

Call for proposals for Business Partnership Support for Finnish companies and other actors 1 January 2022 – 31 December 2024

Business Partnership Support is granted in the form of discretionary project grants for business partnership projects of Finnish companies and other actors. Grants are granted with Item 24.30.66 of the state budget. Compliance with the Act on Discretionary Government Transfers (688/2001) is required when granting and using the support. As a rule, the support is granted in accordance with Commission Regulation (EU) No 1407 / 2013 on de minimis aid. Each project is assessed individually to determine whether it falls under the de minimis regulation.

The instrument description for Business Partnership Support, the terms and conditions of Business Partnership Support and the mandatory appendices to the application have been published on the Finnpartnership website at www.finnpartnership.fi.

Eligibility for support

Support may be granted to:

- A company or other operator or a consortium formed by several companies and/or other actors registered in Finland. The support will be granted to each member of a consortium individually and each applicant is responsible for the use of the support granted to them under the terms and conditions for the support.
- A company registered abroad with a significant link to Finland through ownership (at least 20%).

The applicant must be a registered operator at the time of submitting an application.

Application period

Operators can apply for Business Partnership Support throughout the year from 1 January 2022 to 31 December 2024.

Amount of support to be granted

A total of approximately EUR 19.5 million may be used for Business Partnership Support granted for the period 2022-2024 if Parliament grants appropriations for this purpose.

The support may cover at most 30-85% of the budget of the project to be supported. The share of the support depends on the project type, the size of the applicant organisation and the project country.

Decision on discretionary government grants

The Ministry for Foreign Affairs makes decisions on discretionary government grants within 3-5 months of an application being submitted. The discretionary government grant decision is sent to all applicants through the Ministry for Foreign Affairs e-

service. The Ministry for Foreign Affairs may also impose special conditions on decisions on discretionary government grants.

The period of use for the support is 24 months from the notification of the discretionary Government grant decision. Expenses eligible to be covered by the support 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.

Regulations related to the application for and use of discretionary government grants

Act on Discretionary Government Transfers (688/2001)

Annual state budget

Commission Regulation (EU) No 1407/2013 of 24 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (Official Journal of the European Union L352). The European Union State aid rules will be in force until 31 December 2023. Changes to the European Union State aid rules may also require changes to national legislation on which the Business Partnership Support is based.

Act on the General Requirements for Granting Support for Economic Activity (429/2016)

Act on Electronic Services and Communication in the Public Sector (13/2003)

Act on Customer Data Systems for Business Services (293/2017)

Strategic objectives of supported activities

- increase profitable and responsible business in developing countries in line with the UN 2030 Agenda for Sustainable Development; and
- increase the number of Finnish companies operating profitably and responsibly in developing markets.

Business Partnership Support is intended for activities aimed at promoting responsible and sustainable private sector growth in developing countries in line with the UN 2030 Agenda and Finland 's development policy priorities.

Business Partnership Support is for a fixed term and is intended as seed money for responsible and sustainable business based primarily on commercial funding, which has positive development effects in the project country. In addition, Business Partnership Support can be granted for joint projects between civil society organisations/educational institutions/research institutes and companies related directly to companies' Finnpartnership business partnership projects or for projects under the Business Finland-administrated Developing Markets Platform Programme (DevPlat).

The business partnership project must focus attention on the following:

- The project promotes responsible and sustainable private sector growth in developing countries in line with the UN 2030 Agenda
- The project promotes at least one of Finland's development policy priorities: 1. strengthening the status and rights of women and girls, 2. strengthening the economic base of developing countries and creating jobs, 3. education, well-functioning societies and democracy, 4. climate change and natural resources.
- In line with the terms and conditions of Business Partnership Support, the objective of the project is 1) A long-term business partnership, 2) A piloting with an ODA-eligible international organisation, 3) A feasibility study for an investment project, or 4) Business Partnership or DevPlat project support activities.
- The project is implemented in a developing country/developing countries defined by the OECD Development Assistance Committee (DAC). As regards the category of support, the decision is made using the country list that is valid at the time the application is submitted. <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm>
- The project's sector is considered socially acceptable. Not approved sectors: https://finnpartnership.fi/wp-content/uploads/2023/11/Finnpartnership_ExclusionList_2023.pdf.
- A project promotes the achievement of the cross-cutting objectives of development policy, i.e. gender equality, non-discrimination, climate sustainability and low-emission development, in a manner appropriate with regard to the nature of the project: https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/kehityspolitiikan-l-c3-a4pileikkaavien-tavoitteiden-ohjeistus.
- Consideration of human rights impacts in the application and project implementation. A project must comply with international recommendations concerning human rights (United Nations Guiding Principles on Business and Human Rights).
- Consideration of environmental and social impacts in the application and project implementation. Projects must comply with internationally accepted environmental and social responsibility standards as well as local legislation. The assessment is based international financiers-approved standards on environmental and social impacts and their management laid down by the World Bank and International Financial Corporation (more information IFC Performance Standards and the World Bank Group EHS Guidelines).
- The applicant must participate in the project's implementation and risk sharing; only a consultant conducting a study cannot apply for the support.
- The mandatory attachments to the application must be submitted with the application form.

Assessment of applications

The following criteria will be applied to the assessment of applications:

- Commercial viability of the project
- The feasibility of the project to achieve the set objectives and the realistic nature of the project schedule and budget in terms of the objectives and implementation as well as the applicant's capacity.
- The applicant's business experience and sufficient competence in the project sector in relation to the nature and scope of the project.
- The applicant's sufficient financial and human resources for the implementation of the plan financed with the Business Partnership Support. The applicant must be able to implement the project with self-financing, as the support is paid retroactively on the basis of approved, actual, paid and audited costs in one or two instalments.
- The positive development impacts, such as jobs, technology and knowledge transfer, diversification of production in the target country of operation, gender equality, etc., if the project succeeds.
- The project is at least at a human rights sensitive level in accordance with the definition given in the guideline titled A Human Rights-based Approach to Development (2015): https://um.fi/publications/-/asset_publisher/TVOLqBmLyZvu/content/ihmisoikeusperustainen-lahestymistapa-kehitykseen-yleisohje.
- The project's environmental and social impacts, and risk and their consideration and management.
- The identification and management of the project's risks have been taken into account comprehensively enough in relation to the size of the planned project.
- Compliance with the Tax responsibility principles in Finland's development cooperation funding to the private sector.

In addition to the above criteria, overall consideration is used in the assessment. Overall consideration takes into account any verifiable experiences and assessments of the applicant's previous activities carried out under the financing of the Ministry for Foreign Affairs.

Application for support

Applicants must familiarise themselves with the terms and conditions and restrictions of Business Partnership Support in advance. Grant applications must be submitted via the Ministry for Foreign Affairs' e-services: https://asiointi.um-plm.fi/online-forms-web/Login.action?locale=en_US. In addition to the identification, acting on behalf of an organisation will require appropriate authorisation (Applying for a discretionary government grant).

The applicant must prepare their application on the application form for Business Partnership Support and add mandatory attachments to the application, the templates for which can be found on the Finnpartnership website: <https://finnpartnership.fi/en/financial-grant/how-to-apply-for-financial-grant/application-instructions-and-forms/>. The applicant must submit the organisation's basic information notification at least 3 days and at most 6 months before the project application is submitted. A project application cannot be prepared

before the acknowledgement of receipt of the basic information notification has been delivered.

The mandatory attachments to the application form are:

1. Project's budgeted costs (in Excel)
2. Development impact assessment / Results framework
3. Assurance
4. Form on non-applicability of de minimis restriction
5. Letter of intent (or similar proof), if the project type is a Pilot with an ODA-eligible international organisation or a Feasibility study for an investment project.

In addition, you may enclose other relevant documents relating to the financing plan (such as pledges and bank statement), export authorisation for dual-use items or possible memorandums of understanding.

Instruction on applying for Business Partnership Support

Instructions for applying for the discretionary government grant have been published on the www.finnpartnership.fi website.

- Step-by-step instructions for preparing a Business Partnership Support application <https://finnpartnership.fi/wp-content/uploads/2024/01/Step-by-step-business-partnership-support-application-instructions-2024.pdf>
- Instructions for filling in the application form <https://finnpartnership.fi/en/financial-grant/how-to-apply-for-financial-grant/tips-for-filling-in-the-project-application/>

It is recommended that before submitting their application applicants for Business Partnership Support take part in the application workshop organised by Finnpartnership <https://finnpartnership.fi/en/financial-grant/how-to-apply-for-financial-grant/application-workshops/>.

General and special conditions for granting discretionary government grants (section 7, subsections 1 and 2 of the Act on Discretionary Government Transfers, and the terms and conditions for Business Partnership Support):

- The purpose for which an applicant is applying for a discretionary government grant is socially acceptable.
- Awarding the grant is justified with regard to the objectives set for the use of the discretionary government transfer.
- The awarding of the grant is necessary in view of the other public support received by the applicant and the nature and extent of the project or activity.
- The granting of discretionary government grants will only slightly distort competition and the functioning of the market. (Act on Discretionary Government Transfers, section 7, subsection 1)

If the support is intended to cover salary costs, and the applicant has during the year in which the grant was granted or the two years preceding this been sentenced to punishment for the use of unauthorised foreign labour, violation of the Aliens Act as an employer or the applicant has been subject to a penalty fee in accordance with the

Employment Contracts Act, the grant may only be granted for a particularly weighty reason (Act on Discretionary Government Transfers, section 7, subsection 2).

The Ministry for Foreign Affairs may only grant support if the general conditions for granting a discretionary government transfer pursuant to the Act on Discretionary Government Transfers and the special conditions on the terms and conditions for Business Partnership Support are met. The Ministry will also take into account the general conditions for discretionary government grants and the general conditions for Business Partnership Support when considering the amount of the grant.

Conditions and restrictions related to the use of the support

Terms and conditions and restrictions of Business Partnership Support:

https://finnpartnership.fi/wp-content/uploads/2024/01/Terms-and-conditions-of-Business-Partnership-Support_01012024.pdf.

Payment of discretionary Government grants

The support is paid retrospectively on the basis of approved, actual, paid and audited expenses in no more than two instalments. The payment request must be submitted within 24 months from the notification of the discretionary Government grant decision. Before payment of the support, the beneficiary must submit a commitment form.

If a country is being removed from the OECD/DAC list of development aid eligible countries, the recipient must be prepared for this at the time of planning and when requesting payment. The Ministry for Foreign Affairs cannot make payments to projects that are implemented in countries that have been removed from the DAC List of ODA Recipients after Business Partnership Support has been granted. For up-to-date information see the OECD/DAC website: <https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm>.

Further information

The support services for the Finnpartnership business partnership programme are provided by the Finnish Fund for Industrial Cooperation Ltd (Finnfund), which operates on behalf of the Ministry for Foreign Affairs and assists Business Partnership Support applicants in matters related to applying for and implementing business partnership support. More detailed contact information is available on the Finnpartnership website: <https://finnpartnership.fi/en/finnpartnership/contact-details/>.