



Auswärtiges Amt

## The Federal Foreign Office's Funding Concept

Last updated on 1 July 2017

### Federal Foreign Office funding for projects to support international measures in the field of democracy-building aid (Division S 03)

#### 1. Funding goal and intended purpose

Democracy-building aid is an important component of German foreign policy and is embedded in the Federal Foreign Office's overall concept for civilian crisis prevention, conflict management, stabilisation and peace-building. It indirectly serves this overarching goal. Its direct objective is to promote and strengthen democratisation processes and democratic structures abroad.

Under this funding concept and the General Administrative Regulations on sections 23 and 44 of the Federal Budget Code (BHO), the Federal Foreign Office allocates grants for projects in the area of democracy-building.

The federal budget has funds available annually for this purpose. At the Federal Foreign Office these funds are from allocation 0501 item 687 23 and earmarked as "Democracy-building and equipment aid, measures to promote human rights", and are used to promote measures in the field of democracy-building aid (object 03016957) in S 03.

#### 2. What can be promoted?

Democracy-building aid is defined as a contribution to civilian crisis prevention, conflict management, stabilisation and peace-building. It is manifested in the promotion of individual measures which support processes to build political opinion and foster political participation in new and restored democracies. The focus is on countries that have already taken their first steps towards democratisation and are in a process of transition, or where democratic structures are in acute danger. Democracy-building aid should on no account be used to intervene in acute national conflicts. Taking sides should be avoided. Financing for political parties is therefore out of the question.

Measures in the following areas of democracy-building aid are eligible for funding:

**Election assistance and observation**

- Technical and material support for the preparation of elections (procurement of ballot boxes, printing of ballot papers, equipping and capacity-building of the electoral commission, voter registration)
- Preparation of elections through voter education and awareness-raising programmes
- Prevention of violence in the context of political opinion formation and elections
- Training of local and international election workers
- Training of local and international election observers
- Support of multilateral and civil society election observation missions
- Advisory services to governments on national electoral legislation.

**Parliamentary assistance and advice**

- Strengthening of competences in parliamentary work and democratic processes
- Promotion of dialogue, further training and exchange among parliamentarians and parliamentary staff
- Information and awareness raising with regard to parliamentary work in civil society
- Support of the construction and development of parliamentary structures
- Support to improve the work of other constitutional organs.

**Strengthening civil society in the democratic process and increasing political participation**

- Support of civil society forces, particularly non-governmental organisations, as a contribution to strengthening democratic processes and structures.
- Strengthening of civil society engagement within the context of political opinion formation and participation, particularly in the context of elections
- Awareness raising with a direct bearing on political ownership and democratic processes
- Promotion of pluralism within society and the work of independent media with a direct bearing on the democratic process
- Greater transparency and democratic control of governance
- Promotion and safeguarding of involvement of (e.g. ethnic, religious) minorities and specific groups (women, first-time voters, etc.) in the formation of political opinion.

**Measures taken by the international community to promote democracy**

- Contributions to UN democracy funds (UNDEF, possibly others)

*2.1 The following areas do not fall under this funding concept*

Projects focusing on crisis prevention, conflict management, stabilisation and peace-building worldwide are eligible for Federal Foreign Office funding from “Support for international measures in the fields of crisis prevention, peacekeeping and conflict management” (appropriation 0501 item 687 34). There is a separate funding concept for this. Such measures are not supported with funds from democracy-building aid.

Projects focusing on crisis prevention, conflict management, stabilisation and peace-building in Afghanistan are eligible for funding from appropriation 0501 item 687 28 (“Support within the context of the Federal Government’s Stability Pact for Afghanistan”). There is a separate funding concept for this.

Projects in the area of transformation partnerships, particularly in North Africa / the Middle East, are eligible for funding from appropriation 0501 item 687 21.

Division S 09 at the Federal Foreign Office is responsible for humanitarian assistance projects. For projects designed to strengthen human rights, please contact Division OR 06. Projects dealing with culture, cultural preservation, media and scholarships should be submitted to Directorate-General 6.

Development policy measures are not supported with funds from Directorate-General S. The Federal Foreign Office and the Federal Ministry for Economic Cooperation and Development enjoy a constant close dialogue in order to avoid any overlap with development cooperation projects.

No projects and measures are financed that already receive funding from other federal authorities out of public budget funds. In exceptional cases, however, applicants may receive a share of the support from more than one federal authority if the same measure serves several different development policy aims.

Purely academic projects (studies, seminars, conferences, etc.) are not supported unless they are geared towards a specific requirement for political advice, the development of conflict resolution models or the training of civilian peace personnel, or if they represent per se a dialogue measure between conflict parties.

### **3. Grant recipients**

The Federal Foreign Office cooperates with international organisations, national state agencies (e.g. electoral commissions and parliaments), German and foreign non-governmental organisations (NGOs), political foundations and United Nations institutions that can demonstrate that they have substantial experience with concrete project work – ideally also in fragile contexts. Individuals may not apply for funding.

Applicant organisations are free to exclusively use their own project personnel. The measures should, as a rule, be implemented in conjunction with local partners, however.

Applicant organisations must possess legal status under their country’s laws and must guarantee sound management. Evidence of sound management can be provided by submitting register entries, audited and approved annual financial

statements (balances, profit and loss calculations) or in the case of charitable organisations, annual financial statements of the net income accounts of the last two years confirmed by a tax advisor or accountant, where necessary.

Proof of legal capacity must also be provided. Applicant organisations must also ensure that they are able to oversee their projects and measures at all times using their own personnel (monitoring) and that they have a progress-review concept (evaluation).

German political foundations and similar bodies that already receive institutional funding are also entitled to receive project funding. Applications may be submitted via their headquarters or branches in Germany. Organisations that are exclusively based abroad must submit their project outlines to the German mission responsible for their respective country.

As a rule, support is available for democracy-building projects anywhere in the world, although not in EU member states and countries that belong to the European Economic Area. Owing to the purpose and the need for such assistance, the geographical focus of democracy-building aid is on measures in states in Europe's neighbourhood as well as in Africa.

#### **4. Specific conditions for funding allocation**

In Germany, the general conditions for funding allocation apply (paragraph 1 of the Administrative Regulations on section 44 of the Federal Budget Code (BHO)).

The Federal Foreign Office's Division S 03 decides on submitted applications after due assessment of the circumstances within the framework of the budget funds available, in accordance with this funding concept, the Administrative Regulations pertaining to the BHO, the General Auxiliary Conditions for Grants for the Promotion of Projects (ANBest-P) and the Special Auxiliary Provisions of the Federal Foreign Office on the Award of Grants (BNBest-AA) currently in force. These latter provisions will become binding on the applicant if funding is granted. There is no automatic entitlement to a grant. Particular attention must be paid to the conditions for funding allocation set out in paragraph 1 of the Administrative Regulations on section 44 of the BHO. Pursuant to sections 23 and 44 of the BHO and the corresponding Administrative Regulations, grants are constantly examined to ensure that the grant recipient is using the project funds economically, efficiently and for the intended purpose, pursuant to section 7 of the BHO.

As the area of application of the Administrative Procedure Act (VwVfG) and the BHO does not extend to other countries, an administrative act (grant award document) cannot be issued there. Instead, a private-law contract is concluded with the grant recipient (funding agreement). The aforementioned provisions for a grant award document will be applied mutatis mutandis to grants to recipients based outside Germany.

## 5. Type, scope and amount of grants

Grants are exclusively awarded as **project funding**. No institutional funding is provided. The following types of funding are possible in awarding a grant:

- **Deficit financing:** The grant is limited to a specified maximum amount. It can only be claimed if all envisaged own resources and third-party funding have been used up.
- **Partial financing:** In this case the costs for which a grant can be awarded are calculated according to a fixed percentage or share.
- **Fixed-sum financing:** In this case a fixed sum is provided for expenditure recognised as eligible for a grant. The precondition for this type of funding is that the recipient has its own or third-party resources.
- **Full financing:** If the grant recipient has no own resources with which to implement the project **and** cannot receive any funding from third parties, but the project and the purposes for which it is being implemented are quite clearly in the public interest, then the Federal Foreign Office may in exceptional cases consider funding all expenditure recognised as eligible for a grant. In this case, the grant is limited to a specified maximum amount.

All **expenditures** necessary, as part of a cost-effective and thrifty budgetary management, for projects and measures aimed at achieving the approved grant purpose are eligible for a grant. The grant must be utilised by the recipient within the scope of the binding financial plan and the specified type of funding. If travel expenses are claimed as part of the project funding, please note that the amount granted will be determined by the provisions of the valid Federal Travel Expenses Act. In addition, only costs for project staff (i.e. staff employed solely for the project concerned) can be declared as eligible for a grant. As a rule, no funding can be provided for members of an organisation's permanent staff. This applies also to existing infrastructure (offices, IT, etc.).

## 6. Other grant provisions

The prohibition of preference applies to organisations that are predominantly financed by public grants, i.e. payment of project employees must be in line with the costs for comparable activities in the public sector. The Federal Office of Administration will be happy to answer any questions about this and about job gradings for staff.

Administrative costs with a causal connection to the project may be combined as lump sums if itemising them individually would not be possible without considerable effort (c.f. paragraph 2.3 of the Administrative Regulations on section 44 of the BHO). Recognition of the lump sums by the Federal Foreign Office is conditional on a comprehensible calculation of expenses and details of the type of expenses contained in the lump sum. A brief explanation of the effort involved in providing an itemised list of the costs is also required.

## 7. Procedures

### 7.1 *How and when should funding applications be submitted?*

As a rule, applicants may apply for funding from the Federal Foreign Office at any time. The first time they make contact, they should take the opportunity to submit a project outline (no longer than three pages!), based on the question words who, what, how, why, where, etc. to give the Federal Foreign Office's Division S 03 a quick overview of the project. At this stage the Federal Foreign Office can already provide information as to whether the project is likely to be considered for funding. If the grant amounts to less than 150,000 euros, the ifa/zivik guidelines and application documents should be used (c.f. 7.3).

The project outline, together with the logframe and a financial plan using the following template, should be emailed to S03-R@diplo.de or, in the case of organisations based outside Germany, to the competent German mission abroad. Should the project be taken into consideration for funding, a formal application signed by at least one person who is authorised to represent the applicant organisation can then be submitted. As far as entitlement to submit an application is concerned, the provisions regarding authorisation to represent the applicant organisation apply. The application, together with all the relevant documentation, must arrive at the Federal Foreign Office at least eight weeks before the scheduled project start date. Projects that have already begun are not eligible for funding (c.f. paragraph 1.3 of the Administrative Regulations on section 44 of the BHO).

### 7.2 *Where should the formal project application be sent?*

If support is desired within the context of this funding concept, the signed project application on the Federal Foreign Office form should be sent to the following address together with the financial plan, logframe and evidence of sound management (c.f. 3):

- if the organisation is based in Germany:  
Auswärtiges Amt, Referat S 03 Krisenprävention, Stabilisierung, Konfliktnachsorge, 11013 Berlin, Germany
- if the organisation is based outside Germany:  
to the local competent German mission abroad
- if the grant amounts to less than 150,000 euros, regardless of where the organisation is based:  
from 1 January 2018 also to ifa – Institut für Auslandsbeziehungen e. V., Förderprogramm zivik, Linienstrasse 139/140, 10115 Berlin, Germany, zivik@ifa.de, www.ifa.de

### 7.3 *Submitting applications via ifa (Institut für Auslandsbeziehungen)*

Since 2001 the Federal Foreign Office has supported individual projects run by German and international NGOs in the areas of crisis prevention, peacekeeping and conflict management via **ifa (Institut für Auslandsbeziehungen)** through its **zivik funding programme** within the context of the so-called two-stage funding procedure. To this end **ifa** receives Federal Foreign Office funding to promote projects run by German and international NGOs. Since 2017 funds from the item for democracy-building aid have also been deployed for this. The **ifa zivik funding programme** oversees the entire project cycle (application, disbursements, auditing of proof of employment of funds etc.), The Federal Foreign Office retains political control and overall responsibility. The tasks of the programme office include advising NGOs in Germany and abroad. For applications to the **zivik funding programme** the prescribed forms must be used.

#### *7.4 Information about withdrawing approved funding*

In Germany, as a rule, funding approved by the Federal Foreign Office is made available through the funds withdrawal procedure. The approved funding can only be paid out on the day on which it is needed (i.e. the day on which payments become due) at the earliest.

A request procedure is used in order to take account of circumstances specific to the region or the project. In this case the grant may only be requested if and when payments actually become due, and not before. Where the request procedure is followed, the paid out funds are to be used to fulfil the intended purpose of the allocation within six weeks of payment. Payments to grant recipients outside Germany always follow the request procedure.

#### *7.5 Outsourcing of processing steps to the Federal Office of Administration*

As part of the division of labour within the federal administration, review of the application, the administrative formalities surrounding the project and the final evaluation will be undertaken in part by the Federal Office of Administration in Cologne. The Federal Foreign Office is solely responsible for the funding decision. This applies also to the clarification of substantive questions before and during project implementation.

#### *7.6 How is project progress monitored?*

The grant recipient is obliged to conduct monitoring measures at regular intervals, depending on the length of the project, to monitor project progress and use of funding in accordance with the intended purpose.

Following the conclusion of the project, the Federal Foreign Office assesses its success on the basis of the project application, the proof of employment of funds, which has to be submitted by the grant recipient, and its own assessment of the project.

The indicators for fulfilment of the intended purpose of the grant (output, measure indicators) and achievement of the project goal (outcome, goal indicators), which the applicant has to define in the funding application logframe and agree upon with the

Federal Foreign Office, provide the basis for monitoring during the implementation of the project and for the subsequent evaluation of its success. The more informative and measurable the indicators are, the easier and clearer it is to ascertain the success of the project.

When necessary, the Federal Foreign Office evaluates projects it has provided with funding. The evaluation is carried out by staff from the Head Office in Berlin or the German mission responsible for the region, or by external experts. The format and specific goal of the evaluation is agreed upon with the grant recipient.

### *7.7 Press and Public Relations work*

The grant recipient is requested to expressly refer to the funding by the Federal Foreign Office in an appropriate form when issuing public statements, particularly to the press but also on its website. Contact with and statements to the press are to be discussed with the Federal Foreign Office in advance.

The Federal Foreign Office, for its part, shall refer to selected projects receiving funding within the context of its own press and public relations work. To this end the grant recipient is obliged to make available informative photos, diagrams and at least one contribution for the presentation of individual stories and relevant examples in the media to show how Federal Foreign Office funding is being deployed. Furthermore, the grant recipient is requested to inform the Federal Foreign Office at an early stage of any planned measures and events in which a member of the Federal Foreign Office or the competent German mission abroad could play a representative or practical role.

Such press and public relations measures are not considered for projects with sensitive content (e.g. confidential mediation talks) or if publication of the project or the funding could endanger the lives of project staff.

## **8. Period of Validity**

This funding concept shall cease to apply upon the entry into force of an updated version, at the latest, however, on 30 June 2022.