

Criteria, Eligibility & Further Information

FLC Call for Project Proposals

What is the Fund for Local Cooperation?

The Fund for Local Cooperation (FLC) is an instrument of Finnish development cooperation channeled through local civil society organizations and/or the private sector. It is part of the implementation of Finland's development policy and efforts towards eradicating extreme poverty and reducing inequality. For further information on Finland's *Government Report on Development Policy 2016*, see https://um.fi/policies-and-guidelines/-/asset_publisher/NgyU5oMVA9rg/content/valtioneuvoston-selonteko-suomen-kehityspolitiikka-yksi-maailma-yhteinen-tulevaisuus-kohti-kestavaa-kehitysta.

Priority theme: the Rights and Status of women and girls

Project supported by FLC must serve Finland's foreign and security policy objectives. As a development policy instrument, FLC projects must in particular support the goals set for Finland's development policy: eradication of poverty by means of economically, socially and ecologically sustainable development. The implementation of Finnish development policy is guided by the 2016 Government Report on Development Policy.

The objective of the FLC is to complement other Finnish development efforts in the Finnish development policy's priority areas. **In the 2019 Call for Project Proposals, the focus is on *Priority 1. The Rights and Status of Women and Girls*. The eligible FLC projects must clearly address the rights and status of women and girls in Lebanon.** Please see <https://um.fi/goals-and-principles-of-finland-s-development-policy> for more information.

Following the priorities of Finland's development policy, priority is given to most vulnerable women and girls.

The Embassy's Fund for Local Cooperation budget is 100 000 euros in total, which will be divided between 1-3 projects, depending on the received proposals. The maximum project budget is 100 000 euros, with a maximum project duration of two years.

How to Apply

All applications must be sent as a soft copy by email to Sanomat.BEI@formin.fi with the **subject line "Fund for Local Cooperation"**.

The deadline for the submission of Project Proposals is at **Friday 21st of June 2019 at 17:00 local time**. The Embassy's FLC Committee will inform the applicants individually and announce the decision on the Embassy website (<https://finlandabroad.fi/web/lbn/frontpage>) and Facebook (<https://www.facebook.com/FinnishEmbassyBeirut/>). **The funding decisions are expected to be made by end of August 2019.**

All applicants must use the attached application forms in order to guarantee that all key facts are presented and to allow for better comparability.

Enquiries about the FLC should only be sent by email to Sanomat.BEI@formin.fi. The Embassy does not answer any telephone inquiries about the FLC during the application period. Most commonly asked questions and answers will be published on the Embassy website. The Embassy will hold an

information session on the FLC on **the 30th May 2019 at 14:00** to the interested applicants. Please confirm your participation in the information session by email to Sanomat.BEI@formin.fi.

Who can apply?

Only local actors are eligible to apply for Finland's FLC funding.

By definition the local actor must be established and officially registered in Lebanon on an official and permanent basis, its activities are targeted at Lebanon and the support benefits Lebanon. Eligible actors may include non-governmental organisations, science and technology communities, universities and other educational and research institutions, independent media, public bodies and cultural institutions, chambers of commerce and commercial associations, organisations engaged in the promotion of export and investment, businesses, cooperatives, interest groups of companies and employees, foundations or religious communities.

Local private sector actors are eligible if implementing a development project in accordance with OECD/ DAC criteria.

Support for a company is eligible only when its main objective is to promote the economic development and well-being of developing countries, and should be directed to a project or other clearly defined target-oriented activities, which have verifiable development impacts. Where the partner is a company, the project may not involve procurement from that company (purchases exceeding a certain threshold value require a call for tenders), but the grant must be an explicit allocation of funding for assistance. **Please see the attachment for private sector applications.**

FLC Funding *Cannot* Be Granted:

- To Finnish Non-Governmental Organisations or for projects of friendship associations in Finland (separate applications through the MFA unit in question);
- To Finnish Government agencies or public bodies (separate applications through the ICI instrument)
- To Finnish municipalities (separate applications through the Association of Finnish Local and Regional Authorities)
- To Finnish businesses
- To the government, ministries or municipalities in Lebanon
- To an unregistered association or organisation
- To support the activities of a political party
- For basic research
- For single cultural events (that have no permanent development impact)
- For charity purposes
- For humanitarian aid
- In the form of a grant, scholarship or assistance for the applicant's personal use
- For purchasing land
- To a Fund
- For building the capital of microcredit systems (development projects and training are possible)

Eligibility criteria

For a proposal to be considered, these key elements of Finnish Development Policy must be applied:

- I. ***Human Rights***, notably the rights of women and children, and ***marginalized groups*** like persons with disabilities. Projects assessed as Human Rights "blind" cannot be funded. For the *Human Rights Based Approach (HRBA)*, see: https://um.fi/documents/35732/48132/human_rights_based_approach_in_finlands_development_cooperation_guidance

- II. The project must incorporate the **Results Based Management (RBM)** approach, see: https://um.fi/documents/35732/48132/results_based_management_rbm_in_finland_s_development_cooperation
- III. The project should provide added value to the priorities and the **cross-cutting objectives (CCOs) of Finland's Development Policy**, which include the:
 - Promotion of gender equality,
 - Reduction of inequality,
 - Promotion of sustainable management of natural resources, environmental protection and climate sustainability.

Projects carried out under FLC funding must be **classified as development aid** in accordance with the **OECD/DAC Official Development Assistance (ODA) criteria** and providing added value. Charity work or humanitarian aid cannot be supported with these funds.

Support for research and cultural projects is restricted by a set of OECD DAC criteria. Support for basic research cannot be counted as development aid (= ODA eligibility). A research project must clearly promote economic development and welfare or the building of the actors' capacity in the host country. Support related to culture is accepted as development aid if the objective is to promote the host country's cultural development or the actors' capacity building. Supported projects are expected to produce sustainable development; single cultural events, e.g. different types of performances/ mere exchange of visits cannot be supported from FLCs.

The project upholds the **legal parameters** guiding the implementation of the FLC projects (see below).

Selection Process

Eligible applications must meet the **compulsory requirements of the assessment criteria described below in this document**. Those applications meeting all the compulsory requirements will be submitted for technical assessment. On the basis of a competitive scoring, the Embassy will select the best 2 – 4 applications for final selection.

For applications accepted for final selection, the Embassy will assess the applicant organization's **financial and administrative capacity** (see below for further information). Should an organization fail this assessment, its application will be rejected. Based on the competitive scoring results, the Embassy will approve the best applications for funding. Any applications that do not conform to the set of public criteria will not be accepted.

Both successful and unsuccessful applicants will be informed individually with justifications. After the applicants are informed individually, the Embassy will announce the decision on the Embassy website and Facebook page.

After the Embassy has made the funding decision, it will conclude a standard format agreement with the organisation(s) accepted as the implementing partner of project approved. The FLC funding decision and agreement must include the disbursement schedule as well as the related reporting obligations. Any changes must be agreed to in writing.

The Embassy of Finland reserves the right to accept or reject project proposals. The Embassy has a right to evaluate and audit a project at any time; the organization responsible for the project will make all required documentation available for the evaluation/audit.

Financial and Administrative Capacity Requirements

The Embassy will assess the applicant organization's financial and administrative capacity related to its management & organization; audit, procurement & financial management; risk management; anti-corruption.

The project must be *target-oriented*, its progress is *monitored* through reporting, and its *results should be estimated to be permanent*. The project or activity should enable *statistical reporting of the funding* as official development aid (ODA) according to DAC instructions. The organisation implementing the project should be *capable of carrying it out* (i.e. financial management, bookkeeping, competent staff, the organisation's basic financing are in order).

Funding Decisions and Agreements

The Embassy uses standard formats for funding decisions and agreements. The funding decision and agreement describe the responsibilities of both parties. The Agreement (including the signed application with a Project Plan) is an integral part of the funding decision and a binding legal document. Legal action can be taken if the FLC Partner does not follow them or misuses the funds.

The Agreement or any amendments of it need to be signed by the Embassy and the partner organization in the original form in two copies, one for each party. On behalf of the Embassy, the Agreement is signed by the Ambassador, or the person entitled by the Ambassador to sign. On behalf of the partner organization, the signatory must have the authorization for signing on behalf of the organization he/she represents. Email correspondence is not applicable to the signing of the Agreement.

Employment of Personnel

If the organization does not have an employee to whom a given project task could be assigned, one could be hired temporarily for the purposes of the project. **In such cases, the Project Plan should include a description on how the recruitment is done.** The budget must be given in advance for the Embassy's approval. Depending on the scope of work, the payments related to personnel are counted in working days, working weeks or working months.

Administrative Costs

An FLC organization can use a **maximum of 10 % of the total budget for administration costs.** Administration costs should have its own budget line so that it is clear what costs can be included in it. The project budget may include expenditure on financial management and reporting which are marked as tasks of specific persons.

Core Financing

The FLC projects are, as a rule, **not meant to cover the core expenditure of the partner organization.**

The Project Plan and budget may include only two kinds of "general" expenditure items: staff training and the direct costs related to the strategic planning of the organization. Even these tasks need to be justified from the perspective of the project level requirements and thus costs linked to the project to be financed from the FLC.

Co-financing

The Embassy of Finland can co-finance a project with another agency if this is specifically needed for the achievement of the FLC Programme's outcomes. Co-financing arrangements need to fulfil specific requirements related to the transparency of project planning, reporting and auditing. Co-financing arrangements are tailored on a case by case basis.

The Embassy of Finland **cannot grant FLC funding to entities, which then allocate financing onwards to other organizations.**

Payments to the FLC Partner Organization

The Funding Decision and Agreement are made in **euros (€)**. However, it is advisable that the Project Budget is in the local currency (USD or LBP). In this case the total sum will be converted into euros on the date of the signing of the Funding Decision and Agreement.

The budget can include a contingency of no more than 5 % to cover possible losses in local currency due to exchange rate variations. If the local currency value changes, the changes need to be taken into account so that the final expenditure does not exceed the value defined in euros. To avoid difficulties, the local currency expenditure needs to be converted to euros regularly.

The payment schedule is defined in the Agreement. **Payments are usually made in two or three instalments.** The Embassy makes the payments to the bank account of the partner organization. Payments are never made in cash, or to a private bank account.

New payments are made after acceptable reporting for the previous instalment. The reporting schedule is usually made so that a **report is expected some two months before the next payment.** The report then covers the actual disbursements at the time of preparing the report.

The Final Report at the end of the project includes the existing balance and also a report on the total payments during the project. If the partner organization has provided a certified Audit Report as a demonstration of the soundness of its bookkeeping, it does not need to include original receipts in the reports. However, a report should include a detailed list of costs, compared against the final Project Plan. As a general rule, **the final payment can be made only against an acceptable Final Report and the final audit.**

Progress and Final Reports

The Agreement defines how often the partner organization needs to provide a report. Usually a Progress Report is expected in the middle of the project and a Final Report at the end of the project. The reports must be signed by an authorized representative of the partner organization.

The Final Report describes the whole project, including results achieved, resources utilized and lessons learned.

A model / format for the minimum reporting requirements is available from the Embassy. These reporting requirements can be adjusted taking into consideration the capacity of the organization and the scope of the project. The Embassy's model checklists for monitoring Progress Reports and assessing the Final Report can be used by an FLC Partner as questionnaires that are attached to the Reports.

Annual Audit

An annual audit should be conducted on all projects, which receive **annual payments exceeding 20.000 €**. Annual auditing is recommended also for smaller projects. The audits are commissioned by the Embassy. The Embassy reserves the right to conduct an audit on any project it deems necessary.

Corruption Prevention

The Embassy monitors the project through reports, visits and audits. If there are signs of a misuse of funds or possible corruption, the Embassy may suspend or terminate financing and launch a legal procedure for clarifying the issue. Finland's policy against corruption is very strict. A Code of Ethics is a part of all Funding Decisions.

Corruption prevention can be included into the project layout from the outset. Corruption prevention activities, including improvement in financial management capacities and procedures, are useful elements of an FLC project.

Legal and Normative Context

The FLCs are governed by Finnish legislation, particularly the Act on Discretionary Government Transfers (688/2001), and the FLC Internal Instructions (6/2014) of the Ministry for Foreign Affairs (MFA) of Finland. The Internal Instructions set out the main principles concerning eligibility criteria for partners and use of the FLC funds.

The local partners implementing FLC projects must abide by the relevant local legislation. As a rule all **projects must be implemented by the local partners themselves, and only small procurements of a maximum of €15.000 from external agents may be allowed.** If any procurement of goods or services for the value of over €15.000 is needed, the procurement shall be carried out in compliance with the Finnish legislation on competitive bidding.

Attachments to the Call for Project Proposals:

1. Criteria, Eligibility & Information on FLC Projects (PDF)
2. Project Proposal Template (Word)
3. Private Sector - Information for Sector Applications (PDF)
4. Private Sector - Application form (PDF)
5. Annex Detailed Budget (Excel)
6. Annex Results Framework (Word)
7. Annex Work Plan (Excel)