

15 March 2016

# European Court of Auditors

Performance Audit

Rural Development

Selection Criteria



EUROPEAN  
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# Performance Audit

**Have the Member States and the Commission achieved value for money when managing Rural Development measures?**

- Under shared management the Commission and Member States share responsibility for spending the budget wisely
- The Commission and Member States could have achieved significantly greater value for money

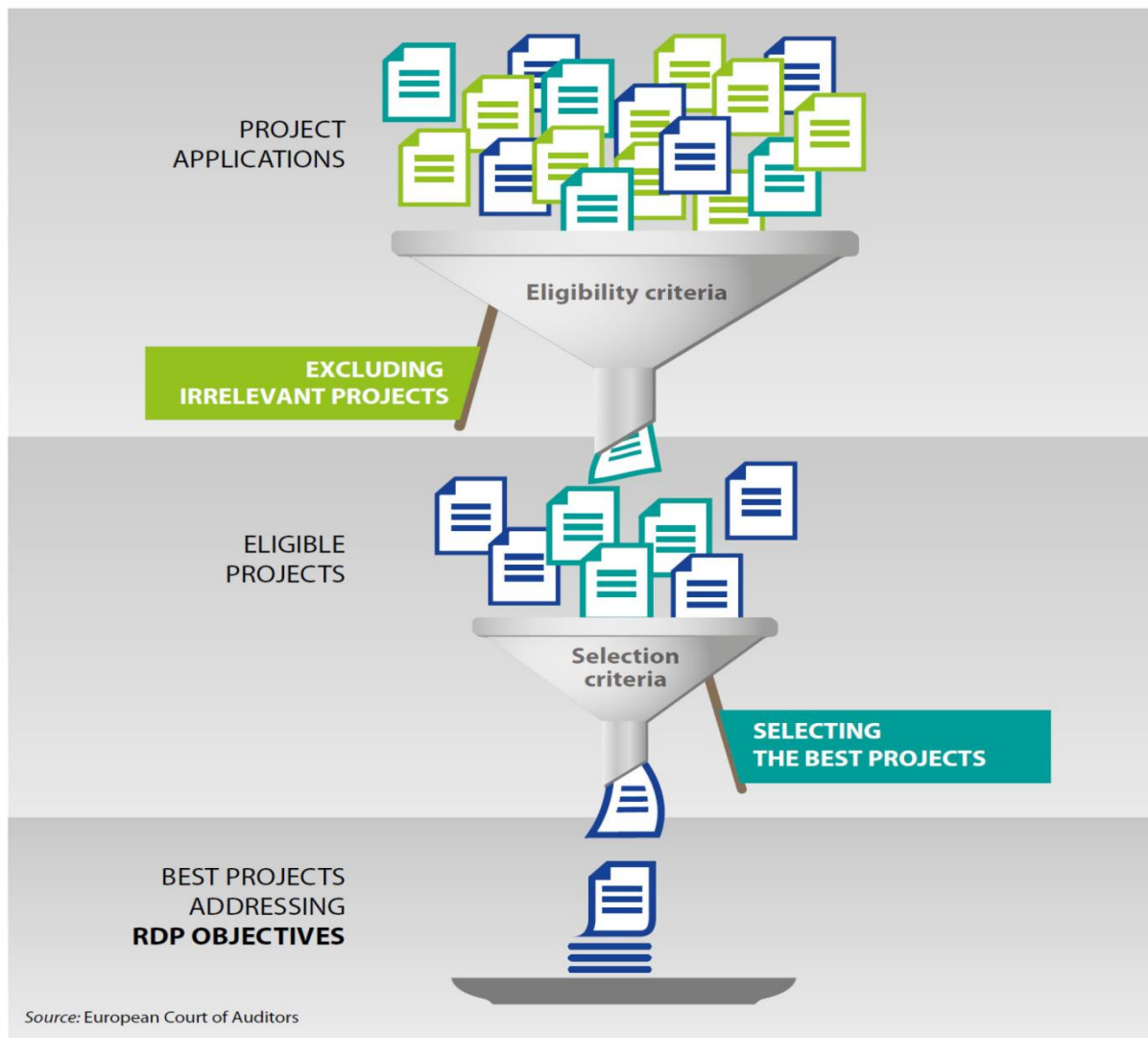


# Examples of reports published

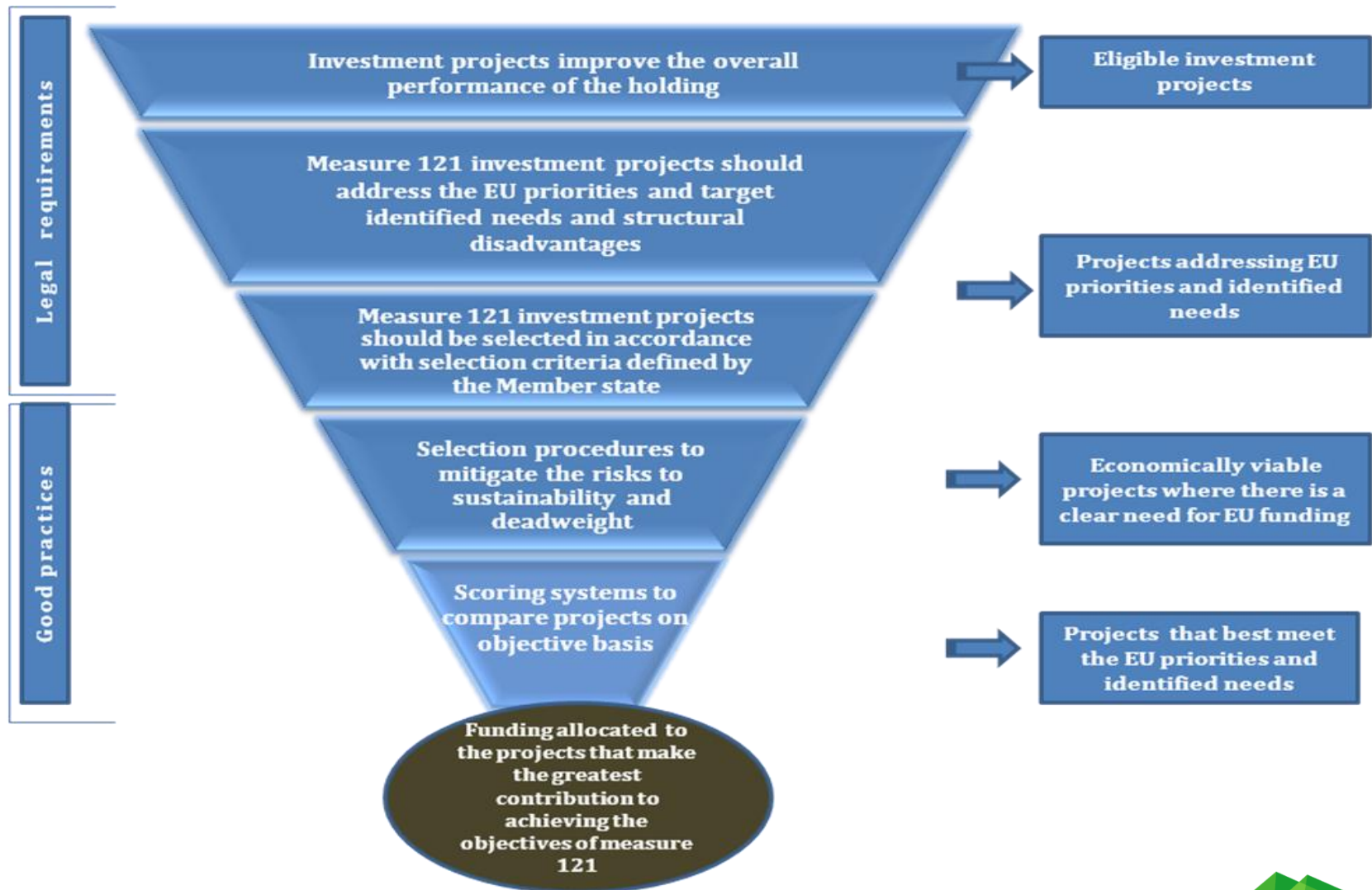
- Axis 3: Diversification
- Measure 123: Agri-food projects
- Measure 121: Farm investments
- Leader
- Monitoring and evaluation of Rural Development
- Procurement/ Reasonableness of costs
- Rural infrastructure
- Training and knowledge transfer
- Non-productive investments



## How the criteria should select the “best projects”



## Diagram showing how modernisation projects could be better targeted



# Poor practices seen during the course of our work

- Non-application of selection criteria where sufficient budget available. Some very good criteria were never applied in practice
- First-come first-served approval of projects - irrespective of the relative merits of the projects
- Points awarded for fulfilling a criterion but also for not fulfilling it.

A “no” reply to every criterion exceeded the threshold

- Points awarded in relation to criteria with no real check as to reality
- Well informed project promoters exploiting the system to get project approval



# Better practices seen during the course of our work

- Selection criteria that favoured projects directly responding to the objectives set out in the RDP:
  - e.g. higher points awarded to projects in the poorest regions
  - preferred investment types were identified in the RDP and favoured by criteria
- In response to the health check the selection criteria were adapted to favour projects responding directly to the new objectives
- Measurement of cost-effectiveness ratio related to output calculated (e.g. cost/linear metre of road) and/or expected results (e.g. cost/job created)
- Expressions of interest were evaluated prior to full project submission to see how far they matched priorities thereby reducing “red-tape”

# Example (measure 125, farm access roads)

## Selection criteria as per RDP:

- projects for access ways with multiple role (not only for farms)
- projects that serve an agricultural area as large as possible
- alternative routes in order to divert agricultural traffic from European, national and county roads

## Selection criteria applied:

15 scoring points if the road is linked to communal, county, national or European roads

10 scoring points if the road provides access also to other economic operators (not only farms)

Between 7 and 25 scoring points, depending on the size of the area served

Maximum 10 scoring points, calculated based on a formula that takes into account the type and length of the road from which traffic is diverted



# Summary of the main themes emerging from our audits

1. A tendency to “spend the budget” rather than finance only those projects that demonstrably add value and contribute to identified needs and objectives. Selection criteria are ignored when funds are available.
2. A lack of clear link between the needs and objectives identified in the RDP’s and the method used to select projects (eligibility criteria and selection/scoring methods).
3. Risks of deadweight and displacement are not mitigated. How are reasonableness of costs assured?
4. As a result of the above how can we be assured that the public funding (both EU and National) achieves best value for money?



# A small example: A good selection criterion?

Best practice ?



# Thank you for your attention

## Contact Details

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If you want to find out more you can:

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