Basic information

2013/2172(INI) INI - Own-initiative procedure	Procedure completed
Evaluation of the Union's finances based on the results achieved: a new tool for the European Commission's improved discharge procedure **Subject** 8.70.03 Budgetary control and discharge, implementation of the budget	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	CONT Budgetary Control	THEURER Michael (ALDE)	17/09/2013
		Shadow rapporteur VAUGHAN Derek (S&D) STAES Bart (Verts/ALE) CZARNECKI Ryszard (ECR)	

European Commission	**Commission DG**	**Commissioner**
	Budget	ŠEMETA Algirdas

Key events

Date	Event	Reference	Summary
12/09/2013	Committee referral announced in Parliament		
21/01/2014	Vote in committee		
30/01/2014	Committee report tabled for plenary	A7-0068/2014	Summary
26/02/2014	Decision by Parliament	T7-0134/2014	Summary
26/02/2014	Results of vote in Parliament		
26/02/2014	End of procedure in Parliament		

Technical information

Procedure reference	2013/2172(INI)
Procedure type	INI - Own-initiative procedure

Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/7/13706

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.465	18/10/2013	
Amendments tabled in committee		PE524.697	11/12/2013	
Committee report tabled for plenary, single reading		A7-0068/2014	30/01/2014	Summary
Text adopted by Parliament, single reading		T7-0134/2014	26/02/2014	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2014)0383	26/06/2014	Summary
Commission working document (SWD)	SWD(2014)0200	26/06/2014	
Commission working document (SWD)	SWD(2014)0201	26/06/2014	
Commission response to text adopted in plenary	SP(2014)447	22/07/2014	

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

2013/2172(INI) - 26/02/2014 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution on the evaluation of the Union’s finances based on the results achieved: a new tool for the European Commission’s improved discharge procedure. It pointed out that the evaluation report introduced under Article 318 TFEU complemented the compliance approach developed by the Court of Auditors and gave Parliament the opportunity to exercise more effectively its power of political scrutiny over the actions of the European public authorities. Whilst welcoming the fact that in its last report, the Commission took on board several recommendations made by Parliament in its decisions to grant discharge, Parliament deplored the fact that instead of focusing on the achievement of the Union’s main objectives, and the effectiveness of its policies, the Commission had provided a range of evaluation summaries covering EU programmes in all policy areas of expenditure under the current MFF, according to the current budget headings. Members recalled that the Court of Auditors had concluded that the second and third evaluation reports did not yet provide evidence of what the EU’s policies have achieved that was sufficient, relevant and reliable enough to be used in the discharge procedure. The resolution urged the Commission to use specific information on the achievements of Member States in its evaluation on the financial achievements of the Union.

A clear view of the real extent to which the Union’s main objectives had been achieved should be provided by:

- an evaluation of the main financial programmes and
- a cross-cutting evaluation, by programme statements of operational expenditures, assessing to what extent the programmes have contributed to achieving the objectives of the Europe 2020 strategy.

Parliament called on the Court to report to Parliament on the progress made by the Commission in designing and operating its risk management, governance and internal control processes with a view to achieving the Union's objectives in a transparent and accountable manner, and to formulate recommendations if any shortcomings were encountered.

Welcoming the fact that the Commission intended to structure and base its evaluation report on the new performance framework for the next MFF, Members pointed out that such a performance framework should encompass three main elements: (i) achievement of the programme objectives (results); (ii) sound programme management by the Commission and the Member States, and (iii) how programme results and sound management contribute to the Union's main objectives.

Parliament insisted on the need to aggregate the data yielded by the evaluation process at global level and, as regards internal policies, in relation to Europe 2020 objectives. It called on the Commission to submit the evaluation report on the Union's finances, before 30 June of the year following the financial year which is the subject of the evaluation.

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

2013/2172(INI) - 30/01/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the own-initiative report by Michael THEURER (ALDE, DE) on the evaluation of the Union's finances based on the results achieved: a new tool for the European Commission's improved discharge procedure. It pointed out that the evaluation report introduced under Article 318 TFEU complemented the compliance approach developed by the Court of Auditors and gave Parliament the opportunity to exercise more effectively its power of political scrutiny over the actions of the European public authorities. However, it deplored the fact that instead of focusing on the achievement of the Union's main objectives, and the effectiveness of its policies, the Commission had provided a range of evaluation summaries covering EU programmes in all policy areas of expenditure under the current MFF, according to the current budget headings. Members recalled that the Court of Auditors had concluded that the second and third evaluation reports did not yet provide evidence of what the EU's policies have achieved that was sufficient, relevant and reliable enough to be used in the discharge procedure. The report urged the Commission to **use specific information on the achievements of Member States in its evaluation on the financial achievements of the Union.**

A clear view of the real extent to which the Union's main objectives had been achieved should be provided by:

- an evaluation of the main financial programmes and
- a cross-cutting evaluation, by programme statements of operational expenditures, assessing to what extent the programmes have contributed to achieving the objectives of the Europe 2020 strategy.

The committee called on the Court to report to Parliament on the progress made by the Commission in designing and operating its risk management, governance and internal control processes with a view to achieving the Union's objectives in a transparent and accountable manner, and to formulate recommendations if any shortcomings were encountered.

Welcoming the fact that the Commission intended to structure and base its evaluation report on the **new performance framework for the next MFF**, Members pointed out that such a performance framework should encompass **three main elements**: (i) achievement of the programme objectives (results); (ii) sound programme management by the Commission and the Member States, and (iii) how programme results and sound management contribute to the Union's main objectives.

Lastly, Members insisted on the need to aggregate the data yielded by the evaluation process at global level and, as regards internal policies, in relation to Europe 2020 objectives.

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

2013/2172(INI) - 26/06/2014

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 Skłodowska-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.