

Axis 4 in Denmark

Denmark was among the first countries to have FLAGs up and running. Its Axis 4 implementation system is interesting for at least three reasons: the speed with which it was set up, the excellent cooperation between all actors which ensures a good flow of information, and the strong role played by the National Network Unit.



How it works: administrative systems and responsibilities

The delivery system of Axis 4 is based on the system for the Leader Axis of the Rural Development Programme, with the same processes and procedures, and with the same body acting as Managing Authority – the Danish Agri-Fish Agency under the Ministry of Food, Agriculture and Fisheries. Axis 4 is managed, controlled and paid at the national level with highly standardised procedures. FLAGs have a significant degree of freedom in the constitution of groups, elaboration of strategies and selection of projects but the Managing Authority maintains tight control throughout the different phases of the implementation process. The main actors in the implementation system, and their responsibilities, are as follows:

Managing Authority (MA): this function is shared between two Ministries. The Ministry of Food, Agriculture and Fisheries is responsible for the EU part of the budget allocated to LAGs and FLAGs. The Ministry of Housing, Urban and Rural Affairs oversees support to LAGs and FLAGs and provides the funding of the national part of their budgets. The MA designed Denmark's EFF Operational Programme (OP) and retains responsibility for a series of tasks in the delivery system: it checks the eligibility of the projects selected by the FLAGs, verifies the completeness of the applications and clarifies any doubtful issues directly with the beneficiary (if this entails a small revision of the project, the FLAG is not involved). It then takes the formal decision to approve projects but must follow the FLAG recommendations and the proposed level of support. The MA notifies the FLAG of the decision, and the grant contract is signed directly between the beneficiary and the MA, which is also in charge of monitoring and control.

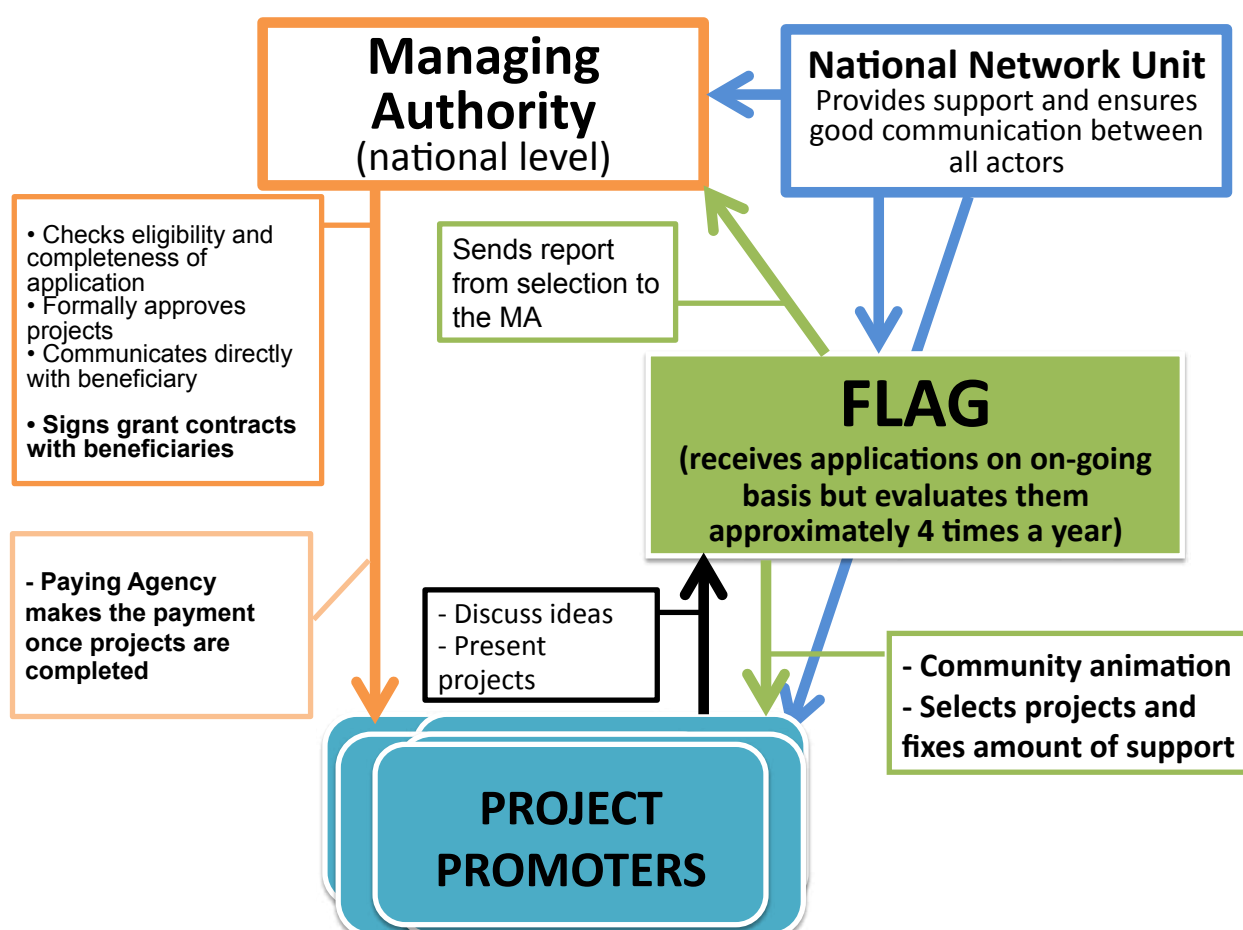
Paying Agency (PA): this operates at national level and is responsible for payments to project beneficiaries.

Fisheries Local Action Group: approximately two-thirds of Danish FLAGs are also Leader LAGs, the remaining one-third are free-standing FLAGs. The FLAGs that are also LAGs share the same staff and have complementary strategies, but their budgets are separate. All FLAGs are non-profit associations with an open membership in which 70% of the members should be from the private sector and 30% from the public sector. The FLAG's work includes:

- › preparation of a local development strategy for the area
- › community animation
- › receiving project applications (there is an on-going call open for the whole period)
- › evaluating project applications, selecting projects that fulfil its strategy and selection criteria, and establishing levels of support (the FLAG board meets approximately 4 times a year to do this)
- › providing a report to the Managing Authority on projects selected in this process.

National Network Unit (NN): located in the Ministry of Housing, Rural and Urban Affairs, the NN plays an important role in the delivery of Axis 4. It acts as the contact point for all stakeholders and potential beneficiaries, develops information tools, and provides guidelines and capacity building for the FLAGs (and LAGs). It works in close collaboration with the MA and ensures good cooperation between all actors.

Axis 4 delivery system in Denmark



The process of submitting, evaluating and approving project applications normally takes a maximum of 3 months, although due to recent reorganisation of the programme authorities and auditors' concerns, some delays have been reported. The process by which the Paying Agency makes payments also takes around 3 months after confirmation of a project's completion.

What works well

This delivery model is relatively simple, with a small number of entities involved. Thanks to a good flow of information and network support, these actors are, for the most part, clear about their tasks and the system seems to work smoothly. Centralisation of the administrative functions, which has led to a **reduction (rather than increase) of bureaucracy**, has been successfully combined with respect for the bottom-up approach and high autonomy of the FLAG.

The main administrative burden lies with the Managing Authority but – thanks to the use of well-established procedures (based on Leader) and experienced institutions, as well as a consistent effort to simplify and streamline the process – they remain **relatively quick and cost-effective**.

The FLAGs are only involved in the administrative procedures to a limited extent, but they concentrate on animation of the local actors, especially from the private sector. Although the key decisions are formally taken by the national government agencies, thanks to **good cooperation and communication** between actors, the role of the FLAG as the main driver of the local strategy is not undermined.

The efficient functioning of the system probably contributed to the fact that in 2012, in spite of the national budgetary constraints, the EFF funding allocated to Axis 4 was slightly increased as a result of re-allocation of funds from other axes of the EFF.

Issues that this model helps to address

This model enabled the Managing Authority to set up the FLAGs and start the implementation of strategies very soon after the approval of the OP, and to successfully combine the administrative and financial processes of Leader and EFF Axis 4. The centralisation and streamlining of decision-making has helped to keep the costs of programme administration to a minimum.

For the FLAGs this is a model that enables them to concentrate primarily on animating the territory and supporting project applications by keeping administrative work to the necessary minimum. Thanks to highly professional staff and the effort to include a wide range of partners, the FLAGs have gained recognition and have a positive image in the community, although the involvement of the fishing sector has progressed slowly.

The early set up of the FLAGs and **strong role of the National Network Unit**, using an established organisation and committed staff from the Leader network, has been essential in ensuring capacity building for the new FLAGs and good communication between all actors involved in Axis 4 delivery.

Transferability, lessons learnt

This delivery model could be particularly useful for countries where FLAGs have relatively low budgets and/or little experience in financial and formal issues, thus less capacity to carry out a full range of administrative tasks. The simplification of procedures might be particularly important in Member States – especially smaller ones, with a relatively centralised administration – where there are limited possibilities to delegate tasks, such as checking eligibility, payments or monitoring and control, to sub-national levels, and in countries strongly affected by budgetary austerity.

The effective use of previous local development experience (Leader) and the strong role of the National Network in capacity building and ensuring exchange between actors could be of interest to many countries which experienced difficulties in getting Axis 4 off the ground.

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- › 18 FLAGs
- › Total Axis 4 budget: €31 919 462 (€15 959 731 from the EFF, 12% of Denmark's EFF budget)
- › Average of €1 770 000 per FLAG for the 2007-2013 period
- › 364 local projects selected by February 2012
- › Further details on the Danish FLAGs, the composition of their partnerships and their objectives can be found on the [FARNET website](#).
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