European Network for Rural Development

12 November 2013

Auditor's view

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Experience from 2007-2013 programming period EAFRD Axis 4

Related to the start-up of the programme

- Selection of LAGs – call for interest and publicity – selection procedure and transparency - denunciations

- Late start of implementation – bottom-up approach

- Number of LAGs – guidance given to LAGs – uniform treatment

- Nature of the projects – added value to the RD programme
Experience from 2007-2013 programming period EAFRD Axis 4

*During the implementation of the programmes*

- Conflict of interest
- Quality of the administrative and financial responsible agent at the LAGs
- Large number of LAGs and supervision / guidance / instructions => controllable?
- Quality of the projects - publicity
Experience from 2007-2013 programming period EAFRD Axis 4

Administrative checks

- Insufficient or no instructions given to LAGs

- Insufficient quality and quantity of checks
  * payment proof – cash payments
  * reality of the investment / project / intangible projects
  * eligibility issues e.g. VAT, % of overhead cost
Experience from 2007-2013 programming period EAFRD Axis 4

- Weak or no documentation of the executed checks – use of checklists
- No on-the-spot checks
- Late payments to final recipients of Community aid
- No (independent) checks on projects / expenditure directly by the LAGs
Experience from 2007-2013 programming period EAFRD Axis 4

Overhead costs


Running costs of LAGS... shall be eligible... within a limit of 20% of the total public expenditure of the local development strategy.
Experience from 2007-2013 programming period EAFRD Axis 4

Checking the reasonableness of the costs

Article 24(2)(d) of R. 65/2011:

Administrative checks on applications of support shall in particular include verification of the reasonableness of the costs submitted, which shall be evaluated using a suitable evaluation system, such as reference costs, a comparison of different offers or an evaluation committee.
Experience from 2007-2013 programming period EAFRD Axis 4

Regulation mentions "a comparison of different offers" – the RDP often mentions that three offers have to be obtained.
Experience from 2007-2013 programming period EAFRD Axis 4

• Public procurement issues – direct awarding of contracts – in compliance with European Directive

• Simplified cost options (New for the EAFRD!): standard scales of unit costs, lump sums not exceeding 100 000 EUR of public contribution; flat-rate financing (determined by the application of a percentage to one or several defined categories of cost)
Experience from 2007-2013 programming period EAFRD Axis 4

THANK YOU FOR YOUR ATTENTION

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