



2019/2028(BUD)

30.7.2019

DRAFT OPINION

of the Committee on Budgetary Control

for the Committee on Budgets

on the draft general budget of the European Union for the financial year 2020
(2019/2028(BUD))

Rapporteur for opinion: Corina Crețu

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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:

Financial management

1. Recalls that point (c) of Article 247(1) of the Financial Regulation sets out an obligation on the Commission to communicate, every 31 July, to the European Parliament and the Council, an integrated set of financial and accountability reports, including a long-term forecast of future inflows and outflows covering the next five years;
2. Insists that these reports analyse the impact of commitments to the size of payments' backlog of a given Multiannual Financial Framework (MFF);

Programme statements of operational expenditures accompanying the budget

3. Welcomes the programme statements of operational expenditures accompanying the general budget of the European Union for the financial year 2020 (budget for 2020) that, in accordance with point (h) of Article 41(3) of the Financial Regulation, provide information on each of the spending programmes;
4. Welcomes the fact that the 2020 Programme Statements refer to the achievement of cross-cutting policy objectives as the fight against climate change and biodiversity mainstreaming; appreciates that the Commission also presents the relevant spending programmes contributing to the achievement of the Europe 2020 priorities and highlights the most recent and relevant initiatives contributing to sustainable development goals in cooperation and development policy, although often in an indirect and non-quantifiable way;
5. Calls on the Committee on Budgets, in coordination with the sectoral committees of this Parliament, to promote a real culture of “result orientation” aimed at optimising the use of funds, analysing the reasons leading to low performance programmes and pushing for measures for improvement of absorption and performance;

Performance reporting

6. Recalls that the current performance framework of the programmes reported in the programme statements includes more than 700 indicators measuring the performance against more than 60 general and more than 220 specific objectives;
7. Wonders why the Commission uses two sets of objectives and indicators to measure the performance of financial management: on the one hand, the Commission's Directors-General evaluate the achievement of the objectives defined in their management plan in the objectives and indicators in their annual activity reports, and, on the other, the Commission measures the performance of spending programmes via the programme statements of operational expenditure annexed to the draft budget; calls on the Commission to make its reporting based on a single set of objectives and indicators;
8. Regrets that the Commission did not explain in its performance reports how it used

performance information in its decision-making process;

9. Calls on the Commission to:

- (a) streamline performance reporting by:
 - further reducing the number of objectives and indicators it uses for its various performance reports and focusing on those which best measure the performance of the Union budget;
 - presenting financial information in a manner that makes it comparable with performance information so that the link between spending and performance is clear;
- (b) indicate how performance information concerning the Union budget has been used in its decision-making process;
- (c) develop data processing methods for the vast quantities of data created by performance reporting with the goal of giving a timely, fair and true picture on achievements; insists that performance reporting should be used to take corrective action when the objectives of programmes are not met;
- (d) better balance performance reporting by clearly presenting information on the main challenges still to be achieved;

Timely absorption

10. Calls on the Commission to improve the accuracy of the payment forecast and to use the lessons learned from the previous programming period in order to deal with the accumulated backlog in payments and avoid its negative effect on the next MFF and to present the action plan on reducing the payments backlog during the 2021-2027 MFF;

Migration

- 11. Calls on the Commission, for management and reporting purposes, to establish a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis, as well as for the future Union policy on management of migration flows and integration;
- 12. Reiterates its call to have a separate budget line for the Daphne-specific objective in order to show the commitment of the Union which is aimed at combating violence against women and girls; calls for increased resources in this budget line and to reverse the decrease of funds dedicated to Daphne during the 2014-2020 period; calls on an steady effort to raise the awareness of the grants included in the Daphne-specific objective along with measures to make its related administrative procedures more user friendly;

Financial instruments and Trust funds

13. Insists along with the Court of Auditors on the need for more detailed reporting on financial instruments and calls on the Commission to present accurate and complete

information on financial instruments under shared management after closure indicating amounts returned to the Union budget and those amounts remaining in Member States;

14. Points out that aid to third countries has increasingly used alternative financing models - such as trust funds and the Facility for Refugees in Turkey - which increases the complexity of existing financial structures;
15. Points out that pooling resources from the European Development Fund, the Union budget and other donors in trust funds should not have as consequence that money flagged for development and cooperation policy does not reach its normal beneficiaries or pursue its original objectives, such as the eradication of poverty and the promotion of fundamental rights;
16. Stresses that trust funds should be established only when their use is justified and the required action is not possible through other existing financing channels; further calls on the Commission to consider putting an end to trust funds that are unable to attract a significant contribution from other donors or that do not provide an added value when compared to 'traditional' Union external instruments;

EPPO

17. Insists that the European Public Prosecutor Office (EPPO) has to be adequately financed and staffed; points out that the EPPO has to be operational already as from November 2020;
18. Notes that in the draft budget for 2020 the Union contribution amounts to a total of EUR 8 372 000; considers more realistic that the contribution be increased by EUR 1,8 million and that 15 additional posts should be made available in order to cover infrastructure and operating expenditure and to start the development of the EPPO case management system.