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*Committee on Employment and Social Affairs*

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**2016/2151(DEC)**

31.1.2017

# **OPINION**

of the Committee on Employment and Social Affairs

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2015, Section III - Commission and executive agencies  
(2016/2151(DEC))

Rapporteur: Marian Harkin



## SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes with concern that the estimated error level in the policy area of economic, social and territorial cohesion is 5,2 %, which represents a small decrease of 0,5 % from last year but is still too high and remains far from the target of 2 %;
2. Notes that the principal sources of error in this area are the inclusion of ineligible expenditure in the beneficiaries' cost declarations, the selection of ineligible projects, activities and beneficiaries and the infringement of public procurement and State aid rules which cannot always be categorised as an administrative error; stresses the need to take steps immediately to reduce those sources of error and further notes that ineligible projects and activities carried out by ineligible providers are sometimes selected; calls on the Member States to refrain from such practices;
3. Deplores the fact that, as was already the case in previous years, Member States had sufficient information available to prevent and correct errors before claiming reimbursement and stresses strongly that if Member States, as is their obligation, had used that information the estimated errors would have been 2,4 % lower and that, in addition, the error at Member State level contributed a further 0,6 % to error levels; stresses that combined this would bring the estimated error level below the material threshold of 2 %; stresses the utmost importance to strengthen the Commission's administrative support to the Member States;
4. Notes with concern that, by the end of 2015, fewer than 20 % of the national authorities responsible for the European Structural and Investment Funds ("ESIF") had been designated and that, consequently, there is an urgent risk that delays in budgetary execution for the 2014 to 2020 programming period will be greater than those in the 2007 to 2013 period; stresses that this delay poses a high burden on beneficiaries and therefore threatens the stable financing for projects for e.g. the European Social Fund and the Youth Employment Initiative; calls on the Commission and those Member States which lag behind to swiftly take the necessary precautions to ensure that those delays do not give rise to budgetary complications similar to those that were seen at the end of the 2007 to 2013 programming period;
5. Notes the Court's recommendation that the Commission fundamentally reconsider the design and delivery mechanism for the ESIF when making its legislative proposal for the programming period following that for 2014 to 2020 and takes into account the suggestions of the high-level simplification group;
6. Notes the Court's recommendation that the Commission use the experience acquired in the 2007 to 2013 programming period and report on a focused analysis of the national eligibility rules for the 2014 to 2020 programming period and that, based on this, it provide guidance to Member States on how to simplify and avoid unnecessary complex or burdensome rules;

7. Calls on the Commission to consider the possibility of including Union funding programmes in their Annual Burden Survey as agreed in the Interinstitutional Agreement on Better Law-making of 13 April 2016; highlights that the introduction of Annual Burden Reduction Targets that include EU funding programmes would increase compliance and therefore contribute to a reduction in the error rate;
8. Acknowledges the Court's findings<sup>1</sup> regarding the 'Youth Guarantee';
9. Notes the Commission's decision to set up a high-level group of simplification in response to the significant administrative burden on beneficiaries caused by the increasing levels of control;
10. Welcomes the Court's recommendation to the Commission to clarify the links between the Europe-2020 strategy, the multi-annual financial framework and the Commission priorities in order to report effectively on the contribution of the EU budget towards the Europe-2020 objectives;
11. Welcomes the increased focus on results under the 2014 to 2020 programming period; considers, however, that further developing result indicators and monitoring systems would contribute to sound financial accountability and increase the efficiency of future operating programmes.

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<sup>1</sup> See also ECA Special report no 3/2015: EU Youth Guarantee: first steps taken but implementation risks ahead

## RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	25.1.2017
<b>Result of final vote</b>	+: 46 -: 4 0: 0
<b>Members present for the final vote</b>	Laura Agea, Brando Benifei, Vilija Blinkevičiūtė, Enrique Calvet Chambon, Ole Christensen, Martina Dlabajová, Lampros Fountoulis, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Patrick Le Hyaric, Jeroen Lenaers, Verónica López Fontagné, Javi López, Thomas Mann, Dominique Martin, Joëlle Mélin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Terry Reintke, Sofia Ribeiro, Robert Rochefort, Claude Rolin, Anne Sander, Sven Schulze, Siôn Simon, Jutta Steinruck, Romana Tomc, Yana Toom, Ulrike Trebesius, Marita Ulvskog, Renate Weber, Jana Žitňanská
<b>Substitutes present for the final vote</b>	Georges Bach, Heinz K. Becker, Lynn Boylan, Dieter-Lebrecht Koch, Paloma López Bermejo, Edouard Martin, Evelyn Regner, Csaba Sógor, Helga Stevens, Flavio Zanonato
<b>Substitutes under Rule 200(2) present for the final vote</b>	Marco Valli

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

46	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, Robert Rochefort, Yana Toom, Renate Weber
ECR	Czesław Hoc, Helga Stevens, Ulrike Trebesius, Jana Žitňanská
EFDD	Laura Agea, Marco Valli
GUE/NGL	Lynn Boylan, Rina Ronja Kari, Patrick Le Hyaric, João Pimenta Lopes
PPE	Georges Bach, Heinz K. Becker, Dieter-Lebrecht Koch, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Sofia Ribeiro, Claude Rolin, Anne Sander, Sven Schulze, Csaba Sógor, Romana Tomc
S&D	Brando Benifei, Vilija Blinkevičiūtė, Ole Christensen, Agnes Jongerius, Jan Keller, Javi López, Edouard Martin, Georgi Pirinski, Evelyn Regner, Siôn Simon, Jutta Steinruck, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Terry Reintke

4	-
ENF	Dominique Martin, Joëlle Mélin
GUE/NGL	Paloma López Bermejo
NI	Lampros Fountoulis

0	0

**Key to symbols:**

+ : in favour

- : against

0 : abstention