

Fund for Local Cooperation: Guidelines for the private sector partners

This document provides additional information for private sector applicants as the FLC support for local private companies' projects is subject to a number of special provisions. This said, private sector applicants use the same application form as the other FLC applicants and the FLC support is channelled through and administered with the normal FLC practices. That is why it is advisable that private sector applicants also familiarise themselves with the **Guidelines for the FLC Partners**.

Eligible FLC partner in the private sector

Eligible partners for the FLC include:

1. Local private sector including Chambers of Commerce, business associations, trade promotion agencies, training institutions, producer cooperatives and other similar private sector actors.
2. Local private companies, including cooperatives and social enterprises.

The applicant must be legally registered, local Moldovan private company or actor whose project is in line with the FLC priorities:

- *Support to the freedom of expression and media diversity*
- *Support to the rights of women and girls*

The applicant must have real business operations in the Republic of Moldova. The applicant must have a sound financial record, sufficient commercial business experience and know-how. In addition, the applicant must have sufficient financial and human resources for the implementation of the project. The applicant should play an active part in the project and share the risks. That is why for example a consultant conducting e.g. a feasibility study is not an eligible FLC applicant.

All private sector applicants that receive FLC funding must align themselves with the UN Global Compact principles in their operations <https://www.unglobalcompact.org/what-is-gc/mission/principles>

Special provisions of the FLC support to Private Companies

In principle, the FLC support is an instrument to fund non-profit projects. However, with special provisions the FLC grant can be granted for a private sector profit operations.

Criteria for Eligible Projects with the Private Sector Applicants:

- Activities that lead to verifiable development and Human Rights impacts.
- The project does not excessively influence the local competition circumstances.
- The project is not a procurement from the company supported.
- Support cannot be used for equity or liability of a company.

Suitable FLC projects may include the following spheres, but not limited to:

- economic empowerment of women including youth and women in vulnerable positions;
- Seed-money in the early phases of a business-oriented project (e.g. women-owned micro and small entrepreneurship);
- mentoring, training, vocational training;
- job creation;
- occupational safety and health;
- accessibility to job markets of persons with disabilities and other women in vulnerable positions;
- platforms and networks of private sector and other actors for cooperation;
- advancement of “alternative forms of business” such as cooperatives and social enterprises;
- promotion of Human Rights and corporate social responsibility in business.

FLC funding **cannot be used** for the following activities and expenses:

- Purchase costs of machinery and equipment if that is the only or almost only purpose of the project.
- Feasibility studies for concessional credit (or equivalent) schemes and export promotion schemes originating from Finland;
- General marketing activities and marketing materials expenses;
- General product development or innovation costs which play no part in a supported project;
- General market research costs which play no part in a supported project;

Regardless of the profit orientation of the project, support to local private companies will always require FLC application form accompanied with the **Information Form for Private Sector Applicants** where these special provisions apply.

Maximum Financial Support

The FLC grant can cover a maximum of 70 % of the entire project costs. The guiding principle for supporting private companies is that the applicant itself provides a reasonable share of the

financing of the project. The Embassy takes into account the financial risks of the project when the FLC support is considered.

Further information about the selection process, timeline, project proposal, agreement, payment, legal and normative context, please see the Call for FLC proposals and Guidelines for the FLC Partners.