GENERAL CONDITIONS FOR THE USE OF DISCRETIONARY GOVERNMENT TRANSFERS GRANTED BY THE MINISTRY FOR FOREIGN AFFAIRS AND COMPLEMENTARY CONDITIONS FOR PROJECT SUPPORT

GENERAL CONDITIONS

Amount of discretionary government transfers

Discretionary government transfers may not cover the full amount of expenses caused by an activity or project for which the transfer has been granted, unless otherwise provided for based on necessary and justified reasons to ensure that the objectives set for the discretionary government transfer are achieved.

The share of self-financing varies depending on the form of the transfer and will be informed in the Call for Proposals and in the discretionary government transfer decision.

Together with other forms of public funding, the amount of a discretionary government transfer may not exceed the maximum amount of discretionary government transfers or other public funding on which provisions are laid down in European Union legislation or Finnish legislation.

Granting of discretionary government transfers

Within the framework of the appropriations approved by Parliament, discretionary government transfers are granted for the intended use set forth in the discretionary government transfer decision for either the recipient’s own activities or project, or for assisting in the activities or projects by a party other than the recipient that is putting into effect the intended purpose laid down in the discretionary government transfer decision.

If discretionary government transfers are granted for assisting the activities or projects of a party other than the recipient to implement the intended purpose of the discretionary government transfer decision, the recipient organisation must sign an agreement with the party implementing the activities or projects on the use of the discretionary government transfer in accordance with the discretionary government transfer decision, on the monitoring of its use and on the applicable conditions.

Payment of discretionary government transfers

The conditions for the disbursement of discretionary government transfers are defined in the discretionary government transfer decision.

The transfer is paid to the recipient in one or more instalments based on the timing of costs. The Ministry for Foreign Affairs (MFA) may decide to pay discretionary government transfers based on actual costs after an acceptable account on the use of the support has been provided to the Ministry.

An advance can be paid on discretionary government transfers if this is justified in terms of the use of the support and its monitoring.
Recipients of the discretionary government transfers must provide the MFA with accurate and sufficient information necessary for the disbursement of the transfer.

The MFA will pay the transfer based on the disbursement requests sent by the recipient. If the transfer spans multiple years, after the first year of disbursements the transfer is payable without a separate decision as soon as the Budget for the year in question has been approved by Parliament and entered into force, provided that Parliament has granted the funds for the purpose in question. The disbursement requests must take into account the timing of the costs. The additional conditions concerning the staggering of the disbursements will be included in the discretionary government transfer decision.

The recipient organisation and the MFA can together agree in writing that funding be carried over to the following year or financing period. Funds that remain unused at the end of a calendar year must be taken into account in the first disbursement request of the following year.

**Use of discretionary government transfers**

Discretionary government transfers may only be used for the purpose set forth in the discretionary government transfer decision. When carrying out the project for which funding has been granted, the recipient organisation must adhere to the conditions and restrictions incorporated in the discretionary government transfer decision.

If discretionary government transfers have been granted for the procurement or basic improvement of property that is to be used for a specific purpose defined in the discretionary government transfer decision, the property may not be permanently used for purposes other than that specified in the discretionary government transfer decision, nor may the ownership or control of the property be transferred to another party during the period of use of the property defined in the discretionary government transfer decision.

The recipient organisation is fully responsible for any possible problems, claims and other consequences resulting from the use of the discretionary government transfer. The recipient organisation is fully accountable to the MFA for the appropriate use of the discretionary government transfer also insofar as the transfer has been used to assist in projects or activities of a party other than the recipient organisation. The legal relationship of the recipient organisation to the MFA is subject to public law. This means that the MFA may, for example, demand reports of the use of the transfer, conduct relevant audits and recover misused discretionary government transfer from the recipient organisation even in the event that the recipient organisation has, the discretionary government transfer decision permitting, allocated part of the transferred funds to the activities or projects of another party implementing the intended purpose defined in the discretionary government transfer decision. In other words, transferring discretionary government transfer to a third party does not in any way exempt the recipient organisation from its obligations/liabilities under public law. The recipient organisation must also clarify the use of the discretionary government transfer in respect of the part that it has been managed by another party.

**Eligible expenses**

Discretionary government transfers and the self-financed contribution can only be used to cover reasonable costs necessary for implementing the supported operations and in accordance with what is set forth by the MFA in the discretionary government transfer decision.
Changes to the project plan

The recipient organisation must immediately notify the MFA of any changes that affect the implementation of a discretionary government transfer’s intended use or any other changes that influence the use of the support. Should there be changes concerning the key activities or personnel costs, the recipient organisation must apply for permission to alter the plan for the use of funds with the MFA. Applications concerning changes to the project plan must be submitted in writing before the activities to be changed are initiated.

Procurement and prohibition of bribery

When using the government transfer, the recipient must take into account the obligations relating to competitive tendering under the Act on Public Procurement and Concession Contracts (1397/2016). Section 5(5) of the Act stipulates that, for the purposes of the Act, contracting authorities (actors that must arrange competitive tendering for their procurement in accordance with the Act on Public Contracts) mean any purchaser if it has received more than half of the value of the contract for awarding the contract from a governmental authority.

When procuring material or services, the invitations to tender and the procurement contracts must include a clause stating that the tender can be rejected and/or the contract terminated if the contract arrangements or the implementation of the contract involve bribery or similar unlawful activity (including bribing a foreign public official).

The recipient organisation assures that they or the persons exercising control or supervisory authority in the organisation nor its employees or local representatives, have committed corruption or unlawful activity comparable to corruption (including corruption of a foreign public official) and will not commit such activity during the period of use of the transfer. Furthermore, the recipient assures that neither the actors for whose activities the recipient transfers part of the transfer funds, in accord with their purpose of use, nor the persons exercising control or supervisory authority in these actors, nor their employees or local representatives, have committed corruption or unlawful activity comparable to corruption (including corruption of a foreign civil servant) and will not commit such activity during the period of use of the government transfer. A breach of the assurance may result in clawing back the paid government transfer or part of it on the basis of the Act on Discretionary Government Transfers (688/2001).

Should the recipient organisation discover that a person exercising control or supervisory authority in the organisation nor its employee or local representative has misused funds received as discretionary government transfer, the recipient organisation must take immediate action to minimise the resulting damage and notify the MFA of the matter. The recipient must act in the same manner if it notices that an actor for whose activities the recipient has transferred part of the transfer funds, in accord with their purpose of use, or a person exercising control or supervisory authority in this organisation or its employee or local representative has misappropriated funding granted in the form of government transfer. The provision of information to the MFA is without prejudice to the right or obligation of the Ministry to claw back the paid government transfer or part of it from the recipient on the basis of the Act on Discretionary Government Transfers (688/2001).

In all activities, it is important that the recipient has sound governance and financial management structures and takes into account the guidelines given in the Anti-Corruption Handbook for Development Practitioners published by the Ministry for Foreign Affairs (ISBN: 978-952-281-026-7).
Intellectual property rights

The MFA has a free and unlimited right to use all materials/results, produced in connection with activities supported by discretionary government transfers, for an indefinite period of time, including the right to use, copy, edit and commission changes to the materials and disclose them to third parties. The MFA is entitled to make results/materials, produced in connection with activities supported by discretionary government transfers, publicly available on the Ministry’s website, for example.

Recipient organisation’s obligation to inform

Provisions on the obligation to inform are laid down in the Act on Discretionary Government Transfers. Recipients of discretionary government transfers must provide the MFA with correct and sufficient information for the Ministry to be able to supervise compliance with the conditions set in the discretionary government transfer decision. The recipient organisation is obligated to report on the use of the transfer in accordance with the discretionary government transfer decision.

State aid authority’s duty of supervision

The MFA has the right to receive and obtain information on the use and monitoring of discretionary government transfers, along with other information, and conduct audits where necessary.

Right to audit

Provisions on the right of the State aid authority to audit are laid down in the Act on Discretionary Government Transfers. The MFA is entitled to conduct any such audits of the recipient organisation’s finances and operations that are necessary for the payment of the discretionary government transfer and the monitoring of its use. If a discretionary government transfer has been granted pursuant section 7(3) for the project or activities of a party other than the recipient organisation but in accordance with the discretionary government transfer decision’s purpose of use, the MFA has the right to audit the finances and activities of the party implementing the activities or project in question. By its decision, the MFA can authorise another authority or external auditor to conduct the aforementioned audits. An external expert can, at the request of the State aid authority, assist in the audit. The right of audit of the National Audit Office of Finland and the Parliamentary Audit Committee is laid down separately.

Auditing

Provisions on the conduct of the audit are laid down in the Act on Discretionary Government Transfers. The recipient organisation must provide the auditing official and/or auditor with all information, reports, documents, records and other material necessary for performing the audit and otherwise provide assistance during the audit. The official and/or auditor conducting the audit is entitled to seize the material subject to audit if the auditing so requires. The materials will be returned without delay after they are no longer needed for the audit. To the extent required by the audit, the auditing official and/or auditor conducting the audit is entitled to access the business premises, storage facilities and other similar properties used for professional or business purposes as
well as other areas that are relevant to the granting of the discretionary government transfer and the monitoring of its use.

**Suspension of disbursements**

Provisions on the suspension of disbursements are laid down in the Act on Discretionary Government Transfers. The MFA can decide to suspend the disbursement of a discretionary government transfer in the following cases:

1) There are reasonable grounds to suspect that the recipient of a discretionary government transfer is not complying with the conditions laid down in sections 12(4), 13 or 14 of the Act on Discretionary Government Transfers.

2) The grounds on which the transfer was granted have essentially changed; or

3) Suspension of disbursements is required by European Union law.

**Repayment of discretionary government transfers**

Provisions on the suspension of payment are laid down in the Act on Discretionary Government Transfers. The recipient organisation must immediately return any discretionary government transfer or part thereof if received erroneously, excessively or obviously without justification. The recipient organisation must also return the discretionary government transfer or part thereof if it cannot be use the transfer for the purpose stated in the discretionary government transfer decision. If the amount to be repaid is no more than EUR 100, returning it is not necessary. According to section 3(2) of the Finnish Interest Act (633/1982), an annual interest plus three percentage points must be paid on the amount to be repaid. The interest is calculated from the last date of disbursement to the date of return payment.

**Duty to claw back discretionary government transfers**

Provisions on claw-back are laid down in the Act on Discretionary Government Transfers. According to the Act on Discretionary Government Transfers, the MFA is obligated to order that the payment of a discretionary government transfer be discontinued and that the disbursed amount be clawed back, if the recipient organisation has:

1) failed to return a discretionary government transfer or part thereof that should be returned by virtue of section 20 of the Act on Discretionary Government Transfers

2) used the support for a purpose which is essentially different from the purpose for which it was granted

3) given false or misleading information on a matter that has essentially influenced the decision to grant the transfer or its amount or conditions, or concealed such a matter, or

4) in a manner comparable to paragraphs 1–3 above, otherwise substantially violated the provisions concerning the use of discretionary government transfers or the conditions included in the transfer decision.
Discretionary claw-back of discretionary government transfers

Pursuant to the Act on Discretionary Government Transfers, the MFA can order that the payment of a discretionary government transfer be discontinued and that the disbursed amount be clawed back fully or partly if the recipient organisation has:

1) violated section 12(4), 13 or 14 of the Act on Discretionary Government Transfers

2) avustusensaaja on kieltäytynyt antamasta valtionavustuslain 17 §:n 1 momentissa tarkoitettua aineistoa tai avustamasta mainitussa momentissa tarkastettavalla tavalla tarkastuksessa;

3) ceased the supported activities, reduced them significantly or transferred them to others

4) in violation of section 13 of the Act on Discretionary Government Transfers, transferred the ownership or control of property procured using a discretionary government transfer to another party

5) in violation of section 13, permanently changed the intended purpose of the property for which the discretionary government transfer was granted

6) become subject to a debt recovery procedure, been placed in liquidation, gone into bankruptcy or is subject to restructuring proceedings under the Restructuring of Enterprises Act (47/1993) or Act on the Adjustment of the Debts of a Private Individual (57/1993), unless otherwise required by the purpose of the discretionary government transfer, or

7) the transfer recipient takes action that is in practical terms comparable to what is laid down in subsections 1–6 above 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 either a recipient of a discretionary government transfer or the recipient’s representative who, under the Criminal Code, has been imposed a final sentence for the employment of unauthorised foreign labour or, as an employer, for an offence concerning foreign labour, or if the recipient of a transfer has been issued a cash penalty, referred to in the Employment Contracts Act, the State aid authority may continue to pay the discretionary government transfer and refrain from recovering the paid amounts or part of it only for a particularly weighty reason.

If the property for which the discretionary government transfer was granted has been destroyed or damaged during the period of use specified in the discretionary government transfer decision and new equivalent property is not procured to replace this property, the MFA can issue a decision to terminate the disbursements and order an amount equivalent to the discretionary government transfer’s share of the original acquisition cost of the property to be clawed back from the possible insurance compensation or other reimbursement.

The MFA can also issue a decision to terminate the payment of a discretionary government transfer and to claw back paid instalments if required by European Union law.

More detailed instructions from the State aid authority

The MFA can issue more specific instructions concerning the applicant’s obligation to provide clarifying information, the recipient organisation’s obligation to keep books, the payment of the discretionary government transfer, the use of the support and the implementation of the monitoring.
ADDITIONAL CONDITIONS SUPPLEMENTING THE GENERAL CONDITIONS OF PROJECT SUPPORT

Amount of discretionary government transfers and self-financing

The maximum annual amount of transfers granted by the Ministry for Foreign Affairs (MFA) may not exceed 85 per cent of projects’ total costs approved by the Ministry. Using the transfer requires that a minimum of 15 per cent of the project is covered by the Finnish recipient organisation’s self-financing, including a cash contribution that covers at least 7.5 per cent of the project’s total costs. A part of the self-financing, up to 7.5 per cent of the project’s total costs, may be covered by voluntary work or in the form of service and material donations. Acceptable voluntary work can be work performed by a representative of the recipient organisation, who has been seconded from Finland, and project work carried out in Finland. In order to be approved as self-financing, the service and material donations must originate in Finland or the European Economic Area (EEA). Projects promoting the rights of people with disabilities may be supported by no more than 92.5 per cent of the project’s total annual costs. The recipient’s own annual contribution must be at least 7.5 per cent in cash only.

The recipient must raise its self-financing from sources in Finland or from countries belonging to the EEA. Should the recipient organisation encounter problems in raising the required self-financing, the MFA, upon consideration, may also approve funds collected from outside the EEA to be included as part of the self-financing. The recipient organisation must present its justifications for the self-financing raised from outside the EEA. The project’s cash flow statement must mention the donor as well as the country of origin of the funding. Other public funding may not be used to cover the self-financing of development cooperation projects. This also applies to public funding raised from outside Finland. Self-financing cannot include funding collected by a local partner or the recipient organisation in the country of operation.

The cash element of the self-financing must be entered in the recipient’s bookkeeping. Voluntary work included in the self-financing and donations received in the form of service and material donations are recorded in the project’s bookkeeping, in which case they are recorded as both revenue and expense.

The value of voluntary work is estimated to correspond to a reasonable gross salary payable for comparable work in the country in which the voluntary work is done. The value of service and material donations is calculated on the basis of their fair value. The fair value is the normal market price of items or services at the time. The estimated value must be documented and presented in the project’s financial report. If a donation or special item is very high in value, an expert should be commissioned to establish its value. The expert’s estimate must be appended to the financial report in writing.

The rate at which self-financing is raised must be monitored and any potential problems must be reported to the MFA without delay. If the reported self-financing remains below the required 15 per cent or, in projects promoting the rights of people with disabilities, 7.5 per cent, it is recorded as the level of the project’s self-financing and, therefore, the eligible costs of the project are reduced proportionately so that the required level of self-financing is met.

Payment of discretionary government transfers
Transfers are paid annually in one or two instalments to the bank account provided by the recipient organisations. To receive the instalments, the recipient organisation must duly complete the disbursement request form and send it to the MFA. The requested amount must correspond to the project’s actual need for funds, and the schedule of the disbursements must be reviewed from time to time as the project progresses. After the first year of disbursements, the transfer is payable without a separate decision as soon as the Budget has been approved by Parliament and entered into force. However, disbursements for subsequent years requires that the recipient organisation submits a brief progress report as well as an updated annual plan and budget, attached to the disbursement request, in accordance with the Ministry’s instructions.

As a rule, transfers that have been granted for a certain year should be used during the year in question and be drawn no later than by the end of October of that year. Carrying over unwithdrawn funds to the following year may be agreed upon separately, if the recipient organisation submits a justified request to the MFA before the end of October. Should the recipient organisation have withdrawn funds that remain unspent at the end of the project’s year of operation, a permission must be requested from the MFA for a possible carry-over to the next year prior to the end of the project’s year of operation.

The disbursement request must be submitted no later than one month before the suggested due date for payment. The first possible due date is 30 January.

**Use of discretionary government transfers**

*Cooperation agreement with partners*

Having received a favourable decision on a discretionary government transfer, the recipient organisation must conclude a cooperation agreement with all partners. The recipient of a discretionary government transfer decision is accountable for the use of the transfer to the MFA. The cooperation agreement must mention at least the following matters:

- The purpose and objectives of the cooperation, the distribution of rights and responsibilities, the authorised representatives, and the duration and termination of the agreement.

- The agreement must state that the project is funded by the MFA and its use of funds is guided by the Act on Discretionary Government Transfers.

Therefore the MFA has the right to inspect the activities and finances of the local partner.

The Finnish recipient organisation is fully accountable for the use of the discretionary government transfer to the Ministry. Therefore the agreement should binding on all cooperation partners in that they:

- use the funds in as agreed in the transfer decision
- let representatives of the Finnish recipient organisation to inspect the local partner’s finances and activities.

The agreement must specify the stage at which the implementation of the project will be entirely entrusted to the local partner.
The tendering requirements under the Act on Public Procurement and Concession Contracts must also be complied with in the cooperation agreement.

**Eligible expenses**

**Administrative costs**

The project’s administrative costs may not exceed 10 per cent of the project’s actual total annual expenses (including administrative costs). The administrative costs incurred by the project in Finland can be accepted as the administrative costs of the project. In this case, the administrative costs need not be itemised.

**Personnel costs**

A discretionary government transfer can be used to cover the necessary salaries and statutory non-wage labour costs, training costs, travel expenses and other comparable essential personnel costs. Pay must be based on a valid collective agreement indicated by the recipient organisation and/or on the average local pay level in the sector. The recipient organisation must keep up-to-date records of persons hired using the project funding, the duration of their employment, the grounds and amount of their salary to ensure that the State aid authority has access to this information on request. The recipient organisation is responsible for ensuring that the employees and experts have legal work permits.

Travel and accommodation expenses are covered using the most affordable options and in accordance with the State Travel Regulation. Personnel expenses can also include costs, other than statutory personnel costs, caused by hiring Finnish or local personnel. These can include travel insurance, vaccinations or visas, for example.

In order to ensure sound management and efficient use of resources, all employees working for the recipient organisation and its partners must be subject to systematic recording of working hours. It should be possible to deduce the hours of work, included voluntary work, used for implementing the project from the working hours records.

The recipient organisation can also use the transfer for hiring experts necessary to the project.

**Operating and maintenance costs**

Costs arising from investments, such as construction, renovation and equipment acquisitions, may be covered by the discretionary government transfer only if they form an essential part of the project’s implementation towards the achievement of the project’s ultimate objectives. Discretionary government transfers cannot be used to buy land.

Operating expenses include costs arising from the use of local premises, such as rent, electricity, water and other property-related day-to-day costs. Operating expenses also include fuel expenses arising from the use of machines and equipment. Local telephone, internet, mail and other similar expenses can be filed as office expenses. Corresponding costs in Finland are counted as administrative costs. Expenses arising from servicing and maintenance are considered to be maintenance costs.

**Communications and communication costs**

The general public in the country of operation and in Finland must be informed of the project. Communicating about the project refers to all the various communication methods that the
recipient organisation employs to inform people in the country of operation and in Finland of the development cooperation project.

The recipient organisation must ensure that it provides up-to-date information on its own website and other possible communication channels on the development cooperation project implemented by it.

In Finland, the communication costs may not exceed 5 per cent of the annual total costs of the project.

Discretionary government transfers for project support cannot be used for presenting the recipient organisation.

**Property acquired using a discretionary government transfer**

If a discretionary government transfer has been granted for the procurement or basic refurbishment of a building or an apartment in a building, the property’s period of use for the designated purpose within the framework of this form of support is, contrary to the general conditions, no less than 15 years.

The recipient organisation must ensure that its local partner maintains an up-to-date list of any fixed assets procured using funding for development cooperation purposes and self-financing and keeps records of changes in the value of these assets. The Ministry for Foreign Affairs may request the list for inspection.

**Changes to the project plan**

In the event that the key objectives, activities or number of personnel change or cause a change of no less than 15 per cent in the application form’s budget lines, the recipient organisation must apply for a permission to alter the plan for the use of funds from the MFA in writing before initiating the operations in question. Applications concerning changes to the project plan must be submitted in writing and approved by the MFA before the activities subject to change are started. The application form must be submitted to the MFA via its e-Service.

**Recipient organisation’s obligation to inform**

**Reporting**

Following separate instructions from the MFA, the recipient organisation must submit an annual report concerning the activities and use of funds for each project via the Ministry’s e-Service. It will be accompanied by the audit reports of the project auditors in accordance with the MFA’s separate audit instructions covering both the country/countries of operation and Finland. When reporting, the recipient must give its opinion on the content of the audit reports.

The annual report must be submitted to the MFA by the end of April of the year following the year for which transfer has been granted and/or in which the transfer has been used. The report compares the approved project plan and last dated budget with the actual outcome. The annual report must be submitted regardless of whether or not the project has progressed or the funding has been used. Any delay or failure to report will lead to suspension of disbursements and a possible denial of continued support. In the last annual report of the project, the recipient organisation must
provide the MFA with an assessment of the results and impacts of the project and give an account of
the lessons learned and their applicability to other situations. The MFA may also ask the recipient
organisation to provide other clarifications as it deems necessary.

When the project is completed and property is being handed over to the cooperation partner or
another party, the matter must be agreed upon in writing to ensure that the property will continue
to serve the intended purpose. A copy of the agreement of conveyance, signed by both parties, must
be appended to the final report sent to the MFA.

**Annually submitted basic information form**

The recipient organisation’s latest approved annual report, signed financial statement (profit and
loss account, balance sheet, possible cash flow statement with appendices), the auditor’s report, the
action plan for the current year, and the budget must be sent annually to the Ministry’s e-Service
together with the basic information notice. If changes are made in the recipient organisation’s rules,
the updated rules must be submitted to the Ministry.

**Bookkeeping and auditing**

The recipient organisation must carry out qualified accounting and financial statement practices
required by the Accounting Act and Accounting Ordinance as well as statutory auditing or
performance auditing practices. The project’s bookkeeping must be organised so that the total
finances of the project, (discretionary government transfer and self-financed contribution) can be
easily verified and inspected. Expenses accepted in the cost estimate of the project should, as far as
possible, be recorded in subaccounts and the account scheme must facilitate the itemisation of
approved cost items in bookkeeping and the annual report. Expense receipts must contain relevant
bookkeeping information and be filed and kept so that the Ministry has access to them in Finland.
The recipient organisation must keep an inventory of the property that has been acquired with the
discretionary government transfer granted by the Ministry. In Finland, receipts must be kept for six
years. In partner countries, the local legislation must be complied with, but the receipts must be
kept for at least six years. When the entire audit of a project is performed in Finland, all receipts will
be kept there, and if they are in languages other than Finnish, Swedish or English, clarifications must
be added in one of the aforementioned languages.

The auditors chosen by the recipient organisation must audit the bookkeeping of the project as well
as the annual report that is sent to the Ministry. One of the auditors must be an auditor approved by
the Central Chamber of Commerce (a KHT auditor) or by the local Chamber of Commerce (an HTM
auditor) or selected by the Finnish Board for Chartered Public Finance Auditors (a JHT auditor).

In the management of finances in the partner country, the local legislation must be observed. If local
expenses are entered into the partner’s bookkeeping in the recipient country they must be locally
audited. Local auditors must meet the requirements for auditing set by the authorities of the
country in question.

**Assurances required of the recipient**

In an appendix to its application for discretionary government transfer, the recipient has provided
the Ministry for Foreign Affairs with an assurance that, among other things, the recipient
organisation, its representatives or those who have access to the transfer have not committed
certain offences.
If the recipient finds that one of the parties mentioned in the assurance has committed any of the offences mentioned in the assurance at a certain time or during the period of use of the subsidy, the recipient must immediately take measures to minimise the damage and inform the Ministry accordingly.

In addition, when committing to the general terms, the recipient also gives the said assurance under Procurement and Prohibition of Bribery.

ETHICAL CODE OF CONDUCT

Although civil society organisations serve a variety of purposes and may be influenced by religion, political affiliation or some other ideology, they must practise their development cooperation activities in a manner that strengthens democratic structures and is in line with Finnish legislation, Finland's human rights policy, the Development Policy Programme's human rights-based approach and concept of non-discrimination as well as sector-specific guidelines complementing the programme. The importance of commitment to the Code of Conduct is accentuated when dealing with persons representing different cultures, religions and ideologies.

The Ethical Code of Conduct consists of conditions set by the Ministry for the use of discretionary government transfers.

When receiving development cooperation funds from the Ministry for Foreign Affairs, the recipient organisation commits to applying and adhering to this Ethical Code of Conduct in its development cooperation in the recipient country. In case an organisation fails to meet these conditions for the use of the transfer granted to it, the Ministry can set a date by which the conditions must be fulfilled, suspend the disbursement, or demand a refund of paid instalments.

1. All those participating in development cooperation are guaranteed respect for their human dignity, human rights, culture, religion and ideology, free from all forms of discrimination. Development cooperation supported by the Government must be free from all kinds of discrimination. The most common forms of discrimination are associated with religion, political or other ideology/opinion, conviction, gender, ethnic origin, caste, language, health situation, disability, sexual orientation, sexual identity, age or other personal characteristic.

2. Development cooperation focuses on helping people who face discrimination from society and communities.

Development cooperation activities tackle the causes of poverty, injustice and discrimination. The aim is to change prevailing discriminatory attitudes and structures.

3. People's ideologies, religions, political positions or changing them must not set conditions for the availability of assistance or participation in development cooperation. This principle is particularly important in work with minors and young persons. Propagating ideologies, religions or political positions by development cooperation funds is not permitted.

4. Development cooperation supports peaceful dialogue and serves to promote peace and partnership in communities. The activities create and implement processes to promote accessibility and equal participation of all.

5. Good governance promotes sustainable development. Corruption and related poor governance reinforce unequal distribution of development and consequently undermine the realisation of
human rights. Measures to prevent corruption and to address suspicions are conscious actions to improve development results.

6. Development cooperation must be based on zero tolerance when it comes to sexual abuse, violence and sexual harassment, as well as discrimination and abuse of power. Any suspicion of these should be addressed by appropriate measures.