Finnpartnership

Finnish Business Partnership Programme – Support for Projects in Developing Countries

Business Opportunities in the Andien Region - seminar, Finpro

31 August 2010 Siv Ahlberg

Finnpartnership - background and objective

- Financed by the Ministry for Foreign Affairs and managed by Development Finance Institution Finnfund
- The objective is to promote business cooperation between companies in Finland and in developing countries in order to increase long-term business partnerships
- Offers support for developing country projects:
  - Business Partnership Support (de minimis)
  - Matchmaking service
  - Advice and guidance
- In close collaboration with businesses and other public stakeholders

Finnpartnership - backgroung and objective

In close collaboration with businesses and other public stakeholders

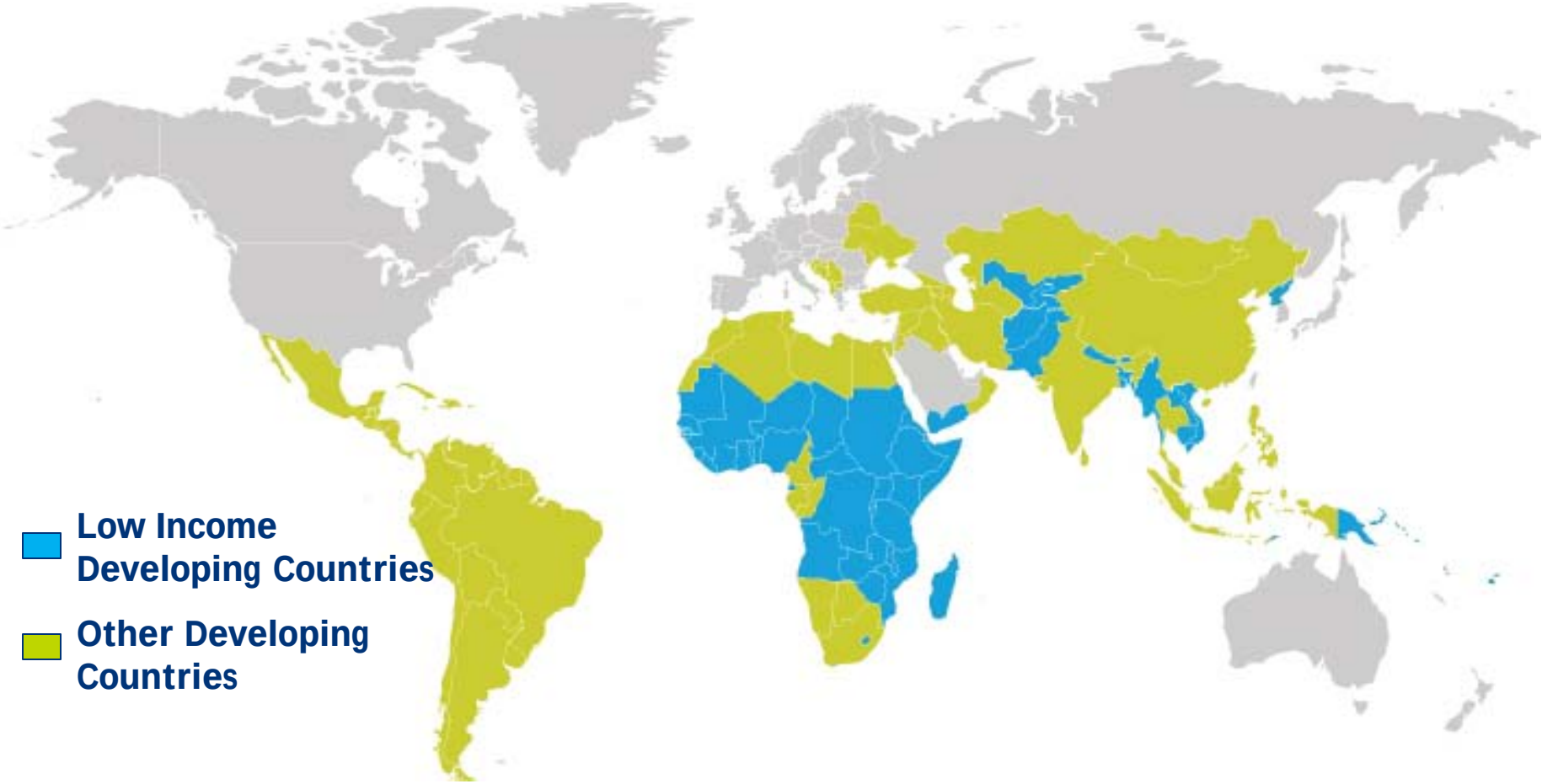
Consultants

Regional development agencies

Embassies

Sister organisations abroad

Finnpartnership - Area of Operation



http://www.finnpartnership.fi/developingcountries/

Finnpartnership - Services throughout a Project's Lifespan

Preparatory phase

Information collection on target country, actors and markets

Business Associate / Partner identification

(Pre)Feasibility Study

Implementation phase

Employee Training

Capacity Building

Matchmaking

Support Facility

Note! No financing for actual operations
(agreements, devices, HR, buildings, ...)

Business Partnership Support - eligible applicants and the evaluation of projects

- Eligible applicants are:
  - companies registered in Finland or elsewhere that have substantial links to Finland
  - research facilities, universities or similar organisations based in Finland
  - associations registered in Finland
- Projects should be economically sustainable and feasible
- Developmental effects of potential projects are emphasised in the evaluation of applications.
- Projects should comply with international social and environmental standards

Business Partnership Support - Amount of grant

- Companies can receive a maximum of € 200 000* of public (de minimis) aid over the current and the two previous fiscal years.

Applicant / Coverage Amount		
	Low Income Developing Countries	**Other Developing Countries**
SMEs and other small organisations	70 %	**50 %**
Other companies	50 %	**30 %**

- **Exceptions** in de minimis aid allocation: fisheries and aquaculture max. 30 000 €, primary production of agricultural products max. 7 500 €, transport sector max. 100 000 €. No support can be allocated for the coal industry.

Business Partnership Support - Types of Projects

- A grant type of seed capital for projects aiming at long-term business partnerships in developing countries:
  - establishing a joint venture or a subsidiary company in a developing country
  - other project including long-term partnerships and cooperation, such as long-term subcontracting-, maintenance-, franchise- or licensing contract
  - value-added importing from a developing country to Finland or to the EU
  - pilot projects related to Finnish environmental technology
- Grant can not be allocated to support exports from Finland to developing countries!

Business Partnership Support - Grant Coverage

- The grant covers a part of expenses incurred in the following preparatory phases:
  - Partner identification
  - Pre-feasibility and feasibility study
  - Business plan preparation
  - Social and Environmental Impact Assessment
  - Piloting Finnish environmental technology
- And in the following implementation phases:
  - Target country employee training
  - utilizing experts in developing a specific business area of a project

Business Partnership Support - Approved Expenses

- In different project phases, approved expenses for the applicant's own personnel and external experts include:
  - travel costs when travelling to the target country
  - accommodation and daily allowance costs while working in the target county
  - applicant's internal labor expenses while working in the target country
  - experts' fees regardless of the place where the work is being conducted
- Services obtained from external experts can be, for example, services related to:
  - target country information and market surveys
  - legal advice on target country laws and regulations

Business Partnership Support - Application Process

- Grant can be applied for any time of the year
- Application forms are available online
- Registration date is provided when application with required attachments is submitted to Finnpartnership

Application period	Grant decision day
1.1.-28.2.	30.4
1.3.-30.4.	30.6
1.5.-30.6.	31.8
1.7.-31.8.	31.10
1.9.-31.10.	31.12
1.11.-31.12.	28.2

- Cost occurred after the registration date can be covered by the grant (=project activities can be implemented with own risk)
- Application process takes approximately 2 - 4 months

Number of Business Partnership Support (BPS) applications

- Applications in years 2007-2009:
  - Received on average 106/year
  - Approved on average 75/year
  - Rejected on average 21/year

	2006*	2007	2008	2009
Received	43	107	93	118
Approved	22	79	68	77
Rejected	4	12	31	19
Cancelled	1	1	0	0

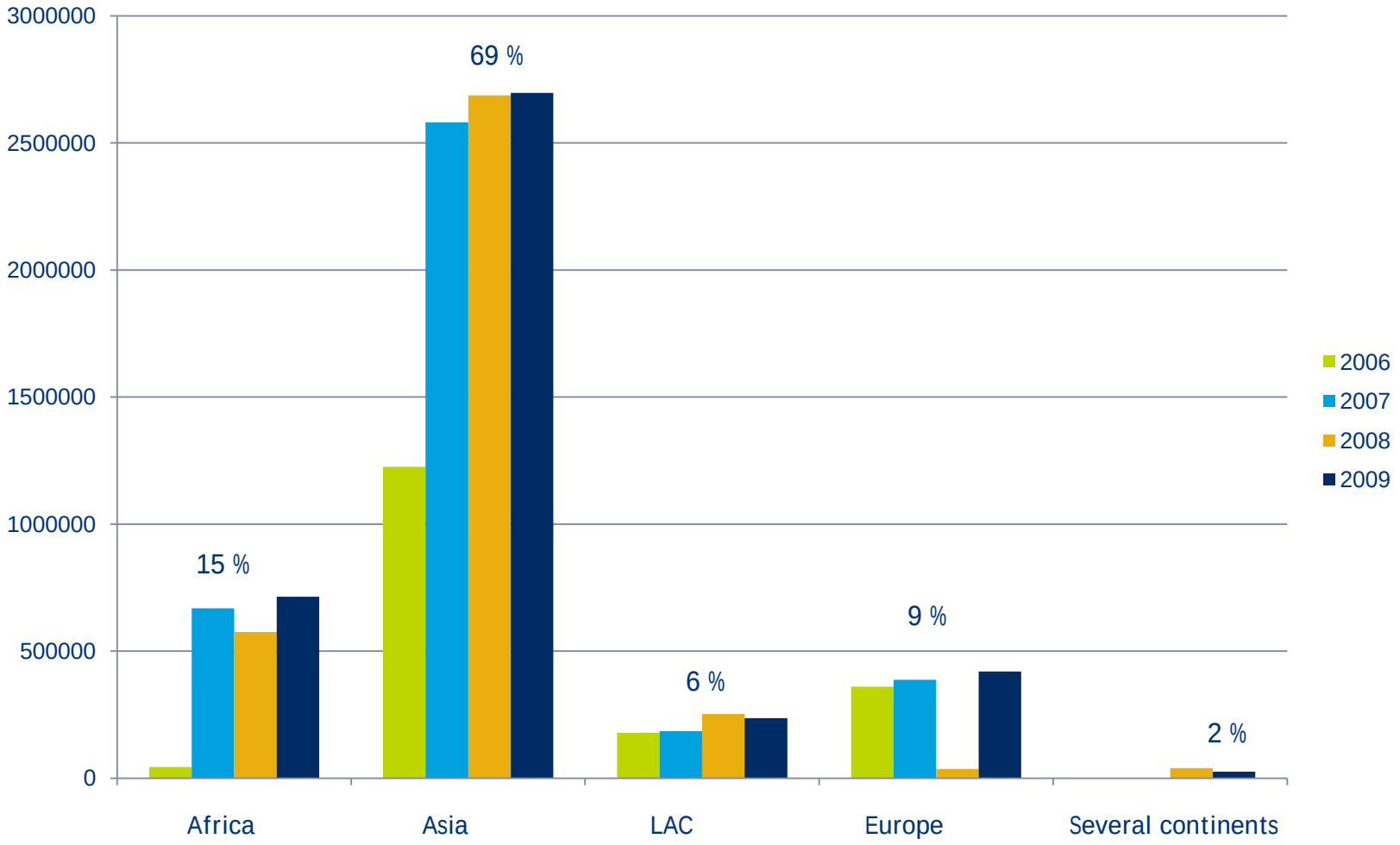
* Year 2006 was not a full operational year

Number of BPS applications, popular countries in 2006 - 2009

- Support has been allocated for projects in 61 different countries, of which most support has been allocated for projects (no. in brackets) in
  - China (39), India (33) and Vietnam (30).
- Other popular countries are: Bangladesh (14), Ukraine (13), Thailand (12), Peru (8) and South Africa (8).

- Andean region: 20 application; 15 approved (totalling >0,3 million euro, 4 rejected, 1 being processed. (2006 – 8/2010)

Approved BPS by continent in 2006 - 2009

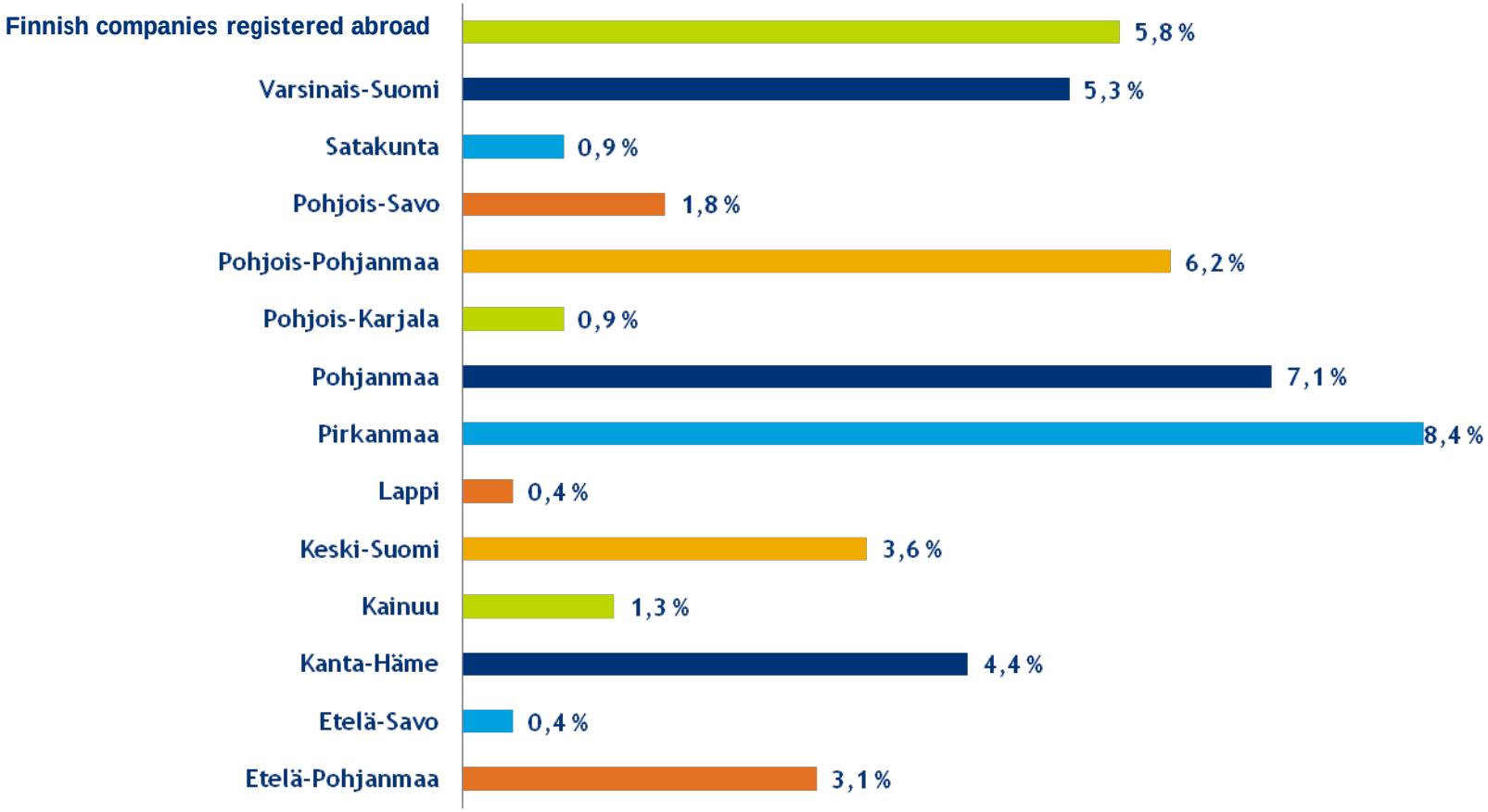


Number of BPS applications, popular sectors in 2006 - 2009

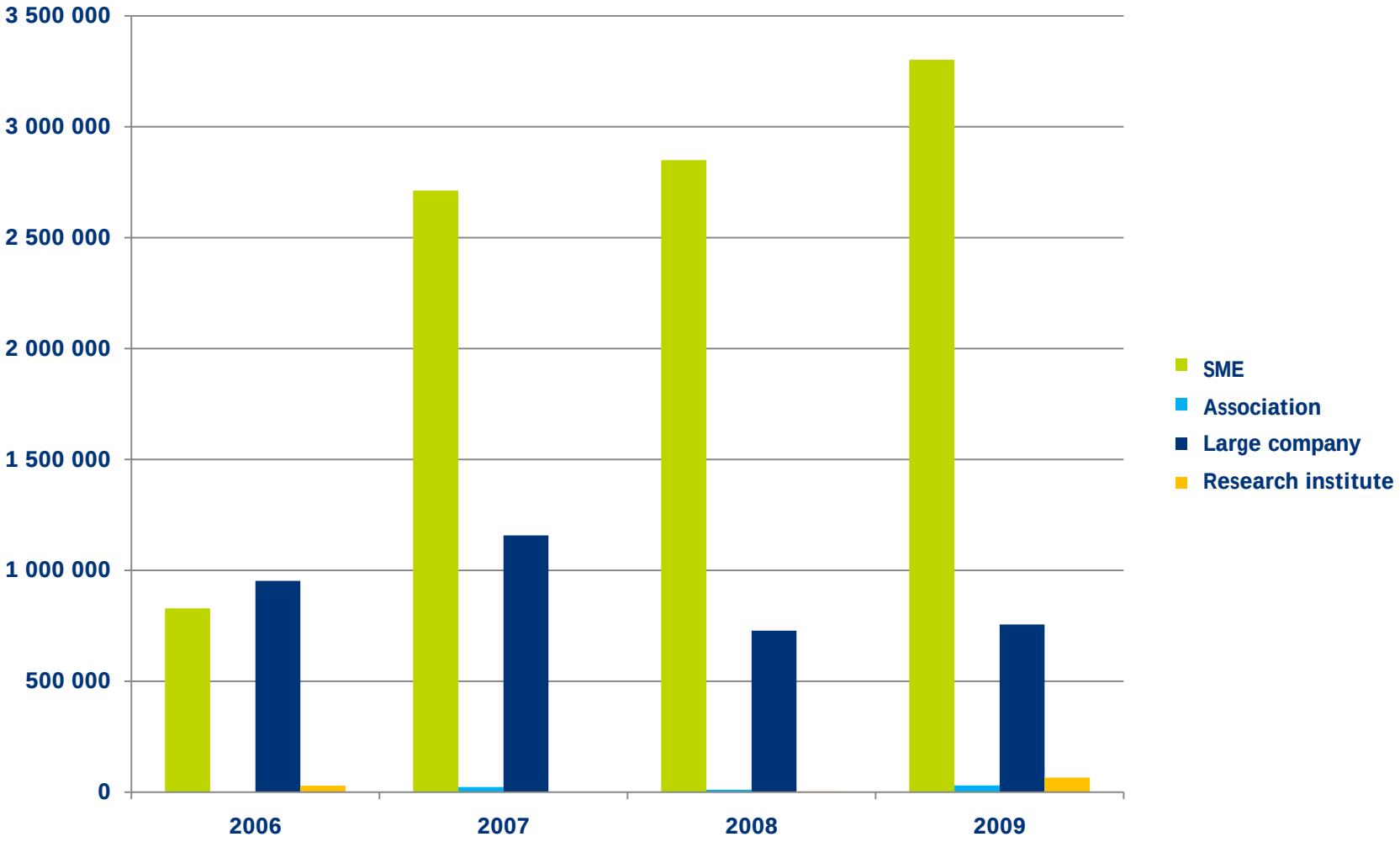
- **Support allocated mostly for:**
  - ICT (13 %)
  - Manufacturing, engineering and machinery (13 %)
  - Environment (10 %)
  - Energy (8 %)
  - Forestry, wood and paper (7 %)
  - Construction (6 %)
  - Metal and industry engineering (6 %)
- **Andean region (2006-8/2010):**
  - Agriculture (25 %), Textiles (20 %), Crafts, Fisheries, Services (10 %) and ICT, Electronics, Health, Environment, R&I (5 %)

Approved BPS / origin of applicant in 2006 - 2009

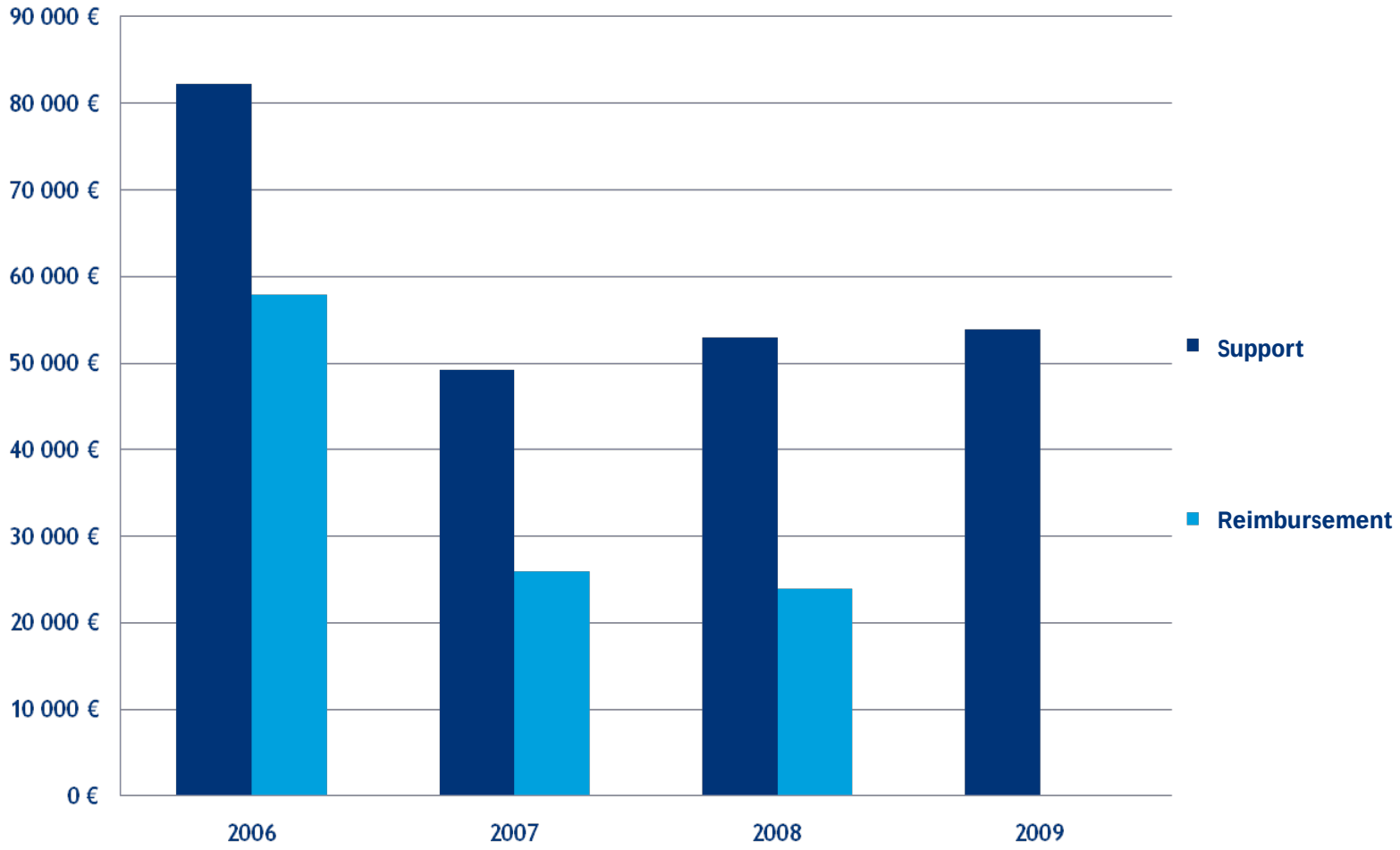
- Most BPS (50 %) has been allocated to companies that are registered in the Helsinki region (Uusimaa).



Support (€) by size/type of company in 2006 - 2009



Average of support reimbursements in 2006 - 2009



Identifying Business Partnerships – Matchmaking in short

- Finnpartnership channels business partnership initiatives and opportunities from companies in developing countries to Finnish companies and vice versa
- Business initiatives are published on matchmaking forum (www) where information on different business opportunities can be explored
- Partnership initiatives will be forwarded directly to interested eligible companies in Finland
- Focus sectors: ICT, environment, energy, agriculture
- Focus countries: VietNam, Zambia, South Africa, Peru
- Currently almost 300 companies are looking for partners in the service

Advice and guidance

- General advisory services in the planning phase of business projects
- Information on Finnish and international Development Finance Institutions and commercial banks operating in developing countries
- Country pages: Information for Finnish companies on actors and business environment of target developing countries
- Monthly newsletter: information on business opportunities and events related to business partnerships and business opportunities
- Consultant database: contacts of Finnish and international experts

Guidance and knowledge: Expert databases

- Asiantuntijahaku.fi -service is a free search service on experts and consultants
- In this service, experts can market their developing country knowledge and companies can find a suitable expert for their project
- Searches for experts can be done on the basis of e.g. industry, special knowledge, experience or geographical location
- Registering for the service requires Finnish internet banking access codes
- Experts/consultants that do not have Finnish access codes are listed in Finnpartnership's own database

Finnpartnership - Finnish Business Partnership Programme

- Grants the Business Partnership Support financed by the Ministry for Foreign Affairs
- Channels business partnership initiatives and opportunities from companies in developing countries to Finnish companies
- Provides wide-ranging advisory services for Finnish companies for their projects in developing countries

- Contact Finnpartnership when you are planning business activities in a developing country!

Organisation

Siv Ahlberg Programme Director

Laura Lind Programme Assistant

Pauliina Halonen Programme Analyst (Business Partnership Support)

Helena Kekki Programme Coordinator (Matchmaking)

Finnpartnership

c/o Finnfund, P.O. Box 391, 00121 Helsinki, Finland
tel. +358 9 3484 3314, fax +358 9 3484 3346
fp@finnpartnership.fi
matchmaking@finnpartnership.fi

www.finnpartnership.fi