Evaluation of the Union's finances based on the results achieved: a new tool for the European Commission's improved discharge procedure

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This is the **fourth evaluation report on the Union's finances** based on the results achieved, in accordance with Article 318 of the TFEU, following up on requests made by the Discharge Authority, most recently in its **2012 discharge resolution and in its Resolution of 26 February 2014.**

Although 2013 is the last year of the MFF 2007-2013 period, the Commission considers that it is still **too early fully to measure the programmes' results and impacts**. Nevertheless, data is available on indicators measuring the extent to which the implementation of the programmes is on track and a number of evaluations have been finalised giving performance feedback.

The report notes that **the Commission is generally on track** in implementing the different programmes contributing to the objective of the **Europe 2020 strategy**, with occasional examples of lack of progress compared to set milestones and indicators. Much of the information and data at this stage concerns outputs and actions being taken rather than results and impacts on programme objectives, but first indications of overall performance confirm expectations based on the design of the programmes and the progress achieved in their implementation.

It is difficult to measure the extent to which progress towards overall strategic policy objectives is a direct and exclusive result of actions financed by the spending programmes, while confirmation is provided of the **added value of common objectives and co-ordinated action by the EU**, contributing to increased efficiency and effectiveness.

The economic downturn has clearly slowed down progress in achieving EU headline targets on important aims such as the reduction in the number of people at risk of poverty and social exclusion. In response to the crisis, the Commission has undertaken various measures to speed up the implementation and align EU financing with the objectives of the Europe 2020 strategy.

The main findings of the report are as follows:

FP7: under FP7, for the period 2007-2013, 13 007 applicants were retained for funding for a total requested EU financial contribution of EUR 41.26 billion. 98% of completed projects achieve their initial objectives and on average each completed project produces 5.7 publications. The close to **6 000 completed projects** together produced **1 261 Intellectual property rights**.

The **public-private partnerships** (PPPs) set up under FP7 produced substantial leverage effects. Since 2007, the **European Research Council** has funded over 4 300 researchers of 64 nationalities and their teams working at just under 600 Host Institutions in 29 countries in the EU and the Associated Countries under FP7. **Marie Skodowska-Curie actions** have supported during the period 2007-2013, as planned, about 50 000 researchers of 136 different nationalities working in more than 81 countries through fellowships and other measures.

Life Long Learning Programme: participation in individual mobility activities under the Programme is in line with or above targets, except for the sub-programme for adult learners (Grundtvig). The **Erasmus** sub-programme which fosters mobility and cooperation between higher education institutions met its

target of three million students in the academic year 2012/2013, with over 250 000 students (+9%), including more than 48 000 placements in enterprises (+18%) in 2013 alone. This accounts for 5% of the annual overall number of European graduates.

European Energy Programme for Recovery (EEPR): an **important leverage effect** was also triggered under CIP through the Intelligent Energy Europe programme (CIP-IEE). In 2013 those IEE projects aiming to short term impact received EUR 42 million from the programme. In a similar vein whilst EU funding has contributed important strategic policy objectives, large scale funding under the European Energy Programme for Recovery of gas and electricity interconnections has only started to contribute to easing the wide-ranging energy security issue and to consolidate the internal market in energy, while **far more needs to be done** to further improve interconnections with the more remote and/or less well connected parts of the single market.

Cohesion for growth and employment: with over EUR 270 billion the ERDF and the CF account for close to 80% of the total budget under this budgetary heading, whereas the ESF allocation is approximately EUR 75 billion. The economic downturn has clearly slowed down progress in achieving EU headline targets on important aims such as the reduction in the number of people at risk of poverty and social exclusion. **In response to the crisis, the Commission has undertaken various measures to speed up the implementation and align EU financing with the objectives of the Europe 2020 strategy**. It is clear that despite this fact the EU spending programmes alone have not been able to reverse the economic slowdown. This Report provides many examples of financial programmes reducing the negative effects of the crisis for companies and Member States. For example, different financial facilities enabled SMEs and innovative firms to continue to invest for the future.

Also in many Member States **support from European Structural Funds** has been the key instrument to support active labour market policies.

More than EUR 45 billion – or 13% of the total funds – was **reprogrammed** from one thematic area to another by the end of 2013 to support the most pressing needs and strengthen certain interventions. In addition, the Commission approved reductions in national co-financing requirements for some Member States (ES, GR, IE, IT, LT, and PT and to a lesser extent BE, FR and UK) in 2011-2012. The Commission has also worked to promote and facilitate the integrated use of ESF and ERDF investments.

Conservation and management of natural resources: data shows that direct aids to farmers (under the first CAP pillar) stabilise farm incomes and thus contribute to the economic viability of farms. The uptake of the rural development measures has been slower than expected with smooth implementation reported for relatively few measures.

Measures with less technical requirements and most continuity from the preceding period were the quickest to be implemented.

The economic, environmental and social/quality-of-life impact of the rural development measures was also assessed but it was difficult to make a reliable judgement regarding the overall impacts as programme implementation is still to continue until the end of 2015. In terms of economic impacts, roughly two thirds of the reports identified a **net positive impact** on growth and employment creation.

Perspectives: the Commission has used the input from all available forms of assessment, such as evaluations and special reports from the Court of Auditors, to adapt the implementation of programmes and preparation of successor programmes. It states that it is difficult to measure the extent to which progress towards overall strategic policy objectives is a direct and exclusive result of actions financed by the spending programmes, while confirmation is provided of the added value of common objectives and co-ordinated action by the EU, contributing to increased efficiency and effectiveness.

The Commission has also called for more focus on effectiveness and efficiency and for inclusion of **better indicators** and systems to track evidence of performance.

The monitoring, reporting and evaluation framework for the MFF 2014-2020 based on the legislation adopted by Parliament and Council for the new financial programmes provides what has broadly been agreed as a sound foundation for future reporting on results and impacts. All four reports concluded that expected outputs were achieved. Generally interim evaluations, focusing on progress achieved, problems in implementation, and first indications on performance of the programmes will be carried out between 2016 and 2017. Final and ex-post evaluations will follow generally from 2020 to 2024.

Reporting on 2007-2013 programmes will continue well into the next financial period.