



# Announcement of opportunity: Building resilience to natural disasters using financial instruments

## Summary

The Natural Environment Research Council (NERC), Department for International Development (DFID) and Economic & Social Research Council (ESRC) invite proposals which apply research to inform the design, development, refinement, and validation of pre-arranged financing instruments to help developing countries respond to and recover from extreme events and natural disasters.

The funding call is focused on three broad challenge areas where collaboration with academia could support and strengthen the development of disaster risk financing systems:

- Improving the robustness and enhancing the use of assessments of disaster risk.
- Widening the types of hazards, geographical regions and situations in which disaster risk financing instruments can be offered and ensuring they are contextualised to local need.
- Improving and validating indices and determining appropriate triggers for response.

Project teams must include both academic researcher(s), and at least one 'practitioner' directly involved in disaster risk financing, such as a beneficiary or provider of disaster risk financing, including third sector organisations (e.g. NGOs, charities and other non-profit civil society organisations), private sector (e.g. (re)insurance industry, capital market participants), public sector (e.g. government departments, local government, disaster risk management authorities, regulatory authorities, multilateral development banks etc.), or other disaster risk management actors and risk intermediaries. Projects should be designed collaboratively, so they provide usable outputs for the practitioner.

Proposals may be for short 'feasibility style' projects (up to 6 months) which initiate new partnerships and explore the value of academic research to a practitioner, or longer projects (up to 24 months) which build on existing collaborations and develop tangible outcomes for the practitioner's organisation.

All projects are required to have a Principal Investigator based in a UK Research Organisation eligible for RCUK funding. Successful proposals must focus on outcomes that promote the long-term sustainable growth, economic development and welfare of developing countries (see [Annex 2](#)).

Proposals must be submitted via the UK Research Councils' Joint Electronic Submission (Je-S) system before **16:00 GMT/UTC on 26 September 2017**.

# I. Background

Developing countries are disproportionately affected by crises caused by extreme weather and other natural disasters, setting back progress on poverty alleviation and slowing long-term development. They are often the most exposed to hazards, have limited coping capacities and find it harder to recover. Acting early, in some cases before a crisis develops, significantly reduces the impacts of disasters, saving lives and livelihoods, but also reduces the overall cost of response and recovery.

However, early action depends on robust pre-disaster preparation and financial planning, in particular, having three pillars in place before a disaster strikes (Clarke and Dercon, 2017):

- i. **Clear plans in place before an event occurs to define what actions will be taken as well as the institutional capacity and systems to implement those plans**, including for example, shock-response social protection systems and standard operating procedures (SOPs).
- ii. **Prior agreement on, and arrangements for, how those plans and systems will be financed if an event occurs**, including, for example, through contingent budgets, insurance, humanitarian aid, contingent credit etc.
- iii. **Governance/decision making process in place to activate the plan and associated finance, including pre-agreed parametric/index-based or forecast-based triggers.**

Having these three pillars in place will ensure that finance is available to take early action to prepare for disasters and/or to enable rapid response and recovery after a disaster strikes. For example “shock responsive systems” backed by pre-arranged finance, such as adaptive social protection systems, can scale up quickly in an emergency to protect the poorest people from the impact of shocks. Pre-arranged financing could be from insurance, but could also come from the use of, for example, catastrophe bonds, contingent loans or forms of forecast-based finance. The key differentiator here, compared to traditional financing, is that finance is pre-arranged and triggered by pre-defined criteria.

We are beginning to see innovation in this area. For example, regional risk pools such as African Risk Capacity (ARC) provide affordable insurance to governments using pre-agreed parameters to trigger pay-outs that fund pre-agreed plans. The Start Network (a consortium of humanitarian NGOs) is also developing new financing instruments that aim to deploy funds in a faster, more efficient way to protect communities at risk of major droughts.

There is a role for academic knowledge, skills and data to support and strengthen the development of disaster risk financing systems and to contribute to the evidence base required to ensure these schemes are effective at building the resilience of developing world countries. To achieve this, collaboration between academics and those involved in disaster risk financing is required, including those working with at-risk communities, as well as risk modellers and organisations that are developing disaster risk financing solutions.

This is a multidisciplinary problem which will benefit from multidisciplinary partnerships. For example, disaster risk financing must be informed by robust assessments of risk which require data and insights from across disciplines to understand the likelihood and socio-economic impacts of hazards. Similarly, environmental and socioeconomic data and analyses are crucial in developing and validating indices which accurately reflect societal impacts, establishing thresholds beyond which payments / actions are triggered and in offering insights into the limitations of particular indices in particular contexts. Social sciences are also vital in designing the governance, structure and processes around these new instruments and in evaluating their potential.

## 2. Scope

NERC, DFID and ESRC are inviting scientists to apply **environmental and social science research to improve the design, development, refinement and validation of disaster risk financing instruments (ie, which are pre-arranged before a disaster strikes).**

This call will support projects aimed at informing pre-disaster preparation and financial planning linked to the development of disaster risk financial instruments, which may include:

- forecast based finance
- parametric/index-based insurance
- 'traditional'/indemnity insurance
- humanitarian pooled funds
- catastrophe bonds
- pre-agreed financing arrangements for index-based shock-responsive social protection systems
- contingency credit, and wider disaster risk financing tools

Proposals must be primarily focused on the application of environmental and social science research to a clearly identified practitioner problem or issue. Large scale new data collection and analysis is not permitted under this call.

This is a multidisciplinary problem so projects which combine environmental science with other disciplines are strongly encouraged, but multi-disciplinarity is not essential and projects may focus purely on environmental science.

### 2.1 Challenge areas

The call has identified the following broad challenges where collaboration with academics would be beneficial. The challenge areas are intentionally broad to allow scope to explore the role for academic knowledge, skills and data to support and strengthen the development of disaster risk financing systems.

- **Improving the robustness and enhancing the use of risk assessments that underpin disaster risk financing.** Robust understanding of disaster risk is essential to developing and effectively implementing risk financing tools. However the scarcity of data in many developing countries makes understanding risk a challenge. Risk models may be used to estimate the

likelihood and socio-economic impacts (i.e. loss/damage) caused by hazards however the lack of historical data, in particular, makes the evaluation of risk models challenging. Managing uncertainties in these systems is crucial. Can knowledge and data from academia be used to improve risk assessments?

- **Widening the types of hazards, geographical regions and situations in which disaster risk financing instruments can be offered and ensuring they are contextualised to local need.** Schemes commonly provide protection against drought, earthquake and cyclones but there is potential to widen this to include, for example, flooding or the outbreak of infectious disease or to develop protection for e.g. infrastructure, or the livelihoods of pastoralists. Ensuring disaster risk financing instruments are relevant to and contextualised to local needs is key, e.g. NGOs may need to understand the risk that an event will push communities below a threshold which means they require humanitarian assistance.
- **Improving and validating indices and determining appropriate triggers for response.** Many disaster risk financing systems are parametric which means payments are made once a pre-defined environmental threshold, which is correlated to loss or damage (e.g. wind speed of a hurricane) has been reached. Parametric (or index)-based systems enable rapid action/ payments and are cost effective compared to traditional (indemnity-based) insurance. The environmental variable (or index) which is used must be highly correlated to risk of loss/ damage and the thresholds chosen to trigger payments must be carefully selected to provide the payouts for the situation and avoid basis risk. The challenge is how to develop indices which are well correlated with actual loss/damage and select triggers which ensure payouts are made in times of need (but not otherwise); what are the limitations of particular indices for particular contexts? Social sciences are also vital in understanding the broader governance/decision-making processes for early action and in ensuring the perspectives of affected communities people are incorporated in the selection of triggers.

## 2.2 Geographical scope

Funding for this call will form part of the UK's Official Development Assistance (ODA) commitment, and proposals should demonstrate their primary purpose is to promote the economic development and welfare of countries on the OECD Development Assistance Committee (DAC) [list of ODA recipients](#) (see [Annex 2](#) for further guidance).

The call is open to applications which inform disaster risk financing schemes in any OECD DAC list countries or regions. The funders are looking to support projects across a portfolio that balances geographical regions, challenge areas and pre-arranged disaster risk financing instruments.

### 3. Practitioner project partners

The overarching goal of these projects should be **enhanced resilience** in developing countries. To achieve this, project teams must include a 'practitioner' active in disaster risk financing and the proposal must be focused around an issue faced by the practitioner in the design, development, application and use of pre-arranged disaster risk financing.

#### *3.1 The role of practitioner in the project team*

Academics and practitioners should work together to co-design a collaborative project applying research and providing usable outputs for the practitioner, with the potential for significant impact.

Practitioners should be willing to have an integral role in the project including identifying knowledge or data needs, co-designing the proposal, steering the project (in conjunction with the academic members of the team), using the findings of the project and enabling the academics to report on how the project has had an impact. It is recognised that, in addition, some practitioners may be delivering the project, e.g. NGOs may conduct interviews or collect information from affected communities, or in assessing how options would work in particular contexts.

As part of the project, academics are encouraged to spend time within the practitioner organisation to build an understanding of the issue being addressed as well as the wider context within which the organisation operates and to embed knowledge and outputs arising from the project.

It is envisaged that collaborative working will benefit both academics and practitioners. For example, academics will gain an understanding of how their research can be applied to real world issues and how it can be used to shape future impactful research, whilst practitioners will benefit by leveraging novel capabilities or research methods from academia and from working with an individual focussed on a challenge of high relevance to their organisation.

#### *3.2 Eligible practitioner organisations*

Practitioners might include, for example, beneficiaries of risk financing or a provider of disaster risk financing, and could include third sector organisations (e.g. NGOs, charities and other non-profit civil society organisations), private sector (e.g. (re)insurance industry, capital market participants), public sector (e.g. government departments, local government, disaster risk management authorities, regulatory authorities, multilateral development banks etc.), or other disaster risk management actors and risk intermediaries.

Research Council Institutes and HEIs are **not** eligible as practitioner project partners.

Through this call DFID would like to support at least one project working with African Risk Capacity (ARC), however the call will fund projects across a portfolio that balances challenge areas, geographical regions and types of disaster risk financing instruments.

There is no upper limit to the number of 'practitioner project partners' involved in each project, but all proposals must have a minimum of one practitioner project partner.

### *3.3 Funding for practitioner project partners*

In recognition of the likely considerable involvement of third sector organisations (e.g. NGOs, charities and other non-profit civil society organisations) they will be eligible to request direct costs, including staff and travel and subsistence (T&S), to help cover the time of individuals engaging in the project. All costs must be reasonable, proportional to the role within the project, and clearly identified and fully justified in the Justification of Resources. More information on how to build these costs into the application is given in [Annex 1](#) and [Annex 3](#). Indirect costs and overheads may not be requested for practitioner project partners.

Private and public sector organisations are **not** eligible to receive funding from the project. It is envisaged that these organisations would provide staff resource in-kind in exchange for the benefits of leveraging novel capabilities from academia and from involvement in a project which aims to provide direct benefits to their organisation.

#### **Networking event**

A networking event was held in London on 28 July 2017, which provided an opportunity to hear more from practitioners working in the area of disaster risk financing.

The aim of the event was to:

- build mutual understanding of the development and use of disaster risk financing instruments, including the science and social science that underpins them;
- discuss how and where research could help improve the design and use of instruments,
- initiate collaborations between academics and practitioners and, more specifically,
- to discuss and develop project ideas to bid into the funding call

More information about and from the [networking event](#) is available on the NERC website.

Attendance at the workshop will not, however, be a pre-requisite for applying for funding.

## 4. Proposal requirements

### 4.1 Funding and start date

Up to £2 million is available for this call.

Projects may be short 'feasibility style' projects (up to 6 months) which initiate new partnerships and explore the value of research to a practitioner organisation, or longer projects (up to 24 months) which build on existing collaborations between academics and practitioners and develop tangible outcomes for their organisation.

Short feasibility projects must not exceed £100k (at 100% FEC). Longer projects must not exceed £350k (at 100% FEC).

The above budget limits refer to the maximum total (100%) financial costs incurred to undertake the project, not the amount which may be claimed from NERC. UK Research Organisations may claim costs at 80% FEC. Please see [Annex 3](#) for details of which proposal costs may be claimed as exceptions at 100% FEC.

Awards are expected to vary in scale according to the nature of the activities proposed. The funds requested should be proportionate to the activities being proposed and be fully explained in the Justification of Resources. NERC, DFID and ESRC are expecting to fund a range of large and small projects.

Costs may be requested for Research Organisations and third sector practitioner project partners named on the proposal. Further details of eligible costs and how to include these in your application can be found in [Annex 1](#) and [Annex 3](#).

**Awards are expected to start as soon as possible after notification of success, and no later than 1 January 2018.**

### 4.2 ODA eligibility

NERC funding for this call will form part of the UK's Official Development Assistance (ODA) commitment, and proposals should demonstrate their primary purpose is to promote the economic development and welfare of countries on the OECD Development Assistance Committee (DAC) [list of ODA recipients](#).

See [Annex 2](#) for further guidance on ODA compliance.

### 4.3 Reporting and outputs

In addition to Research Council reporting through ResearchFish, all completed projects will be required to submit an 'innovation highlights and impact' report which outlines the achievements of the project, its impact on the practitioner partners, as well as wider socio-economic impact. The template is available on the [Innovation Funding](#) page of the NERC website, and reminders will be provided. Grant-holders will also be expected to assist the funders with any other reporting requirements as required.

Disaster risk financing systems, including the risk assessments that underpin

them should be open and transparent to enable critical appraisal by others and in order to support defensible decision-making. This is particularly important for humanitarian donors who may have a role in financing disaster risk financing premiums for developing countries. Therefore an open and interoperable approach is expected for all data and knowledge produced as a result of this funding.

## 5. Eligibility

Investigators may be involved in no more than two proposals submitted to this call, and only one of these may be as the lead Principal Investigator.

The project team must consist of one or more academic researchers, and one or more practitioner project partners, as follows:

### *5.1. Eligible Lead Research Organisations*

Applications must include at least one academic researcher (ie: the Principal Investigator), based at an eligible Research Organisation. The lead Research Organisation must be eligible to hold RCUK grants; i.e. be an approved UK Higher Education Institution (HEI), Research Council Institute (RCI) or Independent Research Organisation (IRO). Full details of [RCUK Eligibility](#), including approved RCIs and IROs, can be found on the RCUK website.

Principal investigators must also meet NERC eligibility requirements as set out in the [NERC Research Grants Handbook](#).

### *5.2 Other Eligible Research Organisations and practitioner partners*

Proposals involving multiple applicants (and research organisations) are welcomed, and all projects must also include at least one practitioner project partner, in addition to the lead Research Organisation. Where more than one Research Organisation is participating in the grant, the costs from all participating organisations must be included in a single Je-S application, submitted by the lead Research Organisation. This call will award funds to the lead organisation named on each application, which will then be responsible for disbursing funds to other institutions/organisations named on that application.

For the purposes of this call, individuals at non-UK organisations and other UK organisations not currently eligible to receive NERC funding<sup>1</sup> may be named as either: (a) a Co-Investigator (if based at a UK or international Research Organisation collaborating on the project, having significant intellectual input to the project, forming part of the project team and receiving funding through the grant), (b) a Project Partner (if based at a private, public or third party practitioner partner organisation, forming part of the project team and having significant intellectual input to the project), or (c) as a sub-contractor (if purely providing a service, with no intellectual property, author or other rights).

CGIAR organisations are eligible to be involved with an application with an eligible UK Principal Investigator. However, under DFID funding rules they

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<sup>1</sup> Funding for these organisations will come from DFID and not the Research Councils. Participation in this call does not confer eligibility for any other UK Research Council funding, unless specifically stated by an individual Council.



should not apply as developing country academic, since they have competitive international terms and conditions and are able to recruit internationally.

Applicants with any uncertainty over the eligibility of any of the project team should contact the NERC office for guidance (see [contacts](#)) in good time prior to submitting their application.

## 6. Submission of proposals

Applications must be prepared and submitted through the [Joint Electronic Submission](#) (Je-S) system along with a completed 'Case for Support' template (which can be downloaded from the [funding call webpage](#)), and a number of other standard supporting documents, such as CVs.

For guidance on using the Je-S system, and for any Je-S related queries, please refer to the [Je-S Handbook](#), or contact the Je-S helpdesk:

Email: [JeSHelp@rcuk.ac.uk](mailto:JeSHelp@rcuk.ac.uk)

Phone: +44 (0) 1793 44 4164

The deadline for receipt of applications is **4pm on 26 September 2017**. Applications received after this date and time will not be accepted. Applications that do not use the 'Case for Support' template provided, that do not comply with these specifications, or that exceed the stated limits, will not be accepted.

Please refer to [Annex 1](#) for further details on how to prepare and submit your application.

## 7. Assessment

### *7.1 Assessment process*

Proposals will be assessed at a panel meeting involving academics and practitioners from the field of disaster risk financing, according to the assessment criteria. Please note that there is no formal refereeing stage or PI response stage for this call.

### *7.2 Funding agency proposal checks*

All proposals are subject to initial checks by the funding agencies. In order to be considered fundable, proposals must:

- Meet the eligibility criteria for this call
- Be primarily focused on the development and application of environmental and social sciences research.
- Meet ODA requirements by clearly demonstrating that the primary purpose is to promote the economic development and welfare of one or more LMICs on

the [DAC list of ODA recipients](#) as its main objective (see [Annex 2](#) for further guidance)

- Address the scope of the call as presented in the scope of this document
- Involve a practitioner project partner who has a role in the design, development, application or use of disaster risk financing mechanisms

Proposals that do not meet the criteria above may be rejected by the funders, without reference to the Assessment Panel.

### 7.3 Assessment Criteria

Proposals meeting the call criteria will be considered by an Assessment Panel. Proposals will be assessed against the following criteria:

#### 1. **Potential impact**, including:

- a. ***Fit to scope of call:*** Proposals must demonstrate alignment with the scope of the call
- b. ***How the project will achieve impact, through working with the practitioner project partner.*** The proposals should clearly indicate how the project will develop tangible outputs (e.g. knowledge, data, models tools, approaches), how these will be utilised by the project partner and what outcomes (benefits) and impact this will have.
- c. ***Strength of engagement from project partner/s.*** The proposal should show strong evidence of project partners being deeply involved in the development of the proposals and of their commitment throughout the project. There is a clear route for the project outputs to be used by the project partner and the benefits to the partner are well defined.

#### 2. **Project design and delivery**, including:

- a. ***Appropriateness of science to answer project partners' questions including the quality of the science being applied or the approach proposed.*** This criterion judges the quality and robustness of the science (e.g. data/knowledge/models) being used and the extent to which the approach is appropriate for the challenges being addressed. It is not expected that all projects will use state-of-the-art technology or the latest science, indeed we encourage projects involving existing data that has been under-utilised, but in all cases the proposals must show that the science being used will provide the best possible results to achieve the aims of the project.
- b. ***Expertise and achievability.*** This criteria looks at the expertise in the team, track record and the achievability of the work plan. Does the team include an appropriate balance of skills? Are the proposed milestones and deliverables achievable within the stated timeframe?
- c. ***Value for money.*** The extent to which the resources requested, relative to the anticipated deliverable(s), represent an attractive investment of funds.

The panel will make funding recommendations to the funders via a ranked list of the proposals, which funders will use to fund the projects that best meet the aims of the call within the available budget.

Applicants will be given feedback from the Panel summarising the reasons why the proposal was successful/unsuccessful. No further feedback will be available.

## 8. Key dates

Networking event with practitioners	28 July 2017
Call opens in Je-S	10 August 2017
Closing date for proposals	16.00 on 26 September 2017
Assessment Panel	October/November 2017
Project start	December 2017 – January 2018

## 9. Contact

For general queries relating to the submission process, please

contact: Lisa Bettington  
Programme Manager – Innovation, NERC  
Email: [listti@nerc.ac.uk](mailto:listti@nerc.ac.uk)  
Tel. 01793 411630

To discuss project and proposal ideas, please

contact: Ruth Hughes  
Senior Programme Manager – Innovation, NERC  
Email: [rugh@nerc.ac.uk](mailto:rugh@nerc.ac.uk)  
Tel. 01793 411537

Ken Wright  
Climate Energy & Water Team, Research & Evidence Division, DFID  
Email: [ken-wright@dfid.gsx.gov.uk](mailto:ken-wright@dfid.gsx.gov.uk)  
Tel. 0207 023 0346

## 10. Document Version Log

Version	Date	Changes
1	26/07/2017	N/A
2	09/08/2017	Minor change of tense in networking event box (P6); Clarification added to section 4.1 (P7); Je-S call open date specified (P11 & P12); Annex 1 CV submission instruction amendment (P14).

# Annex I: How to Apply

## Step 1 (as soon as possible): Pre-call actions

The call will open for applications in Je-S on 10 August 2017. Applicants intending to submit an application can however complete the following steps even before the call opens in Je-S, in order to maximize preparation time:

- **Applicant Je-S registration:** In order to create or be named on a proposal, the Principal Investigator and any Co-Investigators **must** have a registered Je-S account. Please check as soon as possible that all members of the academic project team are registered on the Je-S system.

To create a Je-S account, please go to the [Je-S Login page](#), select the 'Create an Account' link and follow the instructions.

Co-Investigators based at Research Organisations not yet registered with Je-S and not normally eligible for RCUK funding will first need to self-register their organisation, before being able to create a Je-S account as above. To self-register an organisation, please go to the [Je-S Login page](#), select the 'self registration for organisations' link and follow the instructions.

- **Research Office Support:** Applicants are advised to engage their appropriate Research/Finance office in the preparation of their application as soon as possible, particularly given the relatively short window during which the call will be open in the Je-S system.
- **Supporting documents:** A number of the required supporting document attachments need to either be jointly prepared by the entire project team (for example, the Case for Support), or to be provided by the Co-Investigator (CV) or Practitioner Partner (Letter of Support, see step 5 for details). All supporting documents need to be uploaded before the application is submitted, prior to the closing date. You should discuss this requirement with members of the project team as early as possible. This is particularly important if, for example, there are internal sign-off processes before partnering organisations are able to provide formal letters of support to the application.

## Step 2 (from 10 August onwards): Log in with your Je-S account, click on Documents and create a new Document

### Step 3: Complete Add a Document:

1. Select Council: **NERC**
2. Select Document Type: **Standard Proposal**
3. Select Scheme: **NC&C**
4. Select Call/Type: **Innovation – DRF September 2017**

Please note that applications submitted to the wrong call cannot be considered.

#### **Step 4: Complete the Je-S application:**

Applications should be prepared and submitted by the lead research organisation (RO), but should be co-created with input from the practitioner project partner/s all investigators, and should represent the proposed work of the entire consortia.

All applications must be submitted in English and costed in pounds sterling (£/GBP). Applications should be completed following the guidance in the [NERC Research Grants Handbook](#) and the [Je-S Handbook](#), noting the following additional information specific to this call:

- **Joint proposals:** Joint proposals are **not** permitted for this call. This does not mean that NERC will not accept proposals involving the participation of more than one Research Organisation, but the costs from all participating organisations must be included in one proposal, submitted by the lead Research Organisation.

This call will award funds to the lead UK institution named on the application, which will then be responsible for the overall management of the award, including control, disbursement and assurance of funds. The lead organization will be responsible for disbursing funds to other institutions/organisations named on that application.

It is important to highlight that the Research Organisation awarded the grant is responsible for the conduct and administration of the grant. It is accountable for the effective use of public funds, and must therefore ensure that all grant monies are subject to proper financial management processes. It is the Research Organisation's responsibility to ensure that expenditure on collaborations in the UK and abroad is subject to robust controls to ensure value for money and propriety and that all costs should be fully vouched and maintained for possible inspection and checks by, or on behalf of, the funding organisations (NERC, DFID and ESRC). The UK Research Organisation must undertake due diligence checks to ensure that the funding will be appropriately used.

- **Practitioner project partners:** All projects must include one or more practitioner project partners directly involved in disaster risk financing, such as a beneficiary or provider of disaster risk financing, including third sector organisations (e.g. NGOs, charities and other non-profit civil society organisations), private sector (e.g. (re)insurance industry, capital market participants), public sector (e.g. government departments, local government, disaster risk management authorities, regulatory authorities, multilateral development banks etc.), or other disaster risk management actors and risk intermediaries. Please complete this section for each project partner involved in the project, providing details of the contributions and support (both cash and in-kind) which the partner will make to the project. Cash and in-kind contributions from the project partner should be carefully costed to ensure there is no double counting. Access to data already freely available in the public domain cannot be counted as in-kind support and care should be taken so as not to over-value in-kind contributions.
- **Resources:** A maximum project cost of £100K (at 100% FEC) may be requested for feasibility projects, up to 6 months, or up to £350k (at 100%

FEC) for larger projects of up to 24 month duration. Any applications which exceed these stated budgets will be rejected.

All of the UK Research Councils' research grant applications are awarded on a full economic cost (FEC) basis. For this call, Research Organisations in the UK, Developed Countries and DAC list graduating countries (Chile, Uruguay, Antigua and Barbuda, Seychelles) will receive direct costs at 80% FEC of a project, while Research Organisations in DAC listed countries can request 100% of Direct Costs. Research Organisations may also request indirect costs at the rates given in [Annex 3](#).

Third sector practitioner project partners may request direct costs, including staff and T&S, on the same FEC basis as Research Organisations, based on the country in which they are primarily based/legally registered. Practitioners may not request any indirect costs.

Private and public sector practitioner project partners may **not** request any costs in the proposal.

Further information on project finances and how to complete the resources section of the Je-S proforma can be found in [Annex 3](#).

**All applicants are advised to consult their institutional finance officers when completing the financial parts of the application.**

- **Beneficiary Countries:** Please ensure that you select the relevant country from the [DAC list of ODA recipients](#) which your project proposes to work with. Please ensure that you only select countries from the DAC list.

### **Step 5: Complete and upload attachments:**

As well as the Je-S application proforma, a number of attachments, containing information to support your application and further demonstrate how the application meets the call assessment criteria, must also be uploaded and submitted with your application. All attachments must comply with the NERC standard requirements as listed in [NERC Research Grants Handbook](#) (in particular, please note the formatting rules for attachments under Section F).

The following attachments must be uploaded to your application before submission to NERC:

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1	CV	A CV for each applicant (PI, Co-I and Res Co-I), and any visiting researchers involved in the project (up to 2 sides A4 per CV).
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2	Case for Support	A case for support, using the case for support template available to download from the <a href="#">funding call webpage</a> (up to 11 sides of A4, on template provided).
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3	Justification of Resources	A full justification of the resources requested within the proposal. The Justification should clearly identify the total and itemised costs requested for each organisation involved in the proposal, and provide a full justification of each of the resources requested (up to 2 sides of A4).
4	Practitioner project partners Letters of Support	A letter of support from each practitioner project partner, (up to 1 side of A4 per partner). These are attached as attachment type 'Project Partner Letter of Support' within the Project Partner section in JeS
5	ODA Statement	An ODA compliance statement, demonstrating that the application's primary purpose is to promote the economic development and welfare of developing countries on the DAC list. This should be uploaded as an attachment type of 'Non-UK Components' (up to 1 side of A4 – see <a href="#">Annex 2</a> for guidance).

### **Step 6: Submit application to NERC**

Applicants **must** ensure that their proposal is received by NERC via the Je-S system by **4pm (UK local time) on 26 September 2017**, in order to be considered for funding.

## Annex 2: Overseas Development Assistance

Successful proposals will in part be funded as part of the UK's [ODA](#) commitment, which is monitored by the [Organisation for Economic Cooperation and Development](#) (OECD). ODA funded proposals **must focus on outcomes that promote the long-term sustainable growth, economic development and welfare of developing countries as their main objective.**

Detailed programme-level data on ODA is reported, scrutinised and published by the OECD via DFID. As a requirement of funding, applicants are required to demonstrate that their project is ODA-compliant by providing an ODA compliance statement as part of their proposal.

You should consider using the questions below when preparing this statement:

1. Which country/countries on the DAC list will directly benefit from this proposal and are these countries likely to continue to be ODA eligible for the duration of the research?
2. How is your proposal directly and primarily relevant to the development challenges of these countries?
3. How do you expect that the outcome of your proposed activities will promote the economic development and welfare of a country or countries on the DAC list?

There are various guidance documents which have been published to assist with ensuring that proposals submitted under the Research Councils ODA schemes are ODA compliant. Applicants are encouraged to read the available [RCUK ODA Guidance](#) and the [OECD ODA Guidance](#) before writing their ODA compliance statement.

Applicants should note that the DAC list of ODA recipients is due for review in 2017 and some countries may graduate from this list as part of that process (currently Antigua and Barbuda, Chile and Uruguay). If the focus of a proposal is benefiting a DAC country which is likely to graduate within the time frame of the project (peer review and project duration) then the proposal should be developed to show how it both contributes towards the economic development and welfare of that country and also articulate a broader applicability to other DAC countries.



## Annex 3: Guidelines on Project Finances

**All applicants are advised to consult their institutional finance officers when completing the financial parts of the application.**

### Research Organisation Resources:

Funding which can be requested for research partners (the lead Research Organisation, and any Co-Investigator's Research Organisations), will depend upon the country in which they are primarily based/legally registered, with the level of financial support determined by the countries' [OECD DAC list](#) status. This is summarised in the following table:

Research Organisation Location	Direct Costs	Indirect (overheads and Institutional) costs
(a) UK	Current FEC policy (80% direct & indirect costs)	
(b) Developed Countries and CGIAR organisations	80% FEC	Up to 20% of eligible direct staff costs
(c) DAC list graduating countries (Chile, Uruguay, Antigua and Barbuda, Seychelles)	80% FEC	Up to 20% of eligible direct staff costs
(d) DAC list countries	100% FEC	Up to 50% of eligible direct staff costs

#### *Resources for Research Organisations in the UK:*

- The lead Research Organisation, and the UK Research Organisation of any Co-Investigators named on the proposal, will be supported at 80% FEC, in-line with standard [Research Council Funding Rules](#). This applies to both direct and indirect costs.
- Overseas travel and expenses costs incurred by members of UK Research Organisations will be paid at 80% FEC, and must be included as costs related to that UK institution.

#### *Resources for Research Organisations in Developed Countries and/or DAC list graduating countries:*

- Any Research Organisations based in developed countries (i.e. countries not on the OECD DAC list) or DAC list graduating countries (Chile, Uruguay, Antigua and Barbuda, Seychelles) will be supported at 80% FEC for the **direct** costs of the research (e.g. staff, Travel, consumables), with the

remainder of the costs provided by the Research Organisation or from other funding sources. These costs and contributions must be fully auditable.

- In addition, **indirect** costs (overheads, including estates costs) may be charged on staff salary and other staff-related costs (i.e. statutory contributions analogous to UK National Insurance or Superannuation contributions), at a rate of 20% of the eligible direct staff costs. Please note that overheads may not be charged on non-staff related direct costs (for example, equipment, travel and subsistence, consultancies, conferences, etc.).
- Non-UK Research Organisations should not enter any costs in the 'Estates' section of Je-S. All overheads should be entered as an 'Other Directly Incurred Cost' in Je-S.
- Overseas travel and expenses costs incurred by members of developed country and DAC list graduating country Research Organisations will be paid at 80% FEC, and must be included as costs related to that institution.

#### *Resources for Research Organisations in DAC list countries:*

- Any Research Organisations based in DAC listed countries will be supported at 100% FEC for the **direct** costs of the research.
- In addition, **indirect** costs may be charged on staff salary and other staff-related costs, at a rate of 50% of the eligible direct staff costs. Please note that overheads may not be charged on non-staff related direct costs.
- Non-UK Research Organisations should not enter any costs in the 'Estates' section of Je-S. All overheads should be entered as an 'Other Directly Incurred Cost' in Je-S.
- Overseas travel and expenses costs incurred by members of Research Organisations in DAC list countries will be paid at 100% FEC, and must be included as costs related to that institution.
- In order to mark the direct and indirect costs payable at 100% FEC, applicants should tick the 'Exceptions' box under the relevant category in Je-S.

#### **Resources for third sector practitioner project partners**

- Any third sector practitioner project partners (e.g. NGOs, charities and other non-profit civil society organisations) will be eligible to request a contribution towards **direct** staff costs. These direct staff costs may be requested at the same rate as shown in the table above, ie: 80% FEC (for partners primarily based/legally registered in the UK, developed countries and/or DAC list graduating countries), or 100% FEC (for partners primarily based/legally registered in DAC listed countries).
- Third sector practitioner partners are **only** eligible to request direct costs, including staff and travel and subsistence (T&S). Requests for Indirect costs, are not permitted.

#### **Resources for private and public sector practitioner project partners**

- Private sector practitioner project partners are **not** eligible to receive any funding from the project. In-kind contributions (such as staff time) provided

to the project should be clearly identified in the Project Partner section of the Je-S form.

- Private sector organisations purely providing a service to the project, with no intellectual property, author or other rights, may instead be included as a sub-contractor, and receive funds through the lead organisation. These costs will be funded at 80% FEC. Further details on the distinction between a project partner and subcontractor can be found in Sections C and E of the [NERC Research Handbook](#).

### Including costs in the Je-S application

Costs associated with each organisation must be clearly defined as separate line item costs in the relevant sections of the Je-S application, by prefixing each Item with the organisation name, as shown in the examples below:

#### Travel and Subsistence

Destination and Purpose	Total £	Total £
Within UK	UK Institution name: travel/trip description	
Within UK	Overseas Institution name: travel/trip description	
Outside UK	UK Institution name: travel/trip description	
Outside UK	Overseas Institution name: travel/trip description	
	Total £	

#### Other Directly Incurred Costs

Description	Total £
UK Institution name - cost description	
UK Institution name - cost description	
Overseas Institution name - cost description	
Overseas Institution name - cost description	
	Total £

Where an organisation is eligible to request costs at 100% FEC (ie: those based in DAC listed countries), the exceptions box should be ticked against the individual line items relating to that organisation.

The Justification should provide a summary of the costs requested, and clearly identify the total and itemised costs requested for each organisation involved in the proposal.