation has been initiated. The company can make use of external consultants to draw up an environmental survey.

For further information on environmental measures, reference is made to Company Guidelines 2c.

## 2.4 Cost of Establishment

In relation to the establishment of a co-operation under the PSD Programme it is possible to receive support within a limit of DKK 100,000 to cover some of the costs a company typically will incur when establishing a co-operation. Below are examples of such costs, although the list is not exhaustive:

- Legal expenses, both in Denmark and the PSD country, for final approval of legally binding agreements, e.g. shareholder agreements, licence agreements, franchise agreements, supplier agreements etc.
- Costs and fees for local permits, e.g. transfers of capital, building permits, environment authorisations etc.
- Costs and fees of establishing and registering a new, joint limited company, e.g. assistance from an auditor.
- Costs for trial production and tests for product approvals, e.g. in line with international standards.

## 2.5 Export Promotion

The PSD Programme can – within the guiding framework amount of DKK 100,000 – support activities, which can promote sales of the products of the partner company in relevant export markets. Below are examples of the various activities that may be subsidised. The list is not exhaustive:

- Market surveys in relevant export markets.
- Assistance for developing and implementing a strategy for export marketing.
- Participation by the partner company in exhibitions and trade fairs in export countries to the extent that it has direct impact on the sales opportunities of the company.
- Preparation of presentation material, exhibition material etc. targeted at the export markets.
- Introduction of the partner company on the internet.

## 2.6 Adaptation of Technology

The PSD Programme does not support development of new technology. It is a precondition that the technology to be used already has proven its efficiency and viability.

However, in a number of projects the partners will find themselves in a situation where the technology possessed by the Danish company cannot be used in its current form in the PSD country. In these circumstances the PSD Programme offers support to companies for adapting the technology to the needs existing in the individual PSD country. Expenses for adaptation of technology are covered within the overall framework amount of DKK 100,000.

It is vital that the adaptation of technology involves modification of an existing product or process and that the product or process is essential in enabling the partners to achieve their commercial objectives. Demands for adaptation of technology may arise for various reasons, for example if:

- In their current design, the products of the Danish company are not suitable for sale in the local market because local conditions place different demands on the product.
- For financial reasons, it is most appropriate to apply a different production technology with more emphasis on, for example, manual routines.
- The production technology applied by the Danish company is not suitable for transfer, and it is necessary to adjust the concept if training is to be conducted successfully.
- Local raw materials are of a different character and it therefore is necessary to adapt the production process to compensate for this.

The fact that support is given for technology adaptation implies that it is not possible to utilise the facility to develop completely new products from scratch – even if such products are aimed at local markets in one or more PSD countries.

## 2.7 Introductory Cultural Workshop

In order to ensure a successful start-up of the co-operation and to overcome the difficulties, which might arise when co-operating across cultures, subsidies of up to DKK 100,000 can be used for an introductory cultural workshop during the initial phase of co-operation.

In a number of projects the partners will find themselves in a situation where they lack insight into each other's cultural background and national norms in relation to working conditions. The purpose of the introductory cultural seminar would be to deal with such cultural differences and thereby mitigating or preventing potential difficulties of co-operation. The workshop can be carried out with or without external assistance.

## 2.8 Fighting HIV/AIDS

HIV/AIDS is a grim reality that companies, working in developing countries, are being confronted with to a growing extent. Millions of people are infected and the epidemic is still spreading, in particular in Africa south of Sahara. As the working population is particularly affected, HIV/AIDS will increasingly have a negative effect on the economic development in those countries, which are most seriously affected.

The individual companies deal with the situation in different ways. However, more and more initiate HIV/AIDS-related activities or develop a proper AIDS-policy. In cases where any such policies or initiatives have not been developed, the Danish partner should assist in bringing

about the necessary changes. In that connection Danida may within a framework amount of DKK 100,000 support activities initiated by the partners that aim at informing about or preventing HIV/AIDS.

## **2.9 Promoting Workers' and Human Rights**

Observance of human rights, including workers' rights, contributes to promoting a stable development. For Danida this is an important consideration and human rights/workers' rights should be strengthened wherever needed when working in developing countries.

In addition, the co-operation must comply with the basic ILO conventions regarding workers' rights, which include provisions on the employment of pregnant women, night work, bans on child labour, free right of association, minimum wages and bans on discrimination.

The PSD Programme may grant up to DKK 100,000 for activities that develop, promote or improve workers' rights.

## **2.10 Measures for Equal Rights and Women's Living Conditions**

Equal opportunities for women and men and women's rights in general are often a neglected subject in developing countries. As part of its efforts to strengthen the democratic development in its partner countries, Danida endeavours in various ways to promote equal opportunities for women in the labour market.

Whenever the Danish company finds possibilities for promoting women's rights in co-operation with its local partner, the PSD Programme may support such activities within an amount of DKK 100,000.

## **2.11 Loans**

Through a local external financial co-operation partner/loan institution, the PSD Programme offers to grant traditional loans to the company co-operation to the extent that the partners cannot obtain local or international financing. Such loans cannot exceed DKK 2.5 million.

A loan will be given on the basis of a specific assessment of loan financing needs. The terms are also set based on a specific assessment and with reference to the conditions, which have been agreed on in the individual PSD country. Interest rates will most often be close to market rates. A loan can be granted in foreign currency, whereas repayments always will be in local currency to a local commercial bank.

As a starting point the loan agreement is entered into with the co-operating companies, for example in the form of a joint venture, as borrowers. Furthermore, as security a guarantee is taken in the equipment that is being financed. Based on a concrete assessment it can be decided that the partners, including the Danish company, have to assume joint responsibility for the repayment of the loan.

As a rule, loans will have the following repayment terms:

Investment	Term of loan	Grace period
Total plant	10 years	3 years
Machinery	5 years	1 year
Materials and imported raw materials	2 years	0 years

*The BtB Programme* for South Africa offers loans for company co-operation on the same terms as for the PSD Programme. In addition, a Venture Capital Fund has been set up under the BtB Programme, which can offer to invest subordinated loan capital in joint ventures established between Danish and South African partners.

The need and possibilities for access to loan facilities are different in individual PSD countries, and it is therefore advisable to contact the embassy as early as possible in order to learn more about the conditions prevailing in the PSD country concerned.

# 3 The Project Description

## 3.1 General Requirements for the Project Description

In order to achieve support for a PSD co-operation with a company in one of the PSD countries, a project description containing all relevant information regarding the co-operation must be drafted and submitted.

*PSD projects should contain a well-considered action plan with accompanying performance targets or success criteria for the project and its progress.*

An application for support during the project phase must contain an account of the results or partial results that the partners expect to achieve in the period during which the PSD Programme supports the co-operation. As the companies operate under free market conditions, Danida acknowledges that unforeseen barriers or possibilities can emerge, which might influence or alter the co-operation that was originally planned when drawing up the application for PSD support. In spite of this, commitments can only be made for projects containing a well-considered action plan with accompanying performance targets or success criteria for the project and its progress. In other words, support is conditional on the PSD Secretariat and local PSD coordinators being in a position to constantly monitor the utilisation of the funds and the results achieved.

This section offers instructions on how to structure a project description. Checklist 1 offers an overview of the aspects to be taken into consideration when drafting the project description.

If, however, it proves difficult to describe the project using the framework or methods suggested in these guidelines, they may alternatively be used as a starting point in order to ensure that all information relevant to the project has been included, including e.g.:

- The commercial basis of the project.
- The mode of co-operation between the partners.
- A plan for adaptation of technology, if needed.
- A plan for technical assistance and training.
- A plan for possible environmental measures.
- An account of the developmental aspects of the project.

## 3.2 The Commercial Basis

*The objective of the PSD Programme is to support the establishment of long-term, commercially viable business co-operation arrangements.*

The PSD Programme is based on the partners entering a commercially viable co-operation, which will continue after support from the PSD Programme ceases. Therefore, it is important that the project description gives an in-depth account of the commercial basis of the co-operation project.

The account can be designed as a final business plan, but may also be described in other ways, if this is more appropriate. Checklist 2 can be used to ensure that all areas of importance have been covered.

The account should also contain an assessment of the need for support to cover costs of establishment and export promotion activities.

### ***Objectives of the Project***

The objectives of the project must be specified in order to ensure that both co-operation partners have the same perception of the project. In this connection, priority should be given to:

- Defining the overall objective of the project for both the Danish and the local company.
- Defining the commercial goals, which should be possible to achieve within the first two to three years of co-operation.

### ***The Partners of the Co-operation***

The companies that enter into co-operation should be adequately described. The description should emphasise the expertise, both technical and financial, which is necessary for the partners to be able to successfully implement the project. In this connection, priority should be given to the following:

- The companies' knowledge of the market and experience within the area of business.
- The companies' knowledge and experience as regards the product and the production process within the area of business.
- The capability of the Danish company to transfer and supply both the technical, organisational and marketing expertise to the local partner.
- The local partner's ability to absorb and apply the knowledge and expertise transferred from the Danish company.

In addition to the areas mentioned above, the description should contain specific information about each of the partners. Form 6 can be used to describe the basic company data and should be included in the project description as an appendix together with presentation material, product descriptions etc.

If a company profile was prepared in relation to the initial partner identification, this may be enclosed instead of the above mentioned company data form.

### ***Business Idea and Foundation***

The partners must be able to substantiate that the project is built on a reasonable commercial basis. This implies that e.g. the following points should be discussed:

- The market for the products or services, which the partners will produce and sell.
- The prospects for a long-term trading relationship, if the Danish company purchases the majority of the products.
- Access to the raw materials necessary to establish a local production.
- That duties or heavy expenditure in relation to import of e.g. components do not complicate the project.
- The extent to which the partners already possess the necessary production apparatus, or whether investment must be made in new machinery and equipment.
- How the local organisation should be organised in order to ensure that the commercial objectives of the project can be realised and that the necessary personnel resources are available to implement the project.
- That the project is profitable from a financial viewpoint and that the necessary financing can be obtained.

Furthermore, the usual budgets for operational expenses should be prepared for the first three years of the project. The budgets should be supplemented with a statement of the assumptions on which they are based.

*Please refer to Checklist 2 for an overview of the aspects to be considered when describing the commercial basis of the co-operation.*

### 3.3 The Mode of Co-operation

The PSD Programme does not insist that partners choose a certain type of co-operation. The partners are free to decide whether they will enter a more binding co-operation, e.g. as shareholders in a limited company, or a long-term agreement such as a licence contract, management consultancy contract, sub-contract agreement, franchise agreement, dealer agreement etc.

However, it is a requirement that partners provide a detailed account of the structure of the co-operation. In addition, a copy of the agreements concerning the mode of co-operation must be enclosed as part of the project description. The account of the co-operation should include the following:

- A description of the objectives agreed between the partners and the contents of the co-operation.
- A description of the organisational framework of the co-operation, e.g. joint venture, licence agreement or similar.
- A description of the role of each partner within the co-operation.
- A description of the contribution of each partner and the obligations of each partner in the co-operation.
- A description of the special qualifications of each partner in relation to their participation in the project.
- A description of the agreements, which have been made with regard to the management of the co-operation.
- Agreements on the duration of the project and its termination.
- A formal confirmation that the agreement complies with legislation in the PSD country in question and that authorisations etc. will be obtained, including the right to transfer capital out of the country in connection with payment of dividends or royalties.

### 3.4 The Need for Adaptation of Technology

To the extent that the technology used needs to be adapted or developed to the needs that exist in the PSD country in question, the measures to be taken should be described. The description of the need for adaptation of technology should emphasise the following:

- The Danish company's resources to carry out product or process technology adaptation.
- Preparation of a full description of the starting point for the process of technology adaptation, as well as a description of which products or processes are to be adapted and why.
- Definition of clear objectives for the process of adaptation. These objectives should be precise enough to enable subsequent evaluation of the extent to which they have been achieved.

In order to enable a description of the progress of the technology adaptation, it is often necessary to divide the process into phases, which each has a clearly defined sub-objective.

Sub-objectives for individual phases should be defined in such a way that they do not overlap. Consequently, it should be possible to estimate the resources, which must be applied to achieve the individual sub-objectives. For a description of the different phases of the adaptation of technology a presentation like the following can be used:

Phase X Sub-objective	Criteria/ Conditions	Activities	Budget
Describe the objectives of the activities within this phase.	<i>Criteria</i> Describe what is to be achieved in order to continue the process.	Describe the various activities, which must be implemented as part of the process.	Describe the resources to be applied in order to achieve the individual sub-objectives.
	<i>Conditions</i> What conditions must be met in order to implement activities.	Focus on how the sub-objectives in this phase can be achieved.	Possible reference to items in the budget.

### 3.5 Objectives and Structure of the Training Plan

Expenditure for training and technical assistance often comprises the largest part of the budget and therefore, as part of the project description, a detailed plan for training and technical assistance must be prepared. The plan should be structured so as to include the following:

- The objectives of the training plan and the interplay between the training plan and the commercial basis of the project.
- An assessment of the need for technical assistance and training.
- A detailed description of the different elements in the training plan as well as who is to carry out the technical assistance and/or training.
- A description of how the results of the training activities will be evaluated.

The plan should be designed as an independent section in the project description with an associated budget and timetable. Company Guidelines 2b ‘Applications for Support for Training and Technical Assistance’ explain in detail the various steps in the process of preparing a training plan.

*Please refer to Company Guidelines 2b for further information on how to prepare a plan for technical assistance and training.*

### 3.6 Environmental Aspects

The environmental aspects of the project must be thoroughly specified in the project description and should include the following:

- A full assessment of the current situation of the partner company with regard to both the working environment and the external environment.
- A ranked list of the environmental problems that must be rectified in connection with the implementation of the project.
- A description of the objectives of the various activities, which are to be carried out in connection with the environmental aspects of the project.

The plan should be designed as an independent section in the project description with associated budgets and timetable. Company Guidelines 2c ‘Applications for Support for Environmental Measures’ contain a thorough introduction on how to develop an environmental action plan and how to apply for support for environmental improvements.

*Please refer to Company Guidelines 2b for further information on how to prepare a plan for improvements of the working and external environment.*

### 3.7 Developmental Aspects

The PSD Programme is an integrated part of the Danida development assistance. Therefore, when assessing applications, priority will be given to whether a PSD co-operation can contribute to the economic and social development in the individual developing country. Consequently, it is important that the project description discusses the developmental aspects of the project.

Many different factors can influence the development aspects of a project. The list below is not exhaustive, but offers examples of the effects that a company should consider during project preparation.

- Will there be an increase in or preservation of the number of jobs in the short, medium or long term?
- Does the introduction of new forms of production imply a saving in consumption of raw materials, electricity, water etc.?
- Is the currency situation improved through increased exports or through substitution of products that would otherwise have to be imported? Are exports increased from the PSD country, and is access created to new markets, which would otherwise have been inaccessible?
- Does the project have a positive influence on the external environment, for example by minimising waste or waste water?
- Does the project have a positive influence on the working environment, for example through better ventilation, use of closed processes or noise limitation?
- Are there positive secondary effects from the project, for example increased use of local suppliers or increased involvement of women?

The project description should also account for possible negative consequences of the project.

*Please refer to Company Guidelines 1 'Outline of the Support Facilities' for further information on the developmental aspects of a project, in particular paragraph 2.1. 'How Does the Co-operation Contribute to Development?'*

### 3.8 Detailed Budget for the PSD Support

The budget for the implementation of a project can be divided into phases and activities.

- The project should be divided into a number of phases in order to ensure the best possible overview. Each of the phases should be defined with individual objectives and there should be a clear link in time between individual phases. The phases can, for example, be numbered 1, 2, 3 and so on.
- Each phase should be divided into activities so that a budget for salaries, fees, travel expenses etc. can be prepared for each activity. Individual activities within a phase could, for example, be numbered 1A, 1B, 1C and so on.

It is important that budgets are structured as simply as possible and are easy to read. In this way, a total overview of the relationship between the various phases and activities is ensured.

Irrespective of the way in which the budget is created, the total budget must contain information on expected expenditure, divided into the following expense categories:

- Cost of establishment
- Training and technical assistance
- Export promotion
- Adaptation of technology
- Environmental measures
- Audit fees

The budget for each of these categories must contain a statement of expenditure on the following items:

- Salaries – the Danish company’s own employees
- Fees – external Danish consultants and local consultants
- Travel expenses
- Various expenses for training materials, environmental measures etc.

Forms 3 to 5 should be used to report on the rates for salaries and fees, which are applied in connection with the preparation of the budget. Moreover, it should be clear, which conditions, prices, currency rates etc. have been applied in preparation of the budget.

### **3.9 Timetable for Implementation**

Together with the budget, a timetable for implementation of the project should also be drawn up.

The timetable should be presented in such a way that the link in time between individual phases and activities is clear. The timetable could, for example, be presented graphically.

### **3.10 Relevant Appendices**

All relevant appendices, which might have an impact on the assessment of the application, should be enclosed with the project description. Checklist 1 contains suggestions on what is typically included as appendices to a project description.

# 4 Application, Pledge and Reporting

## 4.1 Application

Support is granted, based on written applications from both companies in a co-operation.

The application is sent to the local PSD office at the embassy in the country concerned. In addition to a full project description, the application must contain an application form (Form 1) signed by both parties, and an overview of the total budget for the project (Form 2).

The application is assessed by the local PSD office. All applications will be submitted to individual assessments and Danida reserves the right to turn down applications that are not deemed suitable for implementation. Furthermore, special conditions may be attached to the individual pledges of support.

For larger projects, a more detailed technical assessment of the project may be carried out. The duration of the assessment of an application will depend on the individual project.

Audited annual accounts for the three most recent years must be enclosed with the application if these have not been submitted previously. As a rule they must show:

- A profit before taxation in at least one of the three most recent years based on customary accounting principles.
- Equity capital amounting to at least 15 per cent of total assets (solvency ratio).

## 4.2 Pledge of Support

When the project has been approved, a formal and legally binding pledge is prepared. The pledge will outline the requirements and rights connected with the PSD support and any conditions, which the PSD coordinator may require the partners to comply with before support can be disbursed.

## 4.3 Reporting

When implementing a project, a quarterly report must be prepared which outlines how the project is progressing. Both partners must sign these reports. The report should emphasise a description of the extent to which the objectives fixed have been achieved. If the implementation of the project deviates from the original plan, the changes must be outlined and explained.

When the grant for the co-operation has been spent, a final report must be prepared.

The pledge of support will describe, in detail, the guidelines for reporting.

*The electronic version of the forms for application, budgeting and reimbursement are available at the homepage of the PSD Programme: [www.psdprogramme.dk](http://www.psdprogramme.dk)*

*All subsidies under the PSD Programme are also subject to 'General Conditions for the PSD Programme', cf. Company Guidelines 1, annex 1.*

# 5 Reimbursement

## 5.1 General Rules

Reimbursement of expenses will usually take place every third month on the basis of documentation for the expenses incurred and the agreements stipulated in the pledge of support.

Expenses eligible for support (cf. paragraph 5.2) are refunded at 90 per cent, within the maximum amounts indicated earlier (cf. paragraph 2.1). Expenses in foreign currency are reimbursed in DKK at the exchange rate prevailing at the date of payment.

Requests for reimbursement are to be sent to the local PSD office at the embassy and should include:

- Quarterly Reimbursement (Form 7)
- Outline of Expenditure (Form 8)
- Auditor's Statement (Form 10), and
- Quarterly Report (cf. paragraph 4.3 above)

Reimbursement of eligible expenses is based on an audit of actual time spent, fees and disbursements prepared by an authorised or certified auditor.

Documentation of expenses and reports have to be signed by both partners.

In connection with the reimbursement, the partners must appoint one of the companies to be responsible on behalf of the partnership for receiving and signing for grants from the PSD Programme. Alternatively and after decision by Danida/the embassy, the disbursement of funds can be made to the company that can document having defrayed the costs.

It should be noted that at any given time Danida might demand further documentation and carry out an independent external audit, possibly by an auditor appointed by Danida.

## 5.2 Expenses Eligible for Support

In the following an outline of expenses eligible for support under the PSD Programme is presented.

It should be underlined that the PSD Programme is based on the assumption that the Danish companies undertake a transfer of (well-proven and commercially viable) technology and know how to the recipient country. The principal rule therefore is that the part of the PSD funds that are used for technical assistance and training, mainly should be used to finance the participation of the companies' own employees.

In special cases external assistance can be attached to the implementation of the project. To the extent that expenses for external assistance are to be covered under the PSD Programme, any agreements entered into with external consultants have to be approved by the embassy. These agreements should be reasonable and necessary for the implementation of the project.

*Subsidies under the project phase constitute 90 pct. of the expenses eligible for support – subject to a maximum of DKK 5 million and in consideration of the maximum amounts mentioned for different types of expenses.*

*A certified accountant should control claims for reimbursement for projects and feasibility studies, whereas original documentation and travel accounts are submitted for study visits.*

### 5.2.1 Salaries, Partners' Own Employees

Payroll costs – without supplement of contribution margin – for the Danish partner's own employees involved in implementing co-operation are calculated by multiplying time spent by an hourly wage.

Time spent is based on a working week of 37 hours in Denmark and 40 hours overseas, including travelling time of a maximum of 8 hours either way, in accordance with the internal timesheets of the company.

The hourly wage for the Danish partner's employees is calculated on the basis of the normal gross monthly wage plus pension contribution, 1% holiday allowance supplement, compulsory contributions (ATP and AER<sup>2)</sup>) less compensation for contributions, as well as any fixed monthly income benefits subject to PAYE<sup>2)</sup>. The monthly wage is fixed in accordance with the employees' most recent wage slip minus bonuses, profit-sharing or contributions to voluntary pension or health insurance schemes.

In the case of full-time employment the monthly wage is converted to an hourly wage by multiplying it by 12 months and dividing by 1,655 hours. The hourly wage is subject to a maximum hourly rate.

For employees unable to document employment as salaried employees (e.g. due to co-ownership of the company), standard hourly rates have been established. These are based on the relevant employee's seniority on the labour market or within the relevant line of business in relation to e.g. a university degree or leaving certificate from an institution of higher education.

Support is not available for salaries paid to the local company's own employees who attend training. However, travel expenses, hotel and per diem may be refunded in line with what is the case for the Danish company, if for example employees from the local company participate in training in Denmark.

For the local partner's employees the above mentioned methods of calculation will be used to the greatest possible extent.

### 5.2.2 Fees and Outlay, Danish External Consultants

The partners' agreements with Danish external consultants in connection with the execution of assignments must be reasonable. A copy of any agreements must be enclosed.

#### **Fees**

Fees to Danish external consultants are calculated by multiplying time spent by the fee-based hourly rate (hourly rate plus any contribution margin).

Time spent is based on weekly working hours, in the case of full-time employment, of 37 hours in Denmark and 40 hours abroad, including travelling time (a maximum of 8 hours each way), in accordance with hourly lists.

The hourly rates are calculated on the basis of the normal gross monthly wage paid based on a working week of 37 hours in the case of full-time employment plus fixed monthly pension contributions, 1% holiday allowance supplement, compulsory contributions (ATP and AER<sup>2)</sup>) less compensation for contributions, as well as any fixed monthly income benefits subject to PAYE<sup>2)</sup>. The monthly wage is fixed in accordance with the employees' most recent wage slip, but minus bonuses, profit-sharing or contributions to voluntary pension or health insurance schemes.

<sup>2)</sup> Danish Labour Market Supplementary Pension Fund and Danish Employers' Reimbursement System for Trainees and Apprentices

<sup>2)</sup> PAYE system – Pay As You Earn

The maximum hourly rates can be found at the PSD homepage, [www.psdprogramme.dk](http://www.psdprogramme.dk)

In the case of full-time employment the monthly wage is converted to an hourly wage by multiplying it by 12 months and dividing by 1,655 hours subject to a maximum hourly rate.

For employees unable to document employment as salaried employees (e.g. due to co-ownership of the company), standard hourly rates have been established. These are based on the relevant employee's seniority on the labour market or within the relevant line of business in relation to e.g. a university degree or leaving certificate from an institution of higher education.

*For information about the standard hourly rates for seniority reference is made to the homepage of the PSD Programme.*

A contribution margin of 100 per cent for one-man businesses and 120 per cent for other companies will be added to the hourly rate to cover expenditure not refunded in accordance with the pledge of support. Consultants, who do not have consultancy as their main livelihood, are not entitled to the contribution margin.

### **Outlay**

Outlay on travel, accommodation, per diems and auditing will be reimbursed in accordance with the rules set out below for international air travel, per diem, accommodation etc.

Any expenditure on local assistance for interpretation and the like during a stay abroad will be reimbursed in accordance with the usual hourly or per diem rates of the Danish embassy. Other expenditure will normally not be covered and must be met by any contribution margin granted.

### **5.2.3 Fees and Outlay, Local Consultants**

The partners' agreements with local consultants (and Danish consultants resident in the developing country) in connection with the execution of any assignments in relation to a PSD project must be reasonable and in keeping with the relevant embassy's usual terms and practice for concluding contracts with local consultants. The embassy will be able to inform about maximum hourly rates. A copy of the agreement with the local consultant must be enclosed.

### **Fees**

Fees to local consultants will be reimbursed on the basis of time spent and fee-based hourly rates. Time spent is based on weekly working hours, in the case of full-time employment, of 40 hours, in accordance with hourly lists. No contribution margin is granted to local consultants.

### **Outlay**

Outlay on travel, accommodation, per diems and auditing documented by means of external vouchers and travel accounts will be reimbursed in accordance with the rules set out below for international air travel, per diem, accommodation etc.

### **5.2.4 International Air Travel**

Expenditure on international air travel will be reimbursed subject to a ceiling equal to the cost of an "Economy Full Fare" ticket with no accommodation during the journey, but using the cheapest possible type of ticket.

As a basis for the auditor's statement, documentation must be available in the form of the original invoice or copy of ticket from the travel agency itemized by person(s) travelling, number of return tickets, including ticket numbers, as well as destinations and ticket prices.

In addition to the airfare, transport to and from the airport in connection with departures and arrivals, as well as any airport taxes and the cost of up to 10 kg excess baggage (e.g. documents, equipment and the like), if this is necessary to carry out the assignment, will also be reimbursed.

### **5.2.5 Per Diem Allowance**

To cover meals and minor necessities (transport, luggage registration etc.) a per diem is paid during the stay in the country in question, though not for the duration of air travel to and from the country. Per diems are also paid for Sundays and local holidays.

Per diems are calculated partly on the basis of the length of stay, partly on the basis of whether the hotel bill includes meals such as breakfast. Per diem is calculated for the start of each hour of the stay at 1/24 of the fixed rate. The rates are reduced if meals are included in the hotel price with 15% for breakfast, 30% for lunch and 30% for dinner.

If the stay lasts for more than 28 days, the per diem rate is reduced by 1/3 from the start of the 29<sup>th</sup> day.

### **5.2.6 Accommodation**

Reasonable expenditure on a hotel room with bath (not a luxury hotel) or alternatively rent of a house or an apartment is reimbursed on submission of a bill.

Expenditure should be broken down by persons and number of overnight stays multiplied by the rate, and with a note explaining whether e.g. breakfast is included in the room rate.

Private accommodation or accommodation not supported by documentation is reimbursed at 1/3 of the per diem rate for the country concerned.

### **5.2.7 Vaccinations and Insurance**

Expenditure on vaccinations necessary for travels to the country in question is reimbursed.

Expenditure on health insurance, repatriation, accident and liability/indemnity insurance etc. is refundable during travel and stay abroad.

### **5.2.8 Transport**

Transport expenses for local trips, which are necessary for the implementation of the project, as well as transport to and from airport/railway station etc. in connection with departure and arrival are refundable.

Expenses for transport between hotel/accommodation and the place of work are not covered unless the place of work is located outside town.

The PSD Programme does not cover car hire or purchase in relation to the project implementation.

### **5.2.9 Auditor's Statement**

Fees for audit of actual time spent, fees and outlay are at present refundable up to a maximum of DKK 3,600 per quarterly statement.

*For information about current per diem rates reference is made to the homepage of the PSD Programme: [www.psdprogramme.dk](http://www.psdprogramme.dk)*

### **5.2.10 Materials for Training and Technical Assistance**

Reasonable expenditure on training manuals, equipment and other costs for implementing training courses are covered as described in Company Guidelines 2b.

Materials for test production etc. are covered in so far as they cannot be reused or if the final product has only a limited commercial value.

### **5.2.11 Environmental Investments**

In addition to salaries for the Danish partner's own employees and fees for external consultants in relation to the implementation of environmental measures, expenditure on e.g. equipment, training etc. required to implement the necessary environmental measures, is refunded. Which expenses are covered is described further in Company Guidelines 2c.

### **5.2.12 Cost of Establishment**

Reasonable costs for setting-up the co-operation within a guiding framework of DKK 100,000 are refundable.

### **5.2.13 Export Promotion**

Reasonable expenditure on activities that can promote the sales of the partner company in relevant export markets is refunded within the overall guiding framework amount of DKK 100,000.

In addition to salaries for the Danish partner's own employees, fees for external consultants are covered according to agreement.

### **5.2.14 Adaptation of Technology**

In addition to salaries for the Danish partner's own employees and fees for external consultants in relation to adaptation of technology, reasonable expenditure on testing, control etc. is covered within the overall guiding framework amount of DKK 100,000.

Materials for test production etc. are covered in so far as they cannot be reused or if the final product has only a limited commercial value.

### **5.2.15 Introductory Cultural Workshop**

Reasonable expenses in connection with arranging a cultural workshop in the initial phase of the co-operation are refunded within a guiding framework amount of DKK 100,000.

The cultural workshop should be held under professional guidance and the aim of it should be to deal with cultural differences and thereby mitigate or prevent potential problems of co-operation. If required, external consultancy assistance can be involved in the workshop.

#### **5.2.16 Fighting HIV/AIDS**

Expenses for activities aimed at informing about or preventing HIV/AIDS at the workplace are refunded within the overall guiding framework amount of DKK 100,000.

#### **5.2.17 Promoting Workers' and Human Rights**

Expenses for activities aimed at developing and improving the workers' rights of the local employees are refunded within the overall guiding framework amount of DKK 100,000.

#### **5.2.18 Measures for Equal Rights and Women's Living Conditions**

Expenses for activities aimed at promoting the rights and conditions of the locally employed women are refunded within the overall guiding framework amount of DKK 100,000.

# Checklist 1

## Contents of Project Description

### 1. The Commercial Basis of the Project

The commercial basis of the project must be adequately described and as a minimum contain information on:

- Main conclusions (summary)
- Objectives of the co-operation project
- Background for the co-operation project
- Expected financing structure of the project
- Ownership structure and mode of co-operation selected
- Legal aspects, authorisations etc.
- Market conditions related to the project
- Consumption of raw materials
- Location and environment
- Technology applied
- Organisation and structure of expenditure
- Personnel resources
- Timetable for project implementation
- Profitability and financing of the project
- Export promotion
- Cost of establishment

The detailed Checklist 2 for the commercial basis contains detailed information on and suggestions for the contents of this section.

### 2. Type of Co-operation

- Copy of the agreement(s), which have been or will be entered into by the partners, must be enclosed with the project description. The agreement(s) may be enclosed in the form of a final draft version, but they must be signed and sent to the PSD coordinator before final approval can be given.
- If applications have to be submitted for authorisations for e.g. capital transfers out of the country or the like, these must also be presented before final approval can be given and pledges prepared.

### 3. Plan for Adaptation of Technology (if applied for)

The need for adaptation of technology must be thoroughly described, including:

- Description of the starting point for the planned adaptation of technology
- Description of the purpose and objectives of the adaptation of technology and establishment of sub-objectives for individual phases
- Preparation of a development plan that contains information on:
  - Sub-objectives to be achieved in order to continue with adaptation
  - Activities to be implemented in order to achieve sub-objectives
  - Resources to be applied in the process
  - Timetable for the various activities

## Checklist 1 (continued)

### 4. Plan for the Implementation of Technical Assistance and Training (if applied for)

The need for technical assistance and training must be described in detail, including:

- The objectives of the training plan
- A preliminary assessment of the need for technical assistance
- A preliminary assessment of the need for training
- Reasons for the choice of training strategy
- A detailed description of the different elements in the training plan
- A description of who is to carry out technical assistance and training
- A description of how the results of the training will be evaluated
- A budget for the training plan
- Timetable

Company Guidelines 2b contain detailed guidance on and suggestions for the preparation of a training plan.

### 5. Plan for the Implementation of Environmental Measures (if applied for)

The need to undertake measures for the external environment and the working environment must be thoroughly examined in the project description, including:

- An assessment of the local company's current situation in relation to the working environment
- An assessment of the local company's current situation in relation to the external environment
- A prioritised list of environmental problems to be rectified in connection with the implementation of the project
- A description of the objectives of the various activities, which are to be carried out

Company Guidelines 2c contain detailed guidance on and suggestions for planning and implementing environmental measures.

### 6. Analysis of Developmental Aspects of the Project

The development aspects of the project must be described in detail – preferably in a separate section. The following should be considered:

- Are jobs preserved or new jobs created?
- Is production increased?
- Is the currency situation of the PSD country improved?
- Will the partner company and/or the recipient country build up experience with regard to exports?
- Is new market access created for the partner company and/or the country?
- Are local competencies being strengthened?
- How will the co-operation reflect on the environment?
- Will the co-operation create a better understanding of the importance of a good working environment?
- Will the co-operation contribute to improving women's living conditions?
- Will there be secondary effects like the use of local sub-contractors?

## 7. Background Documentation

Relevant background documentation should be enclosed with the project description, including:

- A copy of the last three years' audited accounts of the Danish company
- A copy of the last three years' audited accounts of the local company
- Presentational brochures for the Danish company
- Presentational brochures for the local company
- Copy of reports from feasibility studies etc.
- Relevant information about the local market
- Relevant information about the technology applied
- Any other documentation deemed relevant in relation to an assessment of the application

## Checklist 2

### The Commercial Basis

<b>1. Main Conclusions (Summary)</b>
<ul style="list-style-type: none"><li>• Description of the main conclusions and recommendations after finalisation of preparatory activities and analyses.</li></ul>
<b>2. The Co-operation Objectives</b>
<ul style="list-style-type: none"><li>• Description of the purpose and objectives of the project, including:<ul style="list-style-type: none"><li>• The overall objectives of both the Danish company and the local partner</li><li>• The commercial objectives of the project within the first two to three years</li><li>• The financial results that must be realised if the project is to be profitable</li></ul></li><li>• Description of the local partner's area of business.</li><li>• Description of the Danish partner's area of business.</li></ul>
<b>3. Background for the Co-operation</b>
<ul style="list-style-type: none"><li>• Description of how the initial idea for the co-operation came about.</li><li>• Description of how the co-operation project has developed since the partners met.</li><li>• Review of the studies and surveys that have been conducted as a part of the project preparation.</li></ul>
<b>4. Financing Structure of the Project</b>
<ul style="list-style-type: none"><li>• Description of the sources of financing and support schemes – Danish as well as international – which will be used to finance the project.</li><li>• Description of how the Danish company and the local company will each contribute to the financing of the project, e.g. credit from suppliers, purchase of machinery, capital injections etc.</li><li>• Information on the extent to which financing pledges have been agreed upon, or when agreement can be expected.</li></ul>
<b>5. Ownership Structure</b>
<ul style="list-style-type: none"><li>• Description of the ownership structure of the partner company.</li><li>• Description of the legally binding agreements which are, or will be, made between the partners, and a report on:<ul style="list-style-type: none"><li>• The objectives and content of the co-operation agreed on by the partners</li><li>• The organisational framework of the co-operation, e.g. limited company, licensing agreement or similar</li><li>• The role of each partner in the co-operation</li><li>• The contribution and obligations of each partner</li><li>• The special requirements for the participation of each partner in the project</li><li>• The agreements reached on management of the co-operation</li><li>• Agreements on the duration and conclusion of the co-operation</li></ul></li></ul>

<p><b>6. Legal Aspects, Authorisations etc.</b></p>
<ul style="list-style-type: none"> <li>• Descriptions of the extent to which local authorisations are required before implementation of the project can commence, including e.g.:             <ul style="list-style-type: none"> <li>• Building authorisations</li> <li>• Environmental approvals</li> <li>• Company registration etc.</li> <li>• Water, gas and telephone connections</li> </ul> </li> <li>• Rules for the approval of commercial co-operation agreements in relation to, for instance, currency transfers of profit distributions, royalty payments etc.</li> <li>• An assessment of the extent to which the local partner has entered into agreements with third parties, which could influence implementation or operation of the project.</li> <li>• Indication of whom of the partners is responsible for obtaining the necessary authorisations etc.</li> </ul>
<p><b>7. Market Conditions Related to the Project</b></p>
<ul style="list-style-type: none"> <li>• A description of the market in which the product or service is to be sold.</li> <li>• An analysis of the products or services available in the local or regional market.</li> <li>• An analysis of the size and structure of the market and general development trends in the market.</li> <li>• An assessment of influences on local and regional demand.</li> <li>• An analysis of the characteristics of potential customers for the companies' products or services, including whether there are significant geographic differences between the various customer groups.</li> <li>• An assessment of how the market can be divided into different groups and the needs of each group.</li> <li>• An analysis of the price structure of the market and the cost structure in the various phases of the value chain.</li> <li>• An assessment of price changes in the market in future years.</li> <li>• An analysis of local and international competitors in the market, their strengths and weaknesses, and their possible reaction to new competition from the co-operation.</li> <li>• Preparation of realistic targets for turnover of products or services.</li> <li>• Preparation of an operational plan for sales and marketing activities.</li> </ul>
<p><b>8. Consumption of Raw Materials</b></p>
<ul style="list-style-type: none"> <li>• A description of the raw materials to be used in production and the extent to which they can be obtained locally or must be imported.</li> <li>• A description of the by-products from production and how these are to be used or disposed of.</li> <li>• An assessment of access to water, electricity etc.</li> </ul>

## Checklist 2 (continued)

<b>9. Location and Environment</b>
<ul style="list-style-type: none"><li>• Selection of land, premises etc. if the existing premises cannot be used.</li><li>• Conversion or extension of existing premises.</li><li>• Costs of purchase of land, rent etc.</li><li>• Assessment of the environmental impact of the project.</li></ul>
<b>10. Technology Applied</b>
<ul style="list-style-type: none"><li>• Assessment of the necessary production capacity.</li><li>• Relationship between fixed and variable production costs.</li><li>• Description of the technology applied and the need to invest in equipment and machinery.</li><li>• The need to alter the physical framework of the company.</li></ul>
<b>11. Organisation and Expenditure</b>
<ul style="list-style-type: none"><li>• Description of the structure of the organisation and the division of responsibilities between different employees.</li><li>• Description of the cost structure in different parts of the organisation.</li></ul>
<b>12. Personnel Resources</b>
<ul style="list-style-type: none"><li>• Assessment of the need for labour for implementation of the project.</li><li>• Analysis of personnel expenses etc.</li><li>• Assessment of possibilities for attracting the right staff to perform the planned tasks.</li><li>• Assessment of training needs.</li><li>• Description of the main parts of the training plan.</li></ul>
<b>13. Project Implementation</b>
<ul style="list-style-type: none"><li>• Description of the overall timetable for implementation of the project, including the relationship between the training plan, environmental measures and commercial objectives.</li><li>• Description of the implementation costs of the project.</li></ul>

<p><b>14. Profitability and Financing of the Project</b></p>
<ul style="list-style-type: none"> <li>• Preparation of three-year operating budgets for the company, including:             <ul style="list-style-type: none"> <li>• Profit and loss accounts</li> <li>• Balance sheets</li> <li>• Cash-flow analyses, if necessary</li> </ul> </li> <li>• Assessment of the size of the total investment necessary to carry out the project, including:             <ul style="list-style-type: none"> <li>• Costs incurred before the start of production</li> <li>• Investment in plant and machinery</li> <li>• Analysis of the need for working capital for the daily operations of the company</li> </ul> </li> <li>• Assessment of how total financing can be established and organised.</li> <li>• Calculation of relevant key figures etc.</li> <li>• Assessment of the sensitivity of the project to e.g. exchange rate fluctuations, increasing costs of raw materials and salaries, price falls in the market etc.</li> </ul>
<p><b>15. Export Promotion</b></p>
<ul style="list-style-type: none"> <li>• Description of the export markets relevant to the partner company.</li> <li>• Plan for market surveys in relevant export markets.</li> <li>• Assessment of influences on local and regional demand.</li> <li>• Preparation of a strategy for increasing sales and a plan for export promotion activities.</li> <li>• Description and assessment of the need to carry out export related marketing activities, including:             <ul style="list-style-type: none"> <li>• Preparation of presentation material, exhibition material etc. targeted at the export markets</li> <li>• Participation in exhibitions and trade fairs in export countries</li> <li>• Introduction of the partner company on the internet etc.</li> </ul> </li> </ul>
<p><b>16. Cost of Establishment</b></p>
<ul style="list-style-type: none"> <li>• Description of costs of establishing the co-operation.</li> <li>• Preparation of a plan for obtaining relevant local permits, authorisations, approvals etc.</li> <li>• Assessment of the time frame for the phase of setting-up the co-operation.</li> </ul>



# Total Budget Project Phase

**Form 2**

## Cost of Establishment

Salaries

Fees

Travel Expenses

Other Expenses \_\_\_\_\_

Subtotal \_\_\_\_\_

## Training and Technical Assistance

Salaries

Fees

Travel Expenses

Other Expenses \_\_\_\_\_

Subtotal \_\_\_\_\_

## Export Promotion

Salaries

Fees

Travel Expenses

Other Expenses \_\_\_\_\_

Subtotal \_\_\_\_\_

## Adaptation of Technology

Salaries

Fees

Travel Expenses

Other Expenses \_\_\_\_\_

Subtotal \_\_\_\_\_

## Environmental Measures

Salaries

Fees

Travel Expenses

Other Expenses \_\_\_\_\_

Subtotal \_\_\_\_\_

## Audit Fee

Fees \_\_\_\_\_

## Total Budget

*All amounts are in DKK*

**Salary Budget**  
**Danish Partner's Own Employees**

**Form 3**

Salaried staff: Calculation of hourly wage					
Name of employee	Monthly salary	Pension contributions, holiday pay and statutory payments	Benefits	Adjusted monthly salary	Hourly rate
Not salaried employees: Standard calculation of hourly rate according to seniority					
Name of employee	Years of education	Year of degree	Seniority	Standard hourly rate	

Definitions: Salary is calculated based on the definitions contained in the list of expenses eligible for support in the project phase under the paragraph 'Salaries, Partners' Own Employees'. Payslips or other documentation must be enclosed.

\_\_\_\_\_ Date

\_\_\_\_\_ The Danish company

**Fee Budget**  
**Danish External Consultants**

**Form 4**

Salaried staff: Calculation of hourly wage							
Name of employee Company	Salary	Pension contributions, holiday pay and statutory payment	Benefits	Adjusted monthly salary	Hourly rate	Overhead rate (%)	Hourly fee
Not salaried employees: Standard calculation of hourly rate according to seniority							
Name of employee	Years of education	Year of degree	Seniority	Standard hourly rate			

Definitions: Fees are calculated based on the definitions contained in the list of expenses eligible for support in the project phase under the paragraph 'Fees and Outlay, Danish External Consultants'.

**Fee Budget  
Local Consultants**

Name of employee	Company	Hourly fee rate (approved by the embassy)

Definitions: Fees are calculated based on the definitions contained in the list of expenses eligible for support in the project phase under the paragraph 'Fees and Outlay, Local Consultants'.

# Company Data

## Form 6

Company name			
Address			
Postal address			
Contact person			
Telephone			
Fax			
E-mail address			
Homepage			
Year of establishment			
Type of company			
Total employees			
Bank			
Annual accounts information (state year)			
Turnover			
Profit after tax			
Total assets			
Equity capital			
Group ownership			

# Quarterly Reimbursement Project Phase

**Form 7**

For the period:

From \_\_\_\_\_ to \_\_\_\_\_

Cost of establishment	Subtotal	
Training and technical assistance	Subtotal	
Export promotion	Subtotal	
Adaptation of technology	Subtotal	
Environmental measures	Subtotal	
Audit fee	Fee	_____
<b>Total</b>		_____

*All amounts are in DKK*

Date:

Date:

Place:

Place:

\_\_\_\_\_  
Danish company  
(name, stamp and signature)

\_\_\_\_\_  
Local company  
(name, stamp and signature)

# Outline of Expenditure Project Phase

**Form 8**

Type of cost	Budget	Previous expenditure	Total expenditure	Consumption for period	Balance
Costs of establishment Salaries Fees Travel expenses Other expenses Subtotal					
Training and technical assistance Salaries Fees Travel expenses Other expenses Subtotal					
Export promotion Salaries Fees Travel expenses Other expenses Subtotal					
Adaptation of technology Salaries Fees Travel expenses Other expenses Subtotal					
Environmental measures Salaries Fees Travel expenses Other expenses Subtotal					
Audit fee Fee					
<b>Total expenditure</b>					
90% subsidy					

# Template for Travel Accounts

Form 9

For: \_\_\_\_\_  
(name of employee)

Date and time of arrival \_\_\_\_\_

Date and time of departure \_\_\_\_\_

Total duration of stay in PSD country, days and hours \_\_\_\_\_

Per Diem (indicate rate used):

with subsistence (breakfast: -15%, lunch: -30%, dinner: -30%)

without subsistence (100%)

\_\_\_\_\_ days at \_\_\_\_\_ at currency rate \_\_\_\_\_ DKK \_\_\_\_\_

\_\_\_\_\_ hours at \_\_\_\_\_ at currency rate \_\_\_\_\_ DKK \_\_\_\_\_

International flights – see invoice(s) and ticket(s) DKK \_\_\_\_\_

Other expenses to be refunded with supporting documentation from third parties:

Accommodation

\_\_\_\_\_ days at \_\_\_\_\_ at currency rate \_\_\_\_\_ DKK \_\_\_\_\_

Transport in relation to departure and arrival DKK \_\_\_\_\_

Local travel DKK \_\_\_\_\_

Transport between hotel and workplace outside town (if applicable) DKK \_\_\_\_\_

Excess luggage DKK \_\_\_\_\_

Vaccinations DKK \_\_\_\_\_

Insurance DKK \_\_\_\_\_

Local assistance DKK \_\_\_\_\_

Total DKK \_\_\_\_\_

# Auditor's Statement

**Form 10**

In capacity as auditor for:

\_\_\_\_\_  
(the Danish company)

it is herewith certified that the wages  
and fees contained in invoice no. \_\_\_\_\_

of date \_\_\_\_\_

amounting to DKK \_\_\_\_\_

and expenses of DKK \_\_\_\_\_

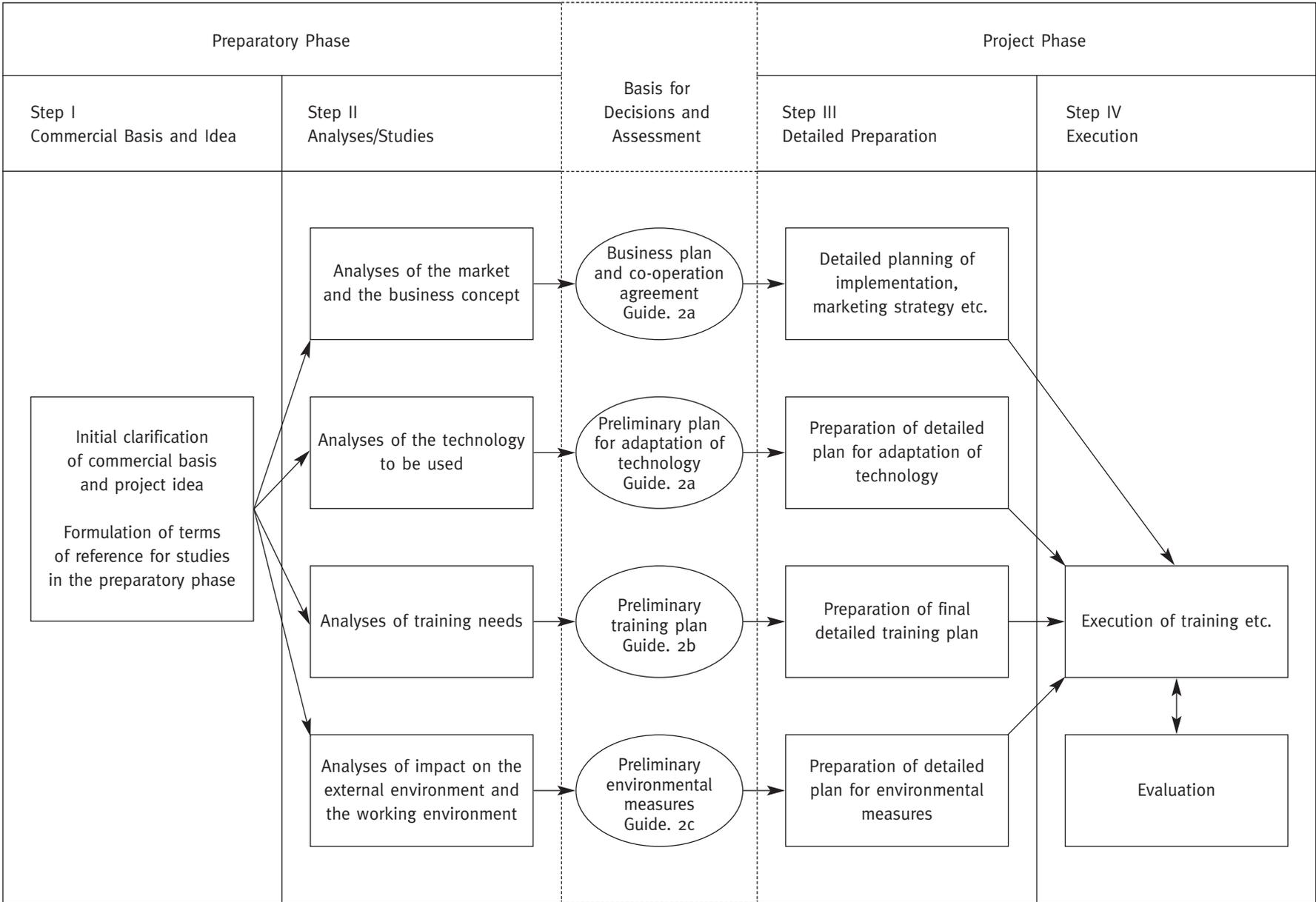
and covering the period:

from \_\_\_\_\_ to \_\_\_\_\_

- have been prepared in accordance with the Embassy's (or Ministry of Foreign Affairs') grant approval dated \_\_\_\_\_ and in accordance with the PSD Programme's rules for subsidisable expenditure,
- and that the time spent, fee and wage rates applied and their payment, and documentation of expenses and their payment, have been checked without cause for any comment.

\_\_\_\_\_  
Place and date

\_\_\_\_\_  
Auditor  
(company stamp and signature)



The Different Phases of Co-operation

Figure 1

# Contacts

## Denmark

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**MINISTRY OF FOREIGN AFFAIRS**

**Danida**

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**MINISTRY OF FOREIGN AFFAIRS**  
**Danida**

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