



# DELIVERING ON RESULTS AND PROTECTING THE EU BUDGET IN 2023



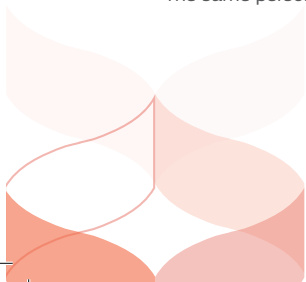
October 2024

## Delivering on the EU's priorities in time of crisis

### SUCCESS STORIES IN 2023:

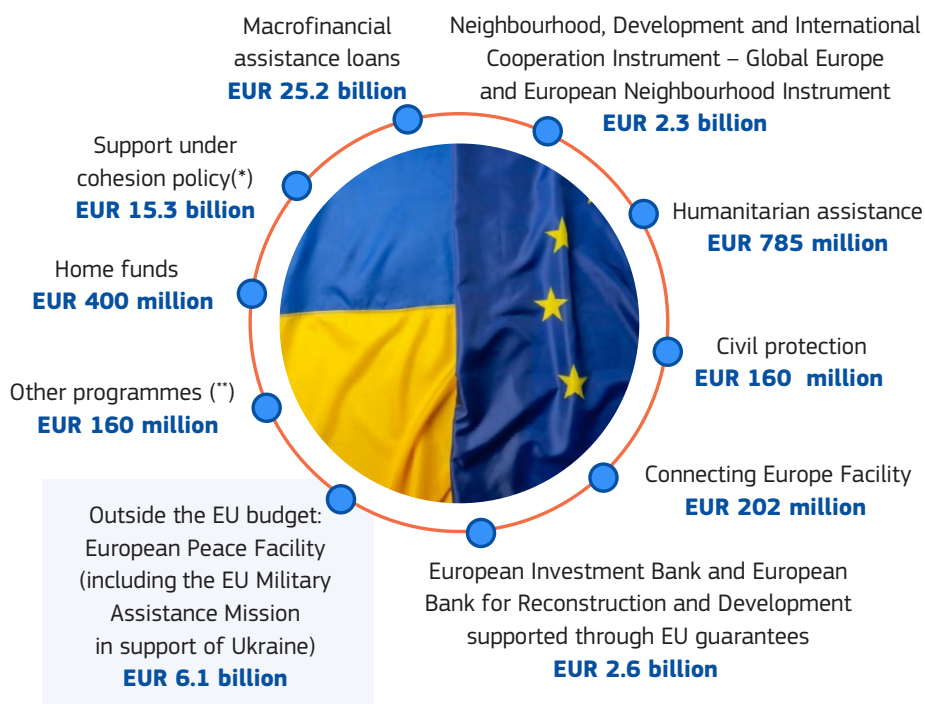
- **Midterm revision of the EU's long-term budget:** To ensure that the EU budget can continue to deliver on Europe's most urgent needs, the European Commission proposed a targeted revision of the multiannual financial framework in 2023, which led to an agreement in February 2024 including, for the first time ever, a revision of the expenditure ceilings. This revision allows to provide stable support to Ukraine in the coming years, continue addressing migration and external challenges, and strengthen competitiveness and sovereignty by means of the Strategic Technologies for Europe Platform, among other initiatives.
- **Deployment of the Recovery and Resilience Facility (RRF):** At the end of 2023, all 27 national recovery and resilience plans of the Member States had been revised, of which 23 included REPowerEU chapters. Through the revisions, an additional amount of €147.2 billion was allocated under the Recovery and Resilience Facility, increasing the total amount allocated to Member States to €648 billion. At the end of 2023, a total of **€220.8 billion** had been paid out to Member States. Significant achievements were already made by the end of 2023 in the following areas:
  - **Green transition:** Annual energy consumption was reduced by 28.2 million megawatts per year and more than 530 000 refueling and recharging stations for clean vehicles were installed or upgraded.
  - **Digital transition:** More than 5.6 million dwellings gained access to very high-capacity internet networks and 309 million users were already using new or improved public digital services <sup>(1)</sup>.
  - **Healthcare:** 45.8 million people annually could benefit from a new or modernised healthcare facility.
  - **Education and training:** 8.7 million people participated in education and training.
  - **Support for businesses:** Almost 2 million enterprises received support, either monetary or in kind.

<sup>(1)</sup> The same person can use the service multiple times, in which case they would be counted multiple times.



Budget

- **Delivering on our climate commitments:** In 2023, **€159.0 billion** were dedicated to measures contributing to climate objectives, representing **38%** of the EU budget and NGEU. Climate investments were boosted by the issuance of NGEU Green Bonds (€49 billion raised by end of 2023), significantly expanding the sustainable finance market.
- **2014-2020 programmes continued to deliver results:** Through the cohesion policy 29 million citizens benefitted from flood protection, 7.9 million households had broadband access of at least 30 megabits per second, and 68 million people benefitted from new or modernised health services.
- **Maintaining support for Ukraine:** By the end of 2023, the EU and its Members States had made available **close to €85 billion** in overall assistance to Ukraine and its people since the start of the war, including humanitarian assistance and financial support. Allocations to Ukraine and Member States to face the consequences of the war from the EU budget (and outside the EU budget for the European Peace Facility) were as follows in 2022 and 2023:



(\*) Support under cohesion policy refers to flexibility offered through the Cohesion's Action for Refugees in Europe and Flexible Assistance to Territories packages, covering a combination of amounts invested (or reprogrammed) and liquidity lines made available to Member States.

(\*\*) Horizon Europe, EU4Health, European Instrument for International Nuclear Safety Cooperation, Common Foreign and Security Policy.

Source: European Commission.

- **Macro-financial assistance to Ukraine:** In 2023, the European Commission disbursed **€18 billion in highly concessional loans** for Ukraine, as part of an unprecedented support package through the Macro-Financial Assistance Plus instrument
- **EU humanitarian support for Palestinians:** The European Commission **quadrupled** its humanitarian aid, mobilising more than €100 million in 2023, and has been working on overcoming access restrictions in providing humanitarian support to the Palestinian people, working together with several Member States and international partners.

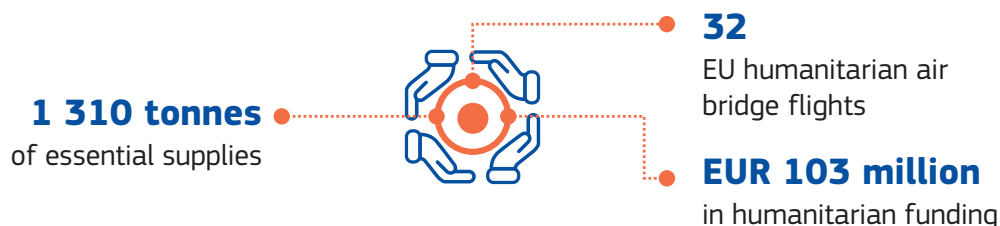


Chart: EU humanitarian support for Palestinians in 2023.

Source: European Commission.

## Resources used in accordance with the principle of sound financial management

In 2023 the Commission continued to make sure that the EU budget is spent **responsibly and correctly**, by working closely with all EU countries and other partners.

The Commission applies controls both before and after payments are made, and makes corrections if and when necessary. This is reflected in both the 'risk at payment' and the 'risk at closure' (of the programme).

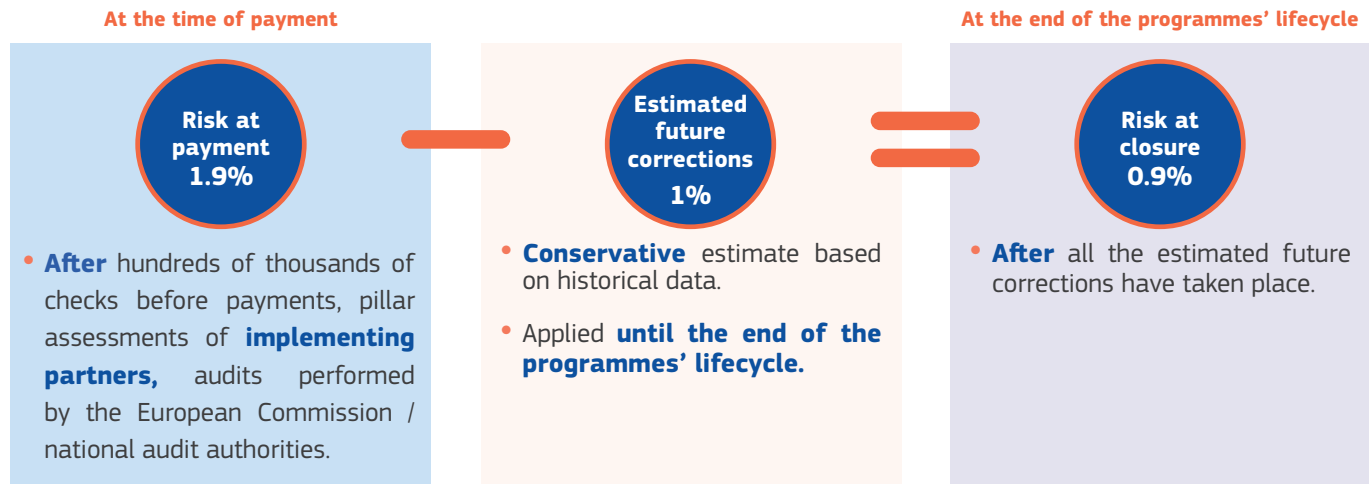


Chart: Risks at payment and closure for the European Commission as a whole for 2023.

- RISK AT PAYMENT**  
 Estimation of the level of expenditure that is not in compliance with the applicable rules and regulations at the time of the payment.
- RISK AT CLOSURE**  
 Estimation of the level of expenditure that is not in compliance when all controls and related corrections have been completed and, legally, no further action can be taken.

**Under the Recovery and Resilience Facility (RRF):** payments from the EU budget to the Member States are not based on incurred costs, but on the completion of steps in the implementation of reforms and investments. These steps are referred to as milestones and targets. The legality and regularity of payments under the RRF therefore depend on the actual **achievement of the milestones and targets**, which is assessed qualitatively by the Commission (no error rate is calculated). For financial year 2023, the Commission concluded that the **level of risk** concerning the legality and regularity of RRF expenditure was medium for one payment, while it was **low for the remaining 22 payments**.

## Main conclusions from the European Court of Auditors' Annual Report on financial year 2023

- ✓ Clean accounts for the 17<sup>th</sup> year in a row
- ✓ Revenue free from material error
- ✓ No material error in payments under administrative expenditures.
- ⊙ Qualified opinion on the legality and regularity of Recovery and Resilience Facility expenditure.
- ⊗ Adverse opinion on the legality and regularity of MFF expenditure with an increase in the overall level of error (3% in 2021, 4.2% in 2022, 5.6% in 2023).





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