



Workshop

“Selection criteria: towards a more performant RD policy”

15 March 2016

Brussels



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Abbreviations

DG AGRI	Directorate-General for Agriculture and Rural Development
EAFRD	European Agricultural Fund for Rural Development
ECA	European Court of Auditors
EIP	European Innovation Partnership
ENRD CP	European Network for Rural Development Contact Point
ESIF	European Structural and Investment Funds
IACS	Integrated Administration and Control System
MA	Managing Authority
MC	Monitoring Committee
PA	Paying Agency
RD	Rural Development
RDP	Rural Development Programmes

1. Background and Overview

The Directorate-General for Agriculture and Rural Development (DG AGRI) and the European Network for Rural Development Contact Point (ENRD CP) recently responded to the demand for greater clarity on the setting up and application of selection criteria in the implementation of the European Agricultural Fund for Rural Development (EAFRD). They jointly held a workshop in Brussels entitled 'Selection criteria: towards a more performant RD policy' on 15 March 2016. More than 80 representatives of national and regional Managing Authorities (MAs) and Paying Agencies (PAs) as well as DG AGRI desk officers took part in the workshop.

MAs have expressed interest in working closer with auditors in order to come to a common understanding of how the relevant legal framework is applied, before the implementation process and before audits are conducted – a key outcome of the Rural Development Programme (RDP) Conference in February 2016. Therefore, the European Court of Auditors (ECA) and DG AGRI auditors were invited to contribute to the workshop.

The interest of MAs and PAs in questions related to the setting up and application of selection criteria was highlighted on several occasions in the second half of 2015 and early 2016 – e.g. the Rural Networks' Assembly in November 2015, the aforementioned RDP Conference and other ENRD workshops – as well as in the needs assessments of stakeholders.

Defining selection criteria that are targeted, transparent, easy to administer and understandable for beneficiaries, in accordance with Art. 49 of the EAFRD Regulation¹, appears to present a challenge. At the same time, targeted selection criteria can potentially make EAFRD spending more effective. They can also be a smart tool for adapting RDPs to changing implementation environments and the current needs of Member States and regions, such as managing floods or the flow of migrants. In most cases, 'formal' adaptation of RDPs is not required, but only consultation of the Monitoring Committee.

In order to avoid overlaps with other upcoming activities and events, especially those organised by the EIP-AGRI Service Point, the workshop did not focus on issues related to selection criteria in the context of EAFRD Measure 16 (Cooperation) and LEADER.

In addition to this brief report on the March workshop, a comprehensive set of detailed FAQs will be published that draws on the outcomes of that event. Furthermore, DG AGRI will further develop the *Guidelines on Eligibility Conditions and Selection Criteria for the Programming Period 2014 – 2020*.

¹ Regulation EU 1305/2013.

1. Introduction

09.30 – 09.40

Welcome

The workshop was opened by Director Mario Milouchev, DG AGRI. He pointed to the importance of selection criteria for the equal treatment of beneficiaries and for achieving cost effectiveness in rural development support. He also emphasised that the ECA has called attention to the definition of selection criteria.

The “new regulation”² not only requires a timely definition of selection criteria but also the definition of the involvement of the Monitoring Committee (MC).

The *Guidelines on Eligibility Conditions and Selection Criteria for the Programming Period 2014 – 2020* will build on experiences from the previous programming period, including those of auditors and DG AGRI Desk officers, and will include good practice examples.

Looking ahead, Mario Milouchev highlighted that setting up selection criteria is not a one-off-process, but the criteria could be reviewed from time to time and thus be adapted to the changing needs of rural areas.

² The “new regulation” refers to Regulation EU 1305/2013, which should be seen as part of the regulatory framework for the funding period 2014-2020, which includes among others Regulation EU 1303/2013 and several delegated and implementing regulations.

2. Selection criteria – Introduction and regulatory framework

09.40 – 10.45	<i>Note: Presentations can be directly downloaded by clicking on the link provided</i>
Presentation on selection criteria by DG AGRI	Teresa Lopez-Garcia Usach and Petr Lapka , both DG AGRI , provided a comprehensive introduction to the subject matter. With reference to the relevant legal framework, they addressed the basic questions: what are selection criteria; why are they needed; and what should they look like? A main message was that when setting up selection criteria the following should be avoided: mixing up selection and eligibility criteria; choosing criteria that are easily met by all applicants or are discriminatory; and complexity, especially ambiguities or gold-plating.
Presentations on experiences with the MC from <ul style="list-style-type: none">- France- Germany	<p>The involvement of the Monitoring Committee (MC) in designing the selection criteria formed the focal point of the second part of the first session. The experiences of two different kinds of MCs were outlined: Lauriane Metzger addressed the first lessons learnt by the MC in Alsace, France. This MC is supported by a strong system of working groups which have expertise in specific operations and measures, and which prepare and suggest selection criteria to the wider partnership of the MC. The key advantages of this set up are derived from the competences of the experts, but timing and the search for experts represent a challenge.</p> <p>Yves Engelmann shared experiences of the MC for the RDP area Berlin-Brandenburg, Germany. The MC has two particularities: first, it covers the two EAFRD administrative regions (Bundesländer); and second, it is a multi-fund MC. One core statement of the presentation was that consulting the MC through a written procedure is exceptional, a fact welcomed by Chair Mario Milouchev.</p> <p>Questions raised by participants after the first group of presentations primarily concerned the arrangement of calls and the application of thresholds. These will be answered in the supplementary FAQ document. One additional question raised was when the guidelines on the application of selection criteria will not be deemed as draft any longer, but as a final document. Mario Milouchev explained that the guidelines will be continuously updated according to increasing experiences gained.</p>

3. Selection criteria – Exchange of experiences I

11.00 – 12.30

Note: Presentations can be directly downloaded by clicking on the link provided

In the second session of the workshop, MAs shed light on the challenges faced concerning the definition and application of selection criteria in this funding period. They also highlighted issues for which they would like to exchange experiences and hear the opinion of experts from DG AGRI.

Experiences from
Spain

María Fernández Sanz from the **Coordinating body of Spanish MAs** pointed to the risk of failure by turning selection criteria into eligibility criteria. Furthermore, Spanish MAs face challenges in putting two recommendations of the EU Commission into practice: the application of a point-based approach on measures related to the Integrated Administration and Control System (IACS) when deciding to use selection criteria in certain measures; and the application of selection criteria for measures in which the public administration is the beneficiary. Furthermore, there could be different interpretations of how to deal with the problem of two tied applications – i.e. they have the same points and fall on the budgetary threshold. She brought forward one proposal, namely to align the rules for the application of selection criteria for all the European Structural and Investment Funds (ESIF).

Experiences from
Sweden

From the **Swedish MA, Gustav Helmers** reported their experiences with a regionalised RDP system, where the national RDP and the common system of selection criteria is implemented in 25 regions with regional priorities. In each region additional criteria can be applied. The speakers outlined the system of creating and monitoring the suitability of selection criteria, and the Swedish approach to tackling the problem of tie-breaking. If two applications on the budgetary threshold have the same number of points; preference is decided on the statistical regional gender imbalance, the ranking according to the highest weighted criteria, the exact amount of anticipated broadband connections, and only ultimately, preference is given to the first received application.

Experiences from
Germany

Hildegard Freistedt from the **MA of Saxony-Anhalt, Germany**, summed up those issues assessed by MAs from Germany as relevant for discussion at the workshop. These included issues concerning the organisation of block procedures, the publication of budgets per call and of key dates, the necessity of the application of a threshold, and – as brought forward by the other contributors to this session – the case of tie-breaks.

Following the presentations, questions were asked about the definition of thresholds. This topic was tackled in depth during the subsequent group work.

Group work Round
1: Challenges with
the application of
selection criteria

The **first round of group work focused on challenges faced the application of selection criteria**. It concentrated on three topics: application of thresholds; the carrying out of block procedures; and dealing with tie-breaks.

The groups of around eight to ten persons could choose one of these for discussion of the challenges, solutions, and open questions. One group per topic then reported back the results of their discussion to which the other groups could add.

It turned out that there are many open questions to be addressed within the set of FAQs.

4. The audit perspective: European Court of Auditors and AGRI auditors

13.30 – 14.45	<i>Note: Presentations can be directly downloaded by clicking on the link provided</i>
Presentation by the ECA	<p>The perspective of auditors on the relevance and use of selection criteria was presented in the afternoon session.</p> <p>First, Michael Bain and Diana Voinea from the European Court of Auditors (ECA) gave a presentation on the lessons learnt in defining and implementing selection criteria in the last funding period. In his context, when carrying out of a performance audit, the key question for ECA is, "Have the Member States and the Commission achieved value for money when managing rural development measures?" Against this background good and bad practices from the period 2007 - 2013 were highlighted and detailed. The ECA team concluded that based on audit findings, and taking into account the objective of assuring that the public funding achieves the best value for money, attention should be paid to: the tendency to 'spend the budget' (e.g. selection criteria are ignored when funds are available) rather than finance only those projects that demonstrably add value and contribute to identified needs and objectives. Furthermore, a lack of a clear link between the needs and objectives identified in the RDPs and the method used to select projects (eligibility criteria and selection/scoring methods) is another concern. The ECA also raised the issues of mitigating risks of deadweight and displacement, and assuring reasonableness of costs.</p>
Presentation by DG AGRI auditors	<p>Following this, Horea Todoran, head of DG AGRI's audit unit, presented the audit findings on selection criteria from the funding period 2007 – 2013. From 2009 to 2013, DG AGRI performed around 70 enquiries on investment measures, and in 22% of these measures deficiencies related to the selection of projects were found. The types of findings appear to be manifold, ranging from inappropriate weighting of selection criteria to modification of selection criteria during the project approval process. He finished his presentation by outlining a 'auditors' wish list', which might provide some guidance when designing and applying selection criteria. The list focuses, in particular, on the transparent and equal treatment of applicants and achieving quality when selecting projects.</p> <p>Both presentations were followed by a comprehensive Q&A session, and MA and PA representatives used the opportunity to consult the auditors on their opinion on sometimes quite detailed and country-specific issues. Among the more general aspects discussed were differentiating eligibility and selection criteria, and how to deal with the selection criteria at the stage of submitting an application when a project's performance can hardly be assessed.</p>

5. Selection criteria – Exchange of experiences II

15.00 – 16.45	
<p>Presentation on experiences with Measure 4.1</p> <p>Group work Round 2: Different approaches to selection criteria for selected EAFRD measures</p>	<p><i>Note: Presentations can be directly downloaded by clicking on the link provided</i></p> <p>The session on defining selection criteria for specific EAFRD measures began with a detailed presentation on the definition and application of selection criteria for Measure 4.1, Support for investments in agricultural holdings (“Farm investments”). Kristian Handberg and Peter Fredslund Jensen shared the insights gained by the Danish MA. They especially focussed on the challenge that MAs face: how to achieve cost efficiency in project financing while ensuring a transparent selection process that keeps the administrative burden to a minimum. A template for calculating figures, characterising the planned investments <i>ex-ante</i> online, is drawn up and tested in collaboration with a university. It is hoped that this system will facilitate the assessment of applications without too much burden on applicants.</p> <p>The example for approaching selection criteria for Measure 4.1 formed a valuable initial discussion point for the group work on different set-ups of selection criteria for selected measures. Each group of eight to ten persons concentrated on one of the following measures: Measure 4.1 (Support for investments in agricultural holdings); Measure 4.4 (Support for non-productive investments linked to the achievement of agri-environment-climate objectives); and Measure 6.1 (Business start-up aid for young farmers). Time for reporting back was limited and resulted primarily in the presentation of the challenges faced by MAs and open questions, which will be elaborated in the supplementary set of FAQs.</p>

Conclusions and Next steps

16.45 – 17.00

Closing remarks

The wrap-up & outlook from the workshop were jointly provided by **DG AGRI directors Mario Milouchev** and **Josefine Loriz-Hoffmann**, who had chaired the morning and the afternoon session respectively. It was concluded that comparing the auditors' findings from the last funding period on the usage of selection criteria, where it was found that there were no selection criteria applied at all in some cases, with the current situation, it becomes obvious that progress has been made and the programme agencies have gained valuable experience. It was also welcomed that ECA representatives have indicated that there is some flexibility in the use of selection criteria and that important aspects would be transparency and the logical setting up and application of selection criteria.

After having sought advice from DG AGRI's legal department Mario Milouchev could already provide an answer to a specific question of whether the budget of a call could be increased in the event that several applications have the same score -- a question raised by one MA in the morning session.

Josefine Loriz-Hoffmann also addressed a range of questions that had come up during the afternoon session. These concerned among others the transfer of applicants on a waiting list to the next call within the block procedure, the relationship between Measure 7 and LEADER, the possibility of excluding projects which are too good [to become supported], and the application of quotas according to the kinds of beneficiaries within a call.

These questions will be addressed in a supplementary guidance document in the form of FAQs.

Annex

Participants' Feedback³

Quantitative assessment

Overall organisation of the event					
How would you rate the organisation of the event?	Excellent	Good	Fair	Poor	No answer
Communication about the event and prior-planning	13	22	1		--
Suitability of the venue	12	24			--
Organisation of event whilst in Brussels	11	22	2		1
Opportunities for networking and making new contacts during the event	10	21	5		--
Total Organisation	46 (31.9%)	89 (61.8%)	8 (5.6%)	0 (0%)	1 (0.7%)
How do you rate the content?					
Selection criteria – Introduction and regulatory framework 09:40-10:45	Excellent	Good	Fair	Poor	No answer
Relevance of the presentation: What are selection criteria, why are they needed and what should they look like?	12	23	1		--
Relevance of the presentations: Definition of selection criteria and consultation with the Monitoring Committee	12	23	1		--
Total Content	24 (33.3%)	46 (63.9%)	2 (2.8%)	0 (0%)	0 (0%)
Selection criteria – Exchange of experiences I 11:00 – 12:30	Excellent	Good	Fair	Poor	No answer
Relevance of the presentations: Experiences from MAs in defining and applying selection criteria	10	21	4		1
Usefulness of the group work on challenges with the application of the selection criteria	5	20	9	1	1
Total	15 (20.8%)	41 (56.9%)	13 (18.1%)	1 (1.4%)	2 (2.8%)

³ Out of 84 participants, 36 completed the questionnaire.

Participants' Feedback - Quantitative assessment (*continued*)

The audit perspective: European Court of Auditors and DG AGRI auditors 13:30-14:45	Excellent	Good	Fair	Poor	No answer
Relevance of the presentation: Lessons learnt in defining and implementing selection criteria: European Court of Auditors	19	14	3		--
Relevance of the presentation: Audit findings in selection criteria (DG AGRI)	19	15	2		--
Usefulness of the Q1A sessions	14	14	4		4
Total	52 (48.1%)	43 (39.8%)	9 (8.3%)	0 (0%)	4 (3.7%)
Selection criteria – Exchange of experiences II 15:00-16:30	Excellent	Good	Fair	Poor	No answer
Relevance of the presentations on Setting up selection criteria for specific EAFRD Measures	13	15	7		1
Usefulness of the group work on different set-ups of selection criteria	5	17	13		1
Total	18 (25.0%)	32 (44.4%)	20 (27.8%)	0 (0%)	2 (2.8%)

Supplementary qualitative assessment

Comments by participants by topic			
Opportunity for networking	List [of participants] could be sent before arrival via e-mail. To have an exchange between participants.		
Session “Selection criteria – Exchange of experiences I” (11.00-12.30)	Not enough time		
Session “The audit perspective: European Court of Auditors and AGRI auditors” (13.30-14.45)	Best part but not enough time	More time for Q&A session	
Additional comments	ECA presentations and Q1A are very useful; more time would be useful for this session. Overall very practical and AGRI findings good	I found it dissatisfying that lunch was not included.	It would be useful to obtain the presentations in advance for those who would/could print them and make notes.