



Committee on Employment and Social Affairs

2018/2166(DEC)

25.1.2019

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 2017, Section III – Commission and executive agencies
(2018/2166(DEC))

Rapporteur for opinion: Marian Harkin

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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. Recalls that 2017 was the fourth year of implementation of the current Multiannual Financial Framework and that all the financial programmes are now fully operational;
2. Notes the fact that there has been a sustained improvement in the overall estimated level of error in payments made from the Union budget in the past few years (4,4 % in 2014; 3,8 % in 2015; 3,1 % in 2016, 2,4% in 2017); welcomes that the Court issued a qualified opinion on the regularity of the transactions underlying the 2017 accounts;
3. Notes with satisfaction that the outputs and results described for the Fund for European Aid to the Most Deprived (FEAD) are on track to be achieved and that the instrument complements national efforts to eradicate poverty and promote social inclusion;
4. Notes with concern the high estimated level of error in the policy area of 'Economic, social and territorial cohesion' at 3,0%, which remains above the 2 % materiality threshold and the error level for the Union budget as a whole (2,4 %) and that the number and impact of detected errors indicate persisting weaknesses with the regularity of the expenditure declared by managing authorities; notes, however, that this represents a decrease from the previous year (4,8 %); acknowledges that this relatively high estimated level of error in this policy area is mainly due to ineligible costs in beneficiaries' declarations, the selection of ineligible activities, projects or beneficiaries, and the infringement of public procurement legislation; stresses the need to take effective measures to reduce those sources of error while achieving a high performance;
5. Notes with concern that the estimated error level in the area of 'Competitiveness for growth and jobs' is 4,2 % - which represents a slight increase compared to 2016 (4,1%) and that most of the errors were related to the reimbursement of ineligible personnel and other direct costs declared by beneficiaries of research projects, as well as ineligible projects/beneficiaries; stresses the need to take effective measures to reduce those sources of error while achieving a high performance; deplores the fact that, as it was the case in previous years, Member States had sufficient information available to prevent, or to detect and correct, a significant number of errors: had the Commission and the Member States made proper use of all information at their disposal, the estimated level of error for this chapter would have been 1,5% lower;
6. Notes that in the course of the Court of Auditor's review of 113 completed projects under the 'Economic, social and territorial cohesion' spending area, 65% had a performance measurement system with output and result indicators linked to the objectives of the operational programme - which represents an improvement compared to previous years; notes with concern that 30% of the projects had no result indicators or targets, making it impossible to assess the specific contribution of those projects to the overall objectives of the programme;
7. Notes that according to the Commission, few evaluations were carried out by Member

States relating to the European Social Fund beyond the Youth Employment Initiative (YEI); calls on Member States to systematically evaluate the European Social Fund in order to enable evidence based policy making, and on the Commission to promote this;

8. Recalls that in its special report 5/2017 “Youth unemployment”, the Court of Auditors found that, while some progress had been made in implementing the Youth Guarantee (YG), and while some results had been achieved, the situation fell short of the initial expectations raised at the launch of the YG; stresses however that the YEI and the YG still represent one of the most innovative and ambitious policy responses to youth unemployment in the wake of the economic crisis, and should therefore have the continued financial and political support of Union, national and regional institutions in their delivery;
9. Stresses that establishing whether the YEI budget is well spent, and whether the ultimate YEI goal of helping young unemployed people into sustainable employment is attained, can only be achieved if operations are closely and transparently monitored on the basis of reliable and comparable data, and if Member States that have made no progress are addressed in a more ambitious manner; insists therefore that the Member States improve monitoring, reporting and the quality of data as a matter of urgency and guarantee that reliable and comparable data and figures on current YEI implementation are gathered and made available in a timely manner and more frequently than is required under their annual reporting obligation, as defined in Article 19(2) of the ESF Regulation; calls on the Commission to revise its guidelines on data collection in line with the recommendation of the ECA in order to minimise the risk of overstatement of results;
10. Recalls that in its special report 22/2018 “Mobility under Erasmus+” the Court of Auditors found that, while the inclusion of Vocational Education and Training (VET) in Erasmus+ brings the Programme closer to a greater variety of citizens, the VET-strand in the programme could be further improved for example through better continuity in its annual Work Programmes, reduced administrative procedures and more support from the Commission to VET institutions in finding partners;
11. Recalls that in its special report 06/2018 “Free Movement of Workers” the Court of Auditors found that better identification and monitoring of EU funds for labour mobility would help in ensuring coordination and complementarity of funds;
12. Welcomes the results achieved under the three axes of the European Union Programme for Employment and Social Innovation (EaSI) in 2017; draws attention to the importance of EaSI support, and, in particular, of its Progress and European Employment Services network (EURES) axes, for the implementation of the European Pillar of Social Rights; notes with concern however that the thematic section Social Entrepreneurship within the EaSI Microfinance and Social Entrepreneurship axis continues to underperform; appreciates the fact that the Commission is working closely with the European Investment Fund (EIF) to ensure it commits to full utilisation of the resources under the Social Entrepreneurship thematic section.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	23.1.2019	
Result of final vote	+: -: 0:	40 2 1
Members present for the final vote	Laura Agea, Guillaume Balas, David Casa, Ole Christensen, Michael Detjen, Martina Dlabajová, Lampros Fountoulis, Marian Harkin, Czesław Hoc, Agnes Jongerius, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Miroslavs Mitrofanovs, Elisabeth Morin-Chartier, Emilian Pavel, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Robert Rochefort, Romana Tomc, Yana Toom, Marita Ulvskog, Jana Žitňanská	
Substitutes present for the final vote	Georges Bach, Amjad Bashir, Heinz K. Becker, Lynn Boylan, Mircea Diaconu, Eduard Kukan, Christelle Lechevalier, Paloma López Bermejo, António Marinho e Pinto, Alex Mayer, Csaba Sógor, Flavio Zanonato	
Substitutes under Rule 200(2) present for the final vote	Angélique Delahaye, Monika Smolková	

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

40	+
ALDE	Mircea Diaconu, Martina Dlabajová, Marian Harkin, António Marinho e Pinto, Robert Rochefort, Yana Toom
ECR	Amjad Bashir, Czesław Hoc, Jana Žitňanská
GUE/NGL	Lynn Boylan, Paloma López Bermejo, João Pimenta Lopes
PPE	Georges Bach, Heinz K. Becker, David Casa, Angélique Delahaye, Agnieszka Kozłowska-Rajewicz, Eduard Kukan, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Csaba Sógor, Romana Tomc
S&D	Guillaume Balas, Ole Christensen, Michael Detjen, Agnes Jongerius, Javi López, Alex Mayer, Emilian Pavel, Georgi Pirinski, Monika Smolková, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Miroslavs Mitrofanovs, Terry Reintke

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ENF	Christelle Lechevalier
NI	Lampros Fountoulis

1	0
EFDD	Laura Agea

Key to symbols:

+ : in favour

- : against

0 : abstention