



Press Release

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Cohesion policy: emphasis still on outputs rather than results, say EU Auditors

Project selection procedures in Cohesion policy still emphasise outputs and spending rather than results, despite a longstanding intention to improve matters, according to a new report from the European Court of Auditors. Moreover, say the auditors, shortcomings in monitoring make it difficult to assess the extent to which EU funding has contributed to EU and Member State objectives.

Over the period 2014 to 2020, through its Cohesion policy, the EU has allocated almost €350 billion to support job creation, business competitiveness, economic growth, sustainable development and improvement in quality of life in the Member States. In previous reports, the auditors have welcomed measures by the European Commission aimed at increasing the focus on results. However, they have also highlighted serious weaknesses in the measures' effectiveness and monitoring. For this report, they examined projects from seven programmes located in four Member States: the Czech Republic, France, Italy and Finland.

“Although the set-up of Cohesion policy programmes is now more results-oriented, with a stronger intervention logic and an extensive set of indicators, we conclude overall that project selection is not yet sufficiently results-oriented and monitoring continues to be mostly output-oriented,” said **Ladislav Balko**, the Member of the European Court of Auditors responsible for the report.

Potential beneficiaries were well informed and provided with appropriate support to access EU funding, say the auditors. The procedures they examined were designed to support the selection of projects relevant to the programmes' objectives, but selection criteria seldom required applicants to define quantified result indicators at project level. This makes it difficult to assess whether projects have achieved their intended results. Furthermore, most projects were selected on a first-come first-served basis, rather than being scored and ranked against each other. As a result, there is no guarantee that the best projects were funded.

The auditors found that monitoring systems only started functioning at a late stage, mainly because of delays in adopting the legal framework at EU level. Weaknesses remained in some of the IT systems used, putting at risk the reliability of the monitoring data produced. Monitoring information is still

The purpose of this press release is to convey the main messages of the European Court of Auditors' special report.

The full report is available at www.eca.europa.eu.

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mostly output-oriented: the Commission's reporting presents progress for outputs alongside spending, but there is only limited information on the actual results achieved.

In 2019, the Commission will examine the programmes' achievements with a view to releasing the performance reserve, an amount set aside at the beginning of the period for each programme. This review draws on the data produced by these monitoring systems. The auditors warn that the Commission may face difficulties to carry out a meaningful review in the absence of monitoring systems which are working properly.

The auditors make the following recommendations:

- Member States should compare project applications, require beneficiaries to define at least one genuine result indicator for each project and assess the expected results and indicators for applications;
- the Commission should define common result indicators for the European Regional Development Fund and improve its reporting on performance;
- the Commission should ensure that a meaningful performance review takes place in 2019.

Notes to Editors

Around one third of the EU budget is allocated to Cohesion policy. At current prices, this amounted to around €230 billion in the 2000-2006 programme period, €346.5 billion in 2007-2013 and €349.4 billion in 2014-2020.

Cohesion policy is delivered through the European Regional Development Fund, the European Social Fund and the Cohesion Fund. The Funds are implemented through operational programmes, which set out investment priorities and specific objectives. They also describe how funding will be used to finance projects. The programmes are implemented by the Member States and their regions, which select, monitor and evaluate the projects.

The ECA presents its special reports to the European Parliament and Council of the EU, as well as to other interested parties such as national parliaments, industry stakeholders and representatives of civil society. The vast majority of the recommendations we make in our reports are put into practice. This high level of take-up underlines the benefit of our work to EU citizens.

Special report 21/2018 "Selection and monitoring for ERDF and ESF projects in the 2014-2020 period are still mainly outputs-oriented" is available on the ECA website (eca.europa.eu) in 23 EU languages.