Basic information

2018/2166(DEC) DEC - Discharge procedure	Procedure completed
2017 discharge: EU general budget, European Commission **Subject** 8.70.03.02 2017 discharge	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	AYALA SENDER Inés (S&D)	11/04/2018
	Shadow rapporteur GRÄSSLE Ingeborg (PPE) CZARNECKI Ryszard (ECR) DLABAJOVÁ Martina (ALDE) FLANAGAN Luke Ming (GUE/NGL) STAES Bart (Verts/ALE) JALKH Jean-François (ENF)	

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs	GILL Neena (S&D)	03/09/2018
DEVE Development	DEVA Nirj (ECR)	28/11/2018
INTA International Trade	The committee decided not to give an opinion.	
BUDG Budgets	The committee decided not to give an opinion.	
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	HARKIN Marian (ALDE)	09/10/2018

ENVI	Environment, Public Health and Food Safety	VĂLEAN Adina (PPE)	30/08/2018
ITRE	Industry, Research and Energy	The committee decided not to give an opinion.	
IMCO	Internal Market and Consumer Protection	The committee decided not to give an opinion.	
TRAN	Transport and Tourism	PROUST Franck (PPE)	15/10/2018
REGI	Regional Development	MIHAYLOVA Iskra (ALDE)	09/10/2018
AGRI	Agriculture and Rural Development	PETIR Marijana (PPE)	12/09/2018
PECH	Fisheries	CADEC Alain (PPE)	29/08/2018
CULT	Culture and Education	ZDROJEWSKI Bogdan Andrzej (PPE)	11/07/2018
JURI	Legal Affairs	The committee decided not to give an opinion.	
LIBE	Civil Liberties, Justice and Home Affairs	FRANZ Romeo (Verts/ALE)	18/10/2018
AFCO	Constitutional Affairs	The committee decided not to give an opinion.	
FEMM	Women's Rights and Gender Equality	BJÖRK Malin (GUE/NGL)	28/09/2018
PETI	Petitions	The committee decided not to give an opinion.	

European Commission

Commission DG	Commissioner
Budget	OETTINGER Günther

Key events

Date	Event	Reference	Summary

28/06/2018	Non-legislative basic document published	COM(2018)0521	Summary
11/09/2018	Committee referral announced in Parliament		
20/02/2019	Vote in committee		
28/02/2019	Committee report tabled for plenary	A8-0110/2019	Summary
26/03/2019	Decision by Parliament	T8-0242/2019	Summary
26/03/2019	Results of vote in Parliament		
26/03/2019	Debate in Parliament		
26/03/2019	End of procedure in Parliament		
27/09/2019	Final act published in Official Journal		

Technical information

Procedure reference	2018/2166(DEC)
Procedure type	DEC - Discharge procedure
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/14083

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE626.769	18/12/2018	
Committee opinion	PECH	PE628.713	10/01/2019	
Committee opinion	LIBE	PE630.608	17/01/2019	
Committee opinion	TRAN	PE629.640	22/01/2019	
Committee opinion	ENVI	PE627.682	23/01/2019	
Committee opinion	CULT	PE628.678	23/01/2019	
Committee opinion	REGI	PE630.539	23/01/2019	
Committee opinion	AFET	PE630.541	23/01/2019	
Committee opinion	AGRI	PE629.594	24/01/2019	
Committee opinion	FEMM	PE630.381	24/01/2019	
Committee opinion	EMPL	PE629.766	25/01/2019	
Amendments tabled in committee		PE634.491	31/01/2019	

Committee opinion	DEVE	PE631.872	07/02/2019	
Committee report tabled for plenary, single reading		A8-0110/2019	28/02/2019	Summary
Text adopted by Parliament, single reading		T8-0242/2019	26/03/2019	Summary

Council of the EU

Document type	Reference	Date	Summary
Supplementary non-legislative basic document	05826/2019	31/01/2019	Summary
Supplementary non-legislative basic document	05824/2019	11/02/2019	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2018)0521	28/06/2018	Summary
Document attached to the procedure	COM(2018)0545	17/07/2018	Summary
Commission document (COM)	COM(2018)0661	21/09/2018	Summary
Commission working document (SWD)	SWD(2018)0429	21/09/2018	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofA	Court of Auditors: opinion, report	N8-0013/2019 OJ C 357 04.10.2018, p. 0001	12/07/2018	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2019/1419
OJ L 249 27.09.2019, p. 0097

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 28/06/2018 - Non-legislative basic document

PURPOSE: presentation by the Commission of the consolidated annual accounts of the European Union for the financial year 2017, as part of the 2017 discharge procedure.

Analysis of the accounts of the EU Institutions: **European Commission**.

CONTENT: the organisational governance of the EU consists of institutions, agencies and other EU bodies whose expenditure is included in the general budget of the Union.

This Commission document concerns the **EU's consolidated accounts for the year 2017** and details how spending by the EU institutions and bodies was carried out. The consolidated annual accounts of the EU provide financial information on the activities of the institutions, agencies and other bodies of the EU from an accrual accounting and budgetary perspective.

It is the responsibility of the Commission's Accounting Officer to prepare the EU's consolidated annual accounts and ensure that they present fairly, in all material aspects, the financial position, the result of the operations and the cash flows of the EU institutions and bodies with a view to granting discharge.

Discharge procedure: **the final step of a budget lifecycle is the discharge**. It is the decision by which the European Parliament '**releases**' the Commission from its responsibility for management of a given budget by marking the end of that budget's existence. It is granted by the European Parliament on the recommendation of the Council.

The decision is based in particular on the European Court of Auditors reports, in particular its annual report, in which the Court provides a Statement of Assurance (DAS) on the legality and regularity of transactions (payments and commitments).

The procedure results in the granting, postponement or refusal of discharge.

The final discharge report including specific recommendations to the Commission for action is adopted in plenary by the European Parliament and are subject to an annual follow up report in which the Commission outlines the concrete actions it has taken to implement the recommendations made.

All EU institutions and other agencies, bodies and joint undertakings are subject to their own discharge procedures.

Budget implementation in 2017: the adopted budget focused on **two main policy priorities** for Europe: (i) supporting the ongoing recovery of the European economy and (ii) tackling the migration and refugee crisis. On the one hand, it has ensured the implementation of ongoing programmes and, on the other hand, it has provided financial support to address new challenges.

In the context of the implementation of the 2017 EU budget, total commitment appropriations amounted to EUR 171.1 billion and payment appropriations to EUR 137.4 billion.

The main highlights of 2017 are as follows:

- nearly half of the funds – EUR 83.2 billion in commitments – **stimulated growth, employment and competitiveness**. This included funding for research and innovation under Horizon 2020, for education under Erasmus+, for small and medium sized enterprises under the COSME programme, and for infrastructure under the Connecting Europe Facility (CEF). Moreover, the **European Fund for Strategic Investments** (EFSI) provided for the implementation of the Investment Plan for Europe, and the convergence among Member States and among regions was fostered through the European Structural and Investment Funds (ESIF). The EFSI guarantee fund reached EUR 3.5 billion at end 2017;
- EUR 54 billion was allocated to programmes aiming to strengthen **economic, social and territorial cohesion**, including the European Regional Development Fund, the Cohesion Fund, and the European Social Fund;
- the implementation of the **Youth Employment Initiative**, which was accelerated in 2017. By the end of 2017 the total eligible cost of operations selected for support reached nearly EUR 7 billion;
- EUR 1.2 billion mobilised under the **EU Solidarity Fund**, the highest sum ever provided in a single instalment, following the earthquakes of 2016 and 2017 in the Italian regions of Abruzzo, Lazio, Marche and Umbria;
- EUR 58.6 billion were devoted to the promotion of **sustainable growth and the preservation of Europe's natural resources**. Programmes included the pillars of the Common Agricultural Policy (CAP) of market support measures and rural development, fisheries, and activities in the fields of climate and environment under the Programme for the Environment and Climate Action (LIFE);
- the **Asylum, Migration and Integration Fund (AMIF)** promoted the efficient management of migration flows and the development of a common Union approach to asylum and migration. The total of payments executed in 2017 amounted to EUR 576.2 million, almost a double of the 2016 figure;
- lastly, the total budget contribution to **climate** mainstreaming estimated was at 20.3 % for 2017.

Main aspects of the financial situation in 2017:

- consolidated **revenue** fell to EUR 136.2 billion, a decrease of 7% compared to the previous year;
- **consolidated expenditure fell to EUR 128.1 billion**, a decrease of 11% compared to 2016, mainly due to the fact that ERDF and Cohesion Fund expenditure decreased by about 50%, or EUR 17.4 billion, due to fewer expenses incurred relating to the previous programming period (2007-2013);
- total **assets** amounted to EUR 166.2 billion, an increase of approximately 2%;
- **pre-financing** (excluding other advances to Member States and contributions to the Bêkou and Africa trust funds) on the EU balance sheet amounted to EUR 44.3 billion (2016: EUR 41.6 billion);
- the significance and volume of **financial instruments** financed by the EU budget under direct and indirect management increases from year to year. This use of the EU budget aims at maximising the impact of the funds available;
- as at 31 December 2017, the total liabilities were EUR 236.5 billion, reflecting an increase of approx. 1 % when compared to the previous year;

- total **financial corrections and confirmed recoveries** amounted to EUR 2 662 million (2016: EUR 3 777 million), of which EUR 1 826 million resulted from corrective measures.

Implementation of appropriations: the 2017 implementation for all types of appropriations (budget, carry-overs from 2017 and assigned revenue) was **97 % for commitments and 93.9 % for payments**. Appropriations from the budget were fully implemented in 2017 (98.35 % in payments), a good achievement given the uncertainties which prevailed in 2016 and most of 2017.

For the **sub-heading 1b** Economic, social and territorial cohesion, the financial implementation of 20142020 programmes progressed significantly compared to 2016, while the first closure payments were made for the 2007-2013 programmes. In **heading 2** Sustainable Growth: Natural Resources, the financial implementation of the new EAFRD programmes also increased compared to 2016.

Outstanding commitments (RAL, committed amounts not yet paid for) stood at **EUR 267 billion** at the end of 2017. The increase of over EUR 28 billion in comparison with the end of 2016 was larger than expected. In 2018, a further increase of RAL is expected as a result of the difference between budgeted commitment and payment appropriations. However, this increase should be significantly lower than in 2017.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 17/07/2018 - Document attached to the procedure

This report summarises the **Commission's response** to the main requests made by the European Parliament and the Council in the context of the 2016 discharge and forms part of the integrated financial reporting package for the 2017 financial year.

The priorities set out by the European Parliament are to a quite large extent reflected in the Commission's proposal for the Multiannual Financial Framework for 2021-2027 which is based on the following principles:

- a stronger focus on European added value;
- a more streamlined and transparent budget;
- less red tape for beneficiaries;
- a more flexible, agile budget;
- a budget that performs.

The monitoring report focuses in particular on the following aspects:

Political priorities: the new proposals bring the structure and the programmes of the EU budget fully into line with the positive agenda of the Union post-2020 as agreed by the Leaders of the 27 Member States in Bratislava and Rome. In this context performance is put at the core of the EU budget:

- the new architecture of the future Multiannual Financial Framework provides greater **transparency** on what the EU budget is for and how the different parts of the budget will contribute and also provides the flexibility necessary to respond to evolving needs;
- the EU budget will invest even more in areas where one single Member State cannot act alone or where it is more efficient to act together such as research, migration, border control or defence, whilst continuing to finance traditional, but modernised policies, such as Common Agricultural Policy and Cohesion Policy ;
- in order to further **simplify rules**, the Commission proposes to make rules more coherent on the basis of a common rulebook; this will reduce the administrative burden for beneficiaries and managing authorities while maintaining a high level of assurance of legality and regularity;
- the Commission's proposals will lead to tighter financial management and, combined with the possibility of phasing 2014-2020 projects, a quick start of the programming period;
- it is proposed to set a more ambitious goal for **climate** mainstreaming across all EU programmes, with a target of 25% of EU expenditure contributing to climate objectives;
- a closer link is established with the **European Semester** of economic policy coordination with regard to the objectives of the European Regional Development Fund, the Cohesion Fund and the European Social Fund.

Budgetary and financial management: the proposed Regulation laying down the multiannual financial framework for the years 2021 to 2027:

- specifies clearly that both commitments and payments appropriations mobilised for **special instruments** shall be entered in the budget over and above the relevant MFF ceilings;
- proposes, where appropriate, to widen the scope of the instruments, for instance by allowing the activation of the **Emergency Aid Reserve** for emergencies inside the EU;
- proposes to make the budget more agile by removing the constraints on built-in multiannual financial framework flexibility as well as to increase the size of the flexibility instrument to EUR 1 billion (in 2018 prices) per year;
- provides for increased flexibility within and between programmes, strengthening tools such as the Global Margin for Payments and the Contingency Margin as well as creating a new **Union Reserve** to tackle unforeseen events and to respond to emergencies in areas such as security and migration.

On the call to assist Member States, which encounter difficulties with timely and smooth absorption of available EU funding, the Commission has already taken a number of initiatives to assist Member States with timely absorption.

Performance: in the Commission's proposals, the performance framework for future programmes is significantly streamlined. The Commission's proposals include provisions to set-up **monitoring and evaluation frameworks, including indicators** for the purpose of evaluations.

Under the EU budget focused on results initiative, a specific EU results **website** has been developed. The aim is to communicate concrete results of projects financed from the EU budget as well as their geographic location.

Revenue: the Commission is closely monitoring the recovery of EU own resources not collected by the UK authorities on textile and footwear products imported from China.

The European Parliament invited the Commission to analyse, in cooperation with the Member States, all the potential implications of multiannual activities on the estimation of GNI and to confirm, during the GNI verification cycle, that research and development assets have been correctly recorded in the Member States' national accounts. This issue is currently being addressed by the Commission.

Inclusion of the European Development Fund in the general budget: following the reiterated European Parliament request to include the **European Development Fund** in the general EU budget, the Commission is proposing in the multiannual financial framework for 2021-2027 a strategic simplification of the financing instruments in EU external action, including the integration of the European Development Fund in the Neighbourhood, Development and International Cooperation Instrument.

Speeding up the discharge procedure: the objective is to adopt a discharge decision for financial year N in year N+1 while ensuring high data quality and sound financial management. The Commission is committed to do its utmost to find the best way forward towards a shorter discharge procedure.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 31/01/2019 - Supplementary non-legislative basic document

The Council approved the Council recommendations on the discharge to be given to the executive agencies in respect of the implementation of the budget for the 2017 financial year, namely:

- Education, Audiovisual and Culture Executive Agency
- Executive Agency for Small and Medium-sized Enterprises
- Executive Agency for Consumers, Health, Agriculture and Food
- Executive Agency for Innovation and Networks
- Research Executive Agency
- European Research Council Executive Agency

Having examining the revenue and expenditure accounts for the financial year 2017 and the balance sheets of all the executive agencies and the Court of Auditors' report on the agencies' annual accounts, together with their respective replies, the Council recommended that the European Parliament give discharge to the director of each of the agencies concerned in respect of the implementation of their respective budgets for 2017.

However, it considered that the observations contained in the Court of Auditors' report called for a number of comments from the Council which do not as such call into question the granting of discharge.

In general, the Council encourages all agencies:

- to take appropriate measures, mainly to ensure the independence of the accounting officer in order to remedy the shortcomings identified by the Court in their accounting environment;

- to improve their public procurement and staff recruitment procedures and to ensure, without undue delay, the full implementation of an electronic public procurement system.

In particular, the Council invited the Executive Agency for Consumer Affairs, Health, Agriculture and Food:

- to take appropriate measures to ensure the legality and regularity of the recruitment process and the equal treatment of candidates;

- to continue improving its financial programming and monitoring of the budget implementation in order to reduce the unjustified level of commitments carried over and the amounts cancelled at the end of the following year to the strict minimum, in line with the budgetary principle of annuality.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 11/02/2019 - Supplementary non-legislative basic document

The Council approved a draft recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2017.

According to the revenue and expenditure account for the 2017 financial year:

- the revenue for the financial year amounted to EUR 139 691 411 177.11

- expenditure disbursed from appropriations for the financial year amounted to EUR 135 763 957 598.31

- cancelled payment appropriations (including earmarked revenue) carried over from year n-1 amounted to EUR 1 409 873 556.99

- the appropriations for payments carried over to year n+1 amounted to EUR 1 792 466 135.54

- the EFTA payment appropriations carried over from year n-1 amounted to EUR 3 504 182.26

- the balance of exchange-rate differences amounted to EUR -166 431 469.32

- the positive budgetary balance amounted to EUR 555 542 325.09.

Based on the observations contained in the report by the Court of Auditors, the Council called on the European Parliament to grant discharge to the Commission in respect of its budget implementation for the financial year 2017.

However, it considered that budget implementation required a series of comments from the Council which should be fully taken into account by the Commission.

Statement of assurance

The Council welcomed the significant decrease of the estimated level of error reported by the Court (from 3.8 % in 2015 and 3.1 % in 2016 to 2.4 % in 2017) but regretted that the estimated level of error is still above the materiality threshold of 2 %.

The Council welcomed the fact that for the second year in a row the Court gives a qualified opinion, rather than an adverse one, on the legality and regularity of payments and took note of the fact that the entitlement-based payments, which constitute the majority of EU budget spending, are free from material error and that the material error was mainly confined to the reimbursement-based spending. It also welcomed the improvement in the estimated level of error for reimbursement-based payments (from 4.8 % in 2016 to 3.7 % in 2017).

The Council appreciated previous efforts and actions undertaken by the Commission and the Member States to implement the Court's recommendations and encouraged the Member States and the Commission to continue these efforts. In addition, it encouraged further simplification of funding rules and implementation procedures in the Member States, expecting that these measures will have a positive impact on the estimated level of error.

Financial and budgetary management

Taking note of the significant level of outstanding budgetary commitments (RAL) reached in 2017, the Council called on the Commission to continuously improve both payment estimates and monitoring mechanisms in order to manage this risk.

The Commission is called on to: (i) provide an overview of the total value of contingent liabilities, together with an analysis of their possible impact on the budget and of the way risk-exposure can be mitigated; (ii) provide more information about the situation of financial instruments for the 2007-2013 programming period. The Council urged the Member States and the Commission to intensify their efforts to accelerate the implementation of the available resources from the European Structural and Investment (ESI) Funds.

Getting results from the budget

The Council welcomed the increased focus on performance in the internal culture of the Commission. It aligned itself with the Court's recommendation addressed to the Commission on the need to include up-to-date performance information in performance reporting on progress made towards achieving targets and to streamline indicators on the performance of the EU budget, focusing only on indicators relevant for measuring results directly attributable to activities financed by the budget.

Revenue

The Council noted with satisfaction that in 2017 the revenue part of the budget was not affected by material error. It supports the Court's recommendations made to the Commission: (i) to improve by the end of 2020 its monitoring of import flows and to act promptly to ensure that due amounts of TOR are made available; (ii) to improve, by the end of 2019, the existing control framework and better document its application on the verification of Member States' calculations of the Weighted Average Rate.

Competitiveness for growth and jobs

The Council regretted that the estimated level of error (4.2% in 2017 and 4.1 % in 2016) remains significantly above 2 % and urged the Commission to continue its efforts to reach an error rate below the materiality threshold.

The Commission is called on to continue its efforts to address the causes of error with a particular focus on the programmes subject to persistently high error levels and to strengthen its efforts to fully implement the measures already taken in this respect.

The root causes for most errors are the misinterpretation of complex eligibility rules, in particular under the research and innovation programmes and the Connecting Europe Facility (CEF).

The Council recommended: (i) extend simplifications introduced for the Horizon 2020 programme; (ii) reinforce communication and intensify its efforts towards providing beneficiaries with proper guidance on eligibility issues; (iii) swiftly finalise its actions to address the weaknesses identified by its Internal Audit Service (IAS) in the Education, Audiovisual and Culture Executive Agency's (EACEA) Erasmus+ grant management procedure.

Economic, social and territorial cohesion

The estimated level of error reported by the Court for payments has decreased for the fourth year in a row to 3.0% in 2017. The Council regretted, however, that the estimated level of error remains above the materiality threshold of 2 %. The amount of audited expenditure was EUR 8.0 billion in 2017, significantly lower than in previous years.

The Council called for additional efforts from managing authorities and the Commission to tackle the problem of weaknesses related to the regularity of the expenditure. It urged the Commission to improve its annual activity reports and in this context also refers to the Court's observation on the necessity to have reliable residual error rates reported by audit authorities and information available that refers exclusively to eligible expenditure at closure (i.e. without advances).

Lastly, the Council noted with concern that many performance measurement systems lack result indicators at project level, which makes it difficult to assess a project's overall contribution to specific operational programme objectives.

Natural resources

The Council welcomed the fact that the estimated level of error reported by the Court for payments under this policy area has steadily decreased in the last years (3.6 % in 2014, 2.9 % in 2015, 2.5 % in 2016 and 2.4% in 2017). However, it regretted that the estimated level of error remains above the materiality threshold of 2 % in particular as regards rural development, environment, climate action and fisheries.

The Council noted that the Court and the Commission acknowledge that the Land Parcel Identification System (LPIS) makes a significant contribution to preventing and reducing the levels of error. It also noted the Court's finding that the paying agencies continued to accurately identify the eligible areas. It called upon the Member States to instruct their paying agencies to generalise the preliminary cross-checks on direct aid applications.

It welcomed the fact that the corrective measures applied by the Commission and the Member States when it considered that the work of a certification body was not reliable.

The Council advocated the gradual availability of the demand for geospatial support in all Member States for area payments and investment projects in the field of rural development. It invited the Commission to take into account in its guidance that Member States need clear rules to verify and evaluate simplified cost options (SCOs) and to clarify the roles of paying agencies and certification bodies in this respect.

Security and citizenship

The Council regretted that due to the relatively low level of payments in this policy area (around 2% of the EU total) the Court has not estimated an error rate.

Taking into account the increased payments of national programmes, in particular as regards the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF), the Council urged the Court to enhance its audit scope and approach to a representative sample in order to provide an error rate and performance information for the coming years.

Global Europe

The Council called on the Court to examine possibilities to resume providing for the coming years an estimated level of error that allows year-on-year comparison.

It welcomed the assessment of performance aspects with a review of output and results conducted by the Court in this policy area. It noted that all samples had clear and relevant performance indicators. It also welcomed the Court's recommendations, including on possible improvements to the Residual Error Rate studies, and called on the Commission to swiftly implement them effectively.

Administration

The Council welcomed the fact that the administrative and related expenditure of the EU institutions remained, as in previous years, free from material error with an estimated level of error of 0.5 %, which while being well below the materiality threshold is higher by 0.3 percentage points compared to the Court's findings for 2016 (0.2 %). It also noted with satisfaction that no serious weaknesses were identified by the Court in the supervisory and control systems and in the examined annual activity reports.

As in previous years, there is a small number of errors relating to staff costs and some weaknesses in the Office for Administration and Payment of individual entitlements' (PMO) management of family allowances. The Council called on the Commission to improve its procedures to avoid errors related to staff expenditure.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 26/03/2019 - Text adopted by Parliament, single reading

The European Parliament decided by 449 votes to 152, with 26 abstentions, to grant the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, and also grant discharge to the Directors of the Education, Audio-visual and Culture Executive Agency, the Executive Agency for Small and Medium-sized Enterprises, the Consumers, Health, Agriculture and Food Executive Agency, the European Research Council Executive Agency and the Innovation and Networks Executive Agency in respect of the implementation of their respective Agencies' budgets for the financial year 2017.

Budget, programming periods and political priorities

In 2017, the Union budget was in the fourth year of implementation of the current Multiannual Financial Framework (MFF), and amounted to EUR 159.8 billion, including six amending budgets, and that the allocations in different areas were:

- EUR 75.4 billion for smart and inclusive growth;
- EUR 58.6 billion for support to the European agricultural sector;
- EUR 4.3 billion for reinforcing the external borders of the Union and addressing the refugee crisis and irregular migration;
- EUR 10.7 billion for activities outside the Union;
- EUR 9.4 billion for the administration of the Union institutions.

Parliament underlined that the Union budget supports the implementation of the Union policies and the achievement of their priorities and objectives. The resolution noted the achievement of the following results:

- Horizon 2020 provided EUR 8.5 billion of funding, which further mobilised direct additional investments, leading to a total of EUR 10.6 billion and funding to 5 000 projects;

- by the end of 2017, COSME provided financing to more than 275 000 small and medium sized companies (of which 50 % were start-ups) in 25 countries that would otherwise have struggled to secure private financing due to their high risk profile;

- the Asylum, Migration and Integration Fund (AMIF) supported the creation of over 7 000 additional places in reception centres; the number of places adapted for unaccompanied minors, an especially vulnerable migrant group, also increased from only 183 places in 2014 to 17 070 places in 2017; by the end of 2017, 1 432 612 third-country nationals had received integration assistance;

- the EU provided more than EUR 2.2 billion in humanitarian aid in 80 different countries; EU humanitarian funding supported the education of over 4.7 million children caught up in emergencies in over 50 countries;

I. The Court of Auditors' Statement of Assurance (DAS)

Accounts and legality and regularity of revenue

Parliament welcomed the fact that the Court gave a clean opinion on the reliability of the accounts of the European Union for 2017, as it has done since 2007. However, it noted that for 2017, the Court has issued for a second consecutive year a qualified opinion on the legality and regularity of the payments underlying the accounts, which according to the Court, indicates that a significant part of the 2017 expenditure audited by it was not materially affected by error and that the level of irregularities in EU spending has continued to decrease.

Members welcomed the positive trend of a continuing decrease in the most likely error rate for payments determined by the Court in recent years, reaching an all-time low level of 2.4% in 2017, which, regrettably, is still above the threshold of 2%.

Revenue

In 2017, the Union had own resources of EUR 115.4 billion and other revenue of 17.2 billion, and that the surplus carried over from 2016 was EUR 6.4 billion. Parliament noted with satisfaction the Court’s conclusion that in 2017 revenue was free from material error and that the revenue-related systems examined by the Court were, overall, effective, but that some controls for Traditional Own Resources (TOR) were only partially effective.

The Court stated that there is necessity for improvement in the Commission’s actions to safeguard Union revenue in order to address weaknesses in its management of the risk of under-valued imports in relation to TOR and in its verifications on the VAT-based own resource. These weaknesses may affect the Member States’ contributions to the EU budget.

Budgetary and financial management

In 2017, 99.3 % of the amount available for commitments was implemented (EUR 158.7 billion), but stresses that the executed payments were only EUR 124.7 billion, mainly due to Member States submitting fewer claims than anticipated for the multiannual programmes of the 2014-2020 European Structural and Investment Funds (ESIF), as well as to the late adoption of the MFF and sectoral legislation.

Members expressed concern that in 2017 the combination of high commitments and low payments increased outstanding budgetary commitments to a new record of EUR 267.3 billion (2016: EUR 238.8 billion) and that the Court projections indicate this amount will rise even more by the end of the current MFF, which may lead to a significantly increased risk of insufficient payment appropriations, but also to a risk of errors under the pressure for a swift absorption given a potential loss of Union funding. The EU budget is not allowed to run a deficit and that the growing payments backlog in fact represents a financial debt.

The Commission is called on to improve the accuracy of the payment forecast and to use the lessons learned from the previous programming period in order to deal with the accumulated backlog in payments and avoid its negative effect on the next MFF and to present the Action Plan on reducing the payments backlog during the 2021 - 2027 multiannual financial framework.

Again, Members called for the addition of a budget line in future budgets of the Union dedicated to tourism in order to ensure transparency regarding the Union funds used to support actions for tourism.

II. Budgetary implementation by policy area

Members discussed budgetary implementation and made the following observations:

Economic, social and territorial cohesion

The Court identified and quantified 36 errors in its sample of 217 transactions for 2017, which audit authorities in Member States had not detected, and that the number and the impact of these errors indicate persisting weaknesses with the regularity of the expenditure declared by managing authorities. The Commission should work even closer with the managing and audit authorities of individual Member States on detecting these errors and specifically targeting the most frequent ones.

Members are worried about the lack of transparency in spending for financial instruments as four times more money is available for financial instruments under the current MFF.

Security and citizenship

The 2014-2020 allocated resources for AMIF (Asylum, Migration and Integration Fund) increased from EUR 2 752 million to EUR 5 391.5 million by the end of 2017 and that between 2014 and 2017, the number of target group persons provided with assistance (in reception and asylum systems) increased from 148 045 to 297 083, and that of these, the share of persons having benefited from legal assistance has risen from 18 395 (12.4 %) to 56 933 (19.1 %).

Members called on the Commission to define and put in place a balanced and comprehensive migration policy based on the principles of solidarity and partnership instead of considering the migration policy as a crisis management issue. They are also concerned that there is a risk that EU money foreseen for development is used for other purposes such as to fight irregular migration or military action.

Environment, Public Health and Food Safety

In 2017, the LIFE Programme celebrated its 25th anniversary. The programme provided EUR 222 million to co-finance 139 new projects. Further efforts need to be made to lower payments delays under the LIFE Programme, as 5.8 % of payments exceeded legal deadlines in 2017 (3.9 % in 2016, 12 % in 2015).

Administration

Parliament is not satisfied by the Commission’s reactions to the media’s and general public’s valid concerns on the procedure immediately after the appointment of the Secretary-General of the European Commission took place. It called on the Commission, as well as on all European institutions to review, where necessary, nomination procedures, in particular for senior officials and where relevant for cabinet members, and to take additional measures to improve transparency, fairness and equal opportunity during appointment procedures. The Commission is called on to report back to the European Parliament by 31 August 2019 on the progress made.

Members requested the immediate resignation of the Secretary General and the opening of a fair, fully transparent and open competition for this post.

Recommendations for the future

Parliament called on the Commission, for management and reporting purposes, to establish a way of recording Union budgetary expenditure that will make it possible to report on all funding related to the refugee and migration crisis, as well as for the future Union policy on management of migration flows and integration.

The Commission should also make better use of its own performance information and develop an internal culture more focused on performance.

Lastly, Parliament stressed that women’s rights and gender equality should be integrated and ensured into all policy areas.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 21/09/2018 - Document attached to the procedure

PURPOSE: presentation of a report on the internal audits carried out in 2017 in the framework of the discharge procedure.

CONTENT: this report is to inform the European Parliament and Council of the work carried out by the Commission’s Internal Audit Service (IAS), as required by the Financial Regulation. It is based on the report drawn up by the Commission’s Internal Auditor, regarding Internal Audit Service audit and consulting reports completed in 2017 on Commission Directorates-General, Services and Executive Agencies.

In line with its legal base it contains a summary of the number and type of internal audits carried out, the recommendations and the action taken on those recommendations.

The audit reports finalised in the period 1 February 2017 - 31 January 2018 are included in this report. Recommendations implemented after the cut-off date of 31 January 2018 are not considered.

Scope of the report

The mission of the Internal Audit Service is to provide to the Commission independent, objective assurance and consulting services designed to add value and improve the operations of the Commission. Its tasks include assessing and making appropriate recommendations for improving the governance process.

The IAS performs its work in accordance with the Financial Regulation and the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of the Institute of Internal Auditors.

The IAS does not audit Member States' systems of control over the Commission's funds. Such audits, which reach down to the level of individual beneficiaries, are carried out by Member States' internal auditors, national Audit Authorities, other individual Commission DGs and the European Court of Auditors (ECA).

Implementation of the 2017 audit plan

By the cut-off date of 31 January 2018, the implementation of the updated 2017 audit plan reached 98%6 of planned engagements for audits in the Commission, Services and Executive Agencies.

148 engagements (including audits, follow-ups, reviews and consulting assignments) were finalised.

The 2017 initial plan contained 66 audit engagements which were planned to be finalised by the cut-off date of 31 January 2018. Furthermore, the plan contained 38 engagements which were planned to start before this cut-off date and to be finalised in 2018. The 2017 plan was updated at mid-year.

Overall, the IAS considers that the state of play regarding the implementation of audit recommendations is satisfactory and comparable to previous reporting periods. It indicates that the Commission services are diligent in implementing the very important recommendations, hence mitigating the risks identified. Nevertheless, attention has to be paid to the individual recommendations rated very important which are long overdue, i.e. more than six months. A dedicated report was established and sent to the Audit Progress Committee, a summary of which is provided in the Staff Working Document to this report.

Methodology

In response to the Commission's move towards a performance-based culture and greater focus on value for money, the IAS continued to carry out performance audits and audits which include important performance elements (comprehensive audits) in 2017 as part of its 2016-2018 strategic audit plan.

These audits addressed a number of aspects including governance processes, human resources management, IT processes. In addition, other audits in various areas showed that further actions are necessary to increase the overall performance of the audited processes such as:

- the cost effectiveness of controls when setting up the internal control systems in DGs and need to report on the cost-effectiveness of controls in their Annual Activity Reports while the Commission needs to estimate the costs and benefits of control systems when revising or presenting new spending proposals;

- the improved management of agricultural markets, including market crises and drawing lessons from crisis situations in terms of risk management and the follow-up of the crisis measures;

- there are significant weaknesses that need to be addressed notably on the efficiency and effectiveness of complaints handling and the enforcement of EU environmental law;

- there are significant weakness in the implementation regarding the monitoring of the execution of scientific projects;

- the European Anti-Fraud Office staff's awareness on how to deal with social media and interest representatives needs to be significantly improved.

Overall opinion

The implementation of action plans drawn up in response to Internal Audit Service audits this year and in the past contributes to the steady improvement of the Commission's internal control framework:

- ***on internal controls***: the IAS conclusion on the state of internal control is limited to the management and control systems which were subject to an audit and does not cover those systems which had not been audited by the Internal Audit Service in the past three years.

Particular attention, which led to reservations in the annual activity report of the Directorate-General concerned, was drawn in the limited conclusions of: (i) the DG CLIMA with regard to the delay observed in the implementation of one very important IT security related recommendation (on the management of the security of the EU Emissions Trading IT system), which exposes the DG to the risk of security breaches; (ii) the DG DEVCO with regard to the delay observed in the implementation of one very important recommendation issued in the context of the audit on the management of the African Peace Facility; (iii) the Education, Audiovisual and Culture Executive Agency with regard to one critical and a number of very important recommendations issued in the context of the audit on Erasmus+ and Creative Europe – grant management phase 1;

-***on the Commission's financial management***: as in the previous editions,

the 2017 overall opinion is qualified with regard to the reservations made in the Authorising Officers' by Delegation Declarations of Assurance. Given the magnitude of financial corrections and recoveries of the past and assuming that corrections in future years will be made at a comparable level, the EU Budget is adequately protected as a whole (not necessarily individual policy areas) and over time (sometimes several years later).

Without further qualifying the opinion, the internal auditor added one 'emphasis of matter' which relates to the supervision strategies regarding third parties implementing policies and programmes.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 12/07/2018

PURPOSE: presentation of the annual report of the Court of Auditors on the implementation of the budget concerning the financial year 2017.

CONTENT: the Court of Auditors published its 41st annual report on the implementation of the general budget of the Union for the year 2017.

Statement of assurance (DAS)

For 2017, the Court expresses a qualified opinion on the regularity of the transactions underlying the 2017 accounts. The expenditure recorded in 2017 covering spending on a reimbursement basis is materially affected by error. The estimated level of error for payments made on a reimbursement basis is 3.7%. The overall estimated level of error (2.4%) is still above the materiality threshold. Payments made on an entitlement basis are not affected by a material level of error.

The Court concludes that payments for 2017 are legal and regular, with the expenditure recorded in 2017 covering spending on a reimbursement basis. It believes that the EU accounts present a true and fair view of the EU's financial position.

Brexit

The report also assessed the potential impact on the 2017 accounts of the United Kingdom's withdrawal from the European Union. On 29 March 2017, the United Kingdom (UK) formally notified the European Council of its intention to leave the European Union (EU). On 22 May 2017, the negotiations started for the withdrawal agreement between the EU and the UK.

Part Five (Financial Provisions) of the draft withdrawal agreement of 19 March 2018 concerning the financial settlement states that the UK will pay all its obligations under the current and previous Multiannual Financial Frameworks as if it were still a Member State.

Based on this, the Court concluded that the accounts as at 31 December 2017 correctly reflect the withdrawal process.

Main observations of the Court of Auditors in relation to the 2017 DAS

Corrective measures

The Commission and the Member State authorities had applied corrective measures that directly affected 16 of the transactions sampled. These measures reduced the estimated level of error by 1.1%. Had the national authorities made proper use of all the information at their disposal, the estimated level of error for this chapter would have been 0.9% lower.

Fraud

In 2017, the Court found 13 instances of suspected fraud in the 703 transactions that it audited for the statement of assurance and for other performance and/or compliance audits (2016: 11). These cases were forwarded to OLAF, along with six other cases brought to attention by the public. The instances of suspected fraud concerned the artificial creation of the necessary conditions for EU financing, the declaration of costs not meeting the eligibility criteria and procurement irregularities.

Budgetary and financial management: the main risk and challenges for the future budgets

In 2017, the EU committed EUR 158.7 billion (99.3%) of the total commitment appropriations of EUR 159.8 billion available in the adopted budget. Taking into account the special instruments, amounts committed exceeded the MFF ceiling by 3.1 billion.

As in 2016, total payments in 2017 were much lower than anticipated. They were EUR 18.2 billion below the ceiling set in the MFF. In anticipation of lower payments, the budgetary authority set the initial 2017 budget at EUR 134.5 billion, EUR 8.4 billion below the MFF ceiling for payment appropriations of EUR 142.9 billion. The low level of payments was mainly due to lower than anticipated claims being submitted by the Member States for the multiannual programmes of the 2014-2020 European Structural and Investment (ESI) funds.

The Court noted that in 2018-2020, the risk that available payment appropriations will be insufficient to settle all payment claims will increase significantly. A more accurate payment forecast for the future years would help to manage this risk.

Absorption rates

By end of 2017, the overall average absorption rate for the 2014-2020 MFF was even lower than in the corresponding year of the previous MFF (2010: 22 %). This was mainly due to the later closure of the previous MFF, the late adoption of legal acts, difficulties in implementing the new requirements for the current MFF and the administrative burden linked to overlaps between MFF periods.

Abnormal backlog of unpaid claims

There remains a risk of an abnormal payments backlog until 2020. Payments should gradually increase between 2018 and 2020, as payment claims are likely to rise substantially. There remains a risk of an abnormal payments backlog developing.

Outstanding commitments from 2014-2020 MFF

Payment appropriations in the next MFF will need to cover outstanding commitments from the 2014-2020 MFF and new programmes of the next MFF. Another possibility is to reduce commitment appropriations for programmes under the next MFF.

By the end of 2017, the Commission had not yet produced a comprehensive, long-term projection that fully complies with the Interinstitutional Agreement.

Analysis of budgetary implementation for the main MFF headings

- Competitiveness for growth and jobs

Expenditure of EUR 14.9 billion was subject to audit in this area. Most spending took the form of grants to public or private beneficiaries participating in projects. Research and innovation expenditure, which accounted for 53 % of spending under this sub-heading in 2017, is made through the seventh framework programme for research and technological development 2007-2013 (FP7) and Horizon 2020, the framework programme for 2014-2020.

The overall audit evidence indicates that the level of error in spending on 'Competitiveness for growth and jobs' was material.

The Court recommended: (i) clarifying the eligibility rules for Horizon 2020 on personnel costs; (ii) improving the level of awareness among beneficiaries of the eligibility rules for the CEF, in particular by drawing a clear distinction between an implementation contract and a subcontract; (iii) addressing the weaknesses identified by the Commission's Internal Audit Service in the Education, Audiovisual and Culture Executive Agency's Erasmus + grant management process and in the monitoring of research and innovation projects.

- Economic, social and territorial cohesion

Expenditure of just EUR 8.0 billion was subject to audit in this area. This was due to the low level of accepted expenditure; the figure is likely to increase substantially for 2018. Expenditure is affected by material error. Around 90 % of expenditure is reimbursement-based, and the errors here essentially reflect different categories of ineligible costs (in particular personnel and other costs, ineligible projects and beneficiaries).

The Court recommends that the Commission: (i) ensure that the audit arrangements for financial instruments managed by the EIF are adequate at the level of financial intermediaries; (ii) propose legislative changes for the post-2020 financial framework to exclude the reimbursement of VAT to public bodies from EU funds; (iii) address the complexity of the information presented on the 2014-2020 control and assurance framework in the AARs of DG REGIO and DG EMPL.

- Natural resources

Expenditure of EUR 56.5 billion was subject to audit in this area. As a whole, this area is materially affected by error. However, direct payments from the EAGF account for around three quarters of expenditure in this area and are free from material error. Direct payments to farmers are entitlement-based and have benefited from simplified land eligibility rules and an effective ex-ante control system (IACS) that allows automated cross-checks between databases.

The Court continue to find a persistently high level of error in the other spending areas (rural development, EAGF market measures, environment, climate action and fisheries). Expenditure in these areas is mostly disbursed through reimbursement of costs. Ineligible beneficiaries, activities, projects or expenditure contribute around two thirds of the estimated level of error for this MFF heading.

The Court recommends assessing the effectiveness of the Member States' actions to address the causes of errors for payments for market measures and rural development, and issue further guidance where necessary.

- Security and citizenship

Expenditure of EUR 2.7 billion was subject to audit in this area. This amount covered border protection, immigration and asylum policy, justice and home affairs, public health, consumer protection, culture, youth, information and dialogue with citizens. It is a relatively small but increasing share of the EU budget (approximately 2 % in 2017).

- Global Europe

Expenditure of EUR 8.2 billion was subject to audit in this area, with spending disbursed across more than 150 countries. Given the small size of the sample, the Court was not in a position to calculate a representative error rate for 'Global Europe' as it has for other spending areas.

- Administration

This area is free from material error. In 2017, expenditure of EUR 9.7 billion by the EU institutions and other bodies was subject to audit. This amount comprised spending on human resources (about 60 % of the total), buildings, equipment, energy, communications and information technology.

2017 discharge: EU general budget, European Commission

2018/2166(DEC) - 28/02/2019 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the report by Inés AYALA SENDER (S&D, ES) recommending the Parliament to grant the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2017, and also grant discharge to the Directors of the Education, Audio-visual and Culture Executive Agency, the Executive Agency for Small and Medium-sized Enterprises, the Consumers, Health, Agriculture and Food Executive Agency, the European Research Council Executive Agency and the Innovation and Networks Executive Agency in respect of the implementation of their respective Agencies' budgets for the financial year 2017.

The committee recommended that Parliament close the accounts of the general budget of the Union for 2017.

Budget, programming periods and political priorities

In 2017, the Union budget was in the fourth year of implementation of the current Multiannual Financial Framework (MFF), and amounted to EUR 159.8 billion, including six amending budgets, and that the allocations in different areas were:

- EUR 75.4 billion for smart and inclusive growth;
- EUR 58.6 billion for support to the European agricultural sector;
- EUR 4.3 billion for reinforcing the external borders of the Union and addressing the refugee crisis and irregular migration;
- EUR 10.7 billion for activities outside the Union;
- EUR 9.4 billion for the administration of the Union institutions.

Member underlined that the Union budget supports the implementation of the Union policies and the achievement of their priorities and objectives. The report noted the achievement of the following results:

- Horizon 2020 provided EUR 8.5 billion of funding, which further mobilised direct additional investments, leading to a total of EUR 10.6 billion and funding to 5 000 projects;

- by the end of 2017, COSME provided financing to more than 275 000 small and medium sized companies (of which 50 % were start-ups) in 25 countries that would otherwise have struggled to secure private financing due to their high risk profile;

- the Asylum, Migration and Integration Fund (AMIF) supported the creation of over 7 000 additional places in reception centres; the number of places adapted for unaccompanied minors, an especially vulnerable migrant group, also increased from only 183 places in 2014 to 17 070 places in 2017; by the end of 2017, 1 432 612 third-country nationals had received integration assistance;

- the EU provided more than EUR 2.2 billion in humanitarian aid in 80 different countries; EU humanitarian funding supported the education of over 4.7 million children caught up in emergencies in over 50 countries;

I. The Court of Auditors' Statement of Assurance (DAS)

Accounts and legality and regularity of revenue

Members welcomed the fact that the Court gave a clean opinion on the reliability of the accounts of the European Union for 2017, as it has done since 2007. However, Members noted that for 2017, the Court has issued for a second consecutive year a qualified opinion on the legality and regularity of the payments underlying the accounts, which according to the Court, indicates that a significant part of the 2017 expenditure audited by it was not materially affected by error and that the level of irregularities in EU spending has continued to decrease.

They welcomed the positive trend of a continuing decrease in the most likely error rate for payments determined by the Court in recent years, reaching an all-time low level of 2.4% in 2017, which, regrettably, is still above the threshold of 2%.

Revenue

Members noted that in 2017, the Union had own resources of EUR 115.4 billion and other revenue of 17.2 billion, and that the surplus carried over from 2016 was EUR 6.4 billion. They noted with satisfaction the Court’s conclusion that in 2017 revenue was free from material error and that the revenue-related systems examined by the Court were, overall, effective, but that some controls for Traditional Own Resources (TOR) were only partially effective.

The Court stated that there is necessity for improvement in the Commission’s actions to safeguard Union revenue in order to address weaknesses in its management of the risk of under-valued imports in relation to TOR and in its verifications on the VAT-based own resource. These weaknesses may affect the Member States’ contributions to the EU budget.

Budgetary and financial management

In 2017, 99.3 % of the amount available for commitments was implemented (EUR 158.7 billion), but stresses that the executed payments were only EUR 124.7 billion, mainly due to Member States submitting fewer claims than anticipated for the multiannual programmes of the 2014-2020 European Structural and Investment Funds (ESIF), as well as to the late adoption of the MFF and sectoral legislation.

Members expressed concern that in 2017 the combination of high commitments and low payments increased outstanding budgetary commitments to a new record of EUR 267.3 billion (2016: EUR 238.8 billion) and that the Court projections indicate this amount will rise even more by the end of the current MFF, which may lead to a significantly increased risk of insufficient payment appropriations, but also to a risk of errors under the pressure for a swift absorption given a potential loss of Union funding. The EU budget is not allowed to run a deficit and that the growing payments backlog in fact represents a financial debt.

The Commission is called on to improve the accuracy of the payment forecast and to use the lessons learned from the previous programming period in order to deal with the accumulated backlog in payments and avoid its negative effect on the next MFF and to present the Action Plan on reducing the payments backlog during the 2021 - 2027 multiannual financial framework.

Again, Members called for the addition of a budget line in future budgets of the Union dedicated to tourism in order to ensure transparency regarding the Union funds used to support actions for tourism.

II. Budgetary implementation by policy area

Members discussed budgetary implementation and made the following observations:

Economic, social and territorial cohesion

The Court identified and quantified 36 errors in its sample of 217 transactions for 2017, which audit authorities in Member States had not detected, and that the number and the impact of these errors indicate persisting weaknesses with the regularity of the expenditure declared by managing authorities. The Commission should work even closer with the managing and audit authorities of individual Member States on detecting these errors and specifically targeting the most frequent ones.

Members are worried about the lack of transparency in spending for financial instruments as four times more money is available for financial instruments under the current MFF.

Security and citizenship

The 2014-2020 allocated resources for AMIF (Asylum, Migration and Integration Fund) increased from EUR 2 752 million to EUR 5 391.5 million by the end of 2017 and that between 2014 and 2017, the number of target group persons provided with assistance (in reception and asylum systems) increased from 148 045 to 297 083, and that of these, the share of persons having benefited from legal assistance has risen from 18 395 (12.4 %) to 56 933 (19.1 %).

Members called on the Commission to define and put in place a balanced and comprehensive migration policy based on the principles of solidarity and partnership instead of considering the migration policy as a crisis management issue. They are also concerned that there is a risk that EU money foreseen for development is used for other purposes such as to fight irregular migration or military action.

Environment, Public Health and Food Safety

In 2017, the LIFE Programme celebrated its 25th anniversary. The programme provided EUR 222 million to co-finance 139 new projects. Further efforts need to be made to lower payments delays under the LIFE Programme, as 5.8 % of payments exceeded legal deadlines in 2017 (3.9 % in 2016, 12 % in 2015).