

Addendum October 26th, 2012

Based on the new Development Policy Programme of the Finnish Government approved by Cabinet February 16th, 2012 the Concessional Credit Programme is being phased out. No new projects are accepted for development. Only projects currently under development are presented for financing decisions. No new financing decisions for concessional credits will be taken after the end of 2014.

The feasibility studies of the ongoing projects should be forwarded to the Ministry latest at the end of 2012. The commercial contract should be forwarded to the Ministry latest November 15, 2014 to enable the Minister's approval by the end of 2014.

New repayment terms came into effect May 2011. The new terms are a combination of interest subsidy and grant. The grant amount is calculated based on the contract amount. The grant element is payable by the Ministry on behalf of the beneficiary developing country to the exporter. The repayment period is 10 years and there is no grace period. The other terms of repayments are unchanged.

Finland's Development Policy Programme puts the human rights based approach and the balance between economic, social and ecological aspects of development at its center. This means that concessional credit projects that are approved have to address development aspects in a comprehensive manner, paying due attention to cross-cutting objectives and social and environmental impact assessments.

Based on a decision by the Ministry to improve monitoring and evaluation of the Concessional Credit Programme, both the project owners and exporters of projects approved after the issuance of this addendum are required to submit to the MFA annual financial and narrative progress reports on their project during the implementation phase and a completion report at its end. The first report is due 12 months after the loan agreement is signed.