



Extract from the report to the  
Public Accounts Committee on  
grant programmes available to  
restricted groups of applicants

August  
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# 1. Introduction and conclusion

## 1.1. Purpose and conclusion

1. This report has been worked out at the request of the Danish Public Accounts Committee. It addresses the government's practice of making publicly funded grants available to restricted groups of potential applicants. *Applying for government grants involves an element of competition among the applicants since grants are awarded based on an assessment of the individual applications.*

2. The government is funding and managing a large number of grants of varying sizes and serving different purposes. Government spending on grants is substantial, and ensuring the effectiveness of the grants in achieving the policy objectives determined by the Danish parliament is essential.

The grant providers are required to implement the policy objectives determined by law. The legal basis of a grant consists of an appropriation, which determines the financial scope of the programme, and a document providing substantive validity through a description of the purpose of the programme and a more or less specific definition of eligibility terms. In connection with the implementation of the grant programme, the grant provider may decide to specify the group of applicants beyond the general definition that may have been provided in the legal basis for the grant programme.

3. The purpose of the study is to assess whether the ministries' practice of making certain grants available to restricted groups of applicants is in compliance with good grant administration principles. The report answers the following questions:

- How many grant programmes are available to restricted groups of applicants?
- How do the grant providers restrict the respective groups of applicants?
- Is the practice followed by the ministries in promoting the grant programmes ensuring awareness of the grants among all prospective applicants?

**The grant providers** define the framework for the use of the grants, including how the objective of the grants should be achieved. Grant providers are typically ministries, government agencies or external organisations.

**Implementation**  
The ministries implement the decisions made by parliament to appropriate funds for specific purposes.

**Substantive validity**  
It is stated in the Finance Act or in the relevant grant act what the funds should be used for. Information on the purpose of the programme, potential applicants and eligibility criteria, etc may also be provided here.

**Appropriations**  
Grants are disbursed by the ministries on the basis of budget appropriations.

## CONCLUSION

Based on a random sample, Rigsrevisionen has concluded that in many instances it is doubtful whether the administrative restrictions imposed by the ministries on the applicants' access to apply for funding comply with the principles of good grant administration. The motivation for the restrictions is often not documented, and determining whether the grant provider has ensured that the most qualified applicants have had opportunity to apply for funding is therefore difficult. This is not considered satisfactory by Rigsrevisionen.

The majority of the ministries point out restricting the circle of applicants supports achievement of the policy objectives set for the respective programmes, which enhances the effect of funding. Rigsrevisionen agrees that restricting applicants' access to apply for funding for this reason may be well-founded.

Rigsrevisionen does not find it entirely satisfactory that the grant providers fail to promote one fifth of all grant programmes. This practice entails the risk that prospective applicants are not informed of the opportunity to apply for funding.

Rigsrevisionen has established that funding through certain grant programmes is allocated exclusively on the basis of unsolicited applications. Rigsrevisionen finds this practice unfortunate, because not all potential applicants are made aware of the funding opportunities available through the grant programmes.

Determining the extent to which restrictions are imposed on applicants' access to apply for funding is complicated by the lack of methodology and use of common concepts that characterizes the administration of government grant programmes. Rigsrevisionen's estimate is therefore subject to uncertainty.

The general lack of transparency in the area makes it difficult for the Danish parliament and the public to gain insight into the administration of the government grant programmes. In order to increase the transparency and strengthen the administration, Rigsrevisionen recommends that

- the Ministry of Finance should specify, for instance in its guideline on effective grant administration, that grant providers must comply with current administrative principles when funding is made available to restricted groups of applicants. It is essential to ensure the transparency of the considerations preceding decisions made by the ministries or others to restrict the circle of applicants. It is equally important to explain – and file – the purpose of the restrictions, including, for instance, whether they have been imposed in order to enhance the effect of the government funds. In chapter 3 of the report, Rigsrevisionen calls attention to issues related to various types of restrictions, which may enhance administration.
- the Ministry of Finance – in collaboration with the other ministries – should take steps to introduce more consistent use of concepts in the administration of grant programmes and provide a complete overview of all government grant programmes, for instance, through the establishment of a joint website offering a single point of access to all government grants. Such a site would make it easier for potential applicants to apply for government funding.

### Case files

*The grant providers keep files of all actions and considerations concerning the administration of the individual grants.*