

Eligible expenses

Business Partnership Support shall be used for a project in a developing country aiming at a long-term commercially viable business partnership, which meets the terms and conditions of the support.

Project phases eligible for support

1. Business Partnership Support can be used to cover a part of the expenses incurred to the recipient only at the following phases of the project:
 - a. *partner identification*
 - b. *pre-feasibility study*
 - c. *feasibility study*
 - d. *business plan*
 - e. *environmental and social impact assessment*
 - f. *pilot or proof-of-concept projects related to commercial/merchandised technology or solutions*
 - g. *training of employees of the developing country partner company or other approved actor in the developing country*
 - h. *use of experts to develop a specific business area of the developing country company or partner (when substantially altering the existing target country operations)*
 - i. *vocational education and training, and support for local education.*
2. Business Partnership Support cannot be used to cover expenses arising from the recipient's regular business activities. Business Partnership Support must not be used to compensate, for example, expenses arising from sales and marketing, recruitment expenses or other expenses that can be regarded as part of the recipient's regular business activities (negotiations with clients, etc.).
3. Business Partnership Support may also be granted for joint projects between non-governmental organisations/educational institutions and companies directly linked with Finnpartnership Business Partnership projects of companies where the non-governmental organisation/educational institution is not seeking a profit-making partnership. A joint project between non-governmental organisations/educational institutions and companies may be related to all the project phases described in section 1.

Non-governmental organisations/educational institutions may carry out essential activities for a company that support the Finnpartnership Business Partnership projects, such as:

- ✓ cooperation between companies and non-governmental organisations/educational institutions developing the capacity (related to corporate responsibility and human rights questions and vocational, technical and business training) of Business Partnership project interest groups, developing cooperation networks, piloting products and services etc.;
- ✓ developing cooperation and innovation platforms related to Business Partnership projects; and
organising seminars and workshops related to business partnership projects as a part of general awareness and influencing efforts

In all other regard, supporting projects are subject to the same terms and conditions as Finnpartnership Business Partnership projects for companies. Training carried out in support projects can be supported for a maximum of 200 working days, which is the same as for company projects.

Eligible expenses

4. Eligible expenses must incur to the recipient and they must be in agreement with the terms and conditions of the Business Partnership Support ¹. Eligible expenses must not include value added taxes. Expenses for which the recipient receives support, subvention/subsidy or compensation from other parties cannot be supported.
5. Business Partnership Support can be used to cover expenses in accordance with the support percentage defined in the terms and conditions. Eligible expenses include expenses incurred on or after the registration date in accordance with the project budget sent as an attachment to the discretionary government transfer decision. To obtain support for incurred and paid expenses, the recipient shall submit a reimbursement request within 24 months from the date of notification of the discretionary government transfer decision.
6. The recipient's own staff members are its employees (including the persons under managerial level employment contracts) and persons who with their spouse and/or children and/or parents own more than 5% of the recipient's shares and/or voting rights. Employees of companies owned by the recipient are also considered to be its own employees (including managerial level employment contracts) as well as the employees of companies which own the recipient (including managerial level employment contracts). If the recipient's owner/s owns/own another company, also the employees of this company are considered as recipient's own employees. Others may be considered external experts.
7. Eligible expenses may include:
 - a. Travel expenses of the recipient's own employees and external experts to the target country or another country relevant to the project as per cheapest class/way of travel. Travel by air, rail and sea, and other public transport as well as unavoidable taxi fares or reasonable costs arising from hiring of a car and driver are eligible. Only trips to a target country or another country relevant to the project approved by the Ministry for Foreign Affairs can be reimbursed. Connecting and internal transport are eligible.
 - b. The related accommodation and per diem expenses of the recipient's own employees and external experts incurred during trips to the target country or another country relevant to the project may be eligible in accordance with the maximum amounts provided for in the valid Finnish State Travel Regulations.
 - c. The travel and accommodation expenses of a developing country partner company or other approved developing country actor may be eligible only at the training phase (see 1g and 1i), when the purpose of travel is participation in training in Finland or some other country. Travel by air, rail and sea, and other public transport as well as unavoidable taxi fares may be eligible. Accommodation expenses may be eligible in

¹ Discretionary government transfer decision and its appendices, including the approved project budget.

accordance with the maximum amounts provided for in the valid State Travel Regulations.

d. Working expenses of own employees and external experts.

The working hours of the recipient's own employees in the target country or another country relevant to the project (weekdays i.e. Monday through Friday) and external experts' work in Finland, in the target country or in a third country may be eligible as follows:

- i. Working days in phases 1.a. – f. + i. as seen appropriate with regard to project size.
- ii. No more than 200 working days in total (depending on the size and field of operation or the project) in the employees' training phase (1.g).

The working expenses of the recipient's own employees have to be paid and be based on the employee's employment contract. The maximum approved working expense of the company's own employees is EUR 500 per day. These expenses can incur from short-term stay in the target country (a period of time seen appropriate with regard to the project's size, not a long-term expatriate assignment) or in some exceptional circumstances from work done in Finland or another country significantly relevant to the project, if the work is closely tied to implementing the business partnership project. In vocational education and training and support for local education phase, longer employment contracts can be acceptable.

- i. Working expenses per day are calculated from the salary stated in the employee's valid employment contract and payslip as follows: monthly salary plus compulsory employer contributions divided by 21 (21 is the average number of working days in a month).
- ii. Bonuses or premiums are not taken into account when calculating the working expenses (e.g. overtime pay).
- iii. Only compulsory social security contributions to be paid by the employer are considered as compulsory employer contributions. Holiday pay reserves or expenses arising from occupational health care are not considered to fall in the framework of compulsory payments of the employment. Compulsory payments of the employment are calculated on the basis of realised, incurred payments.
- iv. The working expenses of the recipient's own employees in the target country can be supported only on weekdays (Monday through Friday), since working expenses per day are calculated by dividing the working expenses per month by 21.
- v. When reviewing the reimbursement request, Finnpartnership can adjust the costs relating to the working time of the recipient's own employees in the target country as seen appropriate with regard to the whole project.
- vi. Evidence of working in the target country must be provided e.g. by existence of travel expenses to the target country or by substantiating it in other ways.

External experts' fees can be supported as follows:

- i. The eligible unit expense limit is EUR 520 per day for junior experts/consultants and EUR 910 per day for senior experts/consultants (if necessary, the recipient of Business Partnership Support can be asked to provide reference information of the experts whose services have been used to determine whether they are junior or senior experts/consultants).

- ii. An external expert's reasonable office fees as far as they are a part of the assignment.
 - iii. The testing and analysis fees related to the environmental and social impact assessment.
- e. The working expenses and per diem expenses of the employees of the developing country company or other actor in the developing country are not supported except for vocational education and training and development of local education (see 1.i.).
- f. In connection with a project involving import from a developing country, product development expenses related to market-specific merchandising and related expenses linked with testing, testing expenses related to public authorities' permits that are required for importing, and auditing expenses arising from assessing the responsibility of producers.
- g. Expenses related to the piloting and proof of concept phase, such as technical assistance, planning, and training expenses. Eligible expenses also include training expenses, other technical assistance, freight expenses and costs associated with the installation. Additionally, reasonable investments in equipment and construction work can be accepted on a case-by-case basis when the piloted equipment stays in the ownership of the applicant company or the target country partner for at least as long as the Business Partnership Support is valid, and the investments are considered to be essential with regard to the nature and the feasibility of the project.

Self-financing required by international organisations (EU, UN organisations, international financing institutions) also counts as eligible expenses; the self-financing required by the organisation is the total project cost for the company. Support is calculated in accordance with normal support percentages for specified countries (30% / 50% / 70% / 85%) or 50% if the country is yet to be defined or the project is carried out in several countries.

- h. Expenses arising from development of a local educational institution in vocational education and training phase (see 1.i.). Support can be granted as follows:
- i. renewal of curriculum
 - ii. training of teachers
 - iii. teaching equipment
 - iv. repair of facilities
 - v. other short-term expenses in relation to capacity building of educational institutions.

Eligible expenses also include:

- reasonable costs arising from hiring of a car or another vehicle and road tolls;
- visa fees;
- reservation fees (e.g. reservation fees for flight reservations);
- airport tax (also when not included in the flight ticket, to be separately paid at the airport);
- connecting transport in Finland in accordance with public transport reimbursement
- payments to the public authorities;
- expenses from acquiring permits (e.g. export and import permits);
- notary fees;
- start-up costs, drawing up and translating agreements;
- reasonable auditor's report fee considering the extent of the reimbursement request;

- vaccinations and other medical expenses (malaria, typhoid, etc.);
- on a case-by-case basis, planning work done by the company's own employees preceding travelling to the target country in a third country, if this country is a developing country.

Examples of non-eligible expenses:

- all expenses for which the recipient obtains support from a third party;
- expenses arising from the identification of an agent or distributor to serve a Finnish exporter, or user training expenses that are immediately linked with machinery and equipment supplies, which are not meant to lead to a longer-term business partnership according to the terms and conditions of the Business Partnership Support;
- general market research expenses, which are not related to the promotion of Business Partnerships according to the terms and conditions of the Business Partnership Support;
- expenses arising from participation in competitive tendering or preparation of export trade which does not involve a long-term partnership required by the terms and conditions of the Business Partnership Support;
- purchase of machinery and equipment needed for implementation of the project and other production investments;
- the working expenses of the recipient's own employees in Finland, subject to a few exceptions,
- work done by the recipient's own employees at weekends;
- travel expenses in Finland unless they are connecting trips;
- mileage allowances and avoidable taxi fares in the target country or another country relevant to the project;
- per diem allowances in Finland unless they are linked with travel to the target country or another country relevant to the project;
- per diem allowances of target country employees while in training in Finland;
- general marketing and marketing material expenses;
- general product development expenses and related test expenses (other than market-specific merchandising expenses related to developing country imports);
- general seminar or visit expenses that are not related to the promotion of Business Partnerships or their essential support activities according to the terms and conditions of the Business Partnership Support (such as identification of business partners or seminars on corporate responsibility);
- long-term costs and/or costs arising from usual upkeep and maintenance (e.g. wages of the ordinary staff of the facility, rent, funding expenses and running costs, such as electricity and water) related to vocational education and training, and local education;
- courier service expenses;
- medical expenses that are not necessary considering the target country conditions;
- representation expenses;
- recruitment expenses;
- expenses considered to be normal business activities, marketing;
- the portion of wages/fees that exceeds the maximum limits set for the company's own employees and external experts' wages/fees;
- other non-eligible costs identified by the auditor.