

## The implementation of regional Information Society projects

This audit concerned regional Information Society projects. It investigated how regional Information Society projects linked to the objectives in Finland's Information Society Programme and broadband strategy have been conducted and how they have been coordinated regionally and nationally. The audit focused on three key aspects of Information Society projects: the development of online public services particularly in the JUPA project, the implementation of the broadband strategy and Information Society projects promoting regional equality through the use of information and communication technology.

The total costs of the projects that were covered by the audit are roughly 40-50 million euros. Projects have received national and European Union support. Funds have also been provided by local authorities and private actors. According to a survey that was conducted by the Information Society Programme and the Municipality IT unit at the Ministry of the Interior, about 88 million euros was spent on regional Information Society projects in 2004-2006.

The JUPA project was a key measure in the Information Society Programme, and it was also mentioned in the broadband strategy as a measure aimed at promoting online public services for citizens. The audit found that the objectives that were set for the implementation stage of the JUPA project were unrealistic in relation to the timetable, available personnel resources, the programme steering model and allocated funds. The actors responsible for steering the project were not sufficiently committed to the project's objectives, which in the implementation stage led to the trimming of regional projects' objectives, and the results achieved in projects were fragmentary and modest compared with the original objectives.

The audit indicated that the capsulized operating model used by the IT suppliers who took care of interface work in the project and their unwillingness to cooperate with one another constitute a significant risk in shifting to joined-up online public services and cre-

ating service-based architectures. The implementation of the project in the form of regional projects was not the most effective way to promote the development and spread of online services at the national level. The National Audit Office emphasizes that in future when programmes are planned, special attention should be paid to evaluating the feasibility of online services, specifying realistic service packages, implementation, realistic timetables and clear financing models. The production of online services should be cost-effective and have clear objectives.

The overall evaluation on the basis of the audit is that the JUPA project as a means of promoting the development of regional online services produced only modest results.

The link between the implementation of the broadband strategy and the organization and activities of the Information Society Programme was not clear. Overlap was observed in the organization and objectives of the broadband strategy and the Information Society Programme, and there was no clear division of labour among authorities. The audit did not find any good reason for the overlapping organization. There was no clear division of steering responsibility between the Information Society Programme and the broadband strategy, which led to unnecessary reporting and additional costs. Furthermore, neither of these conducted systematic cost monitoring of broadband projects.

The National Audit Office considers it important that in future when cross-sectoral programmes are undertaken and implemented, monitoring systems should be comprehensive and monitoring should be ongoing so that the achievement of operational objectives and the focusing of economic inputs can be studied in a reliable way.

On the basis of the audit, the state administration has not directly influenced the expansion of the territorial scope of the broadband network in connection with the implementation of the broadband strategy. Instead implementation was left up to the regions without clear coordination. Most of the regional projects were nevertheless carried out according to the planned timetable. Only the @450 network project, which is designed to allow wireless broadband throughout the country, has fallen behind schedule, and it has been carried out first in areas where broadband connections were already available.

The working group responsible for monitoring the implementation of the broadband strategy did not pay adequate attention to the costs of implementing the strategy. This applies particularly to the amount of public support used to expand the broadband network. Key actors involved in implementing the strategy have not had a clear picture of the use of public support in expanding the broadband network. According to a study that was conducted during the audit, the construction of the broadband network received about 25 million euros in public support in 2003-2006.

In the regions the implementation models and methods used in broadband projects have varied. Invitations for tenders have often been pro forma, since the operator owning the trunk line has as a rule been selected to implement the solution. Although market-based criteria were not met, network operators were able to get public support to implement broadband projects. In the absence of national criteria, the broadband network has been built in different parts of the country on different bases. In the opinion of the National Audit Office, the broadband strategy has not been implemented in a financially appropriate manner.

Serious shortcomings were observed in the Information Society grant procedures followed by the National Board of Education and the subsequent monitoring of grants. The grounds for the use of grants were not studied sufficiently, decisions regarding grants were not justified according to regulations and grants were paid in an inappropriate way from the perspective of the state's financial management.

The development of citizens' Information Society skills has been promoted with the help of various training projects, which have been financed to a significant degree with European Union support and regional development aid. The implementation of projects has largely depended on local initiative, since coordination at the national level has been slim. In many cases training projects have also had a similar content to corresponding courses provided by local adult education centres.

Many regional projects aimed at developing online services were limited to pilot projects or studies concerning the development of online services, without concrete results. In some projects irregularities were observed in complying with regulations and conditions concerning the use of grants. Grants were used to provide general

support for project organizers, project objectives were not of a fixed-term nature or projects did not comply with the five-year limit on subsidized activities that is stipulated in regulations. In the opinion of the National Audit Office, recipients of grants should be more effectively committed to continue activities started in projects after public support ends by maintaining and utilizing functions and results achieved in projects.

The audit observed shortcomings in the monitoring of projects' implementation that cannot be considered negligible. Consequently the National Audit Office has sent several requests for clarifications to steering and monitoring authorities in order to determine who is responsible for monitoring.

In the opinion of the National Audit Office, the present grant payment and monitoring model does not work well. The payment and monitoring of regional development aid and European Union support should be shifted entirely to the Employment and Economic Development Centres or the state provincial offices, instead of the regional councils. The regional councils or member local authorities often participate in projects themselves, which poses problems particularly in monitoring projects.