



## Criteria, Eligibility & Further Information on FLC Projects

### **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.

**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. Please see <https://um.fi/goals-and-principles-of-finland-s-development-policy> for more on Finland's development policy.

The 2021 Call for Project Proposals is looking in particular for projects that **advance the participation of women and girls or activities promoting income generation.**

The Embassy's Fund for Local Cooperation for 2021 is 108 000 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 duration of twelve months.

### **How to Apply**

The **application period is open from Wednesday 1 September until Friday 17 September (23.59 Beirut time)**. Please note that applications received after this time will not be taken into consideration. Inquiries and applications of a maximum of two pages using the provided template for proposals should be sent to the Embassy's email [sanomat.bei@formin.fi](mailto:sanomat.bei@formin.fi) and titled "Fund for Local Cooperation Application".

The application process consists of a two-step selection procedure. In the first round, all applicants are asked to send a maximum two-page (2) project idea using the template for proposals. The free-standing proposal should include the following information:

- Short presentation of the project (project plan)
- An indicative budget
- How the project is related to the priority areas of the call for proposals
- Planned results at outcome and output levels
- Description of the project management, monitoring and reporting
- Name, official registration number of your association, contact details and a signature of the authorized representative of the organization

Applications will be evaluated according to their compliance with the objectives of Finland's development policy and the FLC priorities of the Embassy, as well as the quality and feasibility of the project plan.

A limited number of selected project proposals will be contacted and asked to provide a more in-depth project plan and a budget. The proposals for the second round will receive a package of guiding documents to accompany the application.



## **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 (separate application through the unit in question)
- for projects of friendship associations in Finland (separate application through the unit in question)
- to Finnish government agencies or public bodies (separate application through the ICI instrument)
- to Finnish municipalities (separate application through the Association of Finnish Local and Regional Authorities)
- to Finnish businesses
- to the government, ministries or municipalities of the host country
- to an unregistered association or organisation (however, taking into consideration the special circumstances in the host country)
- to support the activities of a political party
- for basic research
- for single cultural events (that have no permanent impact)
- for charity
- 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 (however, development projects and training are possible)

## **Eligibility criteria**



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

1. **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\\_finland\\_s\\_development\\_cooperation\\_\\_guidance](https://um.fi/documents/35732/48132/human_rights_based_approach_in_finland_s_development_cooperation__guidance)
2. 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](https://um.fi/documents/35732/48132/results_based_management__rbm__in_finland_s_development_cooperation)
3. The project should provide added value to the priorities and the cross-cutting objectives (CCOs) of **Finland’s Development Policy**, which include the:
  - a. Promotion of gender equality,
  - b. Reduction of inequality,
  - c. Promotion of sustainable management of natural resources, environmental protection and climate sustainability

Please download the guidance notes on RBM and on HRBA from the Embassy website, as these provide helpful information on how best to incorporate the RBM and HRBA principles in your proposal. Be aware that proposals not taking into account RBM and/or HRBA principles will not qualify for support.

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.

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; anticorruption.

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 month



### **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.

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. Significant currency fluctuations that could influence the outcomes of the project negatively will be discussed between the project implementers and the Embassy

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, or in case more than 50 per cent of the value of the procurement in question is covered by a transfer received from the Finnish government, the procurement shall be carried out in compliance with the Finnish legislation on competitive bidding.