**FCO Project Proposals: Assessing Value for Money and Activity Based Budgets - Guidance for Implementers**

All project proposals will be assessed for value for money against 3 headline criteria:

* **Economy**: have costs have been reduced as far as possible
* **Efficiency**: will the project deliver the best product for the best price
* **Effectiveness**: will the project support and deliver against FCO objectives

A clear and appropriately detailed Activity Based Budget (ABB) is essential in order to assess value for money:

**IMPORTANT:** Ensure that the activity based budget and project/activity is in the same currency as the bank account where funds reimbursements are to be received. If you are an implementer located in Honduras, please fill out the budget in USD (Dollars). If you are an implementer located in Guatemala please fill out the budget in GTQ (Quetzales).

**Good ☺**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Activity | Component | Unit | Number of units | | Cost per unit | March | April | May |
| 1.1 Visit to UK by 8 scientists | Flights post-London | Return flight, economy class | 8 | | 320 | 2560 |  |  |
| Hotels | Night in marker hotel B&B | 8 | | 110 | 880 |  |  |
| Meals | Lunch and dinner per day | 16 | | 30 | 480 |  |  |
| 1.2 Development of policy recommendations | Scientists’ fees | Day | 20 | | 100 |  | 2000 |  |
| Printing | Copy of recommendations | 35 | | 5 |  | 175 |  |
| 1.3 Briefing for Finance Ministry on visit and policy recommendations | Venue | Daily use | 1 | | 0 |  |  | 0 |
| Trainers’ fee | Daily rate | 3 | | 150 |  |  | 450 |
| Sandwich lunch | Per person | 15 | | 5 |  |  | 75 |
| TOTAL | | | | | | 3920 | 2175 | 525 |
| ☺ Costs linked numerically to activities in the project proposal  ☺ Activity costs broken down into constituent parts  ☺ Costs minimised | | | | ☺ Unit costs identified, as well as number of units, to show exactly what the FCO is getting for its money | | | | | |

**Bad ☹**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Activity | Total | March | | April | May |
| Flights | 2560 | 2560 | |  |  |
| Accommodation and meals | 1435 | 1360 | | 75 |  |
| People costs | 2450 | 2000 | |  | 450 |
| Printing | 175 |  | | 175 |  |
| Admin charge | 1000 | 333 | | 333 | 334 |
| Contingency (5%) | 380 | 200 | | 90 | 90 |
| TOTAL | | 6453 | | 673 | 874 |
| ☹ Costs not linked directly to activities  ☹ Unclear how many units (eg flights) are included and how much we are paying for each | | | ☹ Admin charge disproportionately high  ☹ Budget includes a contingency | | |