

Fund for Local Cooperation: Guidelines for the partner organisations

What is the Fund for Local Cooperation?

The Fund for Local Cooperation (FLC) is an instrument of the Finnish Embassy for supporting small-scale development cooperation with local partner organisations in the Republic of Moldova.

The support is intended for projects. Core funding is provided only in special and well-argued cases.

The goal of Finland's development policy is the eradication of poverty and inequality and the promotion of sustainable development.

Priorities of the Embassy of Finland, Bucharest

The FLC program of the Embassy of Finland in Bucharest has two priority areas:

- *Support to the freedom of expression, media diversity and capacity building*
- *Support to environmental and climate education by media platforms*

Contacting the Embassy and submitting project proposal: Correspondence

The FLC is managed by Country Coordinator for the Republic of Moldova.

The applicants shall use email when communicating with the Country Coordinator. The Embassy handles electronic messages including letters and may archive all correspondence. Email messages should be sent to projects.buk@formin.fi

Note that the project proposal must be submitted to the projects.buk@formin.fi prior end of the call February 27th, 2020 at 15:00 (UTC +2). The Embassy doesn't accept late applications. Embassy strongly recommends the applicants submitting the application well prior the deadline.

Eligibility

Legally registered non-governmental organisations and media companies in the Republic of Moldova, whose objectives and activities are in line with the thematic priority areas and who have relevant and solid experience in implementing similar projects, are eligible to apply.

Projects can be carried out only by local civil society organisations and media companies in the Republic of Moldova.

FLC Funding Cannot be Granted

- To the Government, ministries or municipalities of the host country
- To an unregistered association or organisation
- To support the activities of a political party
- For basic research

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- For single cultural events (that have no permanent development impact)
- For charity or 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)
- For projects of friendship associations in Finland
- To Finnish Government agencies, public bodies, municipalities, businesses or non-governmental organisations
- To other than Moldovan non-governmental organisations or companies

In case any questions concerning eligibility of your organisation or media company, please contact projects.buk@formin.fi

Selection process and timeline

Eligible local agencies and organisations with potential FLC projects are looked for and selected by the Embassy of Finland through a public Call for Project Proposals. The Call is published in the website of the Embassy and in the Embassy's social media accounts. All applicants must use the same standard application form in order to guarantee that all key facts are presented and to allow for better comparability.

The application form should be accompanied by a **draft budget and a CV of the Project Manager and other focal project staff member**.

The application form needs to be signed by an authorised representative of the partner organisation. Therefore, the Embassy accepts project proposals in electronic pdf-format where the original signature is readable. Application form needs to include also the date of application.

Eligible applications for FLC project grants must meet the Embassy's compulsory requirements of the assessment criteria for applications. Those applications meeting **all** the compulsory requirements will be submitted for technical assessment. On the basis of a technical assessment, the Embassy will shortlist the best 1-3 applications from each sector / theme of the FLC Programme.

The Embassy will assess the financial and administrative capacity of the shortlisted applicants. The application failing the assessment will be rejected. **The Embassy may also reject applications for budgetary reasons, because of the financial limits of the Embassy's FLC Programme.** The Embassy has allocated 90 000 EUR for the Call 2020. That means that maximum 2 – 3 projects can be selected. Based on the assessment results, the Embassy will approve the best applications for funding.

As the FLC application form is not a complete project plan but a summary of a project plan, complete project plans will be drafted by the pre-selected FLC partners during April – May 2020. Only after the Project Plan is finalized the financing decision is made by the Head of Mission, or the person authorised by the Head of Mission to make the decision. The Embassy's Country Coordinator for the Republic of Moldova does not make financing decisions.

The Embassy aims to make the final selections on April 2020. All applicants will be contacted latest in May 2020. The earliest starting date for a project is estimated to be June 2020. The projects can start also later on during the year 2020.

Planning the project

The Embassy requests all organisations or companies submitting a FLC project proposal to apply key elements of Finnish development policy and quality standards, namely the **Results Based Management (RBM)**, the **Human Rights Based Approach (HRBA)**, and the **Cross-Cutting Objectives (CCOs)** in their project plans. They are an important part of the selection criteria for FLC applications.

If needed, a light capacity development plan can be part of the Project Plan for a systematic integration of the quality standards throughout the project cycle.

Result Based Management

The Embassy calls for applying organisations to emphasize the goals and sustainable results of the projects. It is vital that the project application names clear way the goal(s) of the project (expected results). Result Based Management needs to be applied in the selected applications. In nutshell, this mean shifting project management approach away from activities and inputs and to focusing more in desired results (outputs, outcomes and impact). The Embassy will support the selected FLC partners to develop their final Project Plan according to the Result Based Approach.

More about Result Based Management: https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/tulosohjaus-suomen-kehitysyhteistyossa-yleisohje?%3FcurAsset=0&stId=47307

Human Rights Based Approach to Development means that human rights are used as a basis for setting the objectives for development policy and cooperation. Human rights are systematically integrated in the means and objectives of projects supported by the FLC. The projects which are assessed as Human Rights blind cannot be funded.

More about Human Rights Based Approach, recommended to read at least p. 6 – 8: https://um.fi/publications/-/asset_publisher/TVOLgBmLyZvu/content/ihmisoikeusperustainen-lahestymistapa-kehitykseen-yleisohje

Finland has four cross-cutting objectives in its Development Policy:

- 1. Gender equality** refers to all people, regardless of their gender, have equal conditions, treatment and opportunities for realizing their full potential, human rights and dignity, and for contributing to (and benefitting from) economic, social, cultural and political development.
- 2. Non-discrimination** refers to unjust or prejudicial treatment of different categories of people, especially on the grounds of disability, age, or sex.
- 3. Climate resilience** is resilience of a system to climate risks and the impacts of climate change.

- 4. Low emission development** is an approach that addresses climate change mitigation with development objectives. It proposes solutions with lower greenhouse gas emissions trajectories, putting development first.

The four cross-cutting objectives interlink. An intersectional approach allows better understanding of these interlinkages including diversity, power and context. Finland is internationally committed to putting these cross-cutting objectives in practice, which is why the partnering CSOs are also required to take the objectives into consideration in their work in all levels: goals, planning, implementation, monitoring and evaluation.

Finalising the project proposal

The assessment criteria for FLC applications can be found as an attachment to the call for Fund for Local Cooperation. It is applicant's responsibility to ensure that the application fulfils all the necessary requirements defined in the FLC assessment criteria.

The Embassy reserves the right to demand modifications on the project proposal if the proposal lacks relevant information, if the proposal needs improvement to guarantee expected results, or if the proposal is not in line with the rules and regulations.

The applying organisation or company and beneficiaries can make **local contributions** in cash, in kind or as work contributions. Work contributions are encouraged. When projects are selected for financing, a priority is given to projects where the partner agency and beneficiaries show commitment through local contributions.

Legal and normative context

The FLC projects fall under the Finnish legislation. The Government Subsidy Law (Valtionavustuslaki 688/2001: § 21 - 22 and 34) draws the framework for the Finnish FLC. Regarding to the act, the applicant has a right of appeal, should they be unsatisfied with the decision of the selection process. The guidance for appeals is shared for applicants after the Embassy has made the positive and negative funding decisions.

The FLC is governed by an administrative norm of the Ministry for Foreign Affairs (MFA) of Finland. The administrative norm sets out the main principles concerning eligibility criteria for partners and uses of the funds, and the minimum requirements for the Embassy to manage the projects.

The Embassy of Finland sets the priorities and the specific objectives of its FLC programme taking into account the specific needs in the local context.

The local partners implementing the 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 Euros from external agents may be allowed. If any procurement of goods or services for the value of over 15.000 Euros is needed, the procurement shall be carried out in compliance with the Finnish legislation on competitive bidding. However, FLC projects very seldom call for procurement this expensive.

Core financing

The FLC projects are, as a rule, not meant to cover the core expenditure of the partner organisation. Core funding is provided only in special and well-argued cases.

The administrative costs

As rule, organisation or company can use max 10 % for administration. Administration should have own budget line so that it is clear what costs can be included in the administration. The project budget may include expenditure on financial management and reporting which are marked as tasks for specific persons.

The employment of personnel

The partner organisation is expected to be able to name core persons already in the project proposal. The expertise and experience of the core persons is the key element for successful implementation. The core persons need to be available for the task.

Depending on the scope of the work, the payments related to core persons are counted in working days, working weeks or working months.

If there is not an employee to whom a given task could be assigned, one could be hired temporarily for the purposes of the project. Since FLC financing is project financing, hiring a person for the purpose of performing a specific task can be done on a temporary employment contract only.

Co-financing

The Embassy of Finland is allowed to co-finance a project with another agency if this is specifically suitable in the partner country context. Co-financing arrangements need to fulfil specific requirements related to the transparency of project planning, reporting and auditing. Co-financing arrangements are tailored case by case.

The Embassy of Finland is not allowed to sign a contract with a Fund, which then allocates financing onwards to other organisations.

Signing the contract

The MFA uses a specific model agreement for the contract. The language of the contract is English.

The contract describes the responsibilities of both parties. The contract (including the signed project proposal) is a binding document and legal action can be taken if the partner does not follow the contract or misuses the funds.

The contract needs to be signed by the Embassy and the partner organisation in the original form in two copies, one for each party. On behalf of the Embassy, the contract is signed by the Head of Mission, or the person entitled by the Head of Mission to sign. On behalf of the partner organisation, the signatory must have the authorisation for signing on behalf of the organisation he/she represents. The contract is made in euros (€).

Payments to the partner organisation

The Embassy makes the payments on the bank account of the partner organisation. Payments are never made in cash, or on a private bank account.

The payment schedule is defined in the contract. The Embassy can make advance payments if so has been decided.

The payments are divided into several instalments (often 3 per project period). The new payments are made after acceptable reporting on the previous instalment. The reporting schedule is usually made so that the report is expected one month before the next payment. The progress report then covers the actual disbursements at the time of preparing the report. The following progress report is expected to cover the balance plus the utilisation of the second payment. The final report includes the existing balance but also the report on the total payments during the programme.

Progress and final reports

The contract defines how often the partner organisation needs to provide a report. Progress reports are signed by an authorised representative of the partner organisation.

Reporting is related to payments. As the partner organisation will provide a certified audit report as a demonstration of the soundness of its bookkeeping, it does not need to include the original receipts. However, the report should include a detailed list of costs, compared against the final project proposal/plan.

A model/format for the minimum reporting requirement is available from the Embassy. These reporting requirements can be adjusted taking into consideration the capacity of the organisation and the scope of the project.

The partner organisation is expected to prepare a final report describing the whole project, including resources utilised, results and lessons learned. As a general rule, the final payment can be made only against an acceptable final report and the final audit.

Annual audit

An annual audit is expected to be conducted on all projects that receive during the project cycle payments exceeding 20.000 €. The partner organisation may commission a project audit as a part of its full audit. If this does not take place, or if the Embassy perceives the auditing as unsatisfactory, the Embassy may commission an audit on its own.

In the Agreement, 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 possible corruption, the Embassy may terminate financing and launch a legal procedure for clarifying the matter. The policy against corruption is very strict. A Code of Ethics is a part of all Funding Decisions.

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Corruption prevention can be included into the project layout from the outset. Corruption prevention activities, including improvements in financial management capacities and procedures, are useful elements of a FLC project.

In case of any questions, please refer to projects.buk@formin.fi