

Axis 4 in Finland

The Finnish delivery system is moderately centralised, but remarkably efficient. FLAGs animate and select projects, but the final approval and payments are done through the regional offices of the Intermediate Body. Thanks to close proximity and trust between the IB and the FLAGs, projects can be approved within six weeks of submission to a FLAG, sometimes even less. Finnish FLAGs have used existing organisations as their legal entities which take on most administrative tasks, leaving the FLAG employees free to focus on mobilising and supporting local stakeholders to develop projects that can benefit fisheries and the territory.



How it works: administrative systems and responsibilities

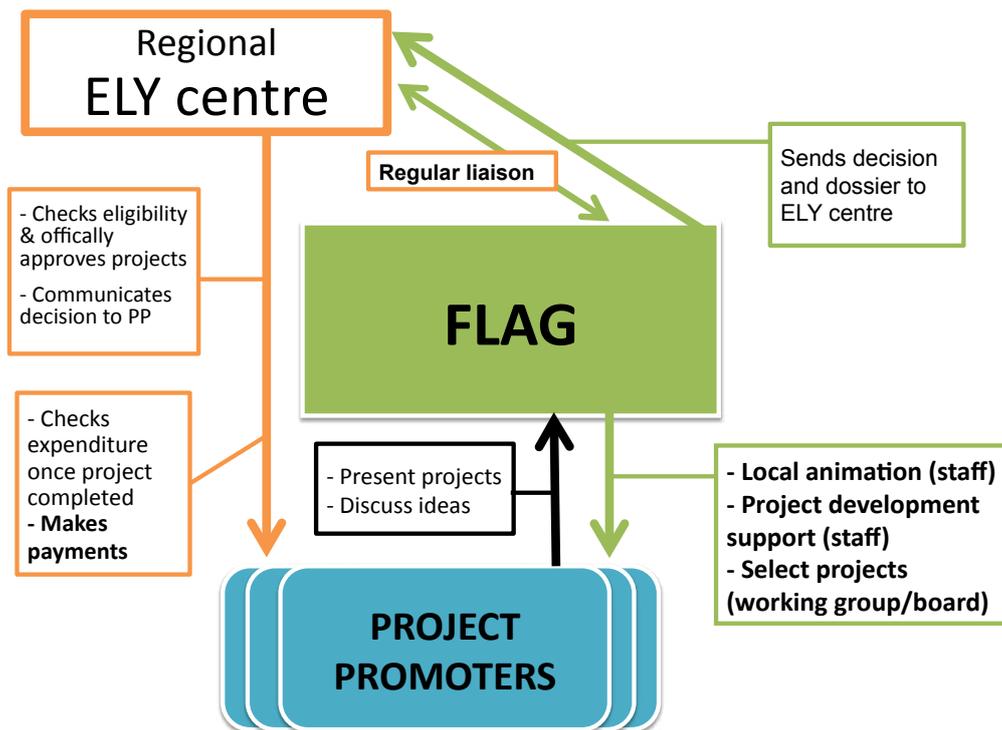
Managing Authority (MA): the Ministry of Agriculture and Fisheries is the Axis 4 Managing Authority in Finland and determined the eligibility criteria for fisheries areas and selected the strategies and partnerships that would receive funding to become FLAGs. It allocated 9% of Finland's EFF budget to Axis 4 and committed national co-financing for the period. It also defined the broad eligibility criteria for projects to be supported by the FLAGs to ensure that local actions contributed to the national strategy for fisheries and aquaculture. There is a national level Certification Authority and an Audit Authority which report to the European Commission.

Intermediate Body: responsibilities for programme administration and payments to beneficiaries are delegated to 12 regional ELY Centres. These centres receive funding applications for projects selected by the FLAGs in their region and check eligibility before formally approving projects. Once an ELY centre approves a project, it will control implementation and make payments directly to the beneficiary. They are also responsible for reporting to the MA on projects approved, payments made and evaluation.

Fisheries Local Action Group (FLAG): approved by the MA to implement a local development strategy. FLAGs in Finland use existing organisations, in some cases Leader groups, as their legal entity. The FLAG staff, often paid by the local municipalities, concentrate on the following tasks:

- › drafting a local development strategy
- › animation and project development support
- › informal check of application forms (which can be submitted at any time)
- › convening the FLAG working group (on average every 2 months), a groups of experts who input to and ratify their FLAG's strategy, select projects, provide outreach through their own networks and report on FLAG activities.

Axis 4 delivery system in Finland



What works well

The Finnish model is an efficient and effective system in which each actor is clear about their role. A key strength appears to be an appropriate **separation of powers**: the ELY centre handles issues of eligibility, formal approval and payments, while the FLAG deals with the development of a pipeline of projects that turn its local development strategy into reality.

Regular **liaison and proximity between the FLAG and the ELY** centre is effective in developing a high degree of trust between the two levels which, in turn, helps to create a shared sense of purpose. Projects selected by the FLAG are rarely refused by the ELY centre, not only because the FLAG staff proof-checks eligibility of project ideas from the start, but also because the ELY centre knows which projects are under preparation by the FLAGs so any eligibility issues tend to be caught before a lot of work has gone into developing a non-eligible project. This working practice also means that formal approval can happen relatively quickly (1-5 weeks) once project dossiers have been selected by the FLAG and arrive at the ELY centre.

The fact that FLAGs in Finland have been set up on existing organisations means that the majority of the administrative work is carried out by the FLAG's legal entity (often a Leader group) leaving the FLAG Manager free to **focus on project activation**. In fact, in Finland around 20% of the FLAG's budget of €1 million is dedicated to project activation and support. This involves direct outreach to the community and pro-active encouragement to present projects as well as help to put together the paperwork and the budget for projects. This extends to putting together projects that secure additional public funds (sometimes several million €), including from the other EFF axes. The importance of this activation work cannot be underestimated and in Finland it has been effective at enabling the involvement of small associations and bringing forward many projects which would simply not have happened without it.

Issues that this model helps to address

This system has proved effective at engaging small associations and developing cooperation among different parts of the fisheries sector, thanks to dedicated and qualified staff concentrating almost entirely on project activation.

It also avoids the heavy administrative burden and duplication of tasks that sometimes exist for managing EU funds in other programmes and countries by having established clearly defined rules for the programme and roles for the different actors. Moreover, the model has developed the trust necessary to ensure that decisions taken at a devolved level are respected and work is not duplicated for fear of mistakes.

This relatively light administrative system and the trust developed among the stakeholders allows for a proactive and flexible approach to local development, focused on addressing needs rather than merely fulfilling administrative obligations.

Transferability, lessons learnt

The Finnish case illustrates an efficient mechanism for generating local projects and delivering funding to small project beneficiaries. The ELY centre model is an example where the approval and payments of projects are carried out by a national agency through its regional branches having close contacts with the FLAGs, which helps to avoid administrative blockages and delays. Any national administration that does not have a decentralized delivery would do well to examine the ELY centre model whereby national expenditures programmes are operated at a more decentralized level.

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- › 8 FLAGs
- › Total Axis 4 budget: €8 million (€3 606 000 from the EFF, 9% of Finland's EFF budget)
- › Average of €1 million per FLAG for the 2007-13 period
- › 249 local projects approved by December 2012
- › Further details on the Finnish FLAGs, the composition of their partnerships and their objectives can be found on the [FARNET website](#).
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