



Council of the  
European Union

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#### 'I/A' ITEM NOTE

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From: General Secretariat of the Council  
To: Permanent Representatives Committee/Council  
Subject: Special Report No 12/2022 from the European Court of Auditors entitled:  
“Durability in rural development: most projects remain operational for the  
period required, but there are opportunities to achieve longer-lasting  
results”  
*- Approval of draft Council conclusions*

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1. The Permanent Representatives Committee instructed the Working Party on Financial Agricultural Questions (WP AGRIFIN) to examine the above mentioned Special Report in accordance with the rules laid down in the Council conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors (doc. 7515/00 + COR 1).
2. At its meeting on 29 June 2022, WP AGRIFIN discussed the above mentioned Special Report as well as the Commission's replies to that report.

3. In the light of those discussions, the Presidency drew up draft conclusions (WK 11609/2022) and presented them at the AGRIFIN meeting on 21 September. A revised version (13341/22) was presented at the AGRIFIN meeting on 12 October 2022. From 18 to 20 October 2022, delegations were asked to reach informal agreement on these draft Council conclusions (13341/22 REV 1).
  4. In accordance with the Council conclusions of 8 May 2000, the Permanent Representatives Committee is hereby invited to suggest to the Council that it approves the draft Council conclusions as set out in the Annex to this note as an 'A' item at a forthcoming session.
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Draft Council conclusions

**European Court of Auditors on its Special Report 12/2022 entitled:**

*“Durability in rural development: most projects remain operational for the period required, but there are opportunities to achieve longer-lasting results”*

THE COUNCIL OF THE EUROPEAN UNION

1. NOTES the Court's Special Report No 12/2022 entitled “Durability in rural development: most projects remain operational for the period required, but there are opportunities to achieve longer-lasting results”, which examined whether the Commission and the Member States have taken actions to steer relevant rural development investments, particularly linked to diversification and infrastructure, toward projects with long-lasting benefits;
2. TAKES NOTE of the Court's recommendations to the Commission to target spending better on viable projects; mitigate the risks of diversion of funded assets for personal use; and harness the potential of large databases for evaluation, which the Commission accepts;
3. WELCOMES the Court's findings that projects usually achieve the legal durability period; that the majority of examined projects are still operational beyond their durability period; and, that the overall quality of selection procedures improved for 2014-2020 compared to 2007-2013;
4. UNDERLINES the distinction between the respect of the legally required durability period and the assessment of the long-term impact of supported projects that remain operational beyond the legally required period and RECALLS that there is no legal basis for systematically monitoring the operation of projects beyond the legally required durability period, which would in turn create excessive administrative burden;

5. ACKNOWLEDGES that the selection procedure should be further improved and that the long-term impact of supported projects is vital for rural development; Rural Development further depends to a lesser extent on number of external factors, such as macro-economical trends and crises that cannot be influenced by selection procedures; that durability periods should be examined for their impact on rural development;
6. CONSIDERS that diversification measures may bring long-term diversification in rural areas and that further analysis is needed in assessing the economic viability of supported projects;
7. NOTES the potential to provide support in the form of financial instruments, such as loans and guarantees, notably to economically viable and revenue generating investments;
8. RECALLS that support for similar projects is foreseen under the new Common Agricultural Policy (CAP) 2023-27 in accordance with the "New Delivery Model", which leaves more flexibility for Member States to plan support and establish aid conditions according to their needs and national context. It is for Member States to propose, in their CAP Strategic Plans, the relevant durability requirements appropriate for the different types of operations.

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