

LOCAL COOPERATION FUND (LCF)

GUIDELINES FOR APPLICANTS

These guidelines have been developed for organisations interested in applying for LCF support from the Embassy of Finland in Cairo.

The guidelines provide applicants with information on the required templates and other guidance for the completion of a successful application.

Please note that the application process and the application templates have been updated and we therefore recommend applicant organisations to carefully read the information provided here.

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I. Legal and normative context

The Funds for Local Cooperation (FLCs) operated by diplomatic missions of Finland are governed by Finnish legislation, particularly the Act on Discretionary Government Transfers (688/2001), and the 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 LCF funds. These instructions are explained in these guidelines.

The local partners implementing LCF projects must abide by the relevant Egyptian legislation. 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 or over €15.000 is needed, the procurement shall be carried out in compliance with the Finnish legislation on competitive bidding.

II. Preparing the application

Required documentation

Once you have decided that your organisation and the proposed project are eligible for LCF support (see the notes on the website announcement) you can request the following documents from the Embassy for submitting your proposal:

- **Annex I: Detailed Budget**
- **Annex II: Results Framework**
- **Annex III: The Work Plan**
- **The project proposal**

The **project proposal** document contains text to guide applicants with the completion of the document.

Budget: Please see some additional notes below concerning what to take into consideration when compiling the project budget and what type of costs are eligible for LCF support.

Results Framework (RF): We have provided an example of an RF that can be downloaded from the Embassy website.

Work Plan: The Embassy trusts that applicant organisations have enough project management experience to complete the Work Plan. The Work Plan template includes indications of the obligatory reporting periods, monitoring field visits by the LCF team and the audit at the end of the project implementation period.

Together with the project proposal and its annexes, applicant organisations should submit **three additional documents:**

- A scanned copy of the official registration certificate of the Organisation in the original language. If the Organisation has an official translation of the registration certificate available, it can be submitted **in addition** to the scanned copy of the original registration certificate.
- Scanned proof of an existing bank account in the Organisation's name in English or Arabic.
- Electronic copy of a brochure of the Organisation or a link to the Organisation's website.

Project Proposals need to be signed by an eligible person in the applicant organisation. The Embassy can therefore only accept **project proposals in the .pdf format** in which the signature is clearly visible. The three annexes should be submitted in the same format as they are downloaded (MS Word and MS Excel). Other required documentation can be submitted in .pdf or another format.

Some principles to take into account

Specific attention should be given to assure that the proposal is aligned with the principles of **Result Based Management (RBM) and the Human Rights Based Approach (HRBA)**. 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.

It is required that the proposed project addresses **at least one** of the three **cross-cutting issues** in the Finnish development policy strategy into consideration. These are **(1) gender equality, (2) reduction of inequality in society, and (3) climate sustainability**. Given the focal areas for this call, gender equality is evidently the principle focus.

The project proposal must also align to at least one of the **OECD/DAC development classification** codes. The list of the 2016 OECD/DAC Development Codes can be downloaded from the website.

Compiling the budget

The detailed budget should be in local currency and in Euros and the currency conversion rate should be specified. The currency used at the time of the agreement will be fixed and used until the end of the project. Significant currency fluctuations that could influence the outcomes of the project negatively will be discussed between the project implementers and the Embassy. Currency gains can, after mutual agreement, be used to further strengthen the outputs and/or outcomes of project.

The Euro amount will be the legally binding amount for support by the Embassy. In case your proposal is selected for funding, the Euro amounts will be mentioned in the agreement.

It is recommended to allocate not more than 30% of the total budget to staff salaries and administrative costs. Out of this amount, it is recommended to allocate around 1/3th for admin costs and 2/3th for staff salaries. At least 70% of the project costs must be allocated for project activities.

Organisations must provide an own contribution to the project of minimum 10% of the overall project amount. This can be in the form of a financial contribution or in the form of use of premises, staff time and equipment. The Organisation's contribution needs to be identifiable in the submitted budget.

Eligible and ineligible costs:

- In principle, only costs that are directly linked to the management of the project, cost of project activities, the project procurement, M&E and audit can be funded.
- The LCF does not fund microfinance-related activities or loans.
- Sub grants to other organisations can be considered and will be governed by special provisions in the agreement. The contractual partner of the Embassy remains always accountable for the correct use of the funds and the appropriate reporting to the Embassy.
- LCF does not provide core funding to support the normal functioning of the applicant organisation, such as rent for the Organisation's office, or general salaries of office staff not related to the project.
- LCF will only commit funds to activities that are described in the proposal and are identifiable in the budget.
- The LCF approach is to finance longer-term development activities. Once-off events like workshops or seminars, etc. will not be considered. However, trainings, workshops and seminars can be part of the wider proposed project in combination with or in support of other activities.

Duration of the projects

Successful project proposals are usually one year long, although slightly shorter and longer projects may also be considered. Normally LCF commits to one year of funding at a time, but provided the project delivers good measurable results, the project funds are managed in transparent and accountable manner and the Organisation provides well-founded rationale for additional funding for another year, LCF funding can continue for up to three years.

Co-funding and co-implementing

LCF can participate in co-funded projects with other donors. However, LCF is not able to fund activities that have already taken place as part of other projects. If the Organisation is requesting funding for a component of a co-funded project that already is ongoing, please provide details of the whole project, including the other sources of funding.

If the project is co-implemented with other Organisations, co-applicant(s) must also meet the eligibility criteria; namely that they are registered in Egypt and are non-profit-making. Co-implementers can be national or local government, parliament or civil society organisations. The funding agreement will, in all cases, be with a civil society organisation.

Range of funding

LCF range of funding varies from € 50 000 up to € 80 000 though there is flexibility to fund slightly smaller and larger projects.

Geographical area

The geographical scope of the LCF support covers the whole country. However, the Embassy cannot fund projects in areas that it cannot access for monitoring visits. This means that projects that would be implemented in areas with high security risks or limited access cannot be considered.

III. The selection process

Applications must meet the **compulsory requirements** that are part of the evaluation criteria. Please **consult the Evaluation criteria** that will send upon your request of the proposal templates.

Applications meeting all the compulsory requirements will be submitted for technical assessment. The organisations that have submitted a successful proposal will be **assessed** by the Embassy **on their financial and administrative capacity**. The **evaluation criteria for organisations** can also be downloaded from the Embassy's website. The application of an organisation failing the assessment will be rejected.

IV. Terms for the implementation of the project

Successful organisations will be invited to sign a **financing agreement** with the Embassy of Finland. A model of such an agreement can be downloaded from the Embassy website. The financing agreement contains all the terms and conditions for the project implementation and largely covers the following topics:

- Timeframe of the project implementation
- Payment conditions and frequency during the implementation
- Reporting cycle and end-of-project audit
- Information sharing conditions
- Required management practices
- Management of equipment/commodities
- Conditions for repayment, suspension of payments and recovery of funds
- Settlement of disputes
- Conditions for amendments of the agreement

The successful project proposal and its annexes, together with an Ethical Code of Conduct, form an integral part of the financing agreement. The Ethical Code of Conduct can be downloaded from the Embassy website.

The Embassy will also provide its partners with a set of **administrative documents** that should be used during the project implementation, such as the reporting formats, payment request, request for amendments etc.

Further Information:

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