

Towards a smoother, more effective system for administering discretionary government grants

Outline for government grant authorities and government grant applicants

Improving the system of government grant administration

Discretionary government grants consist of public financing awarded on a discretionary basis from central government funds for the purpose of supporting activities or projects considered important to society. Discretionary government grants totalling almost EUR 4 billion are awarded each year in more than 300 calls for government grant applications.

There is currently no clear overall picture of the allocation and use of discretionary government grants. In addition to this, the grant processes of the various government grant authorities are unnecessarily different from each other. The complexity of issues in society also calls for multi-sectoral cooperation in the allocation of discretionary government grants. For these reasons a new system of government grant administration is being gradually assembled, along with supporting online services.

In Finland there are tens of thousands of applicants for discretionary government grants, and about 90 government grant authorities. The grant application and award processes will become smoother

and more effective after the government grant authorities transfer to using the new system for administering discretionary government grants and the supporting online services.

The new system will make it possible to improve the allocation of discretionary government grants, as more information will be available on the effectiveness of grants. The shared use of a standardised glossary of terms will also help in managing and utilising data, as there will be fewer differences of interpretation. This glossary will also improve the accessibility of online services for government grant administration by helping to make the services user-friendly and easy to understand.

The new system is being planned and developed in cooperation with government grant authorities and government grant applicants. This collaborative approach is helping to build a new kind of operating culture, preparing government grant authorities and applicants for the step-by-step transfer to a new system.



Government grant authorities and government grant applicants want an effective, efficient, transparent and uniform system of government grant administration that supports society's goals.

Supporting government grant authorities in the change to a new system

In a five-year project, the Ministry of Finance is leading and coordinating the changeover to a new system of administering discretionary government grants. The Ministry of Finance is responsible not only for the legislation on discretionary government grants but also for national strategic oversight of the system of government grant administration. Once the project is over, the Ministry will then coordinate the overall development of the system of government grant administration.

The State Treasury will produce online services in government grant administration for applicants and recipients of discretionary government grants and for government grant authorities, and will be responsible for the development of these services and provision of support for all service users.

The definition of government grant authorities will not change in the new system of go-

vernment grant administration, and neither will their duties or powers change. Government grant authorities will be responsible for providing advice and guidance to grant applicants and recipients, and for training in connection with the changeover to the new system and use of the online services.

The Ministry of Finance and the State Treasury will establish the arrangements within which the government grant authorities can successfully transfer to the new system for administering discretionary government grants and begin using the online services. They will also support the government grant authorities in their communication needs, for example, by providing common communications material.

The project office at the Ministry of Finance will contact each government grant authority and agree on how to start preparing for the changeover to the new system.



A project for transferring to the new system will be set up with each of the government grant authorities. To ensure success, the project will need sufficient resources, communications and management support, and a willingness to challenge familiar practices.

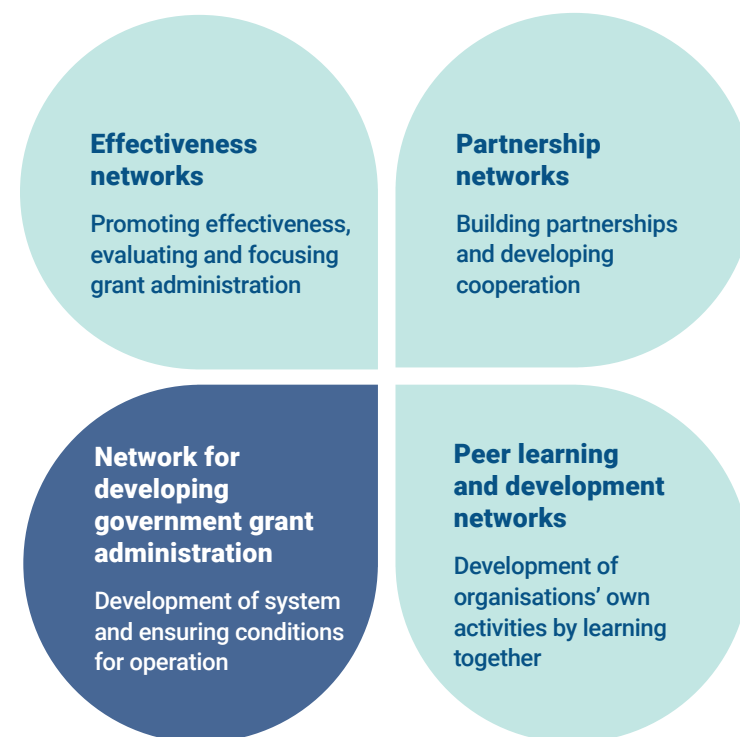
Effectiveness through shared services and cooperation

The State Treasury will provide shared online services in government grant administration for the government grant authorities. The **Applyforgrants.fi** service will bring together in one place the currently separate calls for government grant applications. The **Exploregiants.fi** service will be available to anyone to check how much has been awarded in discretionary government grants and for what purposes. **Managegrants.fi** will be a service for government grant authorities to use in managing the different processes involved in government grant administration.

Although the shared online services will improve productivity and reduce overlapping work and costs, they will not in themselves be sufficient to resolve the current challenges in government grant administration, such as narrowly thinking within organisational boundaries or the sporadic nature of effectiveness assessments. The new system will significantly increase the

communication and interaction between government grant applicants and the parties awarding government grants. Under the new system, achievement of strategic objectives in government grant administration will be assessed by demonstrating the effectiveness of government grants and by improving this effectiveness.

Government grant applicants and the parties awarding the grants will be invited to engage in multi-sectoral, networked cooperation covering all aspects of government grant administration. This could help with the coordination among government grant authorities, for instance in planning government grant programmes and calls for government grant applications. Cooperation will be based on various networks, creating a framework for developing a uniform system of government grant administration. The networked cooperation will be overseen by the Ministry of Finance.



Different forms of networked cooperation will be needed in government grant administration.



Information will be easier to find on government grants for which applications are being taken and on grants which have been awarded.

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Effectiveness chain

2. Political decision-makers set the social goals on the basis of identified needs and information on government grant administration.

3. Political decision-makers set measurable objectives that the government grant authorities implement in grant programmes and calls for grant applications (Managegrants.fi).

1. Government grant authorities and grant applicants identify social phenomena and changes in the operating environment that affect the grant-financed activity.

4. The government grant authorities design indicators and the methods for determining them, allowing the achievement of objectives to be evaluated.

5. In Applyforgrants.fi, government grant applicants present information on how their activity supports achievement of the objectives set and give details of the intended results of the activity.

6. In Applyforgrants.fi, government grant recipients report on the use of government grants in accordance with the agreed indicators.

7. In Managegrants.fi, government grant authorities evaluate results and the implementation of objectives under each grant programme and call for applications.

9. Effectiveness data will be published in Exploregrants.fi.

8. The grant authorities and grant recipients together evaluate how the activity furthered social goals and how the information on the activity can be used in the future.



Effectiveness in government grant administration requires a shared outlook, the right tools and networked cooperation.

In the administration of discretionary government grants it is important to identify the particular social phenomena that the grant application or award is concerned with. Using this information the government grant authorities will be in a position to support collaboration between grant applicants, such as making joint applications. There should also be a shared outlook and common understanding of how phenomena in society are changing, so that government grants can be better allocated.

The aim of the new system is that activity financed with discretionary government grants should be

more firmly tied to goals in society. Effectiveness data will be put to use at all stages of government grant administration, from preparing grant programmes to monitoring the use of grants and evaluating grant-financed activities.

In the future, effectiveness planning in government grant administration will begin before preparation of the grant programme or publication of the call for grant applications, and will be done together with grant applicants. Government grant applicants should in future be able to justify how their activity and its results relate to the targeted social goals.

Piloting period will focus on experimentation and learning

The new system for administering discretionary government grants and the Applyforgrants.fi and Managegrants.fi online services will be piloted in cooperation with the government grant authorities. The tools for effectiveness and the networked cooperation tools will also be tested at the same time.

The first version of the Applyforgrants.fi service will be published in autumn 2021 and will contain only the most essential functionalities. Its development will continue on the basis of feedback from government grant applicants and the parties awarding the grants. The Managegrants.fi service will be tried out in the autumn in connection with the processing of applications. The first version of Exploregrants.fi will be ready in 2022.

The main terminology used in the administration of government grants has for

the first time been assembled in a glossary, which will help ensure consistent communications by all parties involved in the changeover to the new system. The first part of the glossary will be published in spring 2021 and the second part later in the year. The use of this multilingual (Finnish, Swedish, English) glossary is recommended in all aspects of government grant administration, such as the online services and communications of government grant authorities. The glossary will also help government grant applicants in making applications and in reporting.

Progress with the different steps in the project can be followed in the government grants newsletter (Valtionavustukset), which will be published four times a year. The ongoing development of the system of government grant administration will also be discussed in social media, especially Twitter, with the hashtag #valtionavustukset. This will focus on interesting topical matters.



A shared understanding of terms and concepts will provide the basis for a uniform system and successful cooperation.



More information on the digitalisation and development of government grant administration

A new system of government grant administration is being developed in a five-year project led by the Ministry of Finance. The project office is responsible for the project work. Shared online services for government grant administration will be provided by the State Treasury.

<https://vm.fi/valtionavustustoiminnan-kehittaminen>

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