



**2017/2136(DEC)**

24.1.2018

# 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 2016, Section III – Commission and executive agencies  
(2017/2136(DEC))

Rapporteur: Claude Rolin

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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. Notes the fact that there has been a sustained improvement in the overall estimated level of error in payments made from the EU budget in the past few years (4,4 % in 2014; 3,8 % in 2015; 3,1 % in 2016); further notes that entitlement payments, a significant part of the audited expenditure accounting for about 49 % of Union spending, showed levels (1,3 %) below the 2 % threshold for material level of error; welcomes that for the first time since 1994, the Court issued a qualified opinion on the regularity of the transactions underlying the 2016 accounts;
2. Acknowledges the overall positive impact of the corrective action by authorities in the Member States and by the Commission, which had a positive impact on the estimated level of error and without which the estimated level of error would have been 1,2 % higher;
3. Notes with concern the high estimated level of error in the policy area of ‘Economic, social and territorial cohesion’ at 4,8 %, which remains above the 2 % materiality threshold and the error level for the EU budget as a whole (3,1 %); notes, however, that this represents a small decrease from the previous year (5,2 %);
4. Notes that the high estimated level of error in the policy area of ‘Economic, social and territorial cohesion’ 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 4,1 % and that most of the errors were related to the reimbursement of ineligible personnel and indirect costs declared by beneficiaries of research projects; stresses the need to take effective measures to reduce those sources of error while achieving a high performance;
6. 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; notes that if that information had been used to correct errors, the estimated level of error for the overall spending on ‘Economic, social and territorial cohesion’ would have been 1,1 %, i.e. below the 2 % materiality threshold, and for the overall spending on ‘Competitiveness for growth and jobs’ would have been 2,9 %; notes the Court’s recommendation not to introduce additional control in Union spending, but to make sure that the existing control mechanisms are enforced properly;
7. Is concerned that in the course of the Court’s review of 168 completed projects under the ‘Economic, social and territorial cohesion’ spending area, only one-third had a performance measurement system with output and result indicators linked to the objectives of the operational programme and that 42 % had no result indicators or targets, making it impossible to assess the specific contribution of those projects to the

overall objectives of the programme;

8. Notes with concern that three years after the start of the 2014 to 2020 period, Member States have designated only 77 % of the programme authorities responsible for implementing the ESI funds, and that delays in budget implementation as of mid-2017 are greater than at the same point in the 2007 to 2013 period;
9. Notes the Court's recommendation that when reconsidering the design and delivery mechanism for the ESI funds post-2020, the Commission should strengthen the programme focus on performance and simplify the mechanism for payments by encouraging, as appropriate, the introduction of further measures linking the level of payments to performance instead of simply reimbursing costs;
10. Draws attention to the Court's observations in its Annual report on the implementation of the budget concerning the financial year 2016 that, over the last five years, it did not quantify any errors relating to the use of simplified cost options (SCOs) for transactions under the policy area of 'economic, social and territorial cohesion'; considers therefore that the promotion of a broader use of SCOs can lead to the reduction of administrative burdens, to fewer errors than reimbursement of actual costs and to a greater focus on performance and results; therefore asks the Commission to continue providing guidance and support to the Member States on the implementation of SCOs, given their increasing applicability in facilitating the widest possible use of SCOs;
11. Welcomes the achievements of the European Social Fund (ESF) and the Youth Employment Initiative (YEI) in 2016 and the fact that almost three times the number of people were supported by them in 2016 compared to the 2014 to 2015 period (7,8 million people in 2016 compared to 2,7 million people in 2014 to 2015); notes that, as a result of ESF and YEI support, 787 000 participants were in employment, 820 000 participants gained a qualification, and 276 000 participants followed education or training;
12. Welcomes the results achieved under the three axes of the European Union Programme for Employment and Social Innovation (EaSI) in 2016; 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 that the thematic section Social Entrepreneurship within EaSI Microfinance and Social Entrepreneurship axis remains underperforming and calls on the Commission to insist that the European Investment Fund commits to full utilisation of the resources under Social Entrepreneurship thematic section.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	23.1.2018
<b>Result of final vote</b>	+: 39 -: 8 0: 2
<b>Members present for the final vote</b>	Guillaume Balas, Vilija Blinkevičiūtė, Enrique Calvet Chambon, David Casa, Ole Christensen, Michael Detjen, Martina Dlabajová, Lampros Fountoulis, Arne Gericke, Marian Harkin, Czesław Hoc, Agnes Jongerius, Rina Ronja Kari, Jan Keller, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jean Lambert, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Javi López, Thomas Mann, Dominique Martin, Anthea McIntyre, Joëlle Mélin, Elisabeth Morin-Chartier, João Pimenta Lopes, Georgi Pirinski, Marek Plura, Dennis Radtke, Terry Reintke, Claude Rolin, Siôn Simon, Romana Tomc, Ulrike Trebesius, Marita Ulvskog, Tatjana Ždanoka
<b>Substitutes present for the final vote</b>	Georges Bach, Lynn Boylan, Rosa D'Amato, Tania González Peñas, Krzysztof Hetman, Paloma López Bermejo, António Marinho e Pinto, Edouard Martin, Ivare Padar, Flavio Zanonato
<b>Substitutes under Rule 200(2) present for the final vote</b>	Geoffroy Didier, Morten Messerschmidt

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

39	+
ALDE	Enrique Calvet Chambon, Martina Dlabajová, Marian Harkin, António Marinho e Pinto
GUE/NGL	Lynn Boylan, Tania González Peñas, Rina Ronja Kari, Paloma López Bermejo
PPE	Georges Bach, David Casa, Geoffroy Didier, Krzysztof Hetman, Ádám Kósa, Agnieszka Kozłowska-Rajewicz, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Thomas Mann, Elisabeth Morin-Chartier, Marek Plura, Dennis Radtke, Claude Rolin, Romana Tomc
S&D	Guillaume Balas, Vilija Blinkevičiūtė, Ole Christensen, Michael Detjen, Agnes Jongerius, Jan Keller, Javi López, Edouard Martin, Ivari Padar, Georgi Pirinski, Siôn Simon, Marita Ulvskog, Flavio Zanonato
VERTS/ALE	Jean Lambert, Terry Reintke, Tatjana Ždanoka

8	-
ECR	Arne Gericke, Czesław Hoc, Anthea McIntyre, Morten Messerschmidt, Ulrike Trebesius
ENF	Dominique Martin, Joëlle Mélin
NI	Lampros Fountoulis

2	0
EFDD	Rosa D'Amato
GUE/NGL	João Pimenta Lopes

Key to symbols:

+ : in favour

- : against

0 : abstention