GUIDELINE
CONCERNING HUMANITARIAN FUNDING
GRANTED BY THE MINISTRY FOR FOREIGN
AFFAIRS OF FINLAND

Unit for Humanitarian Assistance and Policy /
KEO-70

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ABBEVIATIONS

CERF  Central Emergency Response Fund
COHAF  Council Working Party on Humanitarian Aid and Food Aid
DAC  Development Assistance Committee
ECHO  DG/ECHO Directorate-General for Humanitarian Aid and Civil Protection
GHD  Good Humanitarian Donorship
HAVAJ  MFA's allocation of the humanitarian funding process
IASC  Inter-Agency Standing Committee
ICRC  International Committee of the Red Cross
IFRC  International Federation of Red Cross and Red Crescent Societies
INEE  Inter-Agency Network for Education in Emergencies, INEE Minimum Standards for Education in Emergencies, Chronic Crises and Early Reconstruction
ISDR  International Strategy for Disaster Reduction
OCHA  United Nations Office for the Coordination of Humanitarian Affairs
ODSG  OCHA Donor Support Group
ODA  Official Development Assistance
OECD  Organisation for Economic Co-operation and Development
SPHERE  Minimum Standards in Humanitarian Response
SRP  Strategic Response Plan (HRP/Humanitarian Response Plan) (previously CAP)
UN  United Nations
UNHCR  United Nations High Commissioner for Refugees
UNRWA  United Nations Relief and Works Agency for Palestine Refugees in the Near East
VTV  National Audit Office
WFP  World Food Programme
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1. **OBJECTIVES OF THE GUIDELINE**

The objective of this guideline is to direct the use of funds granted for humanitarian aid out of the development cooperation appropriations of the Ministry for Foreign Affairs and to establish the principles, criteria and procedures to be observed in the process. It gives a clear picture of the way in which Finland implements the Good Humanitarian Donorship Principles (GHD) of 2003, adopted by the OECD-DAC and the EU.

The guideline is applied to the funding granted to the provision of humanitarian aid by the UN agencies, the Red Cross and the Red Crescent, and Finnish organisations (NGOs). The administrative procedures may differ depending on which of the organisations is in question. In addition, the principles governing humanitarian mine action are briefly presented in the guideline, even though they do not apply to it in other respects.


This guideline is based not only on the above-mentioned acts and statutes, but also on the following publications: Finland's Development Policy Programme (2012), Finland's Humanitarian Policy (2012), UN Resolution entitled Strengthening of the Coordination of Humanitarian Emergency Assistance of the United Nations (46/182, 1991), European Consensus on Humanitarian Aid (2007), GDH-principles (2003), and the framework provided in the State Budget.

The recommendations given in the financial audit reports of the National Audit Office in 2012 have been taken into account in the guideline.

2. **COVERAGE OF ASSISTANCE AND SUPPORTED SECTORS**

Humanitarian assistance covers measures that aim at saving lives, maintaining human dignity, and alleviating human suffering during a crisis and in its immediate aftermath. In addition to life-saving action, the funds granted for humanitarian assistance can be used for supporting and protecting

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1 Humanitarian mine action covers mine clearance, assistance of victims, development of national capacities, and prevention of risks.

2 If the recipient of the government transfer referred to in subsection 2 of the Act on Discretionary Government Transfers is a foreign state or its agency or an intergovernmental organisation, only sections 5-8 and section 11(5) apply to the aid.
livelihoods. Humanitarian assistance also covers the so-called early recovery, which refers to
development-oriented measures initiated during the humanitarian response and taken to facilitate
the transition to development and to improve the preparedness to prevent new disasters and to
respond to humanitarian needs.

Finland allocates its humanitarian funds to sectors whose importance is critical to saving lives,
maintaining human dignity, and protecting livelihoods. In addition, Finland may allocate
appropriations to supportive functions, such as coordination activities. In protracted crises and in
refugee camps, development-oriented measures, which aim at greater self-sufficiency and
improved livelihood opportunities for refugees can be supported on a case-by-case basis.

Finland targets humanitarian funds to sectors, in which the resources produce the best possible
impacts in terms of saving lives and protecting livelihoods in a crisis situation. Finland seeks to
achieve maximum effectiveness and complement other donors in order to ensure sufficient support
for key sectors.

**Finland supports the following sectors:**

- **Food security.** The sector covers, for example, food distributions, cash transfers, food
  vouchers, *Cash for Work* and emergency school feeding programmes. Food assistance is
  provided on the condition that acute malnutrition in the region exceeds, or without the
  supported activities would exceed, the critical threshold of an emergency situation, as
defined by WHO\(^3\). The food security sector also covers measures supporting the
  sustenance and recovery of agriculture and farming, including supply and distribution of
  seeds, fertilisers, fishing nets, other tools and equipment, improvement of small-scale
  infrastructure related to agricultural production, veterinary services, vaccinations, and
  restocking.

- **Nutrition.** The activities include supplementary and therapeutic feeding programmes for
  malnourished children and adults, and associated training and support services.

- **Water and sanitation.** These activities include, for example, water supply to the crisis
  area; repair and cleaning of water posts, containers and water distribution systems; drilling
  of wells; installation of hand pumps; procurement and delivery of water treatment material
  and equipment; treatment of water and sewage water; repair of sanitation and waste water
  systems; and hygiene campaigns.

- **Health.** This sector covers, for example, health and hospital services in conflict and
  disaster situations; mobile clinics; first aid and evacuation; acquisition and supply of
  medicines, materials and equipment; repair of health centres/hospitals or building of
  temporary facilities; hygiene and vaccination campaigns; reproductive, maternal and child
  health care services; monitoring of epidemics and care of patients; support for people living
  with HIV/AIDS and other vulnerable groups; health counselling and health education;
  psychosocial support and mental health support.

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\(^3\) In accordance with WHO, the emergency threshold exceeds, when the Global Acute Malnutrition
(GAM) rises above 15 per cent or above 10 per cent in a situation already aggravated by, for
example, the possibility of infectious diseases.
- **Protection.** The sector covers, for example, the protection and maintenance of camps set up for refugees and internally displaced persons; people’s physical protection, identification, registration and profiling; legal assistance; refugees’ repatriation operations; child protection and provision of child-friendly facilities at camps; tracing of families and family reunification; monitoring of the situation and support to the prisoners of war, internees and child soldiers; prevention of sexual and gender-based violence and required support services.

- **Emergency shelters.** This covers the arrangement of camps and other ad hoc emergency shelters; supply of tents, plastic sheeting and construction materials for temporary and semi-permanent shelters; and adaptation of public buildings into temporary shelter.

- **Distribution of basic supplies.** Activities in this sector include, for example, distribution of necessary household and hygiene supplies, clothing, bed linen, mosquito nets, and fuel.

- **Education.** This sector covers, for example, repair of damaged schools or building of temporary schools; acquisition and supply of teaching equipment and materials; and support for teachers. Support for education is generally limited to the primary level of education. An exception to this is refugee situations and refugee camps in which education can be supported more comprehensively.

- **Early recovery.** Early recovery is an essential part of humanitarian response in all sectors. It covers measures relating to employment, income generation, local business activities, restoration of public services and local administration, reconstruction of buildings and infrastructure after a disaster, as well as measures designed to strengthen disaster preparedness, for example, through the Cash for Work and capacity-building programmes.

- **Logistics.** This sector covers supportive measures relating to logistics, which guarantee the import of relief supplies and their transport, storage and distribution in the field, as well as humanitarian air and other transport operations, which secure humanitarian workers’ movement and evacuation, and measures related to the repair and renovation of roads, ports and airports.

- **Telecommunications.** The sector covers the procurement of IT and communications equipment and their establishment, related training and other necessary support services in order to secure effective communication between humanitarian workers and their host organisations.

- **Disaster preparedness.** This covers preparedness and disaster management actions related to humanitarian assistance which are taken during the humanitarian response or immediately following the emergency response. The actions aim at preventing and reducing disaster risks and improving the resilience of people and response capacities of organisations.

- **Coordination of assistance, production of necessary information and analyses and appeals.** This covers all measures that contribute to the coordination of humanitarian assistance at different levels. In addition to coordination, the sector is involved in the needs assessments, gathering of data needed in the planning and monitoring of assistance,
drafting of appeals, and distribution of information about operations' outcomes and humanitarian situations.

**Cross-cutting objectives:**

- Finland requires that the organisations which receive humanitarian funding incorporate climate sustainability, gender equality and the reduction of inequality into their operations and pay particular attention to the rights and needs of vulnerable groups, such as children and persons with disabilities. (See 5.3.)

2.1. **Use of development cooperation appropriations to humanitarian ends**

Should an area where a Finnish NGO is implementing development cooperation project or programme funded by the Unit for Civil Society of the Ministry for Foreign Affairs be hit by a disaster or suffer from the escalation of a crisis, the NGO can request a change of use of the funds. Provided that the Unit accepts the request, the granted development cooperation appropriations can be used for humanitarian assistance. The amount and duration of such support is to be agreed with the Unit for Civil Society which consults the Unit for Humanitarian Assistance and Policy.

The Unit for Civil Society accepts the change of use of the funds primarily for the part of ECHO certified organisations. Any requests made by other organisations are subject to the precondition that the organisation undertakes to commit to the humanitarian principles. This includes, among others, that the assistance is needs-based and targeted to the people with the most acute needs in the affected area even if they do not belong to the beneficiaries of the ongoing development cooperation project or programme.

2.2. **Continuum between humanitarian assistance, reconstruction, disaster preparedness and development cooperation**

In the transition phase following a crisis or a disaster, Finland applies a so-called continuum approach, which means coordination between peace building, disaster preparedness and risk reduction, humanitarian assistance, reconstruction and development. In Finland's development cooperation the continuum largely materialises by means of multilateral cooperation, NGO activities, and cooperation in the EU. In the Ministry, the Unit for Civil Society, the Unit for UN Development Issues, the Unit for Sectoral Policy and the regional departments, for example, are responsible for the funding of development cooperation and reconstruction. Support to short-term early recovery as a part of assistance related to a crisis or conflict and related reduction of risks and response preparedness are included in humanitarian assistance.

It is important that NGOs pay adequate attention to ensuring timely planning and implementation of the transition from humanitarian assistance to reconstruction. They also need to make a stipulation for the continuum in their financial framework, in full agreement with the unit for Civil Society or another unit of the Ministry that has granted the funding.
2.3. Non-eligible activities

The following activities are not covered by humanitarian assistance funds:

- Development cooperation and long-term poverty reduction.

- Reduction of chronic food insecurity and malnutrition, unless they go beyond the emergency threshold.

- Reconstruction. A considerable decrease of humanitarian needs and the consequent downsizing of OCHA's country activities, and dismantling of humanitarian coordination structures and the Strategic Response Plans are used to indicate the shift from humanitarian assistance to reconstruction.

- Reconstruction related to refugees' return to their homes. Support is limited to the actual repatriation process, delivery of repatriation packages, and the initial phase after return. Humanitarian assistance is not generally allocated to the reconstruction of hospitals, schools and housing in regions where returning refugees arrive. Reconstruction must be financed through other instruments.

- Conflict prevention, peace mediation and peace building.

- Civilian crisis management and civil protection under the administration of the Ministry of the Interior.

- Long-term Disaster Risk Reduction (DRR) activities typical for development cooperation, which demand several years' commitment (with the exception of the activities outlined in 2.1 related to the immediate threats and related preventative and preparedness actions).

- Humanitarian mine action.

- General capacity building of humanitarian organisations. (with the exception of the capacities outlined in 2.1. related to organisational preparedness to respond to immediate threats);
3. LEVEL AND FORMS OF ASSISTANCE

In accordance with Finland's Humanitarian Policy, approximately 10% of the annual development cooperation budget (Official Development Assistance, ODA) is allocated to humanitarian assistance. More funds can be allocated if deemed justified. The majority of the Ministry's humanitarian assistance budget is channelled to humanitarian operations in countries and regions hit by a crisis. The operations are implemented by UN agencies, the Red Cross and the Red Crescent Movement, and Finnish NGOs. In addition, international organisations can be granted core funding. The Ministry grants country- and region-specific humanitarian support normally for one year, while core funding can be in the form of multi-annual commitments within the parameters permitted under the State Budget.

Humanitarian funds can also be channelled to pooled funds. The most important one is the Central Emergency Response Fund (CERF), managed by a secretariat within the UN Office for the Coordination of Humanitarian Affairs (OCHA). Common Humanitarian Fund (CHF) and Emergency Response Fund (ERF) operate at the country level under the Humanitarian Coordinator. The precondition for the funding to country level pooled funds is – as a rule – that Finland has a diplomatic mission in the country, which can take an active part in policy dialogue on the Fund and monitor the effectiveness of activities and the use of funds. Finland may also support organisations' own rapid response funds and allocate funds to thematic projects.

Finland is represented in aid organisations' and UN programmes', executive boards and advisory committees, and in such donor groups that play a key role in influencing the organisation's decision-making. As a member of the executive boards of UN agencies and programmes and as a signatory of the Geneva Conventions, Finland participates in international conferences of the Red Cross and the Red Crescent Movement and exerts influence on their strategic guidance. At the EU level, the key channel of influence is the Working Party on Humanitarian Aid and Food Aid (COHAF). Some groups invite only donors whose annual funding to the organisation exceeds a certain limit. For Finland, such strategic groups include UNHCR (limit of USD 20 million), ICRC (limit of CHF 10 million), UNRWA (limit of USD 5 million) and OCHA Donor Support Group (limit of USD 500 000). Finland intends to participate into these groups also in the future.

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4 Examples include FAO's Special Fund for Emergency and Rehabilitation Activities (SFERA), WHO's Rapid Response Account (RRA) and WFP's Immediate Response Account (IRA).
4. **FUNDING GUIDELINES**

4.1. **General principles**

The humanitarian activities that are supported by the Ministry and carried out by organisations must be compatible with Finland's Humanitarian Policy and the goals concerning humanitarian assistance. The humanitarian principles of humanity, neutrality, impartiality and independence must be adhered to in the implementation of humanitarian assistance.

**Finland’s decisions on humanitarian assistance are governed by the following general principles:**

<table>
<thead>
<tr>
<th><strong>Needs-based approach</strong></th>
<th>The scale of the need by country and sector is the main criteria for funding decisions.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timeliness</strong></td>
<td>The response must take place in a timely manner.</td>
</tr>
<tr>
<td><strong>Strategic approach</strong></td>
<td>Finland targets its assistance to sectors which contribute the most to saving lives, maintaining people's dignity, and restoring livelihoods.</td>
</tr>
<tr>
<td><strong>Complementarity</strong></td>
<td>The assistance must complement other donors' support, so that the needs in the key sectors are covered in a balanced manner.</td>
</tr>
<tr>
<td><strong>Flexibility and unearmarked funding</strong></td>
<td>Funding to UN agencies, the ICRC and IFRC is loosely earmarked, only by country or region. Organisations may decide on the specific use of the funds to humanitarian activities.</td>
</tr>
<tr>
<td><strong>Predictability</strong></td>
<td>The amount of assistance per organisation does not vary to a great extent from year to year without any justified reason; however, it is important to note that the key principle for funding is the needs-based approach.</td>
</tr>
</tbody>
</table>

The most important principle of humanitarian assistance is that funding is needs-based, in other words, the assistance has to respond to verified and quantified needs. When appropriations are allocated, an analysis is made of which countries and which sectors need assistance the most and which organisations are the most efficient channels of assistance in a given situation. To ensure that decisions are grounded on the needs-based approach, the support package of the beginning of a year is prepared using the UN's Strategic Response Plans (SRP) as well as the appeals of the Red Cross and the Red Crescent Movement. ECHO's assessments may be used as necessary.

Finland is committed to promoting unearmarked and flexible funding, according to the principles of Good Humanitarian Donorship (GHD). Support granted to the UN agencies, the ICRC and the IFRC are earmarked only by country or region. Otherwise the above-mentioned organisations can independently decide on the use of the funds within operations for humanitarian ends. In addition, part of assistance is granted annually in the form of unearmarked core funding.

Predictability means that the support received by an organisation does not markedly vary from year to year without a grounded reason, taking into account, above all, and the needs-based approach. However, the level of support shall not be considered as an automatic. It is linked with the organisation's effectiveness and changing humanitarian needs.
Unlike in development cooperation, in humanitarian assistance, Finnish organisations are not required to provide any self-financing due to the special nature of humanitarian assistance. Humanitarian action is urgent, live-saving action, in which speed and timeliness are critical preconditions to save lives and effectiveness. Therefore, the assistance is not subject to any conditions that might essentially slow down the implementation. In practice, the Ministry’s support does not normally cover the needs of an entire operation but the organisation’s own financial contribution is also needed. The Ministry for Foreign Affairs encourages organisations to engage in active fund-raising.

4.2. Distribution of appropriations: procedures and justifications

Appropriations for humanitarian assistance are allocated twice a year. Funding is front-loaded in such a way that about 70% of the appropriations are allocated at the beginning of the year (so-called HAVAJ). The Ministry seeks to complete the allocation decisions and disbursements of the beginning of the year by the end of first quarter. Second allocation takes place in the autumn, when specific attention is paid to so-called forgotten and under-funded crises.

Support for Finnish organisations is mainly granted in the first allocation, but they can, if necessary and for a well-justified reason, apply funding also when appropriations are allocated in the autumn. In case of Flash Appeals related to unpredictable crises decisions are made following an accelerated procedure, as necessary, during the year (see para 7.2).

The Ministry informs ECHO’s Edris and OCHA’s Financial Tracking systems about its funding decisions.

Core funding is granted from the appropriation for humanitarian assistance to those organisations for which the Unit for Humanitarian Assistance and Policy are responsible for. These include ICRC, ISDR, OCHA, UNHCR, UNRWA and WFP. Decisions on core funding are made separately in the framework of multilateral authorities and the funds are transferred to the organisations as soon as the budget for the year has been approved.

4.3. Joint appeals

The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) coordinates humanitarian response and the preparation of a system-wide common Strategic Response Plan (SRP) for humanitarian assistance to country specific or regional humanitarian needs. The Strategic Response Plan provides a basis for the allocation of Ministry’s humanitarian funding, in particular in protracted crises.

The effectiveness of the SRPs is followed regularly and the SRPs are updated to respond to possibly changing needs. SRP involves all humanitarian agencies of the UN and hundreds of NGOs. Finnish NGOs must ensure to the extent possible that their operations are included into the Strategic Response Plan.
In situations of sudden, unexpected or worsening crises, the UN and the Red Cross and Red Crescent Movement launch emergency appeals\(^5\) to save lives and alleviate suffering in urgent emergencies. Red Crescent Movement and other organisations, ECHO’s country evaluations, and Crises and Vulnerability Index and Forgotten Crises Index matrices, FAO’s Integrated Food Security and Humanitarian Phases Classification -table and FEWSNET’s Early Warning Alert. The above-mentioned sources are particularly important when funds are granted to countries that do not belong to the CAP.

\(^5\) Emergency Appeals consist of Flash Appeals, Appeal Budget Extensions and Preliminary Emergency Appeals depending on the organisation.
5. CHOICE OF TARGET COUNTRIES AND FUNDING CHANNELS

5.1. Country selection

Humanitarian assistance funded through Finland's development cooperation appropriations is limited to countries eligible to receive official development assistance (ODA countries). The criteria for selecting recipient countries in protracted and acute crises are as follows:

Humanitarian crises with UN strategic response plan and other protracted crises:

- The nature and extent of needs in a country and sector and changes in them compared to the previous year in light of the SRP analysis or organisation specific appeals;
- The severity of the crisis and the scale of needs measured by the number of people in need of humanitarian assistance, the acute malnutrition rate and mortality rate of children aged under 5 years;
- Special needs of vulnerable groups;
- Access to the affected people in the country and risks related to distribution of assistance and monitoring;
- The funding needs and current funding gap by the sector and country;
- Known support from other donors and its allocation to different sectors.

Acute crises / emergency situations:

- The severity of the crisis and the scale of needs measured by the number of people in need of assistance, the wounded, those who have fallen ill, and the mortality rate;
- The country's own capacity to respond to the crisis.
- The impact of the crisis on vulnerable groups;
- The number of refugees and internally displaced persons;
- The number of people affected by the crisis directly or indirectly;
- The extent of the total damage, and the impacts on infrastructure and critical functions to society;
- The geographic scope of the crisis and its likely evolution;
- The estimated duration of the crisis;
- The regional implications.

As a rule, Finland grants support on the condition that the affected country has made an appeal for international assistance to the UN and that a reliable needs assessment and a system-wide appeal of the situation have been made. Even though Finland's humanitarian assistance is always needs-based, Africa and the least developed countries are prioritized when funding is granted, for they have fewer resources for managing crises without support.
5.2. General principles governing the selection of organisations

Humanitarian assistance granted by the Ministry for Foreign Affairs can be given to UN agencies, the Red Cross and the Red Crescent Movement, and Finnish NGOs. The organisations are to observe the principles indicated in Finland's Humanitarian Policy and the conditions presented in this guideline, and communicate them to their partners.

The Ministry supports organisations that have a proven track record of professional humanitarian action. As for the UN, funding is directed to its specialised agencies that have been assigned lead responsibility for coordinating a certain cluster or a part of a cluster. To be considered in the allocation of funds for humanitarian assistance, a Finnish organisation needs to meet the criteria listed in 5.3. Fulfilling the criteria does not, however, automatically guarantee support from the Ministry.

The Ministry requires that the UN agencies and NGOs take part in the UN-led cluster coordination in the country of operation. Recipient organisations or umbrella organisations representing them at global level are expected to also participate in the development of humanitarian action under the Inter-Agency Standing Committee (IASC).

Representatives of the Red Cross Movement should provide information to the clusters and contribute to its distribution whenever it does not jeopardise the Movement's specific mandate as a non-attached, independent and neutral humanitarian actor.

The track record of the effectiveness of the organisation's previous work is considered when selecting the channels of funding. Support is channelled to organisations which have a proven track record of responsible and effective action. In sudden onset crises, support is allocated to organisations, which are already present in the area suffering from the conflict or disaster or whose mechanisms allow immediate deployment of resources. The granted funds shall be in proportion to the organisation's implementation capacity.

Finland may support several organisations working in the same country or region, if that can be justified. The Ministry expects Finnish organisations to profile themselves in such a way that their operations would not take place in the same sectors at the same locations. The objective is to avoid fragmentation and to support larger entities.

A Finnish organisation is expected to actively contribute to the planning, implementation and monitoring of assistance.

The Ministry requires that all press releases, media appearances, publications and reports, issued by Finnish organisations, mention that the financial resources for the operation have been obtained from the Ministry. However, Finland's visibility as a donor is not a criterion at the time when support is to be granted.
5.3. Criteria that apply to Finnish organisations

Finnish organisations must fulfil the following preconditions in order to be able to apply humanitarian funding for their humanitarian work:

**Legality and legitimacy**
- The organisation must have been registered or established by law in Finland, have a legal status, and be a non-profit association or foundation governed by public law.
- The organisation has a valid ECHO partnership status.
- The organisation undertakes to take responsibility for seeing that its and its partner organisation's staff comply with the laws, humanitarian principles and adopted policies in force in the country or region where they are working.
- In its financial reporting, the organisation is committed to the provisions on the professional practice of accounting and financial statements laid down in the Accounting Act and Government Decree on Auditing (Kirjanpitolaki 1336/1997, Kirjanpitoasetus 1339/1997), and the accounting and verification of operations laid down in the Auditing Act (Tilintarkastuslaki 459/2007) and Associations Act (Yhdistyslaki 503/1989).
- The organisation has guidelines and mechanisms for detecting and preventing corruption and for taking action in the event of abuse of funds or corruption.
- The organisation is committed to observing the statutes on public procurement and relevant government decrees.

**Compliance with humanitarian policies and principles**
- The organisation is committed to observing humanitarian principles, the provisions of international humanitarian law, and the laws of the recipient country.
- The organisation is committed to observing the principles presented in Finland's Humanitarian Policy and the conditions set out in this guideline, and to communicating these criteria to their partners.
- The organisation pays attention to the cross-cutting objectives and the quality standards of assistance, including the Sphere Project and INEE standards, and the Do No Harm principle.
- In relation to the cross-cutting objectives, the organisations submit with their annual funding proposal/s (HAVAJ) a one-page background paper on each theme (The themes as of 2/2015: gender equality, reduction of inequality, rights and needs of vulnerable groups and climate sustainability). The background paper describes the approaches, procedures, practices and tools guiding the incorporation of the cross-cutting objectives into the actual response. The organisations are recommended to update the background papers annually.

**Capacity, experience and competence in humanitarian work**
- The organisation has a policy or strategy, which indicates the goals and priorities of its humanitarian work.
- The organisation has professional and competent staff, which is prepared for immediate deployment, and an associated recruitment mechanism.
- The organisation has the capacity for effective monitoring, internal control, reporting and evaluation of aid outcomes.
- The organisation has trained financial administration staff and mechanisms for regular auditing of the effectiveness and validity of the financial administration by means of, for example, external audits.
**Added value**

- The organisation's activities bring clear added value and complementary elements to the humanitarian response, such as to the UN system. Added value may mean, for example, the possibility to deploy Finnish or the NGOs’ own trained staff to the affected area, specific support for the planning, monitoring, coordination and evaluation of assistance, or the strengthening of technical know-how and capacity.

**5.4. Selection of channels for humanitarian assistance**

The channel of assistance for **humanitarian funding** (HAVAJ) in a particular crisis and in **acute crises** is selected on the basis of the following criteria:

**Humanitarian crises with UN strategic response plan and other protracted crises:**

- The organisation's mandate, sectors and operations correspond with the actual needs in the crisis area.
- The organisation's capability and capacity to rapid, timely action in the situation and country in question.
- The organisation’s ability to reach the people in need of assistance and vulnerable groups in the crisis situation.
- The organisation’s proven track record, demonstrated by the effective use of funds and results achieved in the previous years.
- The organisation’s activities have proven to be complementary in relation to other actors’ interventions and it has brought added value through its operations or coordination efforts.
- The relevance of the operations and the quality of application/s.
- The organisation’s capability to monitor the assistance in the situation.
- The organisation’s ability to coordinate its activities with other humanitarian actors.
- The organisation’s ability to act in accordance with humanitarian principles and agreed assistance standards in a crisis situation.
- The complementarity and added value of a Finnish organisation in relation to the UN system.

**Acute crises / emergency situations:**

- The proposed operation responds to the critical humanitarian needs and the results of the preliminary needs assessment.
- The organisation is present in the conflict or disaster area and/or has capacities through its surge mechanisms for immediate response.
- The organisation is able to act in accordance with humanitarian principles and standards and reach the people and vulnerable groups in need of assistance.
- The proposed operation is coordinated with the key humanitarian actors.
6. **PRINCIPLES OF HUMANITARIAN MINE ACTION**

Finland supports humanitarian mine action through the UN agencies, the International Red Cross and Red Crescent Movement and international and Finnish NGOs in countries which have a major mine problem and which need assistance to resolve the problem.

Humanitarian mine action is considered primarily development cooperation and it is therefore financed from the unearmarked development cooperation funds, not out of the funds budgeted for humanitarian assistance. Humanitarian mine action is based on the Ottawa Convention (the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and on Their Destruction) and the UN Convention on Certain Conventional Weapons. In the implementation of the projects, the contractual terms of a multi-annual framework agreement between the Ministry for Foreign Affairs and the project implementer are observed.

The following principles are applied when applications for assistance to humanitarian mine action are assessed:

- The thematic priorities of humanitarian mine action, defined in Finland's Development Policy and Humanitarian Policy, must be observed in the assistance activities. The assistance aims at a comprehensive approach, paying attention, among other things, to the development of the national capacities, assistance of victims, prevention of risks and mine clearance. Different actors' projects have complementary priorities.
- The project's objective is to support development in the affected country. The project promotes, for example, the development of the country's national capacity, rural development by means of converting unused arable land to cultivation, and refugees' repatriation. The project can also support the coordination of different forms of support by creating preconditions for early recovery, reconstruction and longer-term development.
- The project takes into account the human rights based approach and the cross-cutting objectives.
- The countries are selected based on their need, and the actuality of the need is monitored. The countries can be changed as necessary in the framework of the multilateral framework agreement. When an agreement is concluded, attention is paid to the projects' long-term impacts and the systematic nature of the proposals (target setting, appropriate implementation).
- In the implementation of the programmes by Finnish Partners, employment of Finnish staff is considered to bring added value.
- In projects, where the cooperation partner channels the funding to its own partners or subcontractors, it is required to ensure that the procedure brings added value and to avoid any additional administrative costs.
- In locations where Finland supports several different forms of assistance, attention is paid to the projects' role and complementary nature as a part of the overall contribution (e.g. regional concentration).
- Support will be focused to fewer recipients and funding will be granted to fewer partners of cooperation to ensure effective and coherent action.
7. ALLOCATION OF HUMANITARIAN FUNDS

7.1. Assessment of funding applications and preparation of decisions

The Ministry starts the allocation process by conducting a country and sector specific needs analysis. The Unit for Humanitarian Assistance and Policy, which makes the allocation proposal, complements the information provided in the UN's Strategic Response Plan by organisation-specific appeals and triangulating information from a variety of sources, for example, information gathered during field visits and organisation-specific appeals, including appeals from the Red Cross and Red Crescent Movement, ECHO's country analyses, Global Vulnerability and Crisis Assessment and Forgotten Crises Assessment, FAO's Integrated Food Security and Humanitarian Phases Classification, and FEWSNET's Early Warning Alert. The above-mentioned sources are particularly important when funds are granted to countries for which a Strategic Response Plan has not been made.

Finnish organisations are encouraged to discuss possible countries and sectors of operation with the responsible desk officers before the submission of proposals and end of application period. The UN agencies may also be asked to put forward their lists of priorities for humanitarian funding.

Finnish organisations wishing to be considered in the funding allocation at the beginning of the year, must submit a written application to the Unit for Humanitarian Assistance and Policy by 15 January. Funding can be applied for one year at a time for humanitarian operations that form a clear entity. The proposal must be signed by persons authorised to sign documents on behalf of the organisation. The proposals as well as reporting, except for an abstract in Finnish, may be in English. The operations must have clear, measurable objectives, partners, beneficiaries, an action plan, a budget and a timetable. The organisation must explicitly express its own contribution in the application. Finnish organisations are not granted support for the organisation's general activities or continuous cooperation with a partner organisation. The budget (Appendix 3) must be in euros, and the funding applied/granted from other sources as well as self-financing must be included.

Finnish organisations must use the appended funding proposal form (Appendix 2) for each operation, including emergency / flash appeals. As for flash appeals, the Ministry follows an accelerated procedure in order to be able to make rapid decisions and to ensure an effective mobilisation of funds. The organisations complement their proposal within four (4) weeks of the date of the preliminary flash appeal application or in accordance with a separately agreed timetable.

All applications are sent to the Registry of the Ministry for Foreign Affairs in paper form and to the Unit for Humanitarian Assistance and Policy electronically.
7.2. Decision and agreement on discretionary government transfer and transfer of funds

The Unit for Humanitarian Assistance and Policy assesses the proposed operation in light of the checklist (Appendix 1). The Unit submits a proposal of operations to be supported to the Minister and prepares the necessary decision for discretionary government transfer.

In connection with large and unexpected crises, the Ministry must be prepared for rapid decisions and an effective mobilisation of funding. In such a situation, the Director of the Unit for Humanitarian Assistance and Policy takes decisions concerning urgent discretionary government transfers in accordance with section 90 (24.6.2014/513) of the Foreign Ministry's rules of procedure after having consulted the Minister. The decision is made, as far as possible, within three days of the date of receipt of the preliminary emergency proposal. In decisions made on the basis of a preliminary proposal, the organisation is requested to specify the funds' use and submit an amended funding proposal within four weeks of the preliminary emergency proposal.

After the Minister has signed the decision on funding, an agreement on the use and terms of the support is prepared between the Ministry and the UN agency that is supported. Agreements with an UN agency are made through an exchange of letters between the Head of the Finnish mission in the country where the organisation is based and a representative of the organisation on the basis of a draft agreement prepared in the Unit for Humanitarian Assistance and Policy and by virtue of an authorisation to sign the agreement given by the Director General of the Department for Development Policy. The agreement enters into force after a representative of the organisation has signed it. As a part of the exchange of letters to conclude the agreement, the organisation sends the contact information required for the payment of the support to the mission. The agreement is archived at the mission. Detailed information about the agreement is sent electronically to the Ministry for payment purposes.

When an agreement is made with an UN agency, the organisation is obligated to inform about the determination of the exchange rate, the used UN account rate, and the date of exchange. The administrative cost is recorded in the agreement in percentage terms.

The Ministry does not make an agreement with Finnish organisations but prepares a discretionary government transfer decision, which covers the following: the name of the recipient and the amount of the support, its intended use, acceptable costs of the activities and project and the project's duration, the recipient's obligation to provide an account of the use of the discretionary government transfer, and the dates of reporting. Instructions to request change of use of the funds are appended to the decision. The organisations are sent a commitment letter, which they return signed within a month of its receipt and in which they undertake to receive the funding and follow the terms mentioned in the discretionary government transfer decision and in the Ministry's guidance concerning the use of funds. The date of signature of the commitment is considered to be the official first date of the operation.
8. USE OF FUNDS AND FINANCIAL MANAGEMENT RESPONSIBILITIES

8.1. Use of funds, change of use and refunds

Humanitarian funding granted by the Ministry for Foreign Affairs is discretionary government support for humanitarian activities pursued independently by organisations. The organisation is responsible for claims and other consequences resulting from the implementation of its operations. In accordance with section 7(2) of the Act on Discretionary Government Transfers (valtionavustuslaki 688/2001), discretionary government transfers may be granted for the applicant's own activities or to be used to support an activity or project which is not the applicant's but which meets the objective of the transfer decision. In the latter case, the recipient of the transfer (applicant) has to make an agreement on the use, terms and supervision of the funds with the party implementing the project in line with the original funding proposal. The agreement must be appended to the final report that is submitted to the Ministry. The organisation, to which the transfer is originally granted, will at all times bear full responsibility for the appropriate use of the funds and be accountable to the Ministry.

In the application, the division of labour and resources between the parties have to be clearly defined. The responsibilities must also be recorded in a written agreement between the organisations. The monitoring and supervising of the operation and the timetables need to be clarified in the agreement. The plan and budget of the operation as well as the Ministry's guidelines concerning the use of humanitarian assistance and anti-corruption action must be appended to the agreement.

In case a Finnish organisation channels the support forward through an international NGO (INGO), its umbrella organisation or its network, the Ministry must make sure that the procedure brings added value and that extra administrative costs will not be incurred.

Organisations must use the granted support during the period of time defined in the agreement or decision on discretionary government transfer. If the use of funds in exceptional cases needs to be extended, for a justified reason, a written consent must be obtained from the Ministry. If an UN agency is concerned, an amendment to the agreement is also needed. The extension must be requested at least two months before the scheduled completion of the operation. A justification for the extension request may be considered, for example, when a deteriorated security situation has hindered the implementation of the operation. An extension is an exceptional procedure and must not become a regular way of managing operations.

If changes in the plan or budget of the operation lead to a need to make changes to the original purpose of the allocated funds, the organisation must submit a written request for permission of change of use to the Ministry. A permission from the Ministry must be obtained in all such cases where the key objectives, activities, partner, target group or number of staff change or if the change causes a minimum of 15 percentage point change in the main budget lines (e.g. operational costs and activities, staffing; procurements). The organisation must obtain a written consent from the Ministry before the changed activity is started. As far as UN agencies are concerned, an amendment to the agreement is required. For a Finnish organisation, an e-mail message can be considered as a written procedure. The organisation must keep the exchange of
e-mails and attach it to the final report. A written agreement must be made of possible unspent funds and interests, or they must be refunded.

Any misuse of funds must be notified immediately both orally and in writing to the Unit for Humanitarian Assistance and Policy, which will inform the Ministry's Unit for Internal Audit must about such events. In cases of misuse concerning a UN agency, action will be taken as agreed in the agreement between the Ministry and the agency.

Organisations are expected to be active and communicate to the general public about their humanitarian activities and specific operations. They are advised to keep regular contact with the Finnish mission in the country or region.

8.2. Acceptable expenditure and administrative costs

Discretionary government transfers can be used to cover essential and reasonable costs arising from the implementation of the operation, based on what has been proposed in the funding proposal or what the Ministry has required when the transfer was granted. In the implementation and financial management of the operation, the organisation must strive for cost-efficiency and effectiveness. In its procurement and other actions, it must observe the principles of good governance and anti-corruption.

When a discretionary government transfer is used for procurements, Finnish organisations must take into account the relevant provisions of the Act on Public Contracts (Laki julkisista hankinnoista 348/2007) and applicable government decrees. In accordance with section 6(1) (5) of the Act, the Act applies to actors which have received more than half of the value of the procurement from the contracting authority (ministry). When goods or services are procured, both the invitations to tender and the procurement contract must include a clause according to which the tender can be rejected or annulled, if the contracting or its implementation involves corrupted practices or misuse of the funds.

For procurements made using a discretionary government transfer, an operating time must be determined, during which assets cannot be handed over or used permanently for any other purposes. The active use of assets normally coincides with the duration of the operation. The organisation must keep a list and inventory of its fixed assets, procured with granted funding, and update them regularly.

The following expenses can be covered using humanitarian funds:

Operational costs and activities, which include expenses related to response and procurement of aid supplies (such as food, medicines, and tents), transportation, storage and distribution.

Staffing costs, which include the salary, non-wage labour costs, and expenses arising from travel and accommodation of staff directly involved with the implementation and monitoring of the operation. Staffing costs cover the expenses arising from the employment of personnel operating in the region or country of operation. Eligible travel expenses are defined and compensated based on the most affordable means of travel in accordance with the State Travel Regulations.
Monitoring and evaluation costs, for example, auditors' services and expenses arising from needs assessment, monitoring and evaluation of the operation.

Procurement costs incurred by purchase of materials and equipment including, for example, purchase of vehicles, computers and communications equipment for staff.

Running and maintenance costs and general administrative costs incurred in the country of operation include, for example, rental of local office premises, electricity, water and other running costs, costs arising from the use of machines and equipment and their fuel and maintenance expenses, and local administration costs, including telephone, internet and mail expenses. The contribution of administrative staff, such as secretaries or bookkeepers, working in the country of operation is included into these expenses.

General administrative costs incurred in Finland. These include costs arising from the administration of the operation in Finland, such as telephone, internet, mail and other similar expenses. The contribution of humanitarian assistance and administrative staff, such as home office based secretaries and bookkeepers in Finland belong to this cost category. Administrative costs incurred in Finland are covered in accordance with the seven per cent (7 %) flat-rate.

Regarding the administrative costs incurred by Finnish organisations in Finland, the Unit for Humanitarian Assistance and Policy applies the seven per cent flat-rate funding practice. There is no need to specify the administrative costs. An organisation may claim administrative costs from operations in a country or region only if the organisation is involved in the operation. Otherwise administrative costs are not compensated. Administrative costs must be reasonable, which means, among other things, that the organisation's own direct expenses caused by the operation cannot be below the compensation invoiced as administrative costs from the Ministry. When a decision on discretionary government transfer covers several country or region-specific operations, each operation's administrative costs are calculated separately, not from the total value of the agreement.

Costs arising from representation or gifts are not eligible for compensation in any cost category.

The UN agencies' administrative costs are determined in the General Assembly or in the agencies' executive boards. The administrative cost percentage must be recorded in the agreements concluded with the UN agencies.

8.3. Reporting

The organisation is responsible for the use of the funding it has received from the Ministry in accordance with this guidance and the regulations under the Act on Discretionary Government Transfers (valtionavustuslaki 688/2001). The organisation must actively monitor the effectiveness of its operations and report the results of its activities.

In their reporting, UN agencies observe the reporting procedures and auditing and financial administration practices agreed upon in the UN General Assembly or the agencies’ executive
boards. Financial reports submitted to Finnish Foreign Ministry have to show the exchange rate, the date of exchange and the exchange rate applied by the UN. In their reporting, UN agencies must cover all funding received from Finland, including core funding, operation-specific support, and support to the United Nations Volunteer, Junior Programme Officer and other possible support as well as funding granted by other ministries. In reporting concerning direct discretionary government money transfers, granted based on international appeals made by Finnish organisations' international umbrella organisations, such as the Red Cross and Red Crescent Movement, the forms of annual and operation-specific reporting and the auditing and financial management practices agreed in general assemblies or the organisation's governing boards, are observed.

After the completion of operations, the organisation must submit to the Ministry a final report on the effectiveness and use of the funding, prepared according to the Ministry's instructions (Appendix 4 and 5) and the Act on Discretionary Government Transfers (688/2001). The due date of the final report is defined in the decision of discretionary government transfer and the report must correspond to the original content of the Ministry's decision. Persons authorised to sign the organisation's documents must approve the report by their signature. Failure to comply with the responsibility to report may lead to a claim for recovery of the granted funds, and the organisation's leadership may have to take penal responsibility for the matter. If the organisation has conducted or commissioned its own evaluations of the results and impacts of the operation, it is expected to enclose them to the final report submitted to the Ministry. A description of the measures taken as a result of the evaluations must be included in the final report.

The financial part of the final report separates the operation's expenditure, self-financing and support from other sources. The actual expenditure is compared to the costs presented in the application or the most recent budget accepted by the Ministry (Appendix 5). Finnish organisations have to be able to derive the financial reports' expenditure from their bookkeeping. Financial reporting has to be made in euros and the rates and dates of exchange must be included. Receipts of expenses or copies of receipts are not appended to the report. The receipts and other documents relating to the use of the funding must be stored, however, in accordance with the Accounting Act, the legislation in the partner country or the rules of the international organisation.

The following appendices must be included in the financial report:

- An extract of the organisation's **general ledger**, which shows the funds the organisation has received and specifies their uses by main categories, including transfers to the umbrella organisation or via the local partner;
- **Cooperation agreement** between the Finnish organisation and its partner;
- **Correspondence relating to a changes made in the use of the funds**;
- **The auditor's report of an audit of expenditure in the country of operation**. The auditor's report must include a statement which confirms that the financial report has been prepared in accordance with the terms set by the Ministry and the provisions concerning discretionary government transfers. The report must describe the measures that have been taken and the auditor's observations and recommendations.
- In addition, the organisation provides to the Unit for Humanitarian Assistance and Policy the organisation's **annual accounts** (profit and loss account, balance sheet, financial
statement together with annexes) including, annually, the auditor's report and the annual report when they are issued.

Supported Finnish organisations must observe a professional auditing, bookkeeping, monitoring and reporting practices based on the provisions of the Accounting Act and Accounting Ordinance (kirjanpitolaki 1336/1997, kirjanpitoasetus 1339/1997) and Auditing Act (tilintarkastuslaki 459/2007). Bookkeeping must be performance-based and the generally accepted accounting principles must be observed. The bookkeeping legislation in force in the country of operation must be observed. The organisation's public funding and the other funding granted for the operation must be clearly visible in the bookkeeping and annual accounts. The organisation must ensure that the auditing costs are budgeted.

Finnish organisations are responsible for ensuring that their partners observe sound bookkeeping practices and that the auditing is done in accordance with internationally agreed auditing practices. Bookkeeping must be arranged so that the use of funds can be derived and examined from the accounting without difficulty. The Ministry for Foreign Affairs reserves the right to audit the organisation's bookkeeping both in Finland and in the partner country in accordance with the Act on Discretionary Government Transfers.

When the organisation applies for funding, it must clarify how the financial management of the operation, including the bookkeeping and auditing will be done. Authorised auditors must be hired to perform the audit of local expenditure in the country of operation. In case there is not an authorisation system for auditors in the country, the audit can be performed by a consultant or company that has the required professional competence and experience.

The Ministry for Foreign Affairs can commission a performance audit of the effectiveness and cost-efficiency of the use of discretionary government transfers in Finland and in the country of operation. The performance audit includes statements of prepared financial reports and describes the action taken, audit findings and recommendations.

8.4. Monitoring and evaluation

Monitoring is an essential part of the implementation of humanitarian assistance. Organisations that receive assistance must systematically monitor the operation throughout its duration. Organisations must openly, bravely and without delay communicate any positive findings and possible issues. Organisations are expected to support the public officials in the Ministry and its representatives in the preparation, monitoring and evaluation of the implementation of the operation.

The Unit for Humanitarian Assistance and Policy monitors both the use of funding and the effectiveness of the organisations' work. The effectiveness is measured by the achievement of the strategic objectives and results gained at country level, and these indicators are followed by means of reports, inspection visits and evaluations. The Unit prepares strategies for ways to influence through the UN agencies in which it has the primary responsibility in the Ministry and through the International Committee of the Red Cross. The strategies help effectively promote goals that are important for Finland.
The Ministry requires that the organisations actively review their activities and distribute the results of any relevant evaluations. The Ministry takes part in joint evaluations in cooperation with other donors, in the MOPAN (Multilateral Organisation Performance Assessment Network) cooperation that assesses multilateral organisations’ effectiveness, and in the peer reviews conducted by the OECD Development Assistance Committee (DAC). In addition, the Ministry carries out independent external evaluations and audits of the activities of organisations it support.

The Unit for Humanitarian Assistance and Policy prepares an annual monitoring plan. The Unit takes an active part in field visits and donor cooperation and pays visits to headquarters. The objective of these actions is to obtain an accurate picture of the effectiveness of the work of the organisations that are supported.
APPENDIX 1. Checklist for assessing appeals and funding proposals

Checklist applies to the UN appeals, the International Red Cross and Red Crescent Movement and applications submitted by the NGOs. Specific attention shall be paid to the following criteria:

I Relevance of the operation

- Have the humanitarian needs of the proposed country and sector been assessed?
- Does the operation document describe clearly the humanitarian situation and the results of the needs assessment?
- Does the operation respond to the acute humanitarian needs expressed in the needs assessments? Is the operation's principal objective to save lives?
- Have the different beneficiary groups and their numbers been clearly identified?
- Does the operation direct support to vulnerable groups?
- How does the operation implement the cross-cutting objectives?
- What benefits and added value does this particular operation provide for the people in need of assistance and to the overall humanitarian response?

II Feasibility

- Are the objectives of the operation realistic and achievable? Have the challenges of the operating environment, including the security situation, been clearly described? Have various risks been taken into account during the planning phase? Does the organisation have access to the beneficiaries?
- Is the operation implemented in accordance with humanitarian principles and international assistance standards?
- Have the beneficiaries been consulted during the planning phase? Will they be actively engaged in the implementation?
- Are the forms of assistance appropriate to the country context and culture? Have cash transfers or voucher-based assistance been considered instead of in-kind support? Are procurements made locally?
- Is the operational strategy sufficiently detailed, logical and feasible?
- Have coordination arrangements taken place and responsibilities agreed upon with partners and other actors as necessary?
- Does the approach support the humanitarian reform process? Is the operation based on the cluster strategy?
- How the operation links with development cooperation? For disasters: How the early recovery and transition to recovery are considered in the implementation?

III Cost-effectiveness

- Is the budget realistic and cost-effective?
- Is there a balance between the required resources and the organisation’s capacity to implement the operation?
- Are procurements made cost-effectively, e.g. locally or regionally?
- To what extent is the sector or operation funded by other donors? Is there a clear need for additional funding?
- Does the operation take into account the principles of good governance and pay attention to the prevention of corruption? What is the risk management mechanism used?
- How are the operation’s financial management, bookkeeping of local expenditures, auditing and internal control arranged?
APPENDIX 2. Format for funding proposals (max 5 pages)

Cover letter and summary (max 1 page)

Name of the organisation:

Contact information:

Name of the operation in English and Finnish:

Applied funding:

Date and type of the funding proposal: __ / __ / 2015

HAVAJ-proposal  □  Preliminary emergency proposal* □
Amended proposal □  Emergency proposal □
Change of use   □  Amended emergency proposal □
(All changes to be clearly indicated, e.g. by different font/colour)
Change of use   □  *

*) to be filled as a minimum requirement

SUMMARY / TIIVISTELMÄ

English and Finnish summaries of the proposed operation*
| 1.  | The region or country of operation (region, country, area in the country)* |
| 2.  | Summary of results achieved with the funds received in the previous year (when applicable) |
| 3.  | The scheduled timetable of implementation (start month/year – completion month/year)* |
| 4.  | Description of the humanitarian situation concerning the sectors for which funding is applied* |
| 5.  | Description of the results of needs assessment/s concerning the sectors for which funding is applied (specify the source for the needs assessment)* |
| 6.  | Operational strategy and linkages of the planned activities to the overall humanitarian response (when activities cover only part of the response)* |
| 7.  | The main objectives, activities and indicators of the supported operation per sector |
| 8.  | The number and categories of beneficiaries (e.g. refugees, internally displaced persons, vulnerable groups) disaggregated by gender, as far as possible* |
| 9.  | Procurement and distribution strategy for the relief items and/or services* |
| 10. | Implementing body and the role/s of partner/s* |
| 11. | The contribution of the Finnish NGO to the operation and its added value in terms of the partner or international network* |
| 12. | Coordination with other actors, participation in national coordination led by OCHA and in the UN cluster coordination |
| 13. | Accountability to the beneficiaries and participation of affected people in the response |
| 14. | Monitoring of the operation: the responsibilities of the Finnish NGO and its partner in the monitoring. Scheduled monitoring missions from Finland |
| 15. | Financial management (including bookkeeping and auditing) |
| 16. | What concrete measures are taken in the operation to increase gender equality and reduce inequalities? |
| 17. | Have the possible environmental impacts of the proposed actions assessed? What negative impacts the response has/may have on the environment and how these will be minimised? |
| 18. | Does the operation contribute to the prevention and reduction of disaster risks and increasing of resilience to natural hazards, including climate related risks? What concrete measures are taken in the operation to improve climate sustainability? |
| 19. | What different risks have been taken into account in the planning of the operation, including security and corruption? What measures will be taken to minimise the risks? |
| 20. | How the operation links with development cooperation? For disasters: How the early recovery and transition to recovery are considered in the implementation? |

**ANNEXES**
Name of the operation:

<table>
<thead>
<tr>
<th>Costs in EUR</th>
<th>Unit price / per month</th>
<th>Further information</th>
</tr>
</thead>
</table>

1. **OPERATIONAL COSTS AND ACTIVITIES**
   - Activity 1
   - Activity 2
   - ...
   - *Sub-total*

2. **STAFFING**
   - Expatriate staff
   - Local staff
   - *Sub-total*

3. **MONITORING AND EVALUATION**
   - Monitoring from Finland
   - Monitoring from within the region
   - Internal/external evaluation
   - Audit
   - ...
   - *Sub-total*

4. **PROCUREMENTS**
   - ...
   - *Sub-total*

5. **RUNNING AND MAINTENANCE AND GENERAL ADMINISTRATION IN THE COUNTRY OF OPERATION**
   - ...
   - *Sub-total*
   - *Sub-total 1-5*

6. **ADMINISTRATION IN FINLAND (7%)**

7. **TOTAL BUDGET (APPLIED FUNDING)**

   | SELF-FINANCING |
   | OTHER FUNDING SOURCES |
APPENDIX 4. Final report (max 5 pages)

Cover letter and summary (max 1 page)

Name of the organisation:

Contact information:

Name of the operation in English and Finnish:

Received funding:

Final expenditure:

Duration of the operation: __/__/2015 - __/__/2016

SUMMARY / TIIVISTELMÄ

English and Finnish summaries of the operation
1. The region or country of operation (region, country, area in the country)

2. How the humanitarian needs evolved during the operation in the targeted sectors?

3. Was the operational strategy followed? How the planned activities linked with the overall humanitarian response?

4. Were the original main objectives achieved? How the risks related to the operation were managed? How the other operational challenges were solved?

5. The number and categories of final beneficiaries (e.g. refugees, internally displaced persons, vulnerable groups) disaggregated by gender, as far as possible

6. How the procurement and distribution strategy for the relief items and/or services was implemented?

7. Was the contribution of the Finnish NGO to the operation at the planned level? What was its added value in terms of the partner or international network?

8. How the coordination with other actors, as well as the UN cluster coordination worked?

9. What measures were taken for beneficiary accountability? How the affected people participated in the response?

10. Were any changes made to the operation based on the recommendations made by a monitoring visit and/or internal or external evaluation?

11. Were there any issues with financial management? If yes, how these issues were solved?

12. What concrete measures were taken in the operation to increase gender equality and reduce inequalities?

13. What negative or positive impacts the response had on the environment?

14. Did the operation reduce disaster risks and/or increase resilience to natural hazards? What concrete measures were taken to improve climate sustainability?

15. How the operation linked or will link with development cooperation? For disasters: How the early recovery and transition to recovery were considered in the implementation?

ANNEXES
### APPENDIX 5. Financial report format (max 1 page)

Name of the operation:

<table>
<thead>
<tr>
<th>Original budget in EUR</th>
<th>Actual expenditure in EUR</th>
<th>Difference EUR</th>
<th>Difference %</th>
<th>Further information</th>
</tr>
</thead>
</table>

1. **OPERATIONAL COSTS AND ACTIVITIES**
   - Activity 1
   - Activity 2
   - ...
   - Sub-total

2. **STAFFING**
   - Expatriate staff
   - Local staff
   - Sub-total

3. **MONITORING AND EVALUATION**
   - Monitoring from Finland
   - Monitoring from within the region
   - Internal/external evaluation
   - Audit
   - ...
   - Sub-total

4. **PROCUREMENTS**
   - ...
   - Sub-total

5. **RUNNING AND MAINTENANCE AND GENERAL ADMINISTRATION IN THE COUNTRY OF OPERATION**
   - ...
   - Sub-total
   - Sub-total 1-5

6. **ADMINISTRATION IN FINLAND (7%)**

7. **TOTAL EXPENDITURE**

<table>
<thead>
<tr>
<th>SELF-FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER FUNDING SOURCES</td>
</tr>
</tbody>
</table>

Exchange rates and dates:
APPENDIX 6. Act on Discretionary Government Transfers

Act on Discretionary Government Transfers 27.7.2001/688
By decision of Parliament, the following is enacted:

Chapter 1 GENERAL PROVISIONS

Section 1 Scope
This Act lays down the grounds and procedures that apply to granting discretionary Government transfers. For the purpose of this Act, discretionary Government transfers mean funding granted in the form of aid for an activity or project.

This Act applies to discretionary Government transfers granted from appropriations in the State budget or from extra-budgetary State funds. This Act also applies when authorisation is granted in the State budget to make agreements on or commit to discretionary Government transfers.

Unless otherwise laid down elsewhere in law, this Act also applies to discretionary Government transfers for use outside Finland. However, if the recipient of the Government transfer referred to in subsection 2 is a foreign state or an institution of a foreign state or an international intergovernmental organisation, only Sections 5-8 and Section 11(5) apply to the aid.

This Act does not apply to aid granted on the basis of international commitments binding on Finland.

Section 2 Aid granted from the funds of the European Community or other European Union funds
Unless otherwise laid down elsewhere in Finnish law or the law of the European Community, the provisions laid down in Sections 8–37 apply, as appropriate, to aid granted from funds of the European Community or other European Union funds. For the purpose of this Act, aid granted from the funds of the European Community or other European Union funds means aid, loans and other forms of financing, guarantees, payment reliefs and other financial benefits granted from the budgets of the European Communities or other funds governed by the European Union.

Section 3 Relationship with other legislation
Provisions in other legislation that depart from this Act must be observed instead of this Act.

This Act applies to Government transfers and discretionary Government transfers provided for in the Act on Central Government Transfers to Local Government (1147/1996), the Act on the Financing of Education and Cultural Services (635/1998), the Act on Liberal Adult Education (632/1998) and the Act on Welfare and Health Care Planning and State Subsidy (733/1992), if explicitly stipulated in these Acts. This Act does not apply to aid paid from the proceeds from slot machines, casino games or casino activities or totalisator betting. (22.12.2005/1077)

Unless otherwise laid down elsewhere in law, the following are not considered discretionary Government transfers for the purpose of this Act:
1) aid, compensation or other benefit, if the entitlement to it is based on law and the criteria for determining the amount are laid down in detail in law;
2) loans granted from State funds and related interest relief or other benefits;
3) State sureties and guarantees;
4) interest subsidy on loans granted by a credit institution or a State-owned specialist financing institution or company;
5) relief on or exemption from the payment of State tax and other State claims; and social security, benefit based on social insurance and other assistance based on statutory social security granted to a private person.
Section 4 Definitions
For the purpose of this Act:
1) ‘State aid authority’ means the authority having statutory duties which include matters pertaining to the discretionary Government transfer; and
2) ‘public aid’ means assistance, loans and other financing, interest subsidy, guarantees, payment relief and other comparable financial benefit provided by the State, a local authority or other public sector organisation or an institution or foundation under public law, or paid from their funds, and aid granted from the funds of the European Community or other European Union funds, with the exception of aid provided through the tax system.

Chapter 2 GROUNDS FOR GRANTING DISCRETIONARY GOVERNMENT TRANSFERS

Section 5 Types of discretionary Government transfer
Discretionary Government transfers may be granted in the form of general or special transfers.

A general transfer may be granted for the activities of the recipient of a discretionary Government transfer in general or for a particular part thereof.
Special discretionary Government transfers may be granted in the form of:
1) investment aid for the purpose of procuring a tangible or intangible asset;
2) project assistance for an experimental, introductory, research or development project or some other project with a defined purpose;
3) a grant, scholarship or assistance for the applicant’s personal use or project; or
4) some other special aid comparable to those mentioned in paragraphs 1–3.

Section 6 Amount of discretionary Government transfer
A discretionary government transfer granted from a budgetary or extra-budgetary State fund, with the exception of transfers referred to in Section 5(3)(3), may not cover the full amount of the total costs incurred from the activity or project in question, unless provided otherwise for reasons that are necessary and justifiable in order to attain the objective for which the transfer was granted.

Notwithstanding the provision laid down in subsection 1, the actual costs of an activity or project may be less than the discretionary Government transfer granted on the basis of computational grounds approved by the State aid authority.

Discretionary Government transfers, together with other public aid, may not exceed the maximum amount of State or other public assistance laid down in European Union or Finnish law.

Section 7 General grounds for granting discretionary Government transfers
Discretionary Government transfers may be granted from a budgetary or extra-budgetary State fund if:
1) the purpose for which a transfer is applied is socially acceptable;
2) granting a transfer is justified by the objective for which it is to be used;
3) granting a transfer is necessary considering other public aid received by the applicant and the type and extent of the project or activity in question; or
4) granting a transfer is judged to cause only minor distortion to competition and the market in a State belonging to the European Economic Area.

A discretionary Government transfer may be granted for the applicant’s activities or projects or to be used to assist an activity or project which is not the applicant’s but which meets the objective of the transfer decision. When a transfer is granted for a use that meets the requirements of the transfer decision but is not the applicant’s activity or project, the recipient of the transfer must agree on its use and the supervision of its use and the terms for such use and supervision with the party carrying out the activity or implementing the project.

Section 8 More detailed provisions on discretionary Government transfers
Under the scope of this Act, more detailed provisions on the granting, payment and use of discretionary Government transfers in accordance with the budget may be issued by Government decree.

Chapter 3 GRANTING AND PAYING DISCRETIONARY GOVERNMENT TRANSFERS

Section 9 Applying for discretionary Government transfers
Applications for discretionary Government transfers are made in writing. The State aid authority must appropriately publicise the possibility of applying for discretionary Government transfers and the relevant application procedure, and provide information on the general terms of granting transfers and of the transfers themselves, unless this is manifestly unnecessary.

Section 10 Discretionary Government transfer applicants’ duty to provide clarification
In conjunction with an application, applicants for discretionary Government transfers must provide the State aid authority with correct and sufficient information on how they intend to use the transfer and on any other matters the authority needs in order to decide on the application.

Section 11 Discretionary Government transfer decision
State aid authorities will issue their decisions on discretionary Government transfers in writing (discretionary Government transfer decision).

Discretionary Government transfer decisions granting a transfer must include at least the following:
1) name of the recipient of the transfer;
2) the purpose for which the transfer will be used; and
3) the amount of the transfer or the basis for calculating it.

Terms and restrictions that concern the use of discretionary Government transfers and are needed to ensure that the provisions laid down in Section 7(1) are met may be included in decisions to grant discretionary Government transfers.

A decision to grant a discretionary Government transfer must also indicate the following, as required by the appropriate use of the aid and to make the rights and responsibilities of the aid recipient clear:
1) the acceptable costs of the activity or project for which the transfer has been granted;
2) the maximum share that the transfer represents of the total costs of the activity or project for which the transfer was granted;
3) the effect of income received by the recipient from the activity or project for which the transfer was granted and of the recipient’s other income on the amount and use of the transfer;
4) the period of use of the transfer and the terms and restrictions referred to in Section 13(2–4);
5) the recipient’s duty to provide an account of the use of the transfer and the date when it should be provided; and
6) other grounds for granting and paying the transfer and supervising its use.

If a discretionary Government transfer is granted to a foreign recipient for use outside Finland, the State aid authority may in addition agree with the recipient on the use and terms of use of the transfer. The agreement must include the terms needed to ensure that the transfer is used in accordance with the State budget and for the supervision of its use.

Section 12 Payment of discretionary Government transfers
Discretionary Government transfers are paid to their recipients as a lump sum or in several instalments based on the timing of expenditure. State aid authorities may decide to pay a transfer against actual costs after they have been provided with an acceptable explanation of the use of the transfer.

An advance may be paid if this is justified by the use of the transfer and expedient with regard to the supervision of its use.
Notwithstanding subsection 1, a discretionary Government transfer of a small amount referred to in Section 5(3)(3) may also be paid as a lump sum if this is justified by the use of the transfer.

Recipients of discretionary Government transfers must provide State aid authorities with correct and sufficient information for the purpose of paying the transfer.

Chapter 4 USE OF DISCRETIONARY GOVERNMENT TRANSFERS AND ITS SUPERVISION

Section 13 Use of discretionary Government transfers
Discretionary Government transfers may be used only for the purpose stated in the discretionary Government transfer decision.

In addition to what is laid down in this Act or in a Government decree issued under Section 8, recipients of discretionary Government transfers must observe the terms and restrictions stated in the transfer decision concerning the project or activity for which the transfer was granted.

When a discretionary Government transfer has been granted for the purpose of procuring or modernising property used for a specific purpose defined in the transfer decision, the property may not be permanently used for any other purpose than the one stated in the decision nor its ownership or right of possession assigned to someone else during the period of time established in the transfer decision. This period may not be more than ten years from the payment of the transfer or its final instalment.

However, the period of use of a property for which a discretionary Government transfer has been granted as referred to in Section 3 above is 30 years as of granting the transfer if the transfer was granted for a purpose other than promoting business activity to procure or modernise real property, a building or a dwelling in a building. A shorter period of use may, however, be prescribed by a Government decree issued under Section 8 of this Act or in a discretionary Government transfer decision if this is justified by the purpose of the transfer.

Section 14 Discretionary Government transfer recipients’ duty to provide information
Recipients of discretionary Government transfers must provide the State aid authority with correct and sufficient information for the purpose of verifying compliance with the terms of the transfer decision.

Recipients of discretionary Government transfers must notify the State aid authority without delay of any changes affecting the use of the transfer in accordance with its purpose and any other change affecting its use.

Section 15 State aid authorities’ duty of supervision
State aid authorities must take care that there is appropriate and sufficient supervision of discretionary Government transfers by obtaining information on their use and monitoring, and any other information as well as carrying out inspections as needed.

Section 16 Right to audit
State aid authorities have the right to audit discretionary Government transfer recipients’ finances and operations as required by the payment of transfers and supervision of their use. When a transfer has been granted as laid down in Section 7(2) to be used in a project or activity which is not the recipient’s but meets the objectives of the Government transfer decision, the State aid authority is entitled to audit, as needed, the finances and operations of the party engaged in the activity or project for which the transfer was granted.

The State aid authority may issue a decision granting another authority or an outside auditor the authority to carry out the audits referred to in subsection 1. The auditor must be a chartered auditor.
or auditing firm within the meaning of the Auditing Act (936/1994) or the Act on Chartered Public Finance Auditors (467/1999). Auditing firms must designate an auditor to be in charge of the audit.

Outside experts may assist in audits at the request of a State aid authority. The Administrative Procedure Act (598/1982), the Language Act (148/1922), the Act on the Openness of Government Activities (621/1999) and Sections 14 and 15 of the Act on State Civil Servants (750/1994) apply to auditors and outside experts. Provisions concerning the criminal liability of public officials apply to auditors and outside experts.


Section 17 Auditing
Recipients of discretionary Government transfer aid must provide auditing officials and auditors referred to in Section 16(2) with all information and reports, documents, records and other material needed for the purpose of the audit as well as any other assistance free of charge.

Auditing officials and auditors referred to in Section 16(2) are entitled to seize the material subject to audit if auditing so requires. A record must be made of the seizure of material during an audit. The record must state the purpose of seizing the material and indicate what has been seized. Seized material must be returned without delay when no longer needed for the audit.

Auditing officials and auditors referred to in Section 16(2) are entitled to have access, to the extent warranted by the audit, to the business, storage and other such premises used in the practice of the profession or business and to other areas in the possession or use of the recipient of a discretionary Government transfer, the conditions of which have a bearing on the granting of a transfer and supervision of its use. Audits may not be carried out in premises that are someone’s home.

Section 18 Executive assistance
State aid authorities are entitled to receive the executive assistance they need from the police, customs, tax and recovery authorities to carry out the supervision and audit duties referred to in this Act.

Section 19 Interruption of payment
The State aid authority may decide to interrupt the payment of a discretionary Government transfer if:
1) if there are grounds for suspecting that the transfer recipient is not observing the provisions laid down in Section 12(4) or Section 13 or 14;
2) the grounds on which the transfer was granted have essentially changed; or
3) interruption of payment is required by European Union law.

Chapter 5 REPAYMENT AND RECOVERY OF DISCRETIONARY GOVERNMENT TRANSFERS

Section 20 Repayment of discretionary Government transfers
Recipients of a discretionary Government transfer must repay without delay any transfer or part thereof they have received through error, in excess or manifestly without justification. Recipients must also repay a transfer or part thereof if it cannot be used as required in the transfer decision. If the repayable sum does not exceed 10 euros, it need not be repaid.

The provisions of subsection 1 do not apply to the difference between transfer granted on computational grounds and actual costs.
Section 21 Duty to recover discretionary Government transfers
State aid authorities must issue a decision ordering the discontinuation of the payment of a discretionary Government transfer and the recovery of a transfer already paid if the recipient of the transfer has:
1) neglected to repay a transfer or part thereof which must be repaid under Section 20;
2) used the transfer for a purpose essentially different from that for which it was granted;
3) provided the State Aid authority with false or misleading information in a matter that was critical to the granting of the transfer, its amount or terms, or concealed such information; or
4) otherwise essentially violated provisions concerning the use of transfers or terms included in the transfer decision in a manner comparable to paragraphs 1–3.

Section 22 Discretionary recovery of discretionary Government transfers
State aid authorities may issue a decision ordering the discontinuation of the payment of a discretionary Government transfer and the recovery of a transfer or part thereof already paid if:
1) the transfer recipient has violated Section 12(4) or Section 13 or 14;
2) the transfer recipient has refused to provide the material or assistance referred to in Section 17(1) with regard to an audit;
3) the transfer recipient has terminated the activities for which the transfer was granted, reduced them substantially or assigned them to another party;
4) the transfer recipient has, in violation of Section 13, assigned to another party the ownership or possession of property procured with the transfer;
5) the transfer recipient has, in violation of Section 13, permanently altered the purpose of the property for which the transfer was granted;
6) the transfer recipient has been subject to recovery proceedings, put into liquidation, declared bankrupt or subjected to the restructuring referred to in the Act on the Restructuring of Enterprises (47/1993) or the debt adjustment referred to in the Act on the Adjustment of the Debts of a Private Individual (57/1993), unless the purpose of the transfer requires otherwise;
7) the transfer recipient takes action that is in practical terms comparable to what is laid down in this subsection by giving a matter related to the granting, payment or use of the transfer a legal form that does not comply with its true nature or purpose.

If the property for which the transfer was granted has been destroyed or damaged during the period of use laid down in Section 13 and new, corresponding property will not be procured to replace that which was destroyed or damaged, the State aid authority may issue a decision ordering the termination of the payment of the transfer and order that a sum that corresponds to the share of the transfer of the original acquisition price of the property be recovered from any insurance indemnity or other compensation.

State aid authorities may also decide that the payment of a transfer be terminated and the transfer already paid be recovered if required by European Union law.

Section 23 Investment aid to be repaid and recovered
The amount of investment aid to be repaid or recovered under Sections 20–22 above is the share of the market value of the property after the completion of the investment project for which the aid was granted that corresponds to the share of the aid in relation to the original procurement costs of the said property.

If investment aid was granted to support business activity, the amount of discretionary Government transfer to be repaid or recovered is, by way of derogation from subsection 1, the amount paid as investment aid.
Section 24 Interest
Recipients of a discretionary Government transfer must pay an annual interest in accordance with Section 3(2) of the Interest Act (633/1982) plus 3 percentage points on the amount to be repaid or recovered from the day the transfer was paid.

Section 25 Penalty interest
If the sum recovered is not paid by the due date set by the State aid authority, an annual penalty interest is payable on the sum in accordance with the interest rate referred to in Section 4(3) of the Interest Act.

Section 26 Reasonableness
The State aid authority may, in cases referred to in Sections 20-22, decide that a part of the sum to be repaid or recovered, and any interest or penalty interest on it, will not be recovered if repayment or recovery in full is unreasonable in the light of the financial standing and circumstances of the recipient of the discretionary Government transfer or the type of the property procured using the transfer or the procedure on which repayment or recovery is based or because of a change in circumstances. For an extremely pressing cause, State aid authorities may decide not to collect the sum to be repaid or recovered or the interest or penalty interest on it at all.

Section 27 Joint and several liability
When a discretionary Government transfer has been granted jointly to several aid recipients, all recipients are jointly liable to repay the transfer to the State aid authority.

Section 28 Deadline for recovery
State aid authorities must make the decisions referred to in Sections 12, 21 and 22 without delay or, if special reasons exist, within two calendar years of having received information based on which the interruption or discontinuation of the payment of a discretionary Government transfer or its recovery may be initiated.

A discretionary Government transfer and interest or penalty interest on it may not be recovered if ten years have elapsed since the payment of the transfer or its final instalment. If a deadline is set for the use of the transfer or property in which the transfer was invested in a Government decree issued under Section 8 or in the transfer decision as laid down in Section 13, the ten-year period is calculated from this deadline.

Section 29 Period of limitation
The right to be paid a discretionary Government transfer that has been granted expires if the transfer recipient has not provided an acceptable explanation required for the payment of the transfer by the deadline set in a Government decree issued under Section 8 or in the transfer decision. If no deadline has been set, the right to be paid expires within two years of the end of the financial year in which the transfer was granted.

The duty to repay a discretionary Government transfer or part thereof referred to above in Section 20 will expire when ten years have elapsed from the payment of the transfer or its final instalment. If a deadline is set for the use of the transfer or property in which the transfer was invested in a Government decree issued under Section 8 or in the transfer decision as laid down in Section 13, the ten-year period is calculated from this deadline.

Section 30 Offsetting
A sum to be repaid or recovered, including interest, may be collected by deducting it from another discretionary Government transfer paid to the same recipient and granted by the same aid authority.
Chapter 6 RIGHT OF ACCESS TO INFORMATION AND GRANTING ACCESS TO INFORMATION

Section 31 Right of access to information held by other authorities
The Act on the Openness of Government Activities applies to State aid authorities’ right of access to information held by other authorities. Notwithstanding confidentiality provisions, State aid authorities are entitled to receive from other authorities the following information they need to carry out their duties:
1) information on the financial standing of the applicant and recipient;
2) information on public aid received by the applicant and recipient; and
3) any other information regarding the applicant or recipient of discretionary Government transfers that has significant bearing on ensuring compliance with this Act regarding the granting and payment of a transfer and the supervision of its use.

Section 32 Granting access to information
The provisions laid down in the Act on the Openness of Government Activities apply to granting access to information received under this Act.

In addition to the provisions laid down in the Act on the Openness of Government Activities on granting access to confidential information, State aid authorities are entitled, notwithstanding the secrecy obligation, to grant access to information:
1) to the police and other criminal investigation authorities for the purpose of preventing or solving a crime or to the prosecuting authorities for the purpose of considering charges;
2) for the purpose of conducting an official review or a scholarly study commissioned by an authority on the application of this Act, provided that granting access to information is needed to conduct the review or study;
3) to a competent European Union institution or other body of the European Union and a competent authority of another Member State, if so required by European Community law or by some other commitment associated with Finland’s membership of the European Union; and
4) if an international commitment binding on Finland so requires.
The information referred to above in subsection 2 may not be used for a purpose other than that for which access to it was granted.

Chapter 7 MISCELLANEOUS PROVISIONS

Section 33 Notification
Notification of decisions taken by a State aid authority, excluding those in matters referred to in Sections 19, 21, 22 and 30, may be sent to the interested parties by post. Unless otherwise proven, the interested parties will be considered to have received notification of decisions on the seventh day after the decision was posted. The provisions on notices in administrative matters otherwise apply to notifications.

Section 34 Appeal
Decisions made by State aid authorities may not be appealed. An interested party dissatisfied with a State aid authority’s decision may apply for rectification within 30 days of receiving notification of the decision. Requests for rectification are addressed to the authority that made the decision.

Decisions on requests for rectification may be appealed as laid down in the Administrative Judicial Procedure Act (586/1996).

Section 35 Enforcement

**Section 36 Assessment of impact**
State aid authorities must duly monitor the effectiveness and appropriateness of the use of discretionary Government transfers granted by them and the effect of transfers on competition and the status of different population groups and their environmental and other impact. State aid authorities must periodically assess the necessity for discretionary Government transfers and the need to develop them. State aid authorities must provide each other with assistance to this end.

**Section 37 More detailed instructions issued by State aid authorities**
State aid authorities may issue more detailed instructions on details of a technical nature that concern applying for discretionary Government transfers, the applicant’s duty to provide clarification, the recipient’s duty to maintain accounting records, the payment of transfers, and their use and supervision of their use.

**Section 38 Implementation and transitional provisions**
This Act enters into force on 1 September 2001.

This Act repeals the Government Decision on discretionary Government transfers (490/1965) issued as general regulations, as amended.

In the case of a discretionary Government transfer granted before this Act came into force, the provisions in force at the time when the transfer was granted and the terms of the transfer decision apply to the use and supervision of use, repayment, recovery and appeal procedures. However, Section 12 of this Act will apply unless otherwise provided in a transfer decision issued before this Act enters into force.

Measures necessary for the implementation of this Act may be taken before its entry into force. HE 63/2001 VaVM 9/2001, EV 84/2001

**Entry into force and implementation of amending provisions:**
22 December 2005/1077:
This Act enters into force on 1 January 2006.

Measures necessary for the implementation of this Act may be taken before its entry into force.