

Eligible expenses

Business Partnership Support shall be used for a project in a developing country aiming at a long-term commercially viable business partnership that 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 company or another approved operator in the developing country*
 - h. *use of experts to develop a specific business area of the company or partner in the developing country (when the goal is to substantially alter the existing operations in the country of operation)*
 - i. *vocational education and training and support for local education and training activities.*
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, or other expenses that can be regarded as part of the recipient's regular business activities (negotiations with clients, etc.).
3. Eligible projects include also joint projects between civil society organisations (CSOs)/educational institutions and companies, which are not seeking a profit-making partnership and which are directly linked with a project receiving funding from the Finnpartnership Programme or the Developing Markets Platform (DevPlat) that is administered by Business Finland. A business project linked with activities supporting a civil society organisation/educational institution is subsequently referred to as a parent project. A joint project between civil society organisations/educational institutions and companies may be related to all of the project phases described in item 1.

Civil society organisations/educational institutions may carry out essential activities that support the parent project, such as:

- ✓ cooperation between companies and civil society organisations/educational institutions to develop the capacity (related to corporate responsibility and human rights questions and vocational,

technical and business training) of the parent project's interest groups, to develop cooperation networks, to pilot products and services, etc.;

- ✓ developing cooperation and innovation platforms related to the parent project and
- ✓ organising seminars and workshops related to the parent project as a part of general awareness raising and advocacy efforts.

In all other respects, all projects that are supported 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 be incurred by the recipient and shall be in accordance with the terms and conditions of Business Partnership Support¹. Eligible expenses must not include value added taxes. Expenses for which the recipient receives support, grant or compensation from other parties cannot be supported.
5. Business Partnership Support can be used to cover expenses in accordance with the percentage of support defined in the terms and conditions. Eligible expenses include expenses incurred on or after the registration date in accordance with the project budget submitted as an attachment to the decision to award the discretionary government grant. 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 decision to award the discretionary government grant.
6. The recipient's own staff members consist of its employees (including the persons under managerial level employment contracts) and persons who, with their spouses and/or children and/or parents, own more than five per cent of the recipient's shares and/or voting rights. Employees (including managerial level employment contracts) of companies owned by the recipient are also considered to be its own employees, as are employees of companies that own the recipient company (including managerial level employment contracts). If the recipient's owner/s own/s another company, the employees of this company are also considered to be the recipient's own employees. Others may be considered external experts.
7. Eligible expenses may include:
 - a. Travel expenses for trips made by the recipient's own employees and external experts to the country of operation or another country relevant to the project using the least expensive class/mode of travel. Travel by air, rail and sea, and other public transport as well as unavoidable taxi trips or

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

reasonable costs arising from hiring a car and driver from an external provider are eligible. Only trips to the country of operation or another country relevant to the project approved by the Ministry for Foreign Affairs can be reimbursed. Connecting trips and internal transport in the country of operation are eligible.

- b. Accommodation and per diem expenses of the recipient's own employees and external experts incurred during trips to the country of operation or another country relevant to the project may be eligible for reimbursement in accordance with the maximum amounts provided for in the State Travel Regulations in force at the time in question.
- c. The travel and accommodation expenses of a partner or other approved operator in a developing country are eligible only at the training phase (1g. and 1i.) when the purpose of travel is to participate in training in Finland or another country. Travel by air, rail and sea, and other public transport as well as unavoidable taxi trips are eligible travel costs. Accommodation expenses may be eligible in accordance with the maximum amounts provided for in the State Travel Regulations in force at the time in question.

- d. Working expenses of the recipient's 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 country of operation or in a third country may be eligible as follows:

- i. working hours during phases 1a.–f.+i. as considered reasonable with regard to the scope of the project
- ii. no more than 200 working days in total (depending on the size and field of operation of the project) during the employees' training phase (1g.).

The working expenses of the recipient's own employees must be paid based on the employee's employment contract. The maximum approved working expenses for the company's own employees is EUR 500 per day. These acceptable expenses can incur from short-term work in the country of operation (a period of work 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 linked to implementing the business partnership project. However, in vocational education and training and support for local education, longer employment contracts may be accepted.

- i. Working expenses per day are calculated from the salary stated in the employee's valid employment contract and payslip by dividing the monthly salary plus compulsory employer contributions by 21 (21 is the average number of working days in a month).
- ii. The working expenses do not take into account bonuses or premiums (e.g. exceptional overtime pay).

- iii. Only compulsory social security contributions to be paid by the employer are counted as compulsory employer contributions. Holiday pay reserves or expenses arising from occupational health care are not counted as compulsory employer contributions. Compulsory employer contributions are calculated based on realised, incurred expenses.
- iv. The working expenses of the recipient's own employees in the country of operation can be supported only for work carried out on weekdays (Monday–Friday), since working expenses per day are calculated by dividing the working expenses per month by 21.
- v. When granting the support and reviewing the reimbursement request, Finnpartnership can adjust the costs related to the working time of the recipient's own employees in the country of operation as deemed appropriate with regard to the project as a whole.
- vi. Evidence of working in the country of operation must be provided e.g. by proving travel expenses incurred in the 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 for the experts whose services have been used in order 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 in question.
 - 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 operator in the developing country are not supported except for vocational education and training and development of local education (see 1i.).
- f. In connection with projects involving imports from a developing country, product development expenses related to market-specific merchandising and other expenses connected to testing, along with expenses related to public authorities' import permits and auditing expenses from assessing producer responsibility.
- g. Planning costs related to the piloting of technology and solutions and demonstration projects (see 1f.). Eligible expenses also include training expenses, other technical assistance, freight expenses and costs associated with installation work. Reasonable investments in equipment and construction work can be approved on a case-by-case basis when the piloted equipment stays in the ownership of the applicant company or the partner in the country of operation for at least as long as the Business Partnership Support is in force, provided that the investments are considered essential with regard to the nature and the feasibility of the project.

Self-financing required by international organisations (EU, UN agencies/organisations, international financial institutions) also counts as eligible expenses; in this case, 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 has yet to be defined or if the project is carried out in several countries.

- h. Expenses arising from development of a local educational institution in the vocational education and training phase (see 1i.). Support may be granted to cover the following:
- i. curriculum reform
 - ii. teacher training
 - iii. procurement of teaching equipment and devices
 - iv. repairs of teaching facilities
 - v. other short-term expenses related to the capacity building of educational institutions.

Eligible costs also include:

- reasonable costs for renting a car or other vehicle and road toll
- visa fees
- booking fees (e.g. travel agency booking fees related to flight bookings)
- airport tax (including when paid separately at the airport)
- connecting trips in Finland according to the compensation scheme for public transport connections
- payments to public authorities
- costs of obtaining operating permits (e.g. import and export permits)
- notary fees
- start-up costs, drawing up and translating agreements
- reasonable cost of an auditor's report considering the extent of the reimbursement request
- vaccinations and other essential medical expenses (malaria, typhoid, etc.)
- on a case-by-case basis, planning work done by the company's own employees before travelling to the country of operation in a third country, if this country is a developing country.

Examples of non-eligible expenses:

- all expenses for which the recipient receives 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 in line with terms and conditions of the Business Partnership Support
- general market research expenses that are not related to the promotion of business partnerships in line with the terms and conditions of the Business Partnership Support

- expenses arising from participation in competitive tendering or preparation of export trade that does not involve a long-term partnership as required by the terms and conditions of the Business Partnership Support
- expenses arising from the 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 carried out by the recipient's own employees on weekends
- expenses arising from travel within Finland, unless they are connecting trips
- mileage allowances and essential taxi fares in the country of operation or another country relevant to the project
- per diem allowances in Finland unless they are connected with travel to the country of operation or another country relevant to the project
- per diem allowances for employees from the country of operation during their training in Finland,
- general marketing expenses and the cost of marketing material
- general product development expenses and related testing expenses (other than market-specific merchandising expenses related to developing country imports)
- general costs related to seminars or visits that are not related to the promotion of Business Partnerships or their essential support activities in line with 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 costs that are not necessary considering the conditions in the country of operation
- representation expenses
- recruitment-related expenses
- expenses considered to be part of normal business activities, marketing
- the portion of the working expenses of the company's own employees and the wages/fees of external experts that exceeds the maximum limits set for these,
- any other non-eligible costs identified by the auditor.