

Own contribution

Sida has authorised the inclusion of contributions made by the Global Unions in projects' "own contribution". The LO-TCO Secretariat therefore provides the following information. Own contribution in 2009 is 10.3% for projects in the South and in the East.

What can be considered "own contribution"?

If the Global Unions incur project related costs financed by membership fees from Swedish member unions, these costs may be considered "own contribution" to the said projects. However, the total contribution of a Global Union to all projects may not exceed the membership fees paid by its Swedish union members.

This alters the definition of what may be considered own contribution. The revised definition reads:

“Own contribution should be calculated on the total project budget after deduction of contributions made by field organizations and other donors. Own contribution must be clearly identifiable in project accounting. It should include cash from the Swedish Union, LO and TCO, and, where appropriate, from the Global Union or the ITUC. It may also indirectly include costs, salaries and related costs paid by any of the above organizations to project resource persons. A resource person is defined as someone who participates in any of the project's phases – planning, implementation, follow up or evaluation – and who creates added value. For example: project leaders (those responsible wholly or in part for implementation and regular planning and follow-up), educators, lecturers, experts, evaluators, etc. However, visitors to the project whose presence does not create added value (for example, members of visiting study groups) are not classed as resource persons. Administrative costs of any of the above organizations cannot be included in own contribution.”

How should own contribution be reported?

The Swedish unions report their own contribution on form 7A, page “7A; Nat.Req.Org. Result” in the column “COSTS TO OWN CONTRIBUTION” under the respective budget item.

The Global Unions report their own contribution on form 7A, page “7A; GUF Org.Result” in the column “COSTS TO OWN CONTRIBUTION” under the respective budget item. The Global Union may report a total own contribution – for all projects – up to the total amount of membership fees paid by the Swedish union members. Should the own contribution of the Global Union exceed membership fees, this may be stated on a separate line as “Own contribution not financed by membership fees”.

Audit

Own contributions made by Swedish unions and Global Unions to a project must always be verified by the organisation's elected or authorised accountant and be reported on forms 7A and 7B. Costs covered by own contributions should be a natural part of project activities, together with all other costs, and should therefore also be verified by an accountant.

Recommendations

The LO-TCO Secretariat recommends that the organization which signs the project agreement should consolidate all reports – own contributions included – and submit them to the responsible Swedish Union to be forwarded to LO-TCO Secretariat. This should effectively guarantee a coherent view of the entire project, including own contributions.