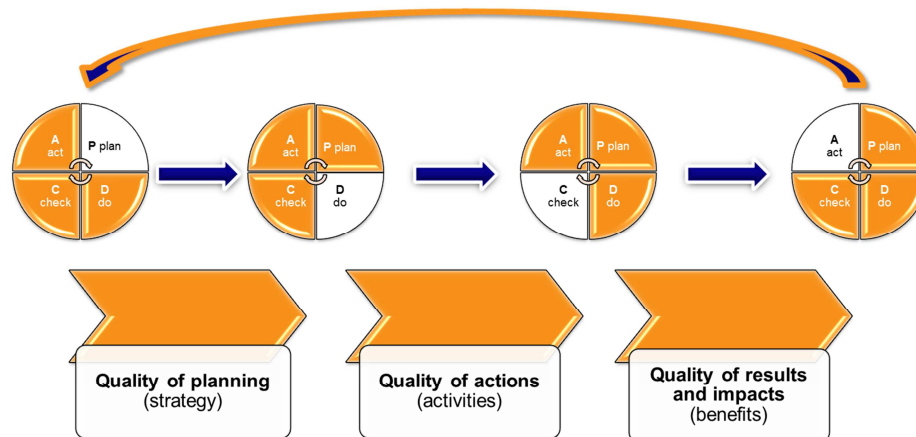


Finnish approach to continuous development of LEADER work

The Finnish LEADER work aims to adopt a model of ongoing development. The impact of LEADER work should be enhanced by improving the quality of the activities at all stages of the development process and in all parts of the LEADER chain.

The frame of reference used for this is Deming's continuous quality improvement model (Deming Wheel or Cycle, 1994; Figures 1).



Quality of plans

Quality of plans means the quality of the local development strategies and their drafting process.

The quality of the local development strategies is a key element in selecting the LEADER groups and establishing the indicative financial frameworks for the programming period. The selection committee uses the following criteria to evaluate the strategies:

1. The strategy has been prepared in an open process and following the bottom-up principle.
2. The focus of the strategy is on a local approach to the development of one's own home region. It creates the conditions and new operational models for development. The strategy objectives are linked to the EAFRD priorities and common objectives set for LEADER work in the Rural Development Programme for Mainland Finland 2014–2020.
3. The strategy is based on a description of the current situation and SWOT analysis from which the objectives of the strategy, priorities of the activities and measures are derived.
4. The strategy sets down the development priorities and measures selected by the LEADER group and defines clear and measurable output and result indicators for these.
5. To promote equality and non-discrimination, the strategy describes actions targeting women, men and the young (under 35 years of age) and any other specific population groups and the objectives for these. The objectives and measures of the strategy comply

with the principles of sustainable development. In addition, the strategy promotes the common horizontal objectives of the programme: innovation, climate change adaptation and mitigation and the environment.

6. The action plan included in the strategy describes how the objectives of the priorities are turned into concrete measures. The strategy describes an open and non-discriminatory selection procedure. The local LEADER group must use the publicly available criteria in the selection of all projects and measures. The selection criteria ensure that the measures are placed in order of priority according to how well they promote the achievement of the strategy objectives and whether they are of high quality and suited to local development work.
7. The strategy or its annexes must include a clear description of cooperation, consistency and complementarity with other local actors and programmes.
8. The strategy or its annexes describe the estimated total need for public funding and the estimated amount of private financing. The need for private financing for the programming period is 35% of the total funding, including contributions in kind and private money. The strategy presents an estimate of the allocation of funding among the priorities selected by the LEADER group. The municipalities in the region commit to contributing 20% of the public funding for the group during the whole programming period.

The application procedure for the LEADER groups and local development strategies has two stages. Through this procedure the groups were encouraged to prepare strategies of a high quality. The feedback from LEADER groups concerning the procedure has been positive. The maximum length of the strategy was set at 20 pages.

- The Ministry of Agriculture and Forestry launched an unofficial open application process in summer 2013.
- The applications were evaluated by the selection committee and an external evaluator. The applicants received common and group-specific feedback in autumn 2013.
- The Ministry of Agriculture and Forestry opened the official application concerning the LEADER groups and local development strategies in spring 2014, immediately after the Rural Development Programme 2014–2020 had been submitted to the Commission. The application period ended in summer 2014.
- The Ministry of Agriculture and Forestry invited statements from the local authorities concerning the applications submitted in their territories.
- The Ministry of Agriculture and Forestry approved the proposal concerning the LEADER groups to be selected and indicative funding in December 2014.

Quality of action

The quality of action of the LEADER groups means the quality of the implementation of the local development strategies.

Quality work has encouraged and helped the LEADER groups to achieve a good quality in what they are doing: the activity is strategy-based and everyday routines are well in control. LEADER work always entails a measure of bureaucracy. Quality work has helped the LEADER groups to deal with the bureaucracy involved as smoothly as possible so that it does not take too much time. This enables the LEADER groups to maximise the time available for activation and network leadership.

Process of quality work

The quality work of LEADER groups was started about 10 years ago by a few pioneer groups that got interested in quality work. These LEADER groups had faced some kind of crisis in their activities, usually caused by a sudden change of staff. The groups wanted to have a risk management tool as a systematic method for managing and developing the group's work. The pioneer groups compiled the actions they had taken into a single quality manual. The other groups were interested in the positive example they had shown. Due to wishes of the LEADER groups a process was carried out to boost LEADER work in 2013–2014. The Rural Network funded a development effort where all Finnish LEADER group got help to construct a basic quality system. The work was supported and coordinated by a group of experts, chosen by the Rural Network Services through competitive tendering.

The objective of the process was that:

- LEADER groups prepare a basic quality and leadership manual, i.e. a description of their activities
- The vision of the LEADER group has been identified and recorded
- The processes of LEADER groups have been identified and described, including a description of the decision-making procedure
- The staff have established job descriptions
- The interface between the LEADER group and administration has been dealt with

The national model was used to construct the quality manuals. Almost all LEADER groups use the same kind of table of contents for their quality manual as presented below. The basic processes of the activity of LEADER groups are: activities as an association, LEADER activities (project funding) and local development (incl. the group's own development projects). The cross-cutting development processes are financial and human resources management and communications processes. The LEADER groups have used methods such as flow charts to describe the stages in processing project applications by the LEADER group for each process and who is responsible for each stage.

- 1. Leadership**
 - 1.1 Mission, vision, strategy
 - 1.2 Value
 - 1.3 Operating policy, operating principles, rules of the game and by-laws of the association in activities as an association and LEADER activities

- 2. Activities and processes**
 - 2.1. Customers and management of customer relations
 - 2.2 Key processes
 - 2.2.1 Activities as an association
 - Impact
 - Activation
 - Membership: retaining old members and recruiting new ones
 - 2.2.2 Leader activities
 - Communication on project and enterprise support
 - Activation
 - Advice
 - Decisions on funding
 - Administration and monitoring
 - 2.2.3 Own regional development activities
 - 2.3. Administration and decision-making process
 - 2.3.1 Document management and data security issues
 - 2.4. Communication process
 - 2.5. Finances/financial management

- 3. Staff**
 - 3.1. Staff and job descriptions
 - 3.2. Competence and expertise
 - 3.3. Staff induction
 - 3.4. Occupational health and welfare
 - 3.5. Occupational safety

- 4. Partnership and resources**
 - 4.1. Partnerships in support of the strategy
 - 4.2. Management of partnerships
 - 4.3. Impact
 - 4.3.1 International
 - 4.3.2 National
 - 4.3.3 Regional

- 5. Quality work model**
 - 5.1. Review of the management (the same for all)
 - 5.2. Dealing with anomalies and risk management
 - 5.3. Audits
 - 5.4. Method for continuous improvement (Self-evaluation)

- 6. Results**
 - 6.1. Development of the results
 - 6.2. Result indicators

Figure 2: Table of contents of the quality manual

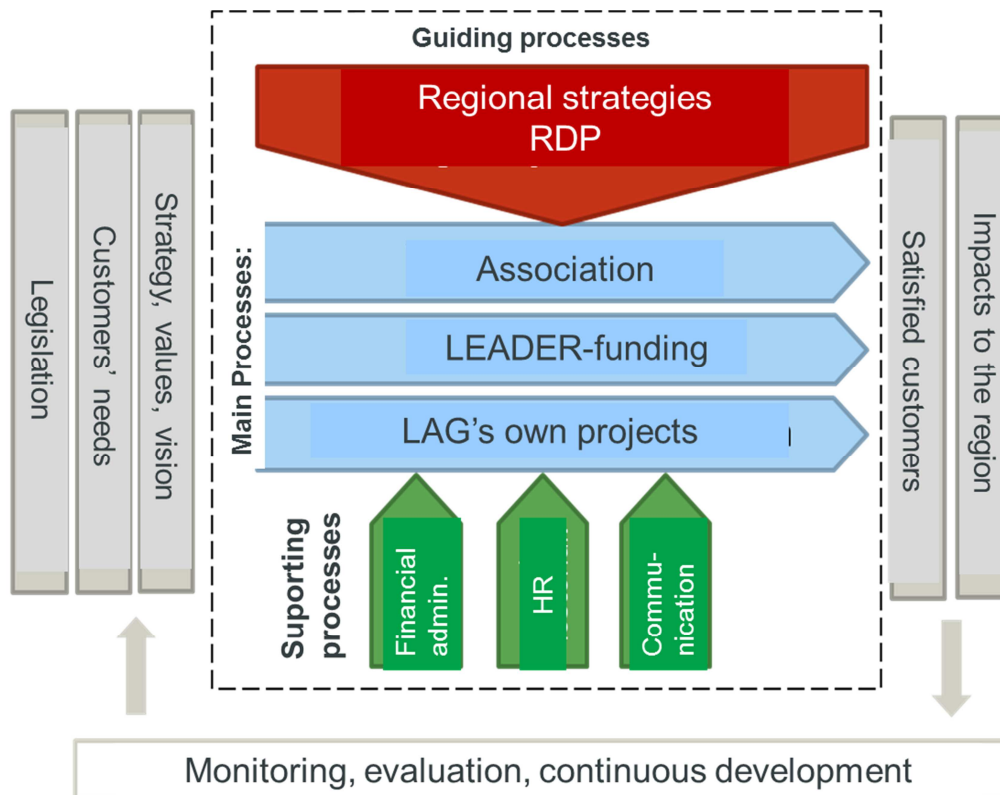


Figure 3: Process chart of LEADER groups

Auditing is also an important element of quality work. An audit is conducted by an external party to check whether the group acts in accordance with the recorded processes, the quality manual has been updated and progress is made in the quality work. In autumn 2017 the LEADER groups decided to start peer auditing. Peer auditing comprises external evaluation (cf. self-evaluation), development and learning. In practice peer auditing means that one LEADER groups audits the work of another group and vice versa. In Finland there are 54 LEADER groups, which made up 27 pairs for the peer auditing. The first auditing round was conducted in winter 2017–2018. It was concerned with the overall situation in terms of the quality manual and one key process. The comments from the LEADER groups were encouraging. All LEADER groups wanted to continue the peer auditing.

The LEADER raised the following issues in their answers to the question: How did you benefit from the auditing?

- boosts to the development work!
- risk of becoming blind to one's own work in everyday life and routines
- auditing helps to recognise good things in one's own work/action that needs to be developed
 - points of reference for one's own doing
 - other (potential) opportunities for cooperation
- many elements in the activities where joint action by the groups would save everybody's scarce resources (both time and money)

Changing and rooting new practices takes time. The quality process was started five years ago and the journey continues. Changing the operating culture takes 5–15 years. This is where we stand right now. Each year the Rural Network Services have organised various kinds of events to boost quality work. Support has been provided to LEADER groups where the basic quality work is still incomplete, e.g. the quality manual is not ready or it has not been updated.

Guidance visits by the administration

The Finnish Agency for Rural Affairs guides the LEADER groups in the implementation of the Rural Development Programme. The guidance includes a visit to each LEADER group once during the programming period. The aim is to improve the quality of the work done by the LEADER groups from the perspective of the implementation of the Rural Development Programme.

Quality of results and impacts

The quality of the results and impacts mean the concrete results and impacts achieved by the LEADER work. Jobs, enterprises, better services, new leisure activities, empowerment of the people, improved state of the environment, etc. The impacts are seen as enhanced vitality of local communities and wellbeing.

Annual reporting

The LEADER groups report on the progress of the local development strategy annually to the relevant stakeholders and administrative authorities. A common framework has been prepared for the annual report (ANNEX) and its maximum length has been set at 10 pages.

Adjustments of the financial frameworks

Of the public funding reserved for LEADER in the Rural Development Programme for Mainland Finland 9%, EUR 27 million, was not yet allocated to the LEADER groups in the indicative financial frameworks for the programming period. The Ministry of Agriculture and Forestry will allocate the funds in this reserve to the LEADER groups on the basis of the quality of their work and impact of the results. These adjustments to the financial frameworks are made in 2017 and 2019. This approach was adopted to introduce an element of performance guidance to LEADER work, but in a way that the level of each individual LEADER group is used as the baseline. The aim is to encourage the LEADER groups both to improve the quality of their work and to pay attention to the results and impacts of their activities.

Evaluations

The LEADER groups evaluate the results and impacts of their activities and implementation of the local development strategy through self-evaluations and by commissioning external evaluations.

The administrative authority evaluates the results and impacts of LEADER work as part of the ongoing evaluation of the Rural Development Programme. Projects funded under LEADER are also included in the evaluation of the impacts on regional economies started in 2018. Separate

evaluations will be launched in autumn 2018 concerning the functioning and added value of the LEADER principles and administrative model.

Extending the model of continuous development to the whole LEADER chain

The activities of the administrative authorities and Paying Agency influence the quality of LEADER work a great deal. The administration is a key player in creating the framework where the LEADER groups act. In Finland the Ministry of Agriculture and Forestry and Finnish Agency for Rural Affairs function as the Managing Authority and Paying Agency on the national level and the 15 Centres for Economic Development, Transport and the Environment (in future the 19 counties) on the regional level.

The aim is to extend the model of continuous development to the whole LEADER chain. In practice this means that the LEADER processes will be examined from the perspective of the Ministry, Finnish Agency for Rural Affairs and Centres for Economic Development, Transport and the Environment. The processes include legislative preparation, instructions for the implementation of project and enterprise support, granting and payment of project and enterprise support and granting and payment of operational funds. The key question is how well the LEADER principles have been taken into account in these processes. Quality work also ensures that the necessary forums and clear practices are in place for dialogue between the administration and LEADER groups and the partnership principle is being implemented.