

HOW TO BUILD EFFECTIVE PARTNERSHIPS

- **What should be the legal structure of the FLAG? What is the best way to ensure administrative efficiency while avoiding excessive bureaucracy and unnecessary costs?**

The legal structure of FLAGs can vary enormously depending on the administrative tradition and legal framework in each country. In some countries, FLAGs are civil associations, in others they are non profit making private or public companies. Elsewhere FLAG partnerships do not have a separate legal entity and are part of existing local development organisations but with a clear separation of the strategy, decision making structure and accounts for Axis 4 from the other activities.

Whichever approach is chosen in a country it is essential to ensure that the FLAG has the qualified staff and management systems required to ensure effective financial and administrative management. Article 23.2 of the EFF Implementing Regulation allows for two ways of achieving this. One method is to nominate one experienced partner as the administrative and financial leader supporting the administration of the FLAG. The second is to create a separate legal entity which can show that it collectively has the administrative capacity to manage the project.

In either case, FLAGs should maintain the flexibility required to adapt the strategy to local circumstances. One of the keys to the success of Axis 4 is the partnerships which must be able to respond faster and more effectively to local needs than more traditional methods. If the FLAG simply becomes another layer in an administrative hierarchy then much of the added value is lost and the entire approach is called into question.

- **How much responsibility can be delegated to the FLAGs?**

According to the Regulation, responsibility delegated by Managing Authorities to FLAGs shall provide that:

- a) the FLAGs “propose and implement an integrated local development strategy based upon a bottom-up approach” (article 45.2) and
- b) “the operations under the local development strategy are chosen by the local group” (article 45.4).

While the Managing Authority needs to agree the strategy and should check the eligibility of the local operations – the responsibility for taking the initiative on both must clearly lie at local level. As long as these basic principles are respected Member States have considerable flexibility in the way in which they delegate other functions. For example, at one extreme, some Member States transfer the funds for Axis 4 directly to the groups who become responsible for certifying and paying beneficiaries. At the other extreme, the funds as well as the certifying and paying functions can be retained at national, regional or provincial levels.

¹ These answers have been prepared in response to questions raised by actors involved in the implementation of Axis 4 of the EFF. These guidelines do not replace the basic legal texts. Interpretations given here do not prejudice a possible decision of the Commission or a possible judgment of the Court of Justice which alone is competent to give legal opinions on the validity and the interpretation of acts adopted by Community institutions.

The decision about exactly which functions to delegate depends on the administrative capacity of the local partners in the FLAGs and, on the speed and effectiveness of higher levels of the administration in getting the payments to the final beneficiaries. Both vary considerably between countries. If a Member State does sub-delegate more functions to the FLAGs it must make sure that they have the necessary human and financial resources to carry them out. If, on the other hand, payment to beneficiaries are effected by another entity (e.g. a national or regional agency), the systems for checking eligibility should be streamlined so as to avoid duplication of controls.

- **How should the partnership select local projects?**

FLAGs need to establish clear, transparent and objective criteria and robust procedures for local project selection. In general, the projects selected should serve as examples which mobilise local actors to take further initiatives and, in turn, contribute to the local strategy. This will only happen if local actors see that the projects have been chosen on the basis of a sound and fair procedure which has been discussed and agreed among the partners representing them. The procedure and the selection criteria should be publicly available documents.

The exact procedures and criteria will vary considerably according to national and local contexts and to the nature of the projects. Some strategic or collective projects (e.g. a maritime museum) may be initiated and implemented by the FLAG itself. In other cases, the FLAG will issue periodic or open calls for proposals from potential local beneficiaries.

- **What type of decision making system should the FLAG set up?**

The decision making system used by the FLAGs will vary with both the national and local context. Some organisations use systems based on 'one member one vote' and/or insist on unanimity. In others, the votes are proportional to the weight of the partners within the community and there is a greater use of majority voting.

It is important for the local community to be able to see that the system is fair, transparent and efficient, and that there are safeguards preventing undue political, financial and personal influence.

Another issue that needs to be clearly defined is the division of responsibilities between elected partners and full time staff. The normal approach is for the staff to be responsible for the appraisal of the project (ensuring its technical competence, eligibility, realism etc) and for the partners to be in charge of decision making on the basis of recommendations made by the technical team.