MANAGE GRANTS

Terms and conditions for programme-based support (development cooperation programmes and humanitarian assistance) for 2026–2029

1. General

1.1. Name of standard terms and conditions

Terms and conditions for programme-based support (development cooperation programmes and humanitarian assistance) for 2026–2029

1.2. Period of validity for terms and conditions

In effect 1.1.2026 - 31.12.2029.

1.3. Scope of standard terms and conditions and the provisions to be applied

The discretionary government grant is subject to the Act on Discretionary Government Grants (688/2001). In addition to the standard terms and conditions regarding the use of the discretionary government grant, this document includes the key provisions that apply to the use of the discretionary government grant and the key provisions of the Act on Discretionary Government Grants. However, legislation may also contain other provisions applicable to the use of the discretionary government grant.

‘Government grant recipient’ means an organisation to which the grant has been awarded by a government grant decision. ‘Recipient of redistributed funds’ means a different user of the grant, one that implements the grant-financed programme together with the government grant recipient and to whom the government grant recipient redistributes funds for use. The government grant recipient must conclude an agreement with the recipient of redistributed funds on the use of the redistributed funds, the monitoring of their use and their terms and conditions. Here, ‘collaborating partner’ refers to another entity with whom other cooperation is carried out. Such an entity may be, for example, a party from whom goods or services are purchased, or some other entity with whom communication-related cooperation is carried out, for example.

In all activities related to the use of the discretionary government grant, the government grant recipient and the recipients of redistributed funds in Finland also undertake to comply with other legislation in force in Finland. In other countries, discretionary government grants must be used in a manner that takes into account the local legislation and is in line with Finnish legislation.

These standard terms and conditions are part of the decision on the awarding of a discretionary government grant.

If the government grant decision and its appendices are in conflict, the order of interpretation is as follows:
1. the government grant decision and the specific terms and conditions provided in it
2. the standard terms and conditions appended to the government grant decision
3. the approved cost estimate
4. the approved implementation plan, if any
5. the government grant application and its appendices.

In addition, the government grant recipient and the recipients of redistributed funds are obliged to comply with other international commitments applicable to them as well as with national legislation.

1.4. Compliance with conditions and restrictions

Pursuant to section 13, subsection 1 of the Act on Discretionary Government Grants, a discretionary government grant may be used only for the purpose specified in the government grant decision. The purpose of use of the discretionary government grant is specified in the government grant decision. ¨

Pursuant to section 13, subsection 2 of the Act on Discretionary Government Grants, in addition to what is provided in the Act or a government decree issued under section 8 of the Act, the government grant recipient must observe the terms, conditions and restrictions specified in the government grant decision concerning the grant-financed project or activity.

When a discretionary government grant has been awarded for the purpose of purchasing or modernising a property that is to be used for a specific purpose defined in the government grant decision, the property may not be permanently used for purposes other than that specified in the government grant decision nor may the ownership or right of possession of the property be transferred to another party during the property’s period of use. The period of use of property or activity financed under this call is defined as 10 years from the payment of the last instalment of the government grant.

1.5. Publicity of the government grant decision and information on the grant

Pursuant to section 1 of the Act on the Openness of Government Activities (621/1999), official documents are in the public domain, unless otherwise separately provided in the Act or another act.

The term ‘official document’ refers to a document defined in section 5 of the Act on the Openness of Government Activities, which can be, for example, a document delivered by the applicant to an authority for the consideration of a matter or otherwise in connection with a matter within the competence or duties of the authority, including its appendices. Provisions on the grounds for secrecy of documents are laid down in section 24 of the Act on the Openness of Government Activities. The Ministry for Foreign Affairs decides, at its discretion, on the disclosure of the documents delivered to it.

The applicant, the government grant recipient or another concerned party has the opportunity, if necessary, to indicate the sections requiring non-disclosure in their application or other official documents and justify the need for non-disclosure under section 24 of the Act on the Openness of Government Activities. The Ministry for Foreign Affairs is not bound by a concerned party’s proposal regarding non-disclosure; instead, the disclosure of a document delivered to the authority is assessed on a case-by-case basis pursuant to the Act on the Openness of Government Activities (621/1999) and other legislation. Information in the public domain includes, for example, the name of the government grant applicant and recipient and the euro-denominated amounts of the discretionary government grant applied for and awarded.

In addition, the Ministry for Foreign Affairs submits the minimum information about discretionary government grants which open for applications on or after 1 October 2023 and the related government grant applications and decisions as well as the minimum information about discretionary government grants awarded on the basis of an administrative decision made on or after 1 October 2023 to the data repository of government grant activities, maintained by the State Treasury. Pursuant to section 32d of the Act on Discretionary Government Grants, the State Treasury publishes certain information about discretionary government grants in the service for publishing and using government grant information (tutkiavustuksia.fi, in Finnish). The government grant recipient and the recipient of redistributed funds commit to process personal data, if any, in compliance with the EU’s General Data Protection Regulation (2016/679/EU) and the Finnish Data Protection Act (1050/2018).

1.6. Payment of discretionary government grant

Pursuant to section 12, subsection 2 of the Act on Discretionary Government Grants, an advance may be paid if this is justified by the use of the government grant and expedient with regard to the monitoring of its use.

Pursuant to section 12, subsection 3 of the Act on Discretionary Government Grants, notwithstanding the provisions of subsection 1, a government grant of a small amount and one referred to in section 5, subsection 3, paragraph 3 of the Act may also be paid as a lump sum if this is justified by the use of the grant.

Pursuant to section 12, subsection 4 of the Act on Discretionary Government Grants, a government grant recipient must provide the government grant authority with correct and sufficient information for paying the grant.

Other terms and conditions for the payment of the government grant are defined in the government grant decision. The payment of the government grant is conditional on the fulfilment of, and compliance with, any specific terms and conditions included in the decision (and its appendices).

As regards the first year of use of the grant, the payment will take place in an automated manner on the basis of the government grant decision, with the payment schedule and instalments specified in the government grant decision. The government grant recipient is not required to make any separate application for the payment of the government grant.

The Ministry for Foreign Affairs may change payment implemented on the basis of the government grant decision to payment based on an application for the payment of the grant if the Ministry needs, prior to the payment of the grant, to establish whether there are any obstacles to the payment or if matters requiring further evidence have emerged in the situation of the government grant recipient.

After the first year of use, the grant will, as a rule, be paid to the government grant recipient on the basis of payment applications in two instalments each year. A separate application for the payment must be made for each instalment at least 30 days before the desired time of payment of the instalment. For a justified reason, the payment may also be made in more than two instalments each year.

For the years following the first year of use of the grant, the payment applications may be made in accordance with the annual periodisation included in the government grant decision. The applications for the payment of the government grant must take into account the timing of the expenses. At the beginning of each year, attention must be paid to the deadlines related to the approval of The Budget.

Payments require annual reporting in accordance with the instructions issued by the Ministry for Foreign Affairs and any other interim statements or documents required by the Ministry for Foreign Affairs.

1.7. Conditions for the procurement procedure

The use of the government grant must comply with these standard terms and conditions, in addition to the requirement that the government grant authority has, in its government grant decision, approved a procurement as part of the action or project plan and the cost estimate.

Pursuant to section 5 of the Act on Public Procurement and Concession Contracts (1397/2016), the contracting entity referred to in the Act (that is, the party that must arrange competitive tendering of their procurements pursuant to the provisions of the Act on Public Procurement and Concession Contracts) is any party conducting a procurement when it has received from a central government authority support for the procurement amounting to more than half of the value of the procurement or when the recipient is an institution of public law character referred to in section 5 of the Act on Public Procurement and Concession Contracts. Such a contracting entity must comply with the procurement procedure laid down in the Act on Public Procurement and Concession Contracts.

The government grant recipient must establish whether it is a contracting entity referred to above. If the government grant recipient is a contracting entity referred to above, the recipient must comply with procurement legislation in procurements conducted with the government grant and take into account the competitive tendering obligations concerning procurement under the Act on Public Procurement and Concession Contracts. If the recipient is a contracting entity referred to above and the procurement is conducted in breach of procurement legislation, the procurement cannot be accepted as part of the use of the discretionary government grant and, consequently, the procurement expense is not an eligible cost.

In all procurement, it must be ensured that the tenderer is not subject to sanctions imposed by the European Union, the United Nations (UN) or Finnish authorities, asset-freezing decisions, or other restrictions, such as the EU Procurement Directive, which prohibits, for example, in procurement exceeding the EU's threshold values, the conclusion of a procurement contract with Russian nationals, or natural persons residing in Russia or legal persons established in Russia. In invitations to tender, this can be achieved by adding the supplier's assurance that it or its circle of beneficiaries is not subject to sanctions or other restrictions. The government grant recipient is responsible for examining the matter and for the correctness of the procurement. The declaration of the party submitting the tender or the supplier does not eliminate this responsibility; instead, the grant recipient must request additional information if necessary.

When purchasing goods or services, both invitations to tender and procurement agreements must include a clause stating that the tender can be rejected or the agreement can be terminated with immediate effect if the service provider is encumbered by a mandatory or discretionary exclusion criterion referred to in national or EU legislation on public procurement or a sanction imposed by the European Union or the United Nations or other above-mentioned restrictions, such as Russian nationality or establishment in Russia, even if the criterion has emerged only after the beginning of the contractual relationship.

The government grant recipient assures that the parties for whose activities the recipient has redistributed part of the grant, in accordance with their purpose of use, or these parties' management, persons exercising supervisory authority or employees are not subject to a mandatory or discretionary exclusion criterion referred to in national or EU legislation on public procurement or a sanction imposed by the European Union or the United Nations or other above-mentioned restrictions, such as Russian nationality or location in Russia, even if the criterion has emerged only after the beginning of the contractual relationship.

In addition, when purchasing goods or services, invitations to tender and procurement agreements must include a clause stating that the tender can be rejected or the agreement terminated if the agreement arrangements or the implementation of the agreement involve bribery or corresponding unlawful activity.

1.8. Other general terms and conditions

ODA eligibility of the grant-financed activity

The use of the government grant is governed by national legislation and by the norms agreed on by the providers of development cooperation financing in international cooperation. The grant-financed activities must conform to Official Development Assistance (ODA) as defined by the OECD Development Assistance Committee (DAC). The reporting obligations concerning the submission of information are specified further in clause 4.3.

Risk management and the arrangement of good governance of the organisation

The government grant recipient must see to its organisation's good governance, adequate risk management and internal control. Risk management work must be continuous. The grant recipient must have appropriate risk management mechanisms in place. The reporting obligations concerning risk management are specified further in clause 4.3.

Sanctions and obligations against money laundering and terrorism

The recipient of a discretionary government grant and the recipients of redistributed funds must independently ensure that the discretionary government grant awarded by the Ministry is not used in violation of the sanctions provisions. With regard to humanitarian assistance, the recipient or recipient of redistributed funds should note that many of the sanctions in force include a humanitarian exemption or derogation that may be suitable for the grant-financed activities of the recipient or recipient of redistributed funds. The current sanctions provisions refer to the consolidated sanctions list of the UN Security Council and the EU sanctions regulations (as amended from time to time). Due to company restructurings carried out by parties subject to sanctions, the beneficiary must ensure that the entities benefiting from the use of the government grant do not have actual ownership or control of the party

subject to sanctions in an individual case. The recipient of a discretionary government grant must notify the Ministry immediately if, during the period of validity of the activity for which the grant is awarded, the recipient finds that these funds have been used for the aforementioned purposes.

The recipient undertakes to comply fully with the above-mentioned and other sanctions regimes, such as targeted economic sanctions and other measures adopted by the Security Council in accordance with Article 41 of Chapter VII of the Charter of the United Nations, as well as economic and financial restrictive measures adopted in accordance with Article 215 of the Treaty on the Functioning of the European Union and in force in the European Union. If the activities are targeted at a country that is a high-risk country defined in the EU Directive (2015/849) or the Financial Action Task force (FATF), the beneficiary must ensure that the funds granted by the Ministry to support the recipient are not money laundering or transferred to terrorist financing.

Obligation to report suspected misuse, and whistleblower protection

The government grant recipient and the recipient of redistributed funds and anyone working in their organisations must report, without delay, any suspected or discovered misuse to the misuse whistleblowing channel of the Ministry for Foreign Affairs at https://vaarinkayttoilmoitus.fi. Misuse refers, at the minimum, to misuse referred to in clause 2.2. Suspected misuse can also be reported to the Ministry for Foreign Affairs by collaborating partners and third parties.

In cases of misuse, the primary responsibility for communication rests with the government grant recipient and the recipient of redistributed funds. The Ministry for Foreign Affairs publishes information on recovery decisions made but, depending on the case, the Ministry will also consider communicating cases of suspected misuse.

Misuse of government grants includes, for example, the following situations: bribery, theft, acceptance of bribes, money laundering, any other economic misuse, sexual exploitation, sexual abuse, sexual molestation, sexual harassment, other harassment, nepotism in recruitment, bias, participation in decision-making while subject to disqualification, gifts and hospitality that breach the terms and conditions, significant accounting errors or irregularities, serious errors in performing tasks, significant delays in performing tasks, unjustified daily allowances and fees, violation of the basic principles of procurement rules, procedures that violate these terms or terms of contracts relating to the use of government grants, unreasonable non-competition conditions and other unlawful restrictions after the end of an employment relationship, shortcomings in reporting, failure to provide essential information, refusal to carry out a review or an audit, hampering these reviews or audits, abuse of power, pressure, discrimination or other inappropriate influencing, use of child or forced labour, otherwise violating human rights, investments in tax havens, other aggressive tax planning as defined by the OECD, and any other comparable unlawful activity or other abuse.

The prohibition on misuse applies to the grant recipient's personnel, persons in charge of the recipient's organisation, the organisation as a whole and all collaborating partners, their personnel, persons in a management position of a collaborating partner, organisations of collaborating partners as a whole and all those hired by the grant recipient or from whom it procures services or goods in connection with the grant-financed activity.

In accordance with clause 2.3, the grant recipient must include a prohibition of misuse in the agreements concluded with the recipients of redistributed funds and other third parties.

The grant recipient is obliged to cooperate with the Ministry for Foreign Affairs in investigating possible suspicions of misuse of funds.

If the grant recipient or the recipient of redistributed funds is a private or public sector organisation (or government agency) that has more than 50 employees, as referred to in the Act on the Protection of Persons Who Report Breaches of Union Law and National Law, known as the Whistleblower Act (1171/2022), it also has an obligation to establish an internal whistleblowing channel. However, a report made in an organisation's internal whistleblowing channel does not eliminate the obligation to report suspected misuse to the misuse whistleblowing channel of the Ministry for Foreign Affairs in accordance with these terms and conditions and legislation in force.

The government grant recipient and the recipient of redistributed funds must ensure effective whistleblower protection. The government grant recipient and the recipient of redistributed funds commit to ensure that misuse reports can be submitted safely and securely and that the identity of the whistleblower is protected. The government grant recipient and the recipient of redistributed funds must protect whistleblowers from any direct or indirect retaliatory measures they may be subjected to when reporting misuse. The prohibition of retaliatory measures also covers, for example, measures targeting not only the whistleblower but also a legal person represented by the whistleblower or the whistleblower's relatives who are connected to the whistleblower's employer because of their work. Any breach of the prohibition of retaliatory measures or prevention of reporting may result in liability for damages and an obligation to pay compensation to the whistleblower.

The government grant recipient and the recipient of redistributed funds must ensure that everyone working in their organisations and all collaborating partners and other stakeholders are aware of the misuse whistleblowing channel of the Ministry for Foreign Affairs.

Prohibition of bribery and any activity resembling bribery

The government grant recipient assures that the recipient, the persons exercising control or supervisory authority in its organisation or its employees or local representatives have not committed bribery or similar unlawful activity (including bribing a foreign public official) and

will not commit such acts during the period of use of the government grant. The grant recipient also assures that the parties for whose activities the recipient has redistributed part of the grant, in accordance with its purpose of use, or the persons exercising control or supervisory authority in these parties' organisation, or these parties' employees or local representatives have not committed bribery or similar unlawful activity and will not commit such acts during the period of use of the government grant. Bribery or similar activity may result in the recovery of the paid grant, in full or in part. Good governance must be promoted in the grant-financed activity, and the grant recipient must take into account, in all of its operations, the Government Resolution on the National Anti-Corruption Strategy and Action Plan 2021–2023.

Disqualification

The government grant recipient must be aware of potential disqualification issues and must not make decisions while subject to disqualification. The grant recipient must ensure that the recipients of redistributed funds and collaborating partners do not make decisions while subject to disqualification.

Environmental and social responsibility in activities

The activities of the government grant recipient are required to be environmentally and socially responsible. This applies especially to the consideration of the risks and impacts of the grant-financed activity and the prevention and minimisation of potential negative impacts on the environment, society and human rights. The contractual employment relationships and volunteer relationships included in the activities must comply with local legislation and ensure decent working conditions and requirements.

The dissemination of ideological, religious or political positions is not allowed with development cooperation funds.

2. General considerations regarding the use of a government grant

2.1. Obligation to organise the monitoring of the use of a government grant

The government grant recipient must submit the government grant decision for information to the accountants of the government grant recipient and of recipients of redistributed funds.

The government grant recipient must arrange the accounts in the manner laid down in the Accounting Act. The grant recipient must keep the finances of the grant-financed activity separate from other activities (for example, in a designated cost centre) so that the use of the grant can be reliably and easily verified. If the grant recipient is awarded a grant to be used for

both development cooperation and humanitarian assistance, the accounts must be arranged so that the realisation of both can be monitored and reported in a reliable manner.

‘Finances’ refers to the costs, revenue and financing arising from the activities or the project. The government grant recipient must retain the documents indicating the use of the grant for a minimum of 10 years from the last grant payment instalment.

The government grant recipient and the recipients of redistributed funds must arrange and record working hours monitoring reliably. Working hours monitoring of the employees of the government grant recipient and the recipients of redistributed funds must be systematically organised in order to ensure good governance and efficient use of resources.

Persons only working part-time in the grant-financed activity must break down the working time allocated to the programme. On request, the recipient must report the working time to the Ministry for Foreign Affairs. If the employees in the grant-financed activity work full-time in the activity in accordance with the government grant decision, it is sufficient that the employee only attends to the working time records in accordance with the Working Time Act. In such cases, the Ministry for Foreign Affairs does not require any separate monitoring of the use of working time.

2.2. Using a goverment grant for an approved purpose

The purpose of use of the discretionary government grant is specified in the government grant decision. Pursuant to section 13, subsection 1 of the Act on Discretionary Government Grants, a discretionary government grant may be used only for the purpose specified in the government grant decision. The government grant may not be used for an activity for which the grant has not been awarded.

Uses deviating from the purpose of the government grant include, for example, economic activities that cause more than minor distortion to competition and the market in a member state of the European Economic Area.

If the grant has been awarded to be used in both development cooperation and humanitarian assistance, the Ministry for Foreign Affairs specifies the amount for each of these in the government grant decision. The amount specified in the government grant decision may not be exceeded. More detailed instructions on this are provided in the government grant decision.

The grant recipient may submit a justified application to request a revision of the amounts. The revision may not be executed before it has been accepted by the Ministry for Foreign Affairs (see clause 2.6).

2.3. Terms concerning the redistributing of a government grant

The government grant recipient must conclude an agreement on the grant's use, the monitoring of its use and the terms and conditions with the recipients of redistributed funds if the government grant decision specifies that the government grant is also awarded to finance an activity or a project that fulfils the purpose defined in the decision but is carried out by a party other than the government grant recipient.

With regard to the Ministry for Foreign Affairs, the government grant recipient is in a legal relationship governed by public law and the redistribution of the government grant does not release the government grant recipient from its obligations under public law in any respect. Consequently, the government grant recipient is fully liable to the Ministry for Foreign Affairs for the appropriate use of the discretionary government grant also to any extent that the grant has been redistributed to support a project or activity of a party other than the grant recipient.

Consequently, the Ministry for Foreign Affairs may, for example, request evidence of the use of the discretionary government grant, conduct relevant audits and recover a misused grant from the government grant recipient even in the event that the recipient has, the government grant decision permitting, redistributed part of the grant funds to the activities or projects of another party fulfilling the purpose specified in the government grant decision. The government grant recipient also remains fully liable for any problems, claims and other consequences resulting from the use of the government grant.

The government grant recipient must ensure that the recipient of redistributed funds or its circle of beneficiaries is not subject to sanctions imposed by the European Union or the United Nations (UN), or to asset-freezing decisions.

The government grant recipient draws up the agreement(s) in a manner that is appropriate for its activities.

The agreement(s) must include at least:
- the purpose and objectives of the cooperation, the distribution of rights and responsibilities, the authorised representatives, and the duration and termination of the agreement;
- information that it is an activity financed by the Ministry for Foreign Affairs and the use of funds is subject to the government grant decision and its terms and conditions; For this reason, the Ministry for Foreign Affairs or its appointed representative also has the right, specified in section 16, subsection 1 of the Act on Discretionary Government Grants, to audit, if necessary, the finances and activities of the local recipient of redistributed funds that carries out the activity or the project. The Ministry for Foreign Affairs may issue a decision authorising another authority or an external auditor to carry out the above-mentioned audits. This party is entitled to take possession of the material subject to audit if auditing so requires. The material will be returned without delay once no longer needed for the audit. Those carrying out the audit 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 a profession or in

business and other areas in the possession or use of the government grant recipient, the conditions of which have a bearing on the awarding of a government grant and the monitoring of its use;
- information about the misuse whistleblowing channel of the Ministry for Foreign Affairs at https://vaarinkayttoilmoitus.fi;
- the prohibition of misuse and the obligation to cooperate with the Ministry for Foreign Affairs in the investigation of potential cases of suspected misuse during the validity of the agreement, both applicable to the recipient of redistributed funds pursuant to clause 1.8;
- rights that the grant recipient has secured for itself to a sufficient extent, such as recovery or the right to the suspension of payment;
- the assurance of the recipient of redistributed funds that it or its circle of beneficiaries is not subject to sanctions imposed by the European Union or the United Nations (UN) or to asset-freezing decisions made by Finnish authorities;
- the government grant recipient's right to terminate the agreement with immediate effect if it becomes clear that the recipient of redistributed funds or its circle of beneficiaries is encumbered by a sanction imposed by the European Union, the United Nations (UN) or an asset-freezing decision made by Finnish authorities.

In addition, the agreement must obligate the recipients of redistributed funds at least:
- to use the government grant funds in accordance with the government grant decision, these standard terms and conditions, Finnish legislation and other local laws and international commitments that bind the recipients of redistributed funds;
- to let representatives of the government grant recipient audit the finances and activities of the recipient of redistributed funds;
- to arrange competitive tendering of their procurement, if necessary, pursuant to the Act on Public Procurement and Concession Contracts (1397/2016) if it is a contracting entity referred to in the Act on Public Procurement and Concession Contracts, and always in compliance with the obligations referred to in clause 1.8 of these standard terms and conditions;
- take into account the statutory obligations concerning sanctions, money laundering and terrorism in procurement. In all procurements, it must be ensured that the tenderer is not subject to sanctions imposed by the European Union or the United Nations (UN), to fund-freezing decisions made by Finnish authorities, or that the tenderer is not subject to any other applicable restrictions. In procurements referred to in Article 5k of Regulation (EU) 833/2014, it must be noted that the conclusion of a procurement contract with Russian nationals, natural persons resident in Russia or legal persons established in Russia is prohibited;
- to implement appropriate risk management mechanisms;
- to report to the misuse whistleblowing channel of the Ministry for Foreign Affairs at https://vaarinkayttoilmoitus.fi/ and to the government grant recipient without delay if they suspect or discover, in their own operations, the operations of a person exercising control or supervisory authority in their organisation, the operations of their employee or local representative, the operations of the government grant recipient, the operations of their subcontractor, or anywhere in their organisation, any misuse or deviation from the purpose of

use, referred to in clause 1.8, such as misuse of funds received as a government grant. The report to the Ministry for Foreign Affairs must be submitted for even the slightest suspicion regarding the use of the discretionary government grant in deviation of its purpose of use or in breach of the terms and conditions, or any other misuse referred to in clause 1.8.
- to take immediate action to minimise damage resulting from suspected misuse referred to in clause 1.8;
- to commit to ensure effective whistleblower protection in accordance with these standard terms and conditions;
- to ensure a zero tolerance policy regarding the anti-grey-economy measures referred to in the standard terms and conditions as well as sexual harassment, sexual abuse, other harassment and abuse of authority.

If the government grant recipient receives a report of misuse referred above from the recipient of redistributed funds, the government grant recipient must take immediate action to minimise damage and to report the issue to the Ministry for Foreign Affairs as described in these standard terms and conditions.

Reporting the issue to the Ministry for Foreign Affairs is without prejudice to the right or obligation of the Ministry to recover the paid government grant in full or in part from the government grant recipient under the Act on Discretionary Government Grants.

2.4. Restrictions concerning the period of government grant use

The government grant may be used only during the period of use specified in the decision on the awarding of the government grant (accrual principle).

The exceptions to this are the drawing up of the last annual report (the so-called final report) and the financial audit of the last year at the end of the use of the grant, which are eligible costs even though the costs arising from them arise after the end of the period of use specified in the government grant decision.

The period of use of the grant may be extended if the grant recipient submits, during the period of use of the grant, a justified application and the Ministry for Foreign Affairs accepts it (see clause 2.6).

2.5. Restriction and obligations concerning the use of the assets acquired with a government grant

Assets acquired using the government grant may not be permanently used for purposes other than those specified in the grant decision. The ownership or possession of the assets may not be transferred to another during the period of use of the assets acquired by means of the government grant. The period of use of the assets is ten years from the payment of the last instalment of the government grant.

If the government grant was awarded to purchase or modernise a building or an apartment in a building, the period of use of the grant-financed property for its specified purpose is 15 years.

The grant recipient must ensure that the recipients of redistributed funds maintain an up-to-date list of any fixed assets purchased using the government grant and the own contribution and of changes in the value of these assets. The Ministry for Foreign Affairs may request the list for inspection. When the grant-financed activity ends and assets with resale value are transferred to the recipient of redistributed funds or another party, the matter must be agreed upon in writing to ensure that the assets will continue to serve the intended purpose.

2.6. Changing the specific terms referred to in the government grant decision

Pursuant to chapter 4, section 14 of the Act on Discretionary Government Grants, a government grant recipient must notify the Ministry for Foreign Affairs without delay of any changes affecting the use of the government grant in accordance with its purpose and any other change affecting its use.

The government grant recipient may submit, in writing in an advance, a justified application to request the Ministry for Foreign Affairs for a revision regarding the government grant decision, the terms and conditions of the use of the grant or the plan concerning the use of the grant. The Ministry for Foreign Affairs may use case-specific discretion when deciding whether it accepts the requested revision and whether it issues a decision on the matter. A revision may not be executed before the Ministry for Foreign Affairs has considered the matter and issued its opinion on the matter in writing.

A revision must be requested at least in the following cases:
1. if the key objectives or functions of the grant-financed programme change;
2. if there is a non-minor change in the approved cost estimate or in the most recent approved levels of expense types. Examples of non-minor changes include, for example, changes within an individual expense type or between expense types in a cost breakdown if the change exceeds 10 per cent of the level of expense types approved by the Ministry of Foreign Affairs for development cooperation or 15 per cent for humanitarian assistance. Separate instructions are provided on the application of the condition to the expense breakdowns of the programme;
3. if the grant is proposed to be allocated to a new expense type deviating from the application, regardless of the monetary amount;
4. if personnel costs that are essential for the government grant change or non-essential personnel costs change significantly;
5. if a change to the period of use of the grant is proposed;
6. if the government grant recipient’s form of association changes during the grant’s period of use;

7. if the grant recipient proposes that its programme be targeted at countries not mentioned in the application and at which the grant is not specified as targeted in the government grant decision;
8. if the grant has been awarded to be used for both development cooperation and humanitarian assistance and the grant recipient proposes a revision of the amounts of the government grant awarded by the government grant decision for the above-mentioned functions;
9. if the grant has been granted for use in development cooperation and the recipient proposes that the grant be directed to humanitarian aid in the event of a sudden crisis or disaster in the partner countries or regions.
10. if the grant recipient has amounts of government grant that have not been drawn or that have been drawn but not used. The recipient must apply for any carrying over of undrawn funds of the current year by the end of October. Should the grant recipient have funds that have been drawn but remain unused at the end of the year, permission for a possible carry-over to the next year must be requested with a revision application from the Ministry prior to the end of the year.

2.7. Other terms relevant to the general considerations regarding the use of a government grant

The Ministry for Foreign Affairs may issue further instructions concerning, for example, the grant recipient's obligation to provide evidence, to maintain accounting records, the payment of government grant, and the use of grant and the monitoring of its use.

3. Terms concerning the revenue, financing and supported costs

3.1. Eligible costs

The government grant may only be used to cover reasonable expenses that are caused by the grant-financed activity and that are essential for realising the activity, as required by the Ministry for Foreign Affairs in its government grant decision. Costs that according to the Accounting Act (1336/1997), the Accounting Decree (1339/1997) and good accounting practice must be recorded as expenses for the financial year in question will be taken into account as eligible costs for the financial year in question.

Personnel costs

Eligible wage and salary costs may include wage and salary costs incurred from work necessary to implement the grant-financed activity, including statutory employer's contributions, and costs based on an act or a collective agreement. Wages and salaries are eligible to the extent that they do not exceed the general level of wages and salaries in the sector. Holiday pay provisions are eligible costs if incurred from the implementation of the grant-financed activity.

Employee benefits (such as occupational health care, holiday bonuses, holiday pay) for employees working in the grant-financed activity are eligible costs to the extent that they are reasonable in amount, justified and correspond to the employee benefits of other employees in similar roles in the organisation.

In the event of termination of employment, the grant may cover only wage and salary costs against which there is a work obligation, that is, against which actual work performance is carried out for the grant-financed activity. An exception to the work obligation during a period of notice is any possible legislation of the destination country obliging the employer to make payments without a work obligation in the event of termination of employment. In such situations, the grant recipient must contact the Ministry for Foreign Affairs in advance.

Travel and accommodation expenses

Travel expenses that are reasonable and necessary for the grant-financed activity are eligible, provided that the duration and total costs of the travel are minimised. At the same time, the appropriate and safe completion of the travel and the duties must be taken into account. In addition, the grant recipient must comply with the guidelines and decisions provided by the tax authorities concerning the reimbursement of travel costs.

Investments, construction and equipment

Investments such as construction, renovation and equipment acquisitions may only be implemented with the grant if these constitute an essential part of the implementation of the project. The grant may not be used for the acquisition of land.

Indirect costs

Indirect costs refer to costs the amount of which cannot be determined or it is not appropriate to determine by allocating costs directly to the grant-financed activity or project, but the amount of which can be determined by allocating a share of the cost using an approved cost accounting method.

Indirect costs may not exceed 10% of the eligible annual total costs of the activities . An exception to this is Fito be supported. Finnish development organisations – Fingo, for which the percentage of indirect costs is specified in more detail in the discretionary government grant decision.

The costs must be based on actual costs, which can also be proven to have been incurred.The government grant recipient must submit a separate report to the Ministry for Foreign Affairs on the matching principle of indirect costs. The Ministry for Foreign Affairs can provide more detailed instructions on the matter.

The Ministry for Foreign Affairs has the right to partially or fully reject indirect costs if it cannot be clearly demonstrated that the costs were incurred as a result of the grant-financed activity.

Unallocated share of costs of the grant-financed activity

When implementing the grant-financed activity, the grant recipient may make use of the unallocated share of the budget if such a component has been included in the budget in the application stage. The unallocated share may be a maximum of 10 per cent of the total eligible costs of the activity.

The calculation for the unallocated share is based on the minimum required own contribution amount, as stipulated in the own contribution conditions. In other words, any own contribution exceeding the minimum required amount will not be considered when calculating the unallocated portion.

3.2. Non-eligible costs

Examples of non-eligible costs include:
• purchasing of land;
• recreation costs, interest representation costs and entertainment expenses. Entertainment expenses do not mean negotiation expenses that are necessary and reasonable with regard to project implementation, such as refreshments served at steering group meetings. Entertainment expenses are defined in the Finnish Tax Administration’s standardised instructions and their interpretation on the differentiation between entertainment expenses and negotiation expenses (the Finnish Tax Administration’s guidance on entertainment expenses in income taxation of 18 August 2014 and tax guidance for corporations for the public good of 4 December 2023, available in Finnish and Swedish);
• depreciations;
• fundraising costs (excluding fundraising carried out to cover the own contribution required by the Ministry for Foreign Affairs);
• procurement in which a contracting entity, defined in the Act on Public Procurement and Concession Contracts, has not complied with procurement legislation or another government grant recipient has not complied with procurement-related terms and conditions of the government grant decision or these standard terms and conditions;
• costs of business and investment activities, loan repayments and interest;
• provisions referred to in the Accounting Act (1336/1997) (with the exception of holiday pay provisions);
• imputed items not based on actual costs already incurred;
• severance pay or wage and salary costs payable for the period of notice without work obligation, except for regarding any statutory obligation that is required under local legislation and where the obligation has arisen from the personnel expenses of the programme in question;

• non-statutory additional pensions, performance-related pay and bonuses;
• legal costs, compensation payments imposed by a court and other penal charges, such as fines, fixed monetary penalties and parking tickets;
• any recovery decision and the subsequent payment obligations, such as late-payment and interest expenses, reminder fees or other statutory financial consequences;
• extra audits or similar measures conducted to investigate suspected misuse;
• currency exchange fees, exchange rate losses or other financing-related costs;
• costs or deficits of other grant-financed projects or activities;
• expenses for which the government grant recipient has not obtained approval from the Ministry for Foreign Affairs, for example as part of the budget or a decision on the revision of the government grant.

3.3. Terms concerning the revenue from the activity or project

In grant-financed activities, ‘revenue’ refers to cash flows, with consideration given, that can be accrued directly with the reported costs of the activity or project. Revenue may be accrued from sales, rental, compensation for use or other consideration given.

The government grant recipient must report revenue accrued in the activity or the project to the Ministry for Foreign Affairs (see clause 4.3). Revenue from the grant-financed activity does not affect the amount of eligible costs as deductions.

Revenue from other activities of the grant recipient does not affect the amount of the grant.

Without the express written approval of the Ministry for Foreign Affairs, the grant-financed activities of the government grant recipient may not generate revenue that is covered by the European Union’s State Aid rules.

3.4. Terms concerning the financing of the supported activity or project

These standard terms and conditions describe the general principles for the definition of the own contribution. The maximum amount of the government grant and the amount of the own contribution are specified in the government grant decision.

The accrual of the own contribution must be monitored, and any problems must be reported to the Ministry for Foreign Affairs. The finance provider and the country of origin must be indicated in the reporting on the own contribution.

The own contribution may not be covered by other Finnish finance received from the central government, a municipality or any other body governed by public law, or by other finance under public law received from another Finnish source by the government grant recipient or the recipient of redistributed funds.

Pursuant to section 6, subsection 3 of the Act on Discretionary Government Grants, government grants, together with other public financial support, may not exceed the maximum amount of government grant or other public financial support laid down in European Union or Finnish law. If the government grant recipient or the recipient of the redistributed funds receives other funding for the same project during the implementation, the Ministry for Foreign Affairs must be notified of this immediately.

Resources made available without payment (such as volunteer work) are not taken into account when defining the own payment. The special foundations form an exception to this.

The grant recipient implements a programme that only contains development cooperation

The requirement concerning the own contribution applies to those grant decisions where the grant has been awarded to be implemented exclusively in a development cooperation programme. The amount of the government grant is a maximum of 90 per cent of the eligible costs of the grant-financed activity. The own contribution may be accrued in Finland and abroad (destination countries and other countries). Evidence of the finance provider and the country of origin must be provided as separately instructed by the Ministry for Foreign Affairs.

The grant recipient implements a programme where the main focus is to promote the rights of persons with disabilities

The requirement concerning the own contribution applies to those grant decisions where the grant has been awarded to be implemented in a development cooperation programme where the main focus is to promote the rights of persons with disabilities, or the programmes include projects where the main objective is to promote the rights of persons with disabilities. The amount of the government grant is a maximum of 95 per cent of the eligible costs of the grant-financed activity or project.

The grant recipient implements a programme that contains both development cooperation and humanitarian assistance

The requirement concerning the own contribution applies to those grant decisions where the grant has been awarded to be used for both development cooperation and humanitarian assistance. In these programmes, the use of the grant must be organised so that the component of development cooperation and the component of humanitarian assistance can be monitored reliably and reported on.

As regards the share of development cooperation, the maximum amount of discretionary government grants is 90% of the eligible costs of the activities to be supported. The own contribution may be accrued in Finland and abroad (destination countries and other countries). Evidence of the finance provider and the country of origin must be provided as separately instructed by the Ministry for Foreign Affairs. The grant awarded for humanitarian

assistance may be used to cover the eligible costs in full.

The grant recipient is a special foundation (Abilis Foundation, KIOS Foundation or Siemenpuu Foundation)

The requirement concerning the own contribution applies to those grant decisions where the grant has been awarded to be used by a special foundation. In the government grant decision, the grant is awarded to be used in the recipient's own activity and for making it available to recipients of redistributed funds. The amount of the government grant is a maximum of 95 per cent of project financing. Project financing consists of the project costs of both the grant recipient and the recipients of redistributed funds. The government grant recipient may collect own contribution from the recipients of funds from a redistributed government grants in the target countries.

Resources made available without payment (donations of goods and services and volunteer work) may be taken fully into account in defining the monetary value of the own contribution (see clause 3.5.)

The grant recipient is Finnish Development NGOs Fingo

The amount of the government grant is a maximum of 95 per cent of the eligible costs of the grant-financed activity.

3.5. Terms and conditions applying to resources made available without payment

'Resource made available without payment' refers to a resource received by the government grant recipient that is allocated to the grant-financed activity or project and for which the government grant recipient does not need to pay. A resource made available without payment may be, for example, volunteer work allocated to the government grant recipient's activity or project by a third party. It may also mean the government grant recipient's free access to equipment or premises.

The value of voluntary work is determined on the basis of the amount of reasonable gross wages or salary paid for similar work in the country where the voluntary work is done. The value of donations of goods and services is calculated on the basis of their fair value. The fair value is the price received for the goods or services if they were sold at their normal market price. The criteria for estimating the value must be documented and presented in project reporting. In the case of very large donations or special items, the value estimation must be based on an expert opinion. If necessary, the estimation provided by the expert must be made available.

Resources made available without payment may be included in different programmes, but

they are only taken into account as a factor affecting the own contribution for the special foundations.

3.6. Terms concerning the financial situation of the government grant recipient

No such terms and conditions have been defined.

4. Specific obligations of the government grant recipient

4.1. Obligation of the government grant recipient to provide information

Provisions on the government grant recipient's obligation to provide information and notification obligation are laid down in section 14 of the Act on Discretionary Government Grants. The obligations are important for monitoring the use of the government grant, for example.

A government grant recipient must provide the government grant authority with correct and sufficient information for monitoring that the terms and conditions of the government grant decision are observed (section 14, subsection 1 of the Act on Discretionary Government Grants).

A government grant recipient must notify the Ministry for Foreign Affairs without delay of any changes affecting the use of the government grant in accordance with its purpose and any other change affecting its use (section 14, subsection 2 of the Act on Discretionary Government Grants). This notification obligation applies at least to all of the cases listed in clause 2.6 of these terms and conditions, which must be notified to the Ministry for Foreign Affairs.

The government grant recipient must immediately notify the Ministry in, for example, the following cases:
1. if misuse or suspected misuse referred to in these standard terms and conditions takes place in the grant-financed activity. Failure to report misuse may potentially be a criminal offence under the Criminal Code (39/1889). Even if misuse is merely suspected, it must be reported immediately to the Ministry for Foreign Affairs. The provision of information to the Ministry for Foreign Affairs is without prejudice to the right or obligation of the Ministry to recover the paid government grant in full or in part from the government grant recipient under the Act on Discretionary Government Grants (688/2001);
2. if the contact persons of the government grant recipient change. The government grant recipient must keep the party awarding the government grant informed of changes concerning the recipient's contact persons;
3. if the amount of other private or public financing received by the government grant recipient for the grant-financed activity implemented by the grant in question increases;

4. if the grant-financed activity is suspended;
5. if there is an essential change in the financial standing of the government grant recipient or the recipient of redistributed funds;
6. if the grant recipient has been awarded a component of the grant to be also used for humanitarian assistance and the grant recipient loses its so-called ECHO status during the period of use of the grant.

In addition to the above-mentioned notifications to be submitted without delay, the grant recipient must report any other changes, such as changes in the approved budget exceeding 10 per cent, in the annual report.

4.2. Obligation to reimburse the government grant

Provisions on repayment of a discretionary government grant are laid down in section 20 of the Act on Discretionary Government Grants. Pursuant to section 20, subsection 1 of the Act on Discretionary Government Grants, a government grant recipient must without delay pay back, in full or in part, any government grant it has received through error, in excess or clearly without justification. A government grant recipient must also pay back, in full or in part, a grant that cannot be used as specified in the government grant decision.

If the repayable sum does not exceed EUR 100, it is not necessary to pay it back. A government grant recipient must pay an annual interest in accordance with section 3, subsection 2 of the Interest Act (633/1982) plus 3 percentage points on the amount to be paid back. Pursuant to section 25 of the Act on Discretionary Government Grants, if the sum to be paid back is not paid by the due date set by the government grant authority, an annual interest for late payment is payable on the sum in accordance with the interest rate referred to in section 4, subsection 1 of the Interest Act.

The Ministry for Foreign Affairs may decide that a part of the sum to be paid back and any interest or interest for late payment on it will not be recovered if repayment in full would be unreasonable. The Ministry for Foreign Affairs may decide on very serious grounds that the sum and the interest on it are not collected at all. When making a decision on adjustment, it is considered whether repayment in full would be unreasonable, taking into consideration the financial standing and circumstances of the government grant recipient or the type of the assets purchased using the discretionary government grant or the procedure on which repayment is based or because of a change in circumstances. The starting point for adjustment is the unreasonable severity and unfairness of the payment obligations under the prevailing individual circumstances. The payment obligation is relieved only partially, to the extent that it is unreasonable. As adjustment is essentially a deviation from the obligations under the Act on Discretionary Government Grants, permitted by the Ministry for Foreign Affairs at its discretion, the threshold for eliminating the payment obligation in full is

extremely high. The Ministry for Foreign Affairs provides separate instructions on submitting an application for adjustment.

4.3. Obligation to provide details of the use of a government grant

The government grant recipient must report on the use of the government grant. The obligation to provide evidence and report means providing evidence and reporting on the content and progress of and results achieved and costs incurred in the grant-financed activity. The grant recipient must report on the use of the government grant even with regard to any grant funds having been made available to a recipient of redistributed funds where permitted by the government grant decision.

In addition to annual reporting, the Ministry for Foreign Affairs may also request other evidence from the grant recipient regarded as necessary by the Ministry. The Ministry for Foreign Affairs provides more detailed guidance on reporting.

Reporting delays or failure to report may lead to the suspension and recovery of payments and the denial of any additional grants.

Annual discussions and annual plan

The Ministry for Foreign Affairs and the grant recipient will schedule an annual discussion for each year. The grant recipient must submit to the Ministry for Foreign affairs a plan for the use of the government grant during the following year no later than two weeks before the annual discussion.

The annual plan must contain a concise description of the key activities for the year in question and related performance targets, any changes concerning the operating environment, key risk management measures, and any measures concerning evaluation. The plan must provide a concise description of any changes to the results matrix.

The annual plan must also contain:
1. the annual budget of the programme, broken down appropriately and containing at least a country-specific breakdown;
2. a list of the role titles of the personnel of the grant-financed activity, including the working time allocated for the programme, durations of contractual employment relationships, and the basis and amounts of remuneration;
3. the updated risk matrix;
4. the updated results matrix, if any changes have been made and, as regards any humanitarian assistance, the country-specific results matrices and budgets.

The government grant recipient must also submit as part of the annual plan the grant

recipient’s budget and action plan for the following year.

Annual report

The government grant recipient must submit to the Ministry for Foreign Affairs an annual report, including appendices, on the grant-financed activity, its implementation and use of funds in the previous year by the end of August of the following year.

In the financial report included in the annual report, the grant recipient must compare the approved annual plan (incl. budget) with the status in a manner that the plan and its status can be clearly derived from each other. Any approved changes to the plan concerning the use of the grant must be included in the annual report. Any other changes and deviations from plans must be justified.

The auditor’s report of the programme in accordance with the separate instructions of the Ministry as well as the appendices required by the Ministry in its reporting instructions must also be appended to the annual report.

The grant recipient must also submit as part of the annual report the following documents concerning the grant recipient: the most recent adopted report on operations, the financial statements signed by the executive committee or board (profit and loss account, balance sheet, cash flow statement, if any, and notes to the financial statements) as well as the auditors’ report / performance audit report and amendments to the rules of the association, if any.

The government grant recipient must provide information on its programme and publish the results section of the annual report or corresponding results data and any other relevant information concerning the implementation of the programme.

Submission of information for DAC statistics

For the purpose of OECD/DAC statistics, the grant recipient must submit information on commitments and disbursements broken down in accordance with DAC codes by the end of April each year. The Ministry for Foreign Affairs provides separate guidance on the submission of the information.

4.4. Evaluating the impacts of the supported activity or project

The government grant recipient must include a monitoring, evaluation and learning plan in its programme. The government grant recipient must ensure that its monitoring systems also produce programme- and country-specific data on results that relate to the sustainable development goals and objectives of Finland’s development policy. This data must be available to the Ministry for Foreign Affairs where necessary.

The government grant recipient must include in the programme one programme-level evaluation conducted by an external expert specialised in evaluation during the period of use of the grant. The evaluation process must be open and participatory.

It is recommended that the evaluations comply with the evaluation principles adopted by the OECD Development Assistance Committee (DAC) and the DAC evaluation criteria updated in 2019 (relevance, coherence, effectiveness, efficiency, impact and sustainability). As appropriate, the Evaluation Manual of the Ministry for Foreign Affairs is used in evaluations. The grant recipient must submit the evaluation report to the Ministry for Foreign Affairs as part of the annual report in the year following its completion. The grant recipient must present as part of its annual report the measures taken and conclusions made based on the recommendations of the evaluation.

The grant-financed activity may also include other appropriate evaluations. The grant recipient must, in conjunction with the annual report, submit the key reports on any evaluations relating to the programme it has conducted or commissioned during the reporting year. The grant recipient must present in its annual report the conclusions made and measures taken on the basis of the recommendations of these evaluations.

Evaluation data must be utilised in programme direction and guidance and in the common learning of the actors. Evaluations must also verify what has been achieved with the grant used. Evaluation reports are public, and key reports must be submitted to the Ministry for Foreign Affairs, which may, at its discretion, publish them on its website. On reasonable grounds, the Ministry for Foreign Affairs may also request other evidence it deems necessary from the government grant recipient. The Ministry also has the right to evaluate programmes.

4.5. Using the outcomes

The government grant recipient must ensure that the intellectual property rights of the results achieved in the grant-financed activity belong to the government grant recipient or the party using the government grant by virtue of law or separate agreement.

The results of the grant-financed activity must be public, generally accessible and available for use for non-profit purposes. This may refer to, for example, the general usability of photos and learning materials. The government grant recipient must publish the results of the activity in the format defined by the Ministry for Foreign Affairs.

The government grant recipient must provide information about the grant-financed activity to local and domestic audiences. The provision of information about the activity refers to all different communication methods that the government grant recipient uses to inform local and domestic audiences of the programme package.

As part of the implementation of the programme, including annual plans and annual reporting, the grant recipient must define the objectives of the communication included in the programme as well as the key measures and indicators used to monitor progress towards the objectives. Communication must focus on the results and challenges of programme work, and on the operating environments and development challenges of development cooperation to which the grant recipient wishes to respond through its work. The design and implementation of communication by the grant recipient must include a multi-channel approach and also set itself the objective of reaching new target groups.

The government grant recipient must ensure that its own website and any other communication channels of its own provide up-to-date information about the programme package implemented by the grant recipient. Communication about the government grant recipient itself cannot be covered with the government grant.

All communication must mention that financing has been received from the Ministry for Foreign Affairs for the activity. The instructions and logo are available on the website of the Ministry for Foreign Affairs. If the programme includes advocacy carried out in Finland, this must also be closely related to achieving the programme objectives.

4.6. Other terms concerning the specific obligations of a government grant recipient

Compliance with legislation and standards

In its projects and activities, the government grant recipient must comply with Finnish legislation, internationally approved environmental and social responsibility standards, local legislation and international commitments applicable to the grant-financed activity. These include obligations related to terms of employment and working conditions, in which international labour rights and occupational safety standards (ILO) must be observed and local legislation on work and labour must be taken into account. In addition, with regard to collaborating partners, it must be ensured that they also act in accordance with the regulation concerning their organisational form in each country of operation. For example, in addition to company law, the tax responsibility principles set for Finland's development cooperation funding and international standards, corporate partners must be required to follow principles related to good governance, tax responsibility, transparency and anti-corruption activities.

Accessibility of digital services

When using the grant, the government grant recipient must ascertain whether it falls within the scope of application of the Act on the Provision of Digital Services (306/2019, Digital Services Act). Pursuant to section 1 of the Digital Services Act, the purpose of the Act is to promote the availability, quality and data security of digital services and the accessibility of their content and in so doing improve everyone’s equal access to digital services.

The Digital Services Act applies, among others, to the bodies governed by public law defined in section 2 of the Act. Furthermore, pursuant to section 3, subsection 3 of the Digital Services Act, the Act applies to the digital services of a company, a foundation, an association or another organisation when the authority referred to in the Act participates in financing the development and use of these services and covers at least half of their development or annual maintenance costs. In the Act, an authority refers, for example, to central government authorities and other parties to the extent that they are taking care of public administration duties.

The Digital Services Act lays down provisions on matters including the accessibility requirements of digital services. The Act not only applies to the government grant recipient's actual website, but also to any themed or campaign sites that may be located at different addresses. The government grant recipient is obliged to comply with the provisions of the Digital Services Act when providing a digital service financed with this government grant.

Environmental and climate protection

In their activities, the government grant recipient and the recipient of redistributed funds aim to mitigate climate change, promote adaptation to climate change and protect the environment and biodiversity.

The government grant recipient and the recipient of redistributed funds must have methods for assessing climate and environmental impacts and for minimising adverse impacts in all their activities, including impacts potentially occurring in their supply chain.

The government grant recipient or the recipient of redistributed funds must monitor and assess the environmental and climate impacts of its activities and strive continuously to improve the environmental friendliness of its activities, to reduce the use of materials and the generation of waste and to set requirements related to environmental friendliness and carbon footprint reduction in its activities.

Zero tolerance towards sexual exploitation, abuse and harassment, discrimination and abuse of authority

The government grant recipient and the recipient of redistributed funds must apply a zero tolerance policy regarding sexual exploitation, abuse and harassment (SEAH), other harassment, discrimination and abuse of authority. This means that, in their activities, the government grant recipient and the recipient of redistributed funds must not approve of any forms of SEAH, other harassment, discrimination or abuse of authority by their employees or collaborating partners and that the government grant recipient and the recipient of redistributed funds may not ignore any such cases they become aware of, cover them up or handle them inappropriately. This zero tolerance policy also applies to all collaborating partners of the government grant recipient and of the recipient of redistributed funds, such as

service providers in procurement.

If the government grant recipient or the recipient of redistributed funds notices or suspects that this zero tolerance policy has not been adhered to, this must be reported immediately to the Ministry for Foreign Affairs as specified in these standard terms and conditions. The government grant recipient must also respond to suspected misuse and misconduct with appropriate measures. Suspected misuse and misconduct can also be reported to the Ministry for Foreign Affairs by collaborating partners and third parties through the online whistleblowing channel created for this purpose, in which case also anonymous reporting is possible.

Provisions on SEAH and other harassment are also laid down in chapter 20 of the Criminal Code (39/1889), section 7 of the Act on Equality between Women and Men (609/1986) and section 14 of the Non-discrimination Act (1325/2014). Sexual exploitation and abuse can refer to at least the actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions.

Examples of exploitation or sexual abuse: attempted rape, forcing someone to perform oral sex or touching, and rape. Sexual harassment can refer to at least unwelcome verbal, non-verbal or physical behaviour of a sexual nature that deliberately or de facto infringes a person’s psychological or physical integrity especially by creating an intimidating, hostile, degrading, humiliating or distressing environment. Examples of sexual harassment: gestures and other non-verbal communication with sexual undertones, comments of sexual nature about the individual, the individual’s body, conduct, sex life or gender identity, pornographic material, sexually suggestive letters, emails, text messages or phone calls. Harassment can refer to at least behaviour that deliberately or de facto infringes a person’s human dignity if the infringing behaviour is related to the person’s age, origin, nationality, language, religion, belief, opinion, political activity, trade union activity, family relationships, state of health, disability, sexual orientation or other personal characteristics and the behaviour creates, due to the above-mentioned reason, an environment that is degrading, humiliating, intimidating, hostile or offensive towards the person in question.

Abuse of authority can refer to at least the improper use of a position of influence, power or authority against another person. This is particularly serious when a person uses their influence, power or authority to improperly influence the career or employment conditions of another, including, but not limited to, appointment to a position, assignment of duties, contract renewal, performance evaluation or promotion. Abuse of authority may also include conduct that creates a hostile or offensive work environment which includes, but is not limited to, the use of intimidation, threats, blackmail or coercion. Discrimination and harassment, including sexual harassment, are particularly serious when accompanied by abuse of authority.

Regarding the prevention of SEAH, discrimination and abuse of power, as well as related

measures, the government grant recipient and the recipients of redistributed funds are required to:
- understand the policies, principles and standards of the prevention of sexual exploitation, abuse and harassment (PSEAH);
- have in place SEAH prevention mechanisms;
- have in place a risk management process that includes SEAH;
- have in place a SEAH reporting and follow-up mechanism/procedure;
- make reasonable efforts so that complaint mechanisms are known by the population being assisted. All complaints are expected to be handled by staff other than those who manage programmes and are in contact with communities;
- report any allegations of SEAH to the Ministry for Foreign Affairs of Finland.

Respect for human rights

The government grant recipient and the recipient of redistributed funds must respect human rights and also take into account international commitments concerning human rights in the grant-financed activity.

The government grant recipient and the recipient of redistributed funds must ensure that they do not contribute, directly or indirectly, to adverse human rights impacts. An adverse human rights impact eliminates or impairs individuals' and communities' opportunity to exercise their human rights. The government grant recipient and the recipient of redistributed funds must require respect for human rights also from their other collaborating partners, if any. The government grant recipient and the recipient of redistributed funds must have methods for detecting and addressing adverse human rights impacts in all their activities, including procurements made by them and other activities with collaborating partners, if any.

In addition, the government grant recipient and the recipients of redistributed funds must ensure that there are whistleblower protection channels, as required in clause 1.8, and sufficient anti-corruption measures.

Prohibition of discrimination

Discrimination on the basis of race, colour, gender, marital status, pregnancy, religion, social or ethnic origin, nationality, physical ability, age, political opinion, union membership or sexual orientation as well as all other discrimination may not take place.

'Discrimination' refers to any distinction, exclusion or preference, which is not based on the merits or qualities of a particular job, but involves differential treatment based upon biased grounds.

The government grant recipient and the recipient of redistributed funds must support diversity in employment and equal opportunities of the employees. Where necessary, the

groups under systematic discrimination must be supported with positive action.

Harassment of the employees is prohibited. ‘Harassment’ refers to instances when employees are subject to harsh or inhuman treatment, including any sexual harassment or sexual abuse described above, corporal punishment, mental or physical coercion or verbal abuse of workers; and the threat of any such treatment.

Non-discrimination and equality

In their activities, the government grant recipient and the recipient of redistributed funds must promote gender equality and non-discrimination. The government grant recipient must fulfil the employer obligations laid down in the Act on Equality between Women and Men (609/1986) and the Non-discrimination Act (1325/2014).

The government grant recipient and the recipient of redistributed funds must comply with international human rights standards concerning gender equality and non-discrimination and the more detailed non-discrimination and equality guidelines issued by the Ministry for Foreign Affairs.

Prohibition of child labour

The employment of children (child labour) is prohibited, with the exceptions justified in ILO Convention No 138. A child may not perform any work that is likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or development.

For the purposes of these terms and conditions, ‘child’ refers to all persons who are:
- under the age of 15, or younger than the minimum age of employment laid down in national legislation if this age exceeds 15 years; and
- younger than the age of completion of compulsory basic education. Children under the age of 18 may work only in tasks which, by their nature or the circumstances in which these tasks are carried out, are not likely to jeopardise the health, safety or morals of the child.

Children under the age of 18 may not work night shifts or overtime. If child labour is detected, the government grant recipient or the recipient of redistributed funds must act based upon the best interests of the child and find suitable solutions in consultation with the employer, the child and the family of the child, and with other necessary persons.

Prohibition of forced labour

Forced labour is prohibited. ‘Forced labour’ refers to all work or services exacted from any person under the threat of a penalty and for which that person has not offered themself voluntarily.

In addition to forced labour, also slave labour, bonded labour and involuntary prison labour are prohibited.

All labour must be voluntary, and the employee must always have the right to terminate their employment following a reasonable period of notice. There must always be a written employment agreement in a language that the employee understands. Employers and recruitment agencies may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passports or work permits. If temporary holdings are required by law, the documents must be returned to the employees as soon as possible, without any delay.

Workers may not be required to pay any fees for their employment or recruitment. If such fees are found to have been paid by workers, the fees must be repaid to the worker. The employer must ensure that the employees have not been made to pay any recruitment fees or any other related fees even to recruitment agencies or other parties.

Freedom of association

The government grant recipient and the recipient of redistributed funds respect the right and freedom of all workers to form and join trade unions and collective bargaining. ‘Freedom of association and collective bargaining’ refers to formalised and/or non-formalised forms of cooperation in order to support and defend collectively employees’ interests at the workplace and in the relationship between employers and employees. The employer must inform the employees of this right. In countries where freedom of association is restricted, the employer must have in use and support actions aiming to enable instances where employees may meet management in order to discuss wage and labour conditions without the risk of negative sanctions.

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5. Monitoring the use of a government grant, suspending the payments, and recovery

5.1. Monitoring and supervisory practices

The production of monitoring and supervision information is based on the information produced by the government grant recipient, referred to in clause 4.3, and other practices as instructed by the Ministry for Foreign Affairs. However, in addition, the Ministry for Foreign Affairs has the right to receive and obtain grant use and monitoring information and other information as well as to carry out audits, as necessary.

If the terms, conditions and instructions issued for the reporting and use of the government grant by the Ministry for Foreign Affairs are not complied with, the Ministry may set a deadline for compliance, suspend the payment of the grant and issue a decision to recover the paid

grant.

The government grant recipient has an obligation to assist the Ministry for Foreign Affairs in carrying out the monitoring and supervision of the recipient of redistributed funds, such as destination country monitoring or other verification measures. The Ministry for Foreign Affairs may participate in the steering group, if any, of the grant-financed activity to support monitoring and supervision but the Ministry cannot have a role with decision-making or steering power in the steering group.

5.2. Audit rights

Provisions on the right of the government grant authority to audit are laid down in section 16 of the Act on Discretionary Government Grants. The Ministry for Foreign Affairs has the right to audit the government grant recipient's finances and activities as required by the payment of the government grant and the monitoring of its use.

If a government grant has been awarded under section 7, subsection 3 of the Act for a project or activity of a party other than the government grant recipient but in accordance with the purpose specified in the government grant decision, the Ministry for Foreign Affairs also has the right to audit the finances and activities, as specified in the government grant decision, of the recipient of redistributed funds.

The government grant recipient has an obligation to assist the Ministry for Foreign Affairs also to carry out other audit measures concerning the recipient of redistributed funds. The Ministry for Foreign Affairs may issue a decision authorising another authority or an external auditor to carry out the above-mentioned audits. External experts may assist in audits at the request of the government grant authority. Separate provisions are issued on the audit rights of the National Audit Office of Finland and the Audit Committee of the Finnish Parliament. Provisions on auditing are laid down in section 17 of the Act on Discretionary Government Grants (see also 5.3.).

5.3. Obligation of the government grant recipient to assist in the audit

Pursuant to section 17, subsection 1 of the Act on Discretionary Government Grants, the government grant recipient and the recipient of redistributed funds must provide the auditing authority or another person carrying out the audit with all information and reports, documents, records and other material necessary for performing the audit and otherwise provide assistance with the audit free of charge.

The auditing authority or another person carrying out the audit is entitled to take possession of the material subject to audit if auditing so requires. The material will be returned without delay after they are no longer needed for the audit.

The auditing authority or another person carrying out the audit is entitled to have access, to the extent warranted by the audit, to the business, storage and other such premises used in the practice of a profession or in business and other areas in the possession or use of the government grant recipient, the conditions of which have a bearing on the awarding of a discretionary government grant and the monitoring of its use. The government grant recipient has an obligation to assist the party awarding the government grant also in carrying out an audit targeted at the recipient of redistributed funds.

5.4. Suspending the payment of a government grant

Provisions on the suspension of payment are laid down in section 19 of the Act on Discretionary Government Grants. The Ministry for Foreign Affairs may decide to suspend the payment of the government grant for the duration of inspecting the matter if:
1. there are reasonable grounds to suspect that the government grant recipient is not complying with the provisions laid down in section 12, subsection 4, or sections 13 or 14, of the Act on Discretionary Government Grants;
2. the grounds on which the discretionary government grant was awarded have essentially changed; or
3. suspension of payment is required by European Community law.

The suspension of payment is targeted at the part of payment that is being inspected. The payment of the government grant may be temporarily suspended when, for example, there are reasonable grounds to suspect that the information provided for payment is not correct and sufficient or that there has been a change influencing the use of the government grant, such as a change in the financial standing of the government grant recipient, with no notification made of this change. The decision to suspend the payment may also be made when the grounds on which the government grant was awarded have essentially changed. This may mean that there have been essential changes in the bases on which the government grant was awarded or on which it is used, and it is necessary to determine how the changes influence the opportunities to use the government grant in the manner referred to in legislation, the budget and the government grant decision.

The suspension of payment is a temporary preventive measure, with which the payment of the awarded government grant may be suspended for the duration of the closer inspection of the matter. After the inspection, the Ministry for Foreign Affairs issues a decision to continue the payment or to discontinue the payment and recover the government grant. Pursuant to section 34 of the Act on Discretionary Government Grants, the government grant recipient has the right to request for a review of the payment suspension decision by submitting a request for administrative review, but the authority is allowed to suspend the payment for the duration of the processing of the request.

5.5. Interest payments and recovery of a government grant

Provisions on the recovery of the government grant are laid down in sections 21 and 22 of the Act on Discretionary Government Grants. Provisions on the recovery of investment grants are laid down in section 23 of the Act on Discretionary Government Grants. The repayment of a government grant on the government grant recipient's initiative is described in clause 4.2.

Pursuant to section 21 of the Act on Discretionary Government Grants, the Ministry for Foreign Affairs has an obligation to issue a decision to discontinue the payment of a discretionary government grant and to recover a grant already paid if the government grant recipient has:
1. failed to pay back a government grant which under section 20 of the Act on Discretionary Government Grants must be paid back in full or in part;
2. used the government grant for a purpose essentially different from that for which it was awarded;
3. provided the Ministry for Foreign Affairs with false or misleading information on a matter that was conducive to influencing the awarding, amount or terms of the government grant, or concealed such matter; or
4. in a manner comparable to paragraphs 1–3 above, otherwise essentially violated the provisions concerning the use of government grants or the conditions of the government grant decision.

Pursuant to section 22 of the Act on Discretionary Government Grants, the Ministry for Foreign Affairs may issue a decision to discontinue the payment of a discretionary government grant and to recover in part or in full a grant already paid, if:
1. the government grant recipient has violated section 12, subsection 4, or sections 13 or 14 of the Act on Discretionary Government Grants;
2. the government grant recipient has refused to provide the data referred to in section 17, subsection 1 of the Act on Discretionary Government Grants, or to provide the assistance referred to in the said subsection with an audit;
3. the government grant recipient has discontinued the grant-financed activities, reduced them substantially or assigned them to another party;
4. the government grant recipient has, in violation of section 13 of the Act on Discretionary Government Grants, assigned to another party the ownership or possession of the property purchased with the government grant;
5. in violation of section 13 of the Act on Discretionary Government Grants, permanently altered the purpose of a grant-financed property;
6. the government grant recipient has been subject to debt enforcement proceedings, or placed into liquidation or bankruptcy, or made subject to restructuring proceedings referred to in the Restructuring of Enterprises Act (47/1993) or debt adjustment referred to in the Act on Adjustment of the Debts of a Private Individual (57/1993), unless the purpose of the government grant requires otherwise; or
7. the government grant recipient in practical terms takes action that is comparable to what is specified in 1–6 above by giving a subject related to the awarding, payment or use of the government grant a legal form that is not compatible with its true nature or purpose.

If the government grant recipient or its representative defined in the Criminal Code has been sentenced by final judgment for the use of unauthorised foreign labour or for the employer's violation of the Aliens Act, or a financial sanction referred to in the Employment Contracts Act has been imposed on the government grant recipient with a final decision, the government grant authority may continue the payment of the grant and leave the grant already paid unrecovered in full or in part only on very serious grounds.

If the property for which the government grant was awarded has been destroyed or damaged during the period of use specified in the government grant decision and no new, corresponding property will be purchased to replace the destroyed or damaged property, the Ministry for Foreign Affairs may issue a decision to discontinue the payment of the grant and order that a sum that corresponds to the share of the grant in relation to the original acquisition cost of the property be recovered from any insurance or other compensation.

The Ministry for Foreign Affairs may also issue a decision to discontinue the payment of a discretionary government grant and to recover a grant already paid if required by European Community law.

The Ministry for Foreign Affairs may decide that a part of the sum to be recovered and any interest or late payment interest on it will not be recovered if recovery in full would be unreasonable.

The Ministry for Foreign Affairs may decide on very serious grounds that the sum and the interest, if any, are not collected at all. When making a decision on adjustment, it is considered whether recovery in full would be unreasonable, taking into consideration the financial standing and circumstances of the government grant recipient or the type of the assets purchased using the discretionary government grant or the procedure on which repayment is based or because of a change in circumstances. The starting point for adjustment is the unreasonable severity and unfairness of the payment obligations under the prevailing individual circumstances. The payment obligation is relieved only partially, to the extent that it is unreasonable. As adjustment is essentially a deviation from the obligations under the Act on Discretionary Government Grants, permitted by the Ministry for Foreign Affairs at its discretion, the threshold for eliminating the payment obligation in full is extremely high. The Ministry for Foreign Affairs provides separate instructions on submitting an application for adjustment.

Pursuant to section 24 of the Act on Discretionary Government Grants, government grant recipients must pay an annual interest in accordance with section 3, subsection 2 of the Interest Act (633/1982) plus 3 percentage points on the amount to be paid back or recovered from the day the discretionary government grant was paid.

Pursuant to section 25 of the Act on Discretionary Government Grants, if the recovered sum is

not paid by the due date set by the government grant authority, an annual interest for late payment is payable on the sum in accordance with the interest rate referred to in section 4, subsection 1 of the Interest Act.

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