AMENDMENTS
1 - 42

Draft opinion
Josianne Cutajar
(PE643.053v01-00)

2018 discharge: General budget of the EU - European Commission
(2019/2055(DEC))
Amendment 1
Cristina Maestre Martín De Almagro, Isabel García Muñoz

Draft opinion
Paragraph 1

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3 % in 2017 to 5 % in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed;

Amendment

1. Stresses the importance of simplifying the rules and procedures and making them more flexible, avoiding unnecessary administrative obstacles, so as to prevent or detect and correct many of the errors and improve take-up capacity in the Member States;

Or. es

Amendment 2
Isabel Carvalhais, Pedro Marques

Draft opinion
Paragraph 1

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3 % in 2017 to 5 % in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed;

Amendment

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3 % in 2017 to 5 % in 2018; regrets that the positive trend of the last years has been reversed;

Or. pt

Amendment 3
Bronis Ropè
on behalf of the Verts/ALE Group

**Draft opinion**

**Paragraph 1**

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3% in 2017 to 5% in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed;

**Amendment**

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3% in 2017 to 5% in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed; *moreover, finds alerting that the level of errors in relation to public procurement, state aid rules and grant award in 2018 contributed to 16% of ECA estimated level of error for high-risk expenditure, whereas in 2017 their impact was just 1%;*

Or. en

**Amendment 4**

Francesca Donato

**Draft opinion**

**Paragraph 1**

1. Notes that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3% in 2017 to 5% in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed;

**Amendment**

1. Regrets that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on ‘Economic, social and territorial cohesion’ increased from 3% in 2017 to 5% in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed *with a huge damage for European citizens;*

Or. en
Amendment 5
Alessandro Panza

Draft opinion
Paragraph 1

1. **Notes** that, as indicated in the Annual Report of the Court of Auditors for the financial year 2018, the estimated level of error in spending on 'Economic, social and territorial cohesion' increased from 3% in 2017 to 5% in 2018; regrets that, even if it should be stressed that errors in the implementation of the budget do not automatically imply a fraud, the positive trend of the last years has been reversed;
a potential loss of Union funding;

Amendment 7
Tsvetelina Penkova

Draft opinion
Paragraph 1 a (new)

1 a. Encourages the Commission to reduce the diverging interpretation of applicable national or EU rules when it comes to disagreement with the assessments made by the Court of Auditors’ Annual Report on the nature of the occurred errors in order to avoid such situation in future and different interpretation of applicable rules;

Amendment 8
Isabel Carvalhais, Pedro Marques

Draft opinion
Paragraph 1 a (new)

1a. Notes the work done by the audit bodies, while stressing that errors in the implementation of the budget do not automatically imply a fraud; points out that a thorough analysis of the audit results is required before charges are brought against beneficiaries;

Amendment 9
Martina Michels
Draft opinion

Paragraph 2

Draft opinion

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Amendment

2. Takes note that the source of those errors, regarding both grants and - less closely audited - financial instruments is mainly a result of reimbursements of ineligible costs, as well as infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Or. de

Amendment 10
Bronis Ropé
on behalf of the Verts/ALE Group

Draft opinion

Paragraph 2

Draft opinion

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Amendment

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit; furthermore, stresses that the performance based audit does not capture the entirety of cohesion policy spending, which is built on a series of horizontal principles, such as gender equality, non-discrimination and sustainable development, and based on the partnership principle, therefore, important side-effects are hard to measure, especially in the social field, so a wider range of indicators would be
preferred; points out as well that respective changes of the administrative systems by some Member States (NUTS classification) should also be taken into account during the collection of data;

Amendment 11
Cristina Maestre Martín De Almagro, Isabel García Muñoz

Draft opinion
Paragraph 2

Draft opinion

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Amendment

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit; notes, as indicated in the annual report of the Court of Auditors for 2018, that VAT reimbursement is prone to error and does not always result in to optimal use of Union funds;

Amendment 12
Tamás Deutsch, Isabel Benjumea Benjumea

Draft opinion
Paragraph 2

Draft opinion

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Amendment

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reimbursement and payments as well as fewer financial instruments having been included in the audit; reminds that simplification of rules in general can greatly contribute to the more effective use of funds and to the reduction of the error rate;

Or. en

Amendment 13
Viktor Uspaskich

Draft opinion
Paragraph 2

2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs, infringements of internal market rules and lack of support documentation, but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Amendment
2. Takes note that the source of those errors is mainly a result of reimbursements of ineligible costs (44%), infringements of internal market rules (40%) and lack of support documentation (11%), but is also due to the previous year’s overall low rates of reimbursement and payments as well as fewer financial instruments having been included in the audit;

Or. en

Amendment 14
Martina Michels

Draft opinion
Paragraph 2 a (new)

2a. Points out that the Union is having increasing recourse to financial instruments and guarantees for the EIB group, particularly through the provision of guarantees within the framework of the European Fund for Strategic Investments (EFSI), placing the Union budget at greater risk of exposure as a result;
supports the European Court of Auditors’ position that the Court should be mandated to audit all EIB operations including those where the EIB uses non-Union budget funds for its operations;

Amendment 15
Viktor Uspaskich

Draft opinion
Paragraph 2 a (new)

2 a. Regrets that two largest error groups for ERDF/CF/ESF were ‘Ineligible project/beneficiary/activities’ (21%) and ‘Infringement of state aid rules’ (25%);

Amendment

Or. de

Amendment 16
Bronis Ropė on behalf of the Verts/ALE Group

Draft opinion
Paragraph 3

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries; calls on the simplification measures already introduced in Regulation (EU, Euratom) 2018/1046 of the European
Parliament and of the Council to be used; furthermore, local and regional authorities as well as national and regional parliaments should take a more active role when setting-up the specific national rules; stresses once again the need to reduce administrative burdens whereas possible while ensuring a full transparency of the processes;

Or. en

Amendment 17
Francesca Donato

Draft opinion
Paragraph 3

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries;

Amendment

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national and Union authorities; recalls that simpler eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries; invite the Commission to take note of the problem and find better solutions in order to avoid the administrative burdens and to foster simplified procedures;

Or. en

Amendment 18
Alessandro Panza

Draft opinion
Paragraph 3

3. Draws attention to the fact that

Amendment

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High-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries; stresses that simpler national eligibility rules might help reduce this source of error, undoubtedly resulting in a smaller administrative burden for beneficiaries; regrets the difficulties encountered by certain Member States and regions regarding deployment of the funds owing to excessively strict and inflexible regulations; invite the Commission to take note of the problem and find better solutions in order to avoid the administrative burdens and to foster simplified procedures;

Amendment 19
Cristina Maestre Martín De Almagro, Isabel García Muñoz

Draft opinion
Paragraph 3

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries; stresses that simpler national eligibility rules might help reduce this source of error, undoubtedly resulting in a smaller administrative burden for beneficiaries; regrets the difficulties encountered by certain Member States and regions regarding deployment of the funds owing to excessively strict and inflexible regulations;
Paragraph 3

*Draft opinion*

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries;

*Amendment*

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; recalls that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries; *highlights that flexibility can be conducive to a more rapid and efficient uptake of funds;*

Or. en

Amendment 21
Viktor Uspaskich

*Draft opinion*  

Paragraph 3

*Draft opinion*

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; *recalls* that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries;

*Amendment*

3. Draws attention to the fact that high-risk expenditures are often subject to complex rules and eligibility conditions which lead to errors and that a number of these errors are compounded by a supplemental layer added by national authorities; *agrees with Court of Auditors conclusion* that simpler national eligibility rules might help reduce this source of error and result in a smaller administrative burden for beneficiaries;

Or. en

Amendment 22
Tsvetelina Penkova

*Draft opinion*
Paragraph 3 a (new)

*Draft opinion*  

3 a. Stresses that since targeted fraud prevention measures are a key action of the new Commission's Anti-Fraud Strategy, the Commission should continue to actively support and assist Member States in the implementation of anti-fraud measures and should improve the analysis of irregularities reported by Member States under the European Regional Development Fund and the Cohesion Fund;

Or. en

Amendment 23  
Francesca Donato

*Draft opinion*  

Paragraph 4

*Draft opinion*  

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27,3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27,3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework; In order to better use ESI Funds, suggests to have a SWOT analysis on the functioning of such Funds and their absorption rate for the implementation period;

Or. en

Amendment 24  
Alessandro Panza

*Draft opinion*  

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Paragraph 4

**Draft opinion**

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

**Amendment**

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

*In order to better use ESI Funds, suggests to have a SWOT analysis on the functioning of such Funds and their absorption rate for the implementation period;*

Or. en

**Amendment 25**

Bronis Ropé
on behalf of the Verts/ALE Group

**Draft opinion**

Paragraph 4

**Draft opinion**

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

**Amendment**

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

*eventually this could lead to a rushed spending by the end of the programming period, which can then jeopardise achieving the cohesion goals;*

Or. en

**Amendment 26**

Isabel Carvalhais, Pedro Marques
Draft opinion
Paragraph 4

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

Amendment

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3%; notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework; points out that simplification of the rules could increase the take-up of ESI funds;

Or. pt

Amendment 27
Viktor Uspaskich

Draft opinion
Paragraph 4

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3% - notes that this value is even lower than the absorption rate of 2011, the corresponding year of the previous Multiannual Financial Framework;

Amendment

4. Stresses that the absorption of European Structural and Investment Funds (‘ESI Funds’) has continued to be slower than planned - by the end of 2018, only 27.3%; notes that this value is even lower than the absorption rate in 2011 of 33.4%, the corresponding year of the previous Multiannual Financial Framework;

Or. en

Amendment 28
Cristina Maestre Martín De Almagro, Isabel García Muñoz

Draft opinion
Paragraph 4 a (new)
4a. Underlines that, in order to facilitate access to funding, the latter should not be subject to macroeconomic parameters (macro-conditionality) or included in the calculation of the deficit;

Or. es

Amendment 29
Bronis Ropé
on behalf of the Verts/ALE Group

Draft opinion
Paragraph 5

5. Recalls that the reasons behind this low absorption rate not only lie in the decommitment methodology (the so-called “n+3 rule”), but also in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.

Amendment

5. Recalls that the reasons behind this low absorption rate not only lie in the decommitment methodology (the so-called “n+3 rule”), but also in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect; recalls the fact that delays encountered at the start of the programming period may result in a backlog in the future payment applications; stresses that although the project selection rates are high and a positive absorption rate could be reached by the end of the programming period, we should aim for the high quality and climate friendly project criteria to be respected. In that regard stresses the importance of the commitments made by the Paris Agreement and achieving the EU climate and energy targets and a climate-neutral EU;

Or. en
5. Recalls that the reasons behind this low absorption rate not only lie in the decommitment methodology (the so-called “n+3 rule”), but also in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.

5. Recalls that the reasons behind this low absorption rate not only lie in the decommitment methodology (the so-called “n+3 rule”), but also in the late adoption of the legislative framework enabling the implementation of the cohesion policy, which is a situation that needs to be averted in the future; therefore calls on the Council and its successive presidencies to match the Parliament's speed and focus in the ongoing legislative procedure concerning adoption of the MFF and cohesion policy regulations for the next programming period 2021-2027; further calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 in order to avoid the repetition of delayed implementation of ESI Funds and its domino effect;

Or. en

ASSISI
avoid the repetition of delayed implementation of ESI Funds and its domino effect. 

avoid the repetition of delayed implementation of ESI Funds and its domino effect and to present the Action Plan on reducing the payments backlog during the 2021-2027 multiannual financial framework;

Amendment 32
Martina Michels
Draft opinion
Paragraph 5

5. Recalls that the reasons behind this low absorption rate not only lie in the decommitment methodology (the so-called “n+3 rule”), but also in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.

Or. es

Amendment 33
Alessandro Panza
Draft opinion
Paragraph 5

5. Recalls that the reasons behind this low absorption rate lie mainly in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect;

Or. de
therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.

Amendment 34
Francesca Donato

Draft opinion
Paragraph 5

\textit{Draft opinion}  

5. Recalls that the reasons behind this low absorption rate \textit{not only lie in the deccommitment methodology (the so-called “n+3 rule”), but also} in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.

\textit{Amendment}  

5. Recalls that the reasons behind this low absorption rate \textit{lie} in the late adoption of the legislative framework enabling the implementation of the cohesion policy; therefore calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect;

Amendment 35
Cristina Maestre Martín De Almagro, Isabel García Muñoz

Draft opinion
Paragraph 5 a (new)

\textit{Draft opinion}  

5a. \textit{Calls on the Commission to present a detailed analysis of the reasons for the low funding take-up rates in certain regions and assess specific ways of remedying the structural problems underlying those imbalances; calls on the Commission and the Council to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect.}

\textit{Amendment}  

5a. \textit{Calls on the Commission to ensure proper measures in the next programming period 2021-2027 to avoid the repetition of delayed implementation of ESI Funds and its domino effect;
Commission to step up on-the-spot technical assistance to facilitate take-up in Member States experiencing difficulties in this regard;

Amendment 36
Josianne Cutajar

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5 a. Considers that the EU has increasingly made use of financial instruments and budgetary guarantees provided to the European Investment Bank Group (the EIB) and that trend is expected to continue during the next MFF; consequently reiterates the support to the Court’s proposal that it should also audit the EIB’s non-EU-budget-related operations as stated in Parliament’s resolution on the Annual Report on the control of the financial activities of the EIB for 2017;

Amendment 37
Pedro Marques, Josianne Cutajar

Draft opinion
Paragraph 5 a (new)

Draft opinion

Amendment

5 a. Recalls the importance of achieving a rapid political agreement between the institutions on the 2021-2027 MFF, in order to avoid delaying the implementation of the ESI Funds in the next programming period;
Amendment 38
Viktor Uspaskich

Draft opinion
Paragraph 5 a (new)

5 a. Notes that not all member countries comply with obligations to pay beneficiaries the full public contribution no later than 90 days after the payment request;

Amendment

Or. en

Amendment 39
Isabel Carvalhais, Pedro Marques

Draft opinion
Paragraph 5 a (new)

5a. Highlights the need to analyse financial performance indicators as drivers of decision making;

Amendment

Or. pt

Amendment 40
Pedro Marques, Josianne Cutajar

Draft opinion
Paragraph 5 b (new)

5 b. Calls on the Commission and the Council to establish an Action Plan in the first half of 2020 to speed-up the implementation of ESI Funds in the current programming period, with clear
incentives for the rapid and effective absorption of available funds, strengthening the Strategic Objectives of the Union, in particular the Fight against Climate Change and Social and Territorial Cohesion;

Amendment 41
Josianne Cutajar

Draft opinion
Paragraph 5 b (new)

5 b. Underlines the key role that national audit authorities, along with the European Court of Auditors, have in monitoring the use of Cohesion Funds; calls for an improvement of the audit working methods put in place at the national level; encourages the development of best practices in this area;

Amendment 42
Josianne Cutajar

Draft opinion
Paragraph 5 c (new)

5 c. Reiterates the importance of reliable performance measurement systems built on high-quality data, calls on the European Commission to further develop and align audit methodologies in order to harmonise different performance measurement systems of Member States’ authorities;