

Ministry for Foreign Affairs /
Department for Development Policy

2. NGO Co-financing

Background

Finnish development co-operation support for NGOs is channeled through several funding instruments.

Approximately half of the annual development co-operation budget for NGOs is used to support ten partnership organisations that have signed a partnership agreement with the Ministry for Foreign Affairs:

Fida International, FinnChurchAid, Finnish Evangelical Lutheran Mission, The Finnish Red Cross, Frikyrklig Samverkan, International Solidarity Foundation, Plan Finland Foundation, Save the Children, Trade Union Solidarity Centre of Finland, and World Vision Finland.

The criteria set for partnership organisations include following: a coherent policy in parallel with the Finnish Government's development co-operation policies, reliable and strong relations with partners in the project countries, well-established financial administration and fund-raising, being well-known in Finland and broad expertise in development co-operation.

The Ministry for Foreign Affairs also grants support to Finnish non-governmental organisations for project preparatory missions. For more information, please see the Ministry's web site at http://global.finland.fi/jarjestoille/va_matka.html.

Moreover, the Ministry may grant support to NGOs to cover travel costs resulting from participation in international conferences by representatives of developing countries.

The co-financing instrument described below offers funds for projects in developing countries, that are carried out by NGOs registered in Finland.

Types of Grant

Co-financing of NGO projects.

Grant Size

No minimum or maximum amounts specified. If the requested grant size exceeds €20,000 a year, the project is considered a large project. In this case more rigorous audit requirements apply.

Own Contribution

Self-financing by the Finnish NGO must be at least 15% of the project's total costs. In projects targeted towards the disabled, the percentage of own contribution may be reduced to 7.5%.

A minimum of 7.5% of the total costs must be provided by the NGO in cash. This rule also applies for projects targeted towards the disabled. As a general principle, the self-financing has to originate from Finnish sources and the sources have to be clarified in the application. However, where the NGO has problems collecting the self-financing share from Finnish sources, the Ministry may also consider international financing to be included in the self-financing share.

Financing from other Finnish State support sources is not regarded as self-financing; the NGO's own financial share for the project must be true financing, collected specifically for the project concerned. Funds may be collected e.g. through collections, events, selling of products, donations, etc.

Voluntary work and contributions in kind may also be regarded as self-financing. However, their share may not exceed 7.5% of the project's total costs.

The Finnish support is aimed at supplementing local resources. The bigger the local share of the financing, the better the possibilities to create a sustainable basis for continuing the operations after the project has been completed. It is therefore extremely important that the project relies not only on the Finnish support. Local resources – work, materials, tools and equipment, rooms and facilities, and financing – may, however, not be included in the Finnish NGO's self-financing share. Neither are there any strict criteria on how extensive the local contribution should be. In principle, the basis and resources for sustainable long-term operations have to be developed during the project's implementation phase.

Funding Priorities

NGOs applying for co-financing from the Ministry for Foreign Affairs have to support the central principles of Finnish development co-operation policies as stated in Finland's "Policy on Relations with Developing Countries":

- Reduction of widespread poverty, with increasing gender equality being an integral part of poverty reduction work
- Prevention of global environmental problems to achieve the principle of sustainable development
- Promotion of human rights and democracy
- Promotion of global security, i.e. peace building and the development of human and ecological security

- Promotion of economic dialogue in order to foster the integration of least developed countries into the world economy.

As well as complying with these basic principles, all projects must be financially, socially and environmentally sustainable. The results of the project's activities should provide the basis for further, self-reliance based development.

Further information on development guidelines and best practices that can serve as a project planning tool is available on the Department for Development Policy's web site at <http://global.finland.fi/koyhyys>.

The Ministry for Foreign Affairs explicitly encourages NGOs to widen the scope of their co-operation beyond the traditional social and education projects towards population policy, environmental, democracy and human rights, as well as cultural co-operation activities. Therefore, projects addressing population and sexual and reproductive health and rights (SRHR) issues should have good chances at being selected for co-financing, provided they follow the rules and grantmaking criteria as closely as possible. Finland also encourages NGOs to widen Finnish development co-operation to countries with which Finland does not practice official development co-operation.

Grantmaking Criteria

The NGO applying for support has to be a non-profit organisation (organisation, association or foundation) registered in Finland and have the legal capacity to operate. In order to qualify for financial support, the NGO and the project must fulfil the following general requirements:

- The NGO should have sufficient expertise to implement and manage projects
- The objectives and scope of the project must be realistic in relation to the NGO's own resources, its experience in development and its ability to gather self-financing
- The Finnish NGO must have a local partner, which is responsible for the local implementation of the project. The partner should preferably be a local NGO or other clearly-defined organisation or group which has been active for at least a year
- NGO co-operation should not be one-sided "aid" based on the initiatives and interests of the Finnish partner. Instead, the initiative should come from the developing country partner and it should also be responsible for implementation. The Finnish NGO should play primarily a supporting role, and the developing country partners must be the owners of the project
- NGO support should aim at widening co-operation relationships beyond official channels to the level

of people-to-people co-operation

- In addition to Finnish NGOs, support can be channeled via international and regional non-governmental organisations (INGOs). Eligible organisations must be well known, recognized and have a record of efficiency operating at the regional or international level. The Ministry is not able to directly support national NGOs in individual developing countries.

Guidelines

The Department for Development Policy has published a "Development Co-operation Manual for Non-Governmental Organisations" for NGO project proposals. Part I of the manual sets out the guidelines for project planning while part II explains the procedures that apply for NGO co-financing, as well as containing detailed instructions for completing the application form, project plan and annual report. The manual can be downloaded at <http://global.finland.fi>.

Project Duration

No maximum project duration specified. However, support is granted for one year at a time. In some cases, the Ministry may make a budget reservation for two subsequent years. Funds should normally be used during the year of approval and be drawn no later than October in that year.

Deadline

Project proposals generally must be submitted by May 31st, unless otherwise stated. Processing of applications will take around six months.

Application Forms

The application schedule for project proposals will be published annually in Finnish newspapers and on the web site of the Department for Development Policy, at <http://global.finland.fi>. Application forms and guidelines may either be obtained from the Department's Unit for Non-governmental organisations or at <http://global.finland.fi/english/projects/ngo/>.

Application and Procedures

Applications must be completed on the Ministry's specific forms and should include all information

necessary for assessment. The mandatory appendices and other required documents must also be enclosed. All necessary information must be included in the application form, not only the appendices.

As the decision to grant financial support is made on the basis of the project plan, NGOs should always present the detailed project plan in accordance with the Project Plan Form for Development Co-operation Projects with NGOs. The project plan will have to include clearly stated objectives and related indicators that will enable sufficient monitoring and evaluation of the NGO's actions.

When financing has been approved, the Ministry for Foreign Affairs informs the recipient of the conditions that will be applied. The NGO must then approve and officially sign the conditions document, which serves as a binding agreement between the Ministry and the recipient NGO, and return it to the Ministry within the given time frame.

Progress reports will have to be prepared by the NGO for each project on an annual basis. These should be prepared using the standard forms provided with the "Development Co-operation Manual for Non-Governmental Organisations" and sent to the Ministry by the end of April the following year. At the end of the project, a final report must be submitted, highlighting impacts, sustainability, problems and lessons-learned as well as wider applicability of the project's results.

Languages

Finnish, Swedish or English

Tips

The instructions for project proposals given in the "Development Co-operation Manual for Non-Governmental Organisations" are very specific and should therefore be followed as closely as possible. The better you provide the information required and follow the guidelines, the better your chances to get the application approved.

KEPA, the Finnish Service Centre for Development Co-operation, offers useful tips and advice to NGOs on how to apply for co-financing from the Ministry for Foreign Affairs:

Service Centre for Development Co-operation
 – KEPA
 Töölöntorinkatu 2 A, 00260 Helsinki, Finland
 Phone: +358-9-584 233
 Fax: +358-9-5842 3200
 E-mail: info@kepa.fi
<http://www.kepa.fi/>

Additional information on application procedures and reporting may be obtained from the Ministry's NGO Unit.

NAME OF GRANT PROGRAMME

NGO Co-financing

NAME

Ulkoasiainministeriön kehityspoliittinen osasto

NAME IN ENGLISH

Ministry for Foreign Affairs, Department for Development Policy

ACRONYM

None

DEPARTMENT

Unit for Non-governmental Organisations

CONTACT

Mr Pertti Ikonen
 Phone: +358 (9) 16 05 63 65
 Fax: +358 (9) 16 05 64 70
 E-mail: kyo-33@formin.fi
 Internet: <http://global.finland.fi>

MAIL ADDRESS

Ministry for Foreign Affairs
 Department for Development Policy
 Unit for Non-governmental Organisations
 P. O. Box 176
 FIN-00161 Helsinki
 Finland

STREET ADDRESS

Ministry for Foreign Affairs
 Unit for Non-governmental Organisations
 Katajanokanlaituri 3
 FIN-00160 Helsinki
 Finland

COUNTRY INDEX

PRIORITY COUNTRIES

Ethiopia
 Kenya
 Mozambique,
 Nepal
 Nicaragua
 Tanzania
 Vietnam
 Zambia

OTHER COUNTRIES

Any