



European Parliament

2014 - 2019

Committee on Budgetary Control

2015/2132(BUD)

22.9.2015

OPINION

of the Committee on Budgetary Control

for the Committee on Budgets

on the general budget of the European Union for the financial year 2016
(2015/2132(BUD))

Rapporteur: Ingeborg Gräßle

PA_NonLeg

SUGGESTIONS

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

- A. whereas in a situation of scarce resources, greater importance should be attached to the need to observe budgetary discipline and to use funds efficiently and effectively;
 - B. whereas the main objective of the 2016 draft budget will be to ensure that the Union budget is provided with the means it requires to fully deliver its reinforced contribution to jobs, growth, investment and solidarity, and to respond to new developments, in particular in Ukraine and Syria, and their impact on immigration, humanitarian aid and security;
 - C. whereas the dialogue between Parliament and the Commission provided for in Article 318 TFEU should stimulate a performance-oriented culture inside the Commission;
1. Urges the Commission, as suggested by the European Court of Auditors in its 2012 and 2013 annual reports, to prepare and publish annually a long-range cash flow forecast that will assist stakeholders in assessing future payment requirements and budgetary priorities and will help the Commission to take the decisions needed to ensure that essential payments can be met from approved annual budgets;
 2. Points out that, at the end of 2013, gross pre-financing amounted to EUR 79,4 billion, and stresses that extended periods of pre-financing can lead to an increased risk of error or loss; recalls that this risk is particularly relevant to Heading 4 of the budget (EU as a global player) where, for a typical operation, four years elapse between a commitment being made and the Commission recording the final related expenditure;
 3. Notes that the implementation of financial corrections imposed by the Commission on Member States that fail to implement sound systems and recoveries amounted to about EUR 2 980 million in 2014 which is less than in 2013 (EUR 3 362 million)¹; asks the Commission to clearly indicate what amounts recovered in 2014 have been registered as revenue in the accounts of the Union or have been offset, and the extent to which financial corrections and recoveries decided in 2014 may impact on payment requirements for the 2015 and 2016 budgets;
 4. Asks the Commission and the Member States to improve transparency with regard to the recoveries, in particular with regard to the year in which payment is made, the year in which the related error is detected and the year in which recoveries or financial corrections are disclosed in the notes to the accounts;
 5. Calls on the Commission to provide Parliament with a summary of the costs actually incurred and the funding tranches made available for the structural fund projects already funded during the 2000-2006 and 2007-2013 funding periods and for those which have still not yet been completed;

¹ See Commission report of 3 June 2015 entitled 'Synthesis of the Commission's management achievements in 2014' (COM(2015)0279), point 2.4.

6. Reiterates its demand that the Commission draft proposals to sanction false or incorrect reporting by the Member States' authorities in the management of Union funds; recalls that almost all paying agencies for direct payments were accredited and certified by the certifying authorities in the Member States and is therefore concerned that some paying agencies have particularly high error rates; calls in this context on the Member States to implement a 'better spending' of the Union budget by ensuring more effective and efficient national management and control systems; also calls on the Commission to submit proposals for ways in which Member States can strengthen ex-ante checks so as to reduce the number of sums unduly paid, and secure a system whereby proper investigations are carried out into suspicions of false or incorrect reporting and such reporting is sanctioned;
7. Calls on the Commission to include in its annual report on the protection of the financial interests of the Union and the fight against fraud an assessment of the impact of corruption in each Member State on Union funds in the relevant year, and to set out a specific, targeted plan of action to combat such corruption;
8. Urges the Commission to improve transparency in the use of financial engineering instruments (FEI), to regularly report on leverage, losses and risks and to present a cost-benefit analysis of FEIs compared with more direct forms of project funding; calls on the Commission to implement effective monitoring systems to analyse the demand for financial instruments in the Member States, which would lower the risk of overcapitalisation;
9. Asks the Commission to ensure that the combined budget of the OLAF Supervisory Committee and its Secretariat is specified in a separate line of the OLAF budget for 2016;
10. Insists that, when providing Parliament and the Council with the evaluations of the Union's performance provided for in Article 318 TFEU, the Commission should report on the results achieved with the operational expenditure as presented in the programme statements of operational expenditure accompanying the draft Union budget;
11. In this regard, calls on the Commission to pay particular attention to the functioning of the decentralised agencies of the Union and, in particular, to their visibility and democratic accountability, in light of their distant locations and of lack of awareness of Union citizens of their activities and even of their existence;
12. Reminds that there is an urgent need to concentrate on the accountability and performance of the use of the Union budget; therefore, calls for the development of concrete evaluation mechanisms and indicators;
13. Calls on the Commission to explain in detail its transparency policies with regard to Union funding, and, in particular, its measures to provide for balanced decision-making, involving all relevant stakeholders, including consumer organisations, SME's, trade unions and general interest organisations, in particular environmental organisations;
14. Considering that the Commission is proposing far less legislative initiatives than in the past due to its new 'better regulation' policies, calls on the Commission to explain in detail

the budgetary and staffing implications of this shift in emphasis from legislative to implementing activities and, in particular, to indicate whether economies can be made in this regard;

15. Calls on the Commission to support effective implementation of National Roma Integration Strategies at local and regional level in order to ensure that the funds available for the integration of Roma are actually spent for this purpose and that they target the objectives of the mainstream policies;
16. Urges the Commission to report to Parliament on Union funded measures to combat youth unemployment and on the results achieved with those measures;
17. Calls on the budgetary authorities to reflect on the Union's efforts to prevent and combat fraud, corruption and any other illegal activities affecting its financial interests; emphasises in this respect that budgetary cuts in programmes such as the Hercule programmes or the Anti-Fraud Information System (AFIS) would be detrimental to the Union budget, as they support OLAF and the Member States to protect the Union's financial interests;
18. Points out that, during the discharge procedure for the financial year 2013 concerning the Court of Justice of the European Union, Parliament received insufficient information regarding the list of external activities pursued by the judges; recalls that the Court of Justice publishes on its homepage a register which includes detailed information on the external activities of each judge.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	22.9.2015
Result of final vote	+: 26 -: 1 0: 1
Members present for the final vote	Nedzhmi Ali, Louis Aliot, Inés Ayala Sender, Zigmantas Balčytis, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Jens Geier, Ingeborg Gräßle, Rina Ronja Kari, Verónica Lope Fontagné, Monica Macovei, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Igor Šoltes, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen
Substitutes present for the final vote	Richard Ashworth, Cătălin Sorin Ivan, Karin Kadenbach, Marian-Jean Marinescu, Markus Pieper, Julia Pitera, Miroslav Poche, Patricija Šulin
Substitutes under Rule 200(2) present for the final vote	Raymond Finch