



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2009/2068(DEC)

18.3.2010

OPINION

of the Committee on Regional Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the European Union general budget for the financial year 2008, section III – Commission and executive agencies
(SEC(2009)1089 – C7-0172/2009 – 2009/2068(DEC))

Rapporteur: JanOlbrycht

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SUGGESTIONS

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

1. Notes that interim payments for the period 2007-2013 made in 2008 only account for 32 % of expenditure and that the comments of the Court of Auditors refer, in particular, to expenditure during the 2000-2006 programming period, which represented 68 % of cohesion payments in 2008; notes, therefore, that effects of the reinforcement of the legal framework for the period 2007-2013 and the simplification measures adopted in 2008 and 2009 cannot be visible yet;
2. Welcomes the Commission's communication to the European Parliament, the Council and the Court of Auditors entitled "Impact of the action plan to strengthen the Commission's supervisory role under shared management of structural actions" (COM(2010)0052), which shows a significant increase in financial corrections applied in 2008 and 2009 and also contains the results of the first audit carried out by the Commission for a sample of the projects implemented in respect of the 2007-2013 programming period; notes with satisfaction the result of the audit showing a preliminary error rate of 5% that reflects the positive result of the simplification introduced for the 2007-2013 programming period;
3. Notes the observation of the Court of Auditors that the proportion of projects in the representative statistical sample affected by errors was 43 % and that a large number of these were over-reimbursed; considers, however, that this observation must be tempered by the assertion by the Commission that it was aware of the existence of deficiencies in five of the six programmes concerned and had taken remedial action; notes the Commission's second assertion, supported by the observation of the Court of Auditors at point 6.20 of its Annual Report, that 58 % of errors concern compliance errors and would have had no effect on the reimbursement of expenditure;
4. Notes that infringement of public procurement rules is one of the most frequent reasons underlying irregularities; calls on the Commission to verify the origin of this lack of compliance with Community public procurement rules; welcomes, in this context, the findings of the Court of Auditors and the initiatives taken by the Commission to simplify the management of the Structural Funds, and takes the view that these initiatives will make a crucial contribution to reducing the incidence of errors;
5. Draws attention to the specific character of the cohesion policy spending resulting from the multiannual management system and stresses that the financial corrections are made in subsequent years and also at the closure of the programming period, which, overall, allows the Commission to detect and correct a large number of irregularities;
6. Welcomes the noticeable improvement in the level of financial corrections implemented and formal suspensions of payments launched; asks that Member States that regularly manage their resources in accordance with the rules with simplified control and report

procedures be rewarded; criticizes, however, the insufficient documentation of beneficiaries and asks for wider publication by the Member States;

7. Notes that no fraud case was communicated to the Commission in respect of projects audited and stresses that the level of errors outlined in the report of the Court of Auditors does not necessarily refer to fraud;
8. Notes the observation of the Court of Auditors that, for the 2007-2013 programming period, control provisions are strengthened and the respective responsibilities of the Commission and Member States clarified; in this context, appreciates the added value of the audit authority set up for each programme and shares the Commission's expectation that the annual control report and opinion submitted by the audit authority should enhance the assurance provided by national control systems;
9. Considers that despite the marked improvement in the management and control systems introduced by the 2008 Action Plan, which strengthened the Commission's supervisory role in structural actions, the observation by the Commission that only 31 % of systems work well and that more than 60 % require improvement is unsatisfactory; therefore calls on the responsible Member States, regional authorities and managing authorities to collaborate strongly with the Commission in an effort to reverse these statistics;
10. Observes that the Commission's Action Plan has enabled it to take action along all the lines recommended by the Court of Auditors; welcomes the Commission's actions providing training and guidance for programmes authorities with a view to improving the functioning of the shared management system applied in relation to cohesion policy spending; encourages the Commission to further increase its efforts by providing guidance to Member States and encouraging them to strengthen recovery procedures and reporting;
11. Welcomes the decision of the Court of Auditors to include in the 2010 Annual Work Programme the audits on the ESF and the ERDF in the field of tourism, vocational training for women and public drinking water supply, which are of particular importance for the development of local communities;
12. Invites the Court of Auditors to assess how the external evaluations in respect of the Structural and Cohesion Funds are performed by the managing authorities, and to pay particular attention to the independence of the evaluation when it is paid for by the evaluation beneficiary;
13. Invites the Court of Auditors to assess, in terms of human resources, the capacity of Member States' audit authorities to perform audits and their independence when carrying out the compliance assessment of the management control system;
14. Considers it worrying that the strategic planning of pre-accession assistance for Turkey in 2002-2006 as well as the instrument for pre-accession assistance (IPA 2007 - 2013) do not include strategic and measurable goals; calls, therefore, for a concentration of funds on accession-relevant measurable projects.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	18.3.2010
Result of final vote	+: 38 -: 1 0: 3
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Charalampos Angourakis, Sophie Auconie, Catherine Bearder, Victor Boştinaru, Philip Bradbourn, Zuzana Brzobohatá, John Bufton, Alain Cadec, Salvatore Caronna, Ricardo Cortés Lastra, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, Ian Hudghton, Evgeni Kirilov, Constanze Angela Krehl, Ramona Nicole Mănescu, Riikka Manner, Iosif Matula, Franz Obermayr, Jan Olbrycht, Wojciech Michał Olejniczak, Markus Pieper, Tomasz Piotr Poręba, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, Michael Theurer, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Joachim Zeller
Substitute(s) present for the final vote	Karima Delli, Ivars Godmanis, Karin Kadenbach, Maurice Ponga, Marie-Thérèse Sanchez-Schmid, László Surján, Sabine Verheyen, Iuliu Winkler