European Parliament

2019-2024



Committee on Employment and Social Affairs

2023/2129(DEC)

5.2.2024

OPINION

of the Committee on Employment and Social Affairs

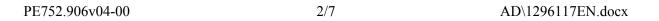
for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2022 – Commission (2023/2129(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:

- having regard to the European Court of Auditors' Annual report on the implementation of the EU budget for the 2022 financial year;
- having regard to the European Court of Auditors' Annual report on EU agencies for the financial year 2022;
- having regard to the European Commission's Annual management and performance report for the EU budget 2022;
- 1. Is worried by the fact that by the end of 2022, total outstanding commitments reached a record level of over €450 billion; takes note, however, that the increase is mainly a result of an increased commitment of funds during the second year of implementation of NextGenerationEU (NGEU), as well as the start of 2021- 2027 shared management fund implementation, and that according to the Commission, after a further increase to some €460 billion in 2023, the outstanding commitments should decrease from 2024 until 2027 to €314 billion;
- 2. Expresses satisfaction that the biggest part of the Union budget spending in 2022 went to the Heading 2 "Cohesion, resilience and values" (EUR 79.1 billion, or 40.4 %); emphasizes that the ESF+ aims to support Member States and regions to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work; furthermore, underlines the importance to closely involve regional actors in the implementation of ESF+ funded activities;
- 3. Recalls that transparency and accountability in the implementation of the EU Budget is key; stresses in this context the need for further efforts, both from the Commission and Member States, to ensure better transparency of the use of EU taxpayers' money; insists that the publication of final recipients of EU funding should be a horizontal provision for all categories of EU funding; regrets the interpretation of the Commission of what "final recipients" are in the case of the Recovery and Resilience Facility;
- 4. Recalls that spending under the subheading "Economic, social and territorial cohesion" (Subheading 2a) focuses on reducing development disparities between the different Member States and regions of the EU; stresses the importance of EU cohesion policy in supporting the implementation of the European Pillar of Social Rights and achieving its headline targets and assisting Member States and regions to harness new opportunities and address challenges, such as globalisation, unemployment, poverty and social exclusion, industrial change, digitalisation and supporting up and re-skilling and lifelong learning;
- 5. Is greatly worried that the overall level of error, estimated by the European Court of Auditors to 4.2 %, thus is higher compared to 3.0 % in 2021 as well as largely above the 2 % materiality threshold; is particularly worried that the level of error is mainly driven

by 'Cohesion, resilience and values', which was the biggest contributor to this rate (2.5 %); recognises that the majority of spending in this area is deemed high-risk expenditure as mainly reimbursement-based and often subject to complex rules; notes that the most common errors under the Cohesion heading were ineligible projects and infringements of internal market rules, in particular non-compliance with public procurement and state aid rules; calls for urgent action to decrease the error rate in the future, especially for the new funding period, and calls on the Commission to assist the agencies to improve their internal procedures in order to ensure compliance with applicable public procurement and state aid rules;

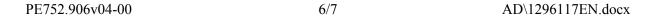
- 6. Notes that the EU budget's loss of purchasing power will affect its expenditure to differing degrees, as parts of the EU budget are fixed costs and they typically correlate with inflation, and these budget items will thus increase more than had been expected at the start of the MFF period; acknowledges that a key example of this is administration costs, which are impacted by inflation; notes that in 2022, the Commission already had to allocate an additional €0.2 billion to heading 7 − European Public Administration − because of rising inflation and energy prices;
- 7. Stresses that the Commission should assess the impact on the EU budget of high inflation continuing over several years and identify tools to mitigate resulting key risks; is of the opinion that in this regard, the Commission should protect the EU budget's ability to meet its legal and contractual commitments, such as rising financing costs;
- 8. Stresses that the Commission should substantially reduce the level of outstanding commitments; notes that in the light of high outstanding commitments which await payment from future EU budgets, the Commission should identify ways to help Member States' accelerate the use of EU funds, in particular of shared management funds under the Common Provisions Regulation, while respecting sound financial management;
- 9. Calls on the Commission to follow up and take necessary action with regards to all errors found by the Court and to implement additional financial corrections, where deemed necessary;
- 10. Calls on the Commission to promote good working conditions and staff retention policies in order to ensure a stable and resilient workforce;
- 11. 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;
- 12. Asks the Commission to implement as soon as possible all outstanding Court's recommendations.

ANNEX: ENTITIES OR PERSONS FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

The rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	11.1.2024
Result of final vote	+: 35 -: 1 0: 3
Members present for the final vote	João Albuquerque, Atidzhe Alieva-Veli, Dominique Bilde, Vilija Blinkevičiūtė, Milan Brglez, Jordi Cañas, David Casa, Leila Chaibi, Ilan De Basso, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Cindy Franssen, Helmut Geuking, Elisabetta Gualmini, Agnes Jongerius, Radan Kanev, Ádám Kósa, Katrin Langensiepen, Elena Lizzi, Sara Matthieu, Jozef Mihál, Max Orville, Dennis Radtke, Antonio Maria Rinaldi, Mounir Satouri, Monica Semedo, Eugen Tomac, Romana Tomc, Nikolaj Villumsen, Maria Walsh
Substitutes present for the final vote	Catherine Amalric, Romeo Franz, Lina Gálvez Muñoz, José Gusmão
Substitutes under Rule 209(7) present for the final vote	Chiara Gemma, Maria Noichl, Carina Ohlsson, Vera Tax



FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

35	+
NI	Ádám Kósa
PPE	David Casa, Jarosław Duda, Cindy Franssen, Helmut Geuking, Radan Kanev, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh
Renew	Atidzhe Alieva-Veli, Catherine Amalric, Jordi Cañas, Lucia Ďuriš Nicholsonová, Jozef Mihál, Max Orville, Monica Semedo
S&D	João Albuquerque, Vilija Blinkevičiūtė, Milan Brglez, Ilan De Basso, Estrella Durá Ferrandis, Lina Gálvez Muñoz, Elisabetta Gualmini, Agnes Jongerius, Maria Noichl, Carina Ohlsson, Vera Tax
The Left	Leila Chaibi, José Gusmão, Nikolaj Villumsen
Verts/ALE	Romeo Franz, Katrin Langensiepen, Sara Matthieu, Mounir Satouri

1	-
ID	Dominique Bilde

3	0
ECR	Chiara Gemma
ID	Elena Lizzi, Antonio Maria Rinaldi

Key to symbols: + : in favour - : against 0 : abstention