
STANDARD TERMS
FOR THE PAYMENT OF FEES AND REIMBURSEMENT OF COSTS

Applicable to service providers providing services in the field of development co-operation

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Department for Development Policy

These are the Standard Terms for the payment of Fees and reimbursement of costs to projects/programmes scheduled for the duration of six months or longer in the field of development co-operation, e.g. bilateral and INGO projects/programmes. No other additional expenses may be reimbursed unless otherwise provided in the Contract.

1. DEFINITIONS

Accompanying Dependant	A Dependant who, during the assignment of an Expert/Adviser stays in the Partner Country for an uninterrupted period of at least six months.
Adviser/Expert	A person assigned by the Consultant as a professional expert to contribute to the implementation of the Project.
Assisting Personnel	Persons assigned by the Consultant to perform support Services, such as Project assistants, accountants, secretaries and drivers.
Consultant	The Service provider contracted by the Ministry.
Contract	The contract between the Ministry and the Consultant specifying the Services of the Consultant.
Country of Residence	The country of permanent residence of the personnel and the Dependants, not necessarily their country of origin.
Dependant	The Spouse or a Dependant Child of a member of the international Long-term Personnel.
Accompanying Dependant Child	A biological or adoptive child of a member of the international Long-term Personnel or his/her Spouse, or a child in their custody, who <ol style="list-style-type: none"> I. is under 18 years of age, or II. is over 18 years of age but is in their custody due to illness, defect or handicap or for any comparable reason. III. during the assignment of an Expert/Adviser stays in the Partner Country for an uninterrupted period of at least six months.
Duty Travel	Duty Travel means travel related to the execution of one's duties outside his/her permanent workplace in the Project. Any Duty Travel has to be approved by the Project's responsible management. Travel to the workplace from the person's residence and returning there is not Duty Travel.
Fee	The compensation to be paid to the Consultant in accordance with the Contract.
Home Office Coordination (HOC)	Backstopping, quality control and administrative support Services provided by the Consultant's headquarters.
International/Regional Expert	A long-term or short-term Expert who is recruited by the

	Consultant for an expatriate position
Junior Expert (JE)	A Junior Expert, who is recruited by the Consultant, is a member of the Project team, typically a recent Finnish or Partner Country graduate assigned to the Project as an Expert with a capacity building aim.
Local Expert	A long-term or short-term Expert who speaks a local language and is contracted by the Consultant in the Partner Country.
Long-term Personnel	Advisers or Experts who are recruited by the Consultant and whose assignment in the Partner Country exceeds six months.
Ministry	The Ministry for Foreign Affairs of Finland.
Partner Country	The country where the assignment is carried out.
Services	The activities to be performed and the related results and outputs to be delivered by the Consultant.
Short-term Personnel	Advisers or Experts who are recruited by the Consultant and whose uninterrupted assignment in the Partner Country does not exceed six months.
Accompanying Dependang Spouse	The husband, wife or registered partner or cohabitant of a member of the international Long-term Personnel, whoduring the assignment of an Expert/Adviser stays in the Partner Country for an uninterrupted period of at least six months
Technical Assistance (TA)	Expert Services assigned for a project/programme.
Travelling Regulations	The Finnish State´s Travelling Regulations in force.

2. FEE

The Fee shall be paid to the Consultant as a time-based Fee in accordance with a rate provided for in the Contract and on the basis of the work actually carried out and recorded.

No Fee shall be paid for periods of vacation, illness or other incapacity for work, or for parental leave. Home leave travel days of the personnel in accordance with paragraph 3 are considered to be included in periods of vacation. The time-based Fee is calculated on the basis of an approved timesheet attached to the invoices.

2.1. Long-term Personnel

The rate applied to a time-based Fee, as provided for in the Contract, is a monthly rate where one month is equal to 21 working days and one working year is equal to 10.5 months.

For the purpose of calculating the daily rate, the monthly Fee is divided by 21. For invoicing, the daily rate is multiplied with the number of actual and official working days in the Partner Country or elsewhere on duty travel according to approved workplan.

Exceptionally, due to a special reason, the long-term personnel may work during weekends. In such a case, no compensation for overtime will be made, but the personnel is entitled to hours/days off equal to the number of hours/days of overtime. Such an arrangement shall be agreed upon between Long-term Personnel and his/her Employer i.e. Consultant.

2.2. Short-term Personnel

The Fee provided for in the Contract is either:

- i) a monthly rate where one month is equal to 21 working days, or
- ii) a daily rate where one day is equal to 8 working hours.

The monthly rate is divided by 21 to get the daily rate.

For invoicing, the daily rate is multiplied with the number of actual and official working days in the Partner Country.

The Short-term Personnel may, however, as agreed in the Contract and in accordance with the applicable labour legislation, actually work and be paid for 6 working days per week regardless of the number of official working hours/days in the Partner Country. The total number of working days defined in the Contract may not be exceeded.

2.3. The Fee for International and Local Experts shall include, although not exclusively:

1. basic salary,
2. social security charges and other compulsory payments to be made by the employer,
3. overhead costs and profit of the Consultant,
4. liability and indemnity as well as travel, baggage and home insurances, - required physical examinations and vaccinations of the personnel, and
5. compulsory payments according to the legislation of the Partner Country.

2.4. Assisting personnel

No Fee shall be paid for Assisting Personnel. Only the payment of salary, including compulsory social security charges and other payments to be made by the employer, will be reimbursed. The labour legislation of the Partner Country will be applied. The relevant contractual relation is between the Consultant and the individually employed Assisting Personnel or in exceptional situations between the Consultant and the firm providing the Assisting Personnel. Such reimbursement will be made against invoices and on the basis of the amount of work actually carried out and recorded.

All costs and expenses related to the assignment of Assisting Personnel, with the exception of possible overhead costs, management fees or profit, are reimbursable unless otherwise specified in these Standard Terms. Assisting Personnel will be compensated for overtime.

2.5. Junior Expert

The management fee of 20%, calculated based on the gross salary, will be reimbursed. In addition to the base salary, compulsory social security charges and other payments to be made by the employer, will be reimbursed. All costs and expenses will be reimbursed as for the international long-term experts indicated in the Chapter 2 and 3.

2.6. Home Office Coordination (HOC)

Home Office Coordination includes backstopping, quality control and administrative support Services related to the management of the Project and its personnel. The scope of the Services is defined in the related annex of the Contract, based on the Consultant's tender and the Ministry's requirements for the HOC.

The fixed Fee for administrative Services is EUR 1.000,00 per calendar month. The costs of quality control and backstopping shall be included in the Fee for the consultancy Services. Additional Services/costs may be invoiced only if separately agreed upon with the Ministry.¹

The travel costs of regular and otherwise agreed missions will be reimbursed as stated in these Standard Terms. If need for an additional support mission arises from problems with the performance of the TA team, no separate travel compensation is paid.

3. REIMBURSABLE COSTS

The Ministry will only reimburse verifiable and reasonable costs accrued to the personnel. The reimbursable costs and the maximum amounts to be paid are defined below. In case of divergence between these Standard Terms and the Finnish State's Travelling Regulations, the Standard Terms shall prevail.

3.1. The expenses of the international Duty Travel of all Experts shall be reimbursed as follows:

1. travel expenses in accordance with the Travelling Regulations. Reasonable travel expenses will be reimbursed in accordance with the most economic route and means of transport available for the journey between the home country and the Partner Country and on duty travel to third countries. The maximum reimbursement is made according to the rate of a reasonable economy class ticket,
2. hotel expenses in accordance with the Travelling Regulations,

¹ The Ministry will review the fee every second year starting from September 2014.

3. airport tax,
4. visa and passport charges, unless paid by the Partner Country,
5. return taxi fares to the air bus terminal or airport,
6. travels to the locality of the airport on the basis of the most economic route and means of transport,
7. daily allowances in accordance with the Travelling Regulations provided that the assignment does not exceed six months,
8. for the long term experts daily allowances will be paid for the relocation travel once when moving in and once when moving out from the partner country.

3.2. Duty Travel in the Partner Country

In respect of the expenses of the personnel's official travel in the Partner Country, reimbursement will be made as follows:

1. Travel expenses including hotel expenses, in accordance with the Travelling Regulations. The journey shall be made by using the most economic and reasonable route and means of transport. Flight tickets shall be compensated for at the rate of a reasonable economy class ticket, at the maximum.
2. 50 % of the daily allowance under the Travelling Regulations. A daily allowance is payable for travel in the Partner Country only when it is necessary for the personnel to stay overnight outside the place of their residence.
3. Using a private vehicle for official travel shall be allowed only exceptionally and when there is no Project vehicle available or no other means of transportation are available. In this case compensations shall be paid according to the Travelling Regulations.
4. As a rule, private use of project motor vehicles is not allowed. Exceptionally, when conditions are such that private use of project motor vehicles is needed, representative of the Consultant authorises the use. The user of a Project motor vehicle shall pay mileage compensation as paid in the Finnish diplomatic mission in charge of the Partner Country for the private use of diplomatic mission vehicle.

3.3. Home leave travel

As for the compensation for travel expenses related to home leave, the international Long-term Personnel have the right to travel to their country of residence once during the first two years of the assignment and thereafter once a year.

The last home leave must be taken no later than three months prior to the end of the assignment. The international Long-term Personnel may choose the route and means of transport but the reimbursement of travel expenses related to home leave shall be effected as follows:

1. return ticket. The maximum reimbursement shall be based on the rate of a reasonable economy class ticket,
2. reasonable transport costs between the residence and airport in the duty station and equally in the Country of Residence,
3. airport tax.

The expenses of an Accompanying Dependant of a member of the International Long-term Personnel entitled to home leave shall be reimbursed provided that he/she returns to the Partner Country for a further stay of at least six months before the end of the assignment of the said member of the international Long-term Personnel.

The international Long-term Personnel entitled to home leave and their Accompanying Dependents may, instead of the country of residence, also choose to travel to a third country.

The reimbursement shall always be made up to an amount not exceeding the costs of a reasonable economy class return ticket between the Partner Country and the country of residence, and on the basis of the most economic and reasonable route and means of transport.

3.4. Relocation expenses

Travel of the Expert personnel to and from and/or within the Partner Country at the beginning and end of the assignment will be compensated for.

The costs shall be borne by the member of the personnel and his/her Accompanying Dependants and be invoiced as one instalment within three months of the beginning/end of the assignment.

In respect of the compensation to be paid for the international freight costs for personal effects and other removal costs of long-term International Experts, the maximum amounts are as follows:

- | | |
|---|-----------------|
| - 1 person | 5.000,00 Euros |
| - travelling with 1-2 Accompanying Dependants | 7.500,00 Euros |
| - travelling with 3 or more Accompanying Dependants | 10.000,00 Euros |

In respect of the compensation to be paid for the local freight costs for personal effects and other removal costs of long-term International Experts or Local Experts within a country, the maximum amounts are as follows:

- | | |
|---|-----------------|
| - 1 person | 1.200,00 Euros |
| - travelling with 1-2 Accompanying Dependants | 1.500,00 Euros |
| - travelling with 3 or more Accompanying Dependants | 1.800,00 Euros. |

The travel expenses of Accompanying Dependants will be reimbursed excluding daily allowances.

International Experts and their Accompanying Dependants may choose the route and means of transport as well as the mode of transport of baggage and personal effects.

3.5. Housing expenses

International and relocated long-term Local Experts are under an obligation to accept housing facilities of a reasonable standard. The Consultant is responsible for arranging reasonable accommodation for the international long-term and relocated Local Personnel according to these Standard Terms.

The Ministry shall reimburse a reasonable rent and reasonable maintenance costs of the accommodation arranged for International and relocated Local Experts.

If there are no proper housing facilities available or hotel accommodation is more appropriate in view of the costs and length of the International and relocated Local Expert's stay in the Partner Country, the costs of hotel accommodation will be reimbursed as provided for in the Travelling Regulations.

The housing expenses, to be reimbursed cover rent, heating, air-conditioning, water, gas or electricity and a parking place for one vehicle.

The Ministry shall reimburse reasonable costs of necessary security arrangements, such as costs of the employment of guards, or of other security Services, with the exception of purchase of weapons. The relevant contractual relation is between the Consultant and the firm providing the security Services, or between the Consultant and the individually employed guards.

Housing expenses shall not exceed the level defined for the civil servants of the Ministry for Foreign Affairs of Finland according to the valid decree. If housing is required in a city for which no defined ceiling price is given, the local Embassy shall define the appropriate ceiling price for the monthly rent and other reimbursable costs.

3.6. Office expenses

Unless reimbursed by the Partner, the Ministry shall reimburse mutually agreed office expenses borne in the Partner Country, such as the office rent and maintenance costs, costs of official mail/courier, telephone, telefax, Internet and photocopying services in relation to the assignment, and the subscription prices for the main local newspapers.

Unless reimbursed by the Partner, the Ministry shall reimburse any expenses related to residence or work permits required for the performance of services by the personnel.

3.7. Training and Briefing required by MFA

In cases where the assignment of a member of the personnel in the Partner Country is to exceed twelve months, he/she shall, as a rule, attend training arranged by the Ministry.

The Ministry may decide that a member of the personnel does not have to attend training if it appears dispensable considering for example his/her prior training or assignment of a comparable nature in the Partner Country which has taken place within a reasonable time before the departure.

A maximum of three days briefing provided by the Consultant to the International Long-Term personnel prior to the mobilization or start of the project, is recommended. The working days and reimbursable costs will be covered by the project budget. This briefing shall include start-up meeting with the MFA.

3.8. Compensation for loss of income and travel expenses when participating in the training

Under the main principle, loss of gross income (basic salary) shall be compensated for to the Consultant or directly to the member of the personnel concerned and his/her Accompanying Dependant Spouse. For this purpose, unemployment benefit is also considered income.

The Consultant may invoice the Ministry where it has paid the personnel a salary during the training period. This compensation for the costs incurred shall include both salary and compulsory social security charges paid by the Consultant.

In case of self-employment or unemployment, the compensation for loss of income may be paid directly to the personnel. The personnel shall present a certificate of unpaid leave of absence or loss of unemployment benefits, specifying their gross income.

The Accompanying Dependant Spouse attending training is also entitled to compensation. He/she shall present a certificate of unpaid leave of absence or loss of unemployment benefits, specifying his/her gross income.

If the member of the personnel concerned or his/her Accompanying Dependant Spouse has no income, he/she is only entitled to reimbursement of travel expenses and daily allowances.

Travel expenses, hotel accommodation and daily allowances shall be reimbursed to the member of the personnel concerned and to the Accompanying

Dependant Spouse according to the provisions of the Travelling Regulations. Reimbursement of travel expenses shall, as a rule, be paid to the personnel against an approved claim submitted at the end of the training period. The travel expenses claim shall cover both the member of the personnel concerned and his/her accompanying Spouse entitled to compensation. The reimbursement shall be made in instalments upon presentation of invoices accompanied by travel tickets and receipts.

4. Education of Accompanying Dependent Children

4.1. Length of reimbursable education

Reasonable costs resulting from the education of an Accompanying Dependant Child in the Partner Country may be reimbursed as long as the child is subject to compulsory education under the legislation of his/her country of residence.

The education of children under the Finnish legislation shall be reimbursed as long as the children concerned are subject to compulsory education under the Finnish Basic Education Act (628/1998, "Perusopetuslaki").

According to the Basic Education Act, compulsory education starts in the year when the child turns seven. Compulsory education lasts ten years starting from the moment when it begins, unless the compulsory education is completed earlier. Compulsory education is considered completed once the child has completed a comprehensive school syllabus or has otherwise acquired the equivalent knowledge and skills. In addition, the child is entitled to preschool education in the year preceding the start of compulsory education.

Even if the national legislation of the child's country of origin does not provide for compulsory education, his/her education will be reimbursed in accordance with the sub-paragraph 4.2.

If the Accompanying Dependant Child has completed his/her compulsory education before reaching the age of 19, two thirds of all reimbursable costs of education shall be reimbursed until the end of the school year during which he/she attains the age of 19. Thereafter, no costs of education may be reimbursed.

If preschool education is available in the Partner Country, the reasonable costs of preschool education of the Accompanying Dependant Child shall only be reimbursed for one year at the maximum.

4.2. Reimbursable costs of education and preschool education

The Ministry shall reimburse the following expenses, provided that they are reasonable:

1. registration fees,
2. school fees,
3. compulsory insurances,
4. necessary costs of dormitory, of which no more than 85% are reimbursed (dormitory costs including meals if they are inseparable from the total expenses of a dormitory package),
5. reasonable expenses resulting from the purchase of an indispensable special aid for a sick or handicapped child may be reimbursed subject to consultation with the Ministry,
6. travels between home, school and dormitory.

Expenses resulting from the education of children shall not be reimbursed if a reimbursement is already made by a third party.

Costs of education in the Partner Country's neighbouring country may be reimbursed up to an amount not exceeding reasonable reimbursable costs of education in the Partner Country, provided that there are justified reasons for the child's school attendance in the neighbouring country.

Costs of education in a neighbouring country may be reimbursed for example in the following cases:

1. The school is considerably nearer the child's home,
2. The school attendance is considerably safer in the neighbouring country, or
3. The standard of education in the Partner Country is not adequate, or
4. Special needs of the child relating to an illness, defect or handicap require special aid or education which is not reasonably available in the Partner Country.

If there are justified reasons, the reasonable expenses of a tutor may be reimbursed subject to consultations with the Ministry. The employment of a tutor may be approved for example when:

1. school attendance in the Partner Country or its neighbouring country cannot be reasonably arranged by other means, or
2. school attendance without a tutor would be excessively difficult or dangerous to the child.

5. Additional expenses

Any travel expenses related to the extension of the validity of the work permit or the resident permit of a member of the international Long-term Personnel or of an Accompanying Dependant shall be reimbursed.