



**2021/2106(DEC)**

2.2.2022

# 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 2020 – Section III, Commission and executive agencies  
(2021/2106(DEC))

Rapporteur for opinion: Romana Tomc

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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 2020 was the final year of implementation of the Multiannual Financial Framework (MFF) for 2014-2020 and that all the financial programmes are fully operational at this stage;
2. Takes note that by the end of 2020, outstanding commitments continued to rise, reaching EUR 303.2 billion; highlights that this increase was smaller than in previous years, partly due to the additional payment appropriations being made available for combating the COVID-19 pandemic; notes that according to the Commission's long-term forecasting, which does not include the Next Generation EU (NGEU) instrument, the amount of outstanding commitments should remain fairly stable at this high level until 2027; notes that despite the fact that the absorption of European Structural and Investment (ESI) funds has accelerated at the end of 2020 (55%), it is still slower than at the same time under the previous MFFs (2000-2006: 68 %; 2007-2013: 62 %); calls, therefore, on the Commission to analyse the reasons for the low absorption level and to simplify the new rules for the post-2020 period in order to avoid unnecessarily complex and/or burdensome rules with no added value;
3. Expresses satisfaction that the biggest part of the Union budget went to boost sustainable growth and enhance competitiveness by reducing the economic gaps between regions, stimulate the creation of quality jobs, fight climate change, and address the socio-economic impact of the COVID-19 pandemic in the EU, as well as provide assistance to third countries; welcomes in this regard the increased flexibility and the simplification of administrative requirements for the use of existing ESI funds to help Member States in their efforts to deal with the negative effects of the COVID-19 pandemic;
4. Welcomes that Commission activated business continuity plans in good time to ensure the continuation of key governance processes and the well-being of staff during the COVID-19 pandemic; expresses satisfaction that Commission rapidly adapted its work to the pandemic through accelerated digitalisation measures, collaborated better, and improved the way they exchanged information to remain operational;

### Comments on MFF subheading 1a 'Competitiveness for growth and jobs'

#### General comments

5. Recalls the total planned expenditure under this sub-heading of the 2014-2020 MFF was EUR 142 billion, of which EUR 25.3 billion had been allocated in 2020; recalls that EUR 104.6 billion had been paid out by the end of 2020; expresses satisfaction that EUR 3.1 billion (12.8%) of the spending under the MFF subheading 1a is dedicated to Education, training, youth and sport;
6. Recalls that most spending on the programmes under the MFF subheading 1a is directly managed by the Commission;

7. Recalls that DG EMPL should take full account to decrease possible errors beyond those detected;

#### **Specific comments on EaSI**

8. Notes that EUR 33.2 million was transferred to the European Investment Fund in relation to the EaSI guarantee financial instrument and the EaSI Capacity building;

#### **Comments on MFF subheading 1b ‘Economic, social and territorial cohesion’**

9. Notes that in 2020, EUR 59.5 billion was allocated to programmes under subheading 1b, of which EUR 14.7 billion (24.7 %) to the European Social Fund (ESF) and EUR 10.2 billion (17.1 %) to the Cohesion Fund;
10. Stresses the importance of the ESF and the Youth Employment Initiative (YEI) to encourage high level of employment, the creation of quality jobs and fight against poverty and social exclusion; expresses the need to provide them with the continued financial and political support of the Union, national and regional institutions in the delivery of their targets in the years to come;
11. Notes that, on average, more than one out of five persons and one out of four children are still at risk of poverty or social exclusion in the European Union; recalls the EU commitment to the support for the most deprived through FEAD, alleviating the worst forms of poverty in the Union, such as food deprivation, homelessness, and child poverty; notes that about 13 million people, including approximately 4 million children under the age of 15 are supported by FEAD annually;
12. Takes note of the Court’s special report 26/2021 ‘Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final’;
13. Notes with concern that the estimated overall level of error in subheading 1b ‘Economic, social and territorial cohesion’ stood at 3.5 % in 2020 (2019:4.4 %, 2018: 5 %); underlines that despite the slight decrease in comparison with the previous years, this figure is still largely above the 2 % materiality threshold and the estimated level of error in expenditure for the Union budget as a whole (2.7 %); stresses that the new control and assurance framework was designed to ensure that annual residual error rates are below 2 %; agrees with the Court's conclusions that further improvements are necessary in terms of the implementation of the framework by the Member States’ programme authorities and by the Commission in order to reduce the high level of error;
14. Calls, therefore, for urgent action to decrease the error rate in the future, and especially for the next funding period;
15. Is worried about the fact that for 2020 financial year, the Court of Auditors (the “Court”) concluded that the weaknesses detected in some audit authorities’ sampling methods have limited the reliance that can be placed on that work; recalls the crucial role of audit authorities in the Member States in the assurance and control framework in Cohesion;
16. Takes note that the Court is in the process of finalising a special report in which it will

provide more detail on the relevance, reliability and consistency of the annual level of error reported in the annual activity reports (AARs) and Annual Management and Performance Report (AMPR) for Cohesion expenditure;

### **Specific comments on ESF**

17. Recalls the vital importance of the ESF as the Union's main tool in fostering increased employment and voluntary labour mobility, education and vocational training for skills and lifelong learning and promoting social inclusion, combatting poverty and discrimination;
18. Notes that the ESF expenses increased from EUR 11.2 billion in 2019 to EUR 13.7 billion in 2020 due to increased implementation;
19. Notes the Court's report on 'the performance of the EU budget – Status at the end of 2020' which found that while the ESF's performance framework increased the availability of performance information, the focus remained on financial inputs and outputs, rather than on results and that ESF-funded activities continue to face difficulties in reaching people who are disconnected from the labour market, such as NEETs;
20. Furthermore, believes that regional actors must be involved more closely and the Member States contributions should be reduced in order to reach the weakest regions;

### **Instrument for temporary Support to mitigate Unemployment Risks in Emergency (SURE)**

21. Expresses satisfaction that SURE reached a total volume of EUR 94.3 billion and a total level of disbursements of EUR 89.6 billion (as of May 2021) on a budget of EUR 100 billion; welcomes that SURE have supported approximately 31 million people and 2.5 million firms in 2020; calls in this context on the Commission to put forward a permanent European Unemployment Reinsurance Scheme without farther delay taking into account the fact that job layoffs will most probably increase;
22. Notes that the SURE Instrument increased the Union budget's exposure to financial risk by adding EUR 39.5 billion of Member States' borrowing to the exposure figure by the end of 2020; welcomes that the associated risks are reduced by safeguards built into the instrument, in particular by means of a guarantee system;
23. Urgently calls on the Commission to take the catering staff in-house in order to ensure good working conditions and avoid layoffs;

### **Conclusion**

24. Calls on the Commission to follow up all errors found by the Court and to request additional financial corrections, where deemed necessary;
25. Notes that, in its report for the 2019 financial audit, the Court for the first time also issued an overall assessment of the conditions put in place by the Union to enable the agencies to deliver its policies for the public good and recommended to the Commission to ensure the relevance, coherence and flexibility of the set-up of agencies, allocate resources in a

more flexible manner, improve governance, accountability and reporting on performance;

26. Recognises that the five decentralised agencies (Eurofound, Cedefop, ETF, EU-OSHA and ELA) under the remit of DG EMPL provide significant contributions and each have an important added value to the implementation of the specific objectives of DG EMPL's policy areas; expresses its satisfaction that the assessment confirms a positive evaluation report on the relevance, effectiveness, efficiency, coherence and added value of the agencies, as well as the need to reinforce cooperation in order to achieve synergies and strengthen the role of agencies as centres of expertise and networking;
27. Takes note of the Commission's commitment to continue its close work with the audit authorities in order to strengthen their capacity to prevent and correct errors, to better document their audit work and therefore to contribute to the assurance process;
28. Asks the Commission to implement as soon as possible all outstanding Court's recommendations.

## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

<b>Date adopted</b>	1.2.2022
<b>Result of final vote</b>	+: 47 -: 5 0: 2
<b>Members present for the final vote</b>	Atidzhe Alieva-Veli, Marc Angel, Dominique Bilde, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, Jordi Cañas, David Casa, Ilan De Basso, Margarita de la Pisa Carrión, Özlem Demirel, Klára Dobrev, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kympouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Giuseppe Milazzo, Dragoş Pîslaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Michal Šimečka, Beata Szydło, Eugen Tomac, Romana Tomc, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
<b>Substitutes present for the final vote</b>	Marc Botenga, Peter Lundgren, Eugenia Rodríguez Palop, Véronique Trillet-Lenoir, Kim Van Sparrentak

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

47	+
ECR	Giuseppe Milazzo, Elżbieta Rafalska, Beata Szydło
NI	Ádám Kósa, Daniela Rondinelli
PPE	David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Loucas Fourlas, Cindy Franssen, Helmut Geuking, Radan Kanev, Stelios Kypourouopoulos, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Atidzhe Alieva-Veli, Sylvie Brunet, Jordi Cañas, Dragoş Pîslaru, Monica Semedo, Véronique Trillet-Lenoir, Lucia Ďuriš Nicholsonová, Michal Šimečka
S&D	Marc Angel, Gabriele Bischoff, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Klára Dobrev, Estrella Durá Ferrandis, Elisabetta Gualmini, Alicia Homs Ginel, Agnes Jongerius, Manuel Pizarro, Marianne Vind
The Left	Marc Botenga, Özlem Demirel, Eugenia Rodríguez Palop, Nikolaj Villumsen
Verts/ALE	Katrin Langensiepen, Mounir Satouri, Kim Van Sparrentak, Tatjana Ždanoka

5	-
ECR	Peter Lundgren, Margarita de la Pisa Carrión
ID	Dominique Bilde, Nicolaus Fest, France Jamet

2	0
ID	Elena Lizzi, Stefania Zambelli

Key to symbols:

+ : in favour

- : against

0 : abstention