



Framing presentation on durability of investments

Importance of ensuring durability of investments supported in the 2023-2027 CSPs.

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14th December 2023*

ECA 2022 audit of durability in rural development

Examples of diversification projects, source: ECA

Tourism



Tourist accommodation,
cycle and foot paths

Processing and trade activities



Direct sales of raw/processed farm
products, hairdressers, florists

Renewable energy production



Photovoltaic panels, biomass

Services/contracting



Use of the farm machinery away from
the farm (ploughing, harvesting, etc.)

ECA recommendations to improve durability

1. Target better spending on viable projects

Share best practices on selection procedures that limit risk of selecting non-viable projects

2. Mitigate risks of diversion of funded assets for personal use

Share best practices to promote durability, avoid diversion of EU funded assets, incl. use of

(i) national durability conditions taking account of the different types of investments;

(ii) loans to finance long-term assets;

(iii) evidence of the continued operation of funded activities;

(iv) provisions in grant agreements on the use of investments for intended purpose.

3. For evaluation purposes identify sources of information on the continued operation of EU funded projects

Why durability of investments under CSPs?

- All investment support under CAP Strategic Plans 2023-27 should be granted to assets that contribute to meet one of the ten European Union specific and cross-cutting objectives.
- Durability requirements for investment-related projects with support granted under the EAFRD as well as under the EAGF should be ex-post controlled.

What is meant with durability?

For the 2014-22 period, according to REG 1303/2013, Art. 71:

An operation comprising investment in infrastructure or productive investment shall repay the contribution from the ESI Funds if within five years of the final payment to the beneficiary or within the period of time set out in State aid rules, where applicable, it is subject to any of the following:

- a) a cessation or relocation of a productive activity outside the programme area;
- b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
- c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

For which types of projects is durability relevant?

- Durability requirements are relevant for all types of productive investments, on-farm and off-farm, tangible and in-tangible, private and public including investments in infrastructure, for diversification purposes and LEADER.
- Importance of durability vary according to type of investment, for instance potentially higher for assets that may be diverted into personal use.



EU provisions for 2007-13 and 2014-22

- EAFRD supported investments should comply with durability conditions pursuant to Article 72 of Regulation (EC) 1698/2005 for the 2007-13 period (5 years) and Article 71 of Regulation (EU) 1303/2013 for the 2014-22 period (5 years, optional 3 years for SMEs).
- EAGF funded investments under Sectoral Interventions should comply with durability conditions of Regulation (EU) 2021/1060 for the period 2021-27 (5 years, optional 3 years for SMEs).
- No legal basis for systematically requesting operation of supported projects beyond the legally required durability period for 2014-2022 (gold-plating).

Ex-post control of durability in 2014-22

According to Commission implementing regulation (EU) 809/2014 ex-post checks should be carried out on investment operations supported under the 2014-22 (2025) period to verify the respect of durability commitments pursuant to Article 71 of Regulation 1303/2013.

Ex-post checks should cover in each calendar year at least 1 % of EAFRD expenditure for investment operations still subject to durability commitment and for which final payment has been made.

The sample for investments to be ex-post checked should be based on analysis of the risks and financial impact of the different types of operations or measures.

EU provisions on durability for 2023-2027

- The Common Provisions Regulation (EU) 2021/1060 for ESI funds does not apply to EAFRD funded investments under 2023-27 CSPs.
- Durability requirements not included in Regulation (EU) 2021/2115 on CSP support.
- Up to MSs to define durability conditions for investment-related projects funded under CSP in the spirit of shared management.
- Managing Authorities to define durability conditions for investments under CSPs and plan their approach for checking and monitoring these.

National efforts to ensure durability in CSPs

- In the 28 approved CSPs MS descriptions of conditions on durability vary in detail with most CSPs mentioning such requirements only in general terms.
- 8 MSs (AT, CZ, DE, FI, ES, HR, LV, MT) indicate in their CSPs a specific durability requirement for investments (3, 5 or even 10 years).
- 11 MSs (AT, CY, DK, BE-WA, CZ, DE, ES, LU, LV, MT, SK) indicate a percentage to be ex-post controlled for period after final payment (1% - 2%).



Thank you



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