

GUIDELINES FOR CALCULATION OF IN-KIND CONTRIBUTIONS TO GEF SGP PROJECTS (Barbados & the OECS)¹

Rationale: GEF SGP considers in-kind contributions to projects as important as cash contributions for a number of reasons as follows:

- ❖ in-kind contributions when factored as part of a project budget gives the real total cost of a project;
- ❖ in-kind contributions are frequently the only contributions an NGO or CBO can make to a project, therefore, accurately valuing these contributions are very important in determining the real contribution of an organisation to a project;
- ❖ GEF SGP is required to match dollar for dollar all allocations made from the GEF Trust Fund. The value of in-kind contributions should form at least 50% of the GEF SGP contribution which includes all in-kind contributions for projects; and
- ❖ in-kind contributions demonstrate to donors that CBOs and NGOs are significant contributors to projects and their real contribution may sometimes exceed the contribution of the donor.

For these reasons all Planning Grants (PG) and Full Grants (FG) must show the amount of in-kind contribution to a project. It also means that during project implementation each grantee must use a standard method in documenting all in-kind contributions.

Calculating in-kind Contributions: Valuation of in-kind contributions should be based on average commercial prices applicable in a country or a region. For the results to be accurate the grantee will have to find ways of estimating and documenting in-kind contributions as part of project preparation and project implementation (Table 1 & Annex 1)

Estimating and Documenting In-kind Contributions: All relevant supporting documents which certify the value of in-kind contributions (above US\$100) should be presented with project proposals and project reports. These documents should include the following (Table 1):

Table 1
Documents for certifying In-kind Contributions

DOCUMENTS WITH PROJECT PROPOSALS	DOCUMENTS WITH PROJECT REPORTS
❖ Letter from co-funder stating value and how it was determined.	❖ Voluntary assistance accountability sheets. (See Annex 2)
❖ Official land evaluation documents.	❖ Letter or contracts from donors, Government, the private sector confirming type and kind of in-kind contribution.
❖ Statistical or market research data.	❖ In-kind confirmation sheet signed by the President of a group or the leader of a community.
❖ Man-power cost rates.	❖ Confirmation from an organisation that it provided office space, equipment, materials etc. The amount and method of calculation should be included.

¹ Adapted from GEF SGP's *Resource Mobilisation Toolkit* (Version 1)

Table 2
Ways of Calculating In-kind Contributions

ACTIVITY	CALACULATION OF IN-KIND CONTRIBUTION
Manpower Costs (professionals; experts; etc etc)	Use person-day market rates in the country or district at the relevant level of input, calculated per day or month. (e.g. Number of days X Market value per day.)
Use of Office Equipment	Calculate straight-line depreciation of full cost of equipment over 5 years and factor down according to usage on the project, e.g., A \$5,000 piece of equipment over 5 years = \$1,000 per year or \$5,00 for six months or part thereof.
Use of Software	Use either: <ul style="list-style-type: none"> ❖ Cost of software license for period of use , if available ❖ Cost depreciated over 3 years.
Use or provision of materials or components where cost is non-recoverable (i.e. product will not be resold)	Use market price of materials/ components as supplied.
Use or provision of data/licence/patent to NGO/CBO	Where data is pre-existing, but not in the public domain, use one of the following: <ul style="list-style-type: none"> ❖ Time/person power costs required to produce the data. ❖ Equivalent commercial cost of purchasing data. ❖ Treat data as 'on-loan' to project and calculate straight –line depreciation value over 3 years.
Use of land	<ul style="list-style-type: none"> ❖ If land is given or donated for project activities for the period that is sufficient to fully reach planned results and impact, the full price of the land plot may be shown, supported by official document or data proving the price (Land Registration Certificate; Department of Statistics or other official institutional document). ❖ If land is given or lent for the project activities only for project duration, use the official rent price per month multiplied by amount of months. Price calculation should be supported by official documents and/or rent agreement.
Use of Construction/buildings	<ul style="list-style-type: none"> ❖ If construction/buildings are given/donated to the project activities for the period that is sufficient to fully reach planned results and impact, and will remain as property of NGO afterwards, the full price of the building/s may be shown, supported by official document or data proving the price (Real Estate Register; Department of Statistics or other official institutions) or by the document signed by the owner/donator. ❖ If contribution/buildings are given or lent for the project activities only for time of project duration, use the official rent price per month multiplied by amount of months. Price calculation should be supported by official document and/or rent agreement.
Use of vehicles	If vehicle is lent for the project needs, use one of the following: <ul style="list-style-type: none"> ❖ An average cost per month or day of the official rent price specific for that locality multiplied by days/months used. ❖ Amortisation of the lent vehicle is calculated as follows: <ul style="list-style-type: none"> ➤ Subtract the fuel cost per Km from the UN Official rate used for private travel in that country per Km. ➤ Multiply the number by approximate amount of KMs to be driven during the project. ❖ If fuel is also shown as in-kind (not funded by SGP or other donors, and not receipts are present), use the full cost of the UN official rate for private travel per Km multiplied by the total distance driven during the project. ❖

ACTIVITY	CALACULATION OF IN-KIND CONTRIBUTION
Volunteers Input	<p>Voluntary input may be calculated on a daily or monthly basis, by filling in a “voluntary assistance sheet” (Annex 2). Use one of the following:</p> <ul style="list-style-type: none"> ❖ Voluntary work input calculated based on the official rate of such work, if available. ❖ An average appropriate person-day rate used in the country or district at the relevant level of input. ❖ Official minimal level of salary per month (divide by 22, and multiply by number of days worked).

Activities that do not qualify as in-kind contribution include:

- ❖ Passive attendance on training courses, meetings, seminars, etc. (i.e., attendance with no input, as a member of the audience or group);
- ❖ Provision of pre-existing (i.e. not generated within the duration of the project) data/expertise/knowledge tools, which are publicly available free of charge; and
- ❖ Provision of all possible in-kind contribution items. If these are already paid, and the payment documents can be presented, provided that the purchase date is within the project duration (as such these items then are treated as cash co-financing).

ANNEX 1

List of In-kind Contribution Items

In-Kind Contribution to Project	Measure	USD*
1. Work of project manager	Month	
2. Work of project assistant	Month	
3. Work of project accountant	Month	
4. Work of project workers	Month	
5. Work of expert/consultant/lecturer	Hours.	
6. Work of volunteers	Day or month	
7. Author work for creation of Knowledge Management Tools (books; leaflets etc)	Days	
8. Rent of meeting hall/room	Hours	
9. Rent of overhead projector	Hours	
10. Use (rent) of office equipment (computers, printers etc.)	Item/Project Duration	
11. Communications Costs (phone, internet, post)	Month	
12. Use of office supplies	Month	
13. Use of license, patent, database, expertise, other paid info.	Item	
14. Amortization of the vehicle	Km.	
15. Use (rent) of vehicle	Day or month	
16. Use of fuel (petrol)	Litres	
17. Use of wood as construction or fuel	M ³	
18. Use of electricity or heating (KW)	Month	
19. Use of building materials	Kg or Tons.	
20. Rent (use) of the farm of other equipment	Hours or day	
21. Discounts provided for purchased equipment or services	USD*	
22. Donation of agricultural land	Hectares	
23. Rent (use) of agricultural land	Hectares/month	
24. Rent (use) of buildings	M ² /month	
25. Maintenance/cultivation of land	Month	

- **USD: In United States Dollars or National Currency**

