



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Regional Development

2013/2195(DEC)

12.2.2014

OPINION

of the Committee on Regional Development

for the Committee on Budgetary Control

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2012, Section III – Commission and executive agencies
(2013/2195(DEC))

Rapporteur: Georgios Stavrakakis

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SUGGESTIONS

The Committee on Regional Development calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Notes that the Court of Auditors has concluded that for regional policy the proportion of tested transactions which are free of error has increased as compared to 2011, while those affected by one or more errors has decreased, and the most likely error rate for 2012 is at 6, 8% (as compared to 6% in 2011); reminds that errors are often administrative in nature and do not necessarily mean that funds have disappeared, been lost or wasted or that fraud has been committed;
2. Stresses that there is an important difference in the type of errors and a distinction should be drawn between major errors, such as overpayment/underpayment or fraud, and minor and clerical errors, since only 0.42% of errors were reported by Member States to be a consequence of fraud for ERDF, Cohesion Fund and ESF programmes in the 2007-2013 programming period;
3. Notes that any error, regardless of size or gravity, in a public procurement procedure leads the Court of Auditors to classify the entire expenditure on that procedure as an error, even when no financial loss has been incurred and the project has been delivered as planned;
4. Draws attention to the different approach by the Commission and the Court to the calculation of error rate in relation to transactions to which the Commission applied flat-rate corrections and calls for the standardisation of the methodology;
5. Notes that the cumulative financial corrections implemented to the end of 2012 for ERDF, Cohesion Fund and ESF programmes, in the current programming period, amount to 0.2%;
6. Acknowledges the increasing level of suspension and interruption of payments by the Commission, which ensures that corrective actions are systematically carried out in cases where deficiencies are identified;
7. Draws attention to the multiannuality of the cohesion policy management system and underlines that the final evaluation of irregularities related to the policy implementation will be possible only at the closure of the programming period;
8. Welcomes the new rules for the 2014-2020 programming period, decided through the co-decision procedure, including measures such as the designations of audit and certifying authorities, accreditations of audit authorities, audit examination and acceptance of accounts, financial corrections and net financial corrections, proportional control, ex-ante conditionalities that aim to further contribute to the reduction of the level of error;

supports in this respect the growing results orientation and the thematic concentration of cohesion policy that should assure high added-value of the co-financed operations; welcomes also the definition of serious deficiency and the anticipated increased level of corrections for repeated deficiencies;

9. Welcomes the recent Communication of the Commission outlining the approach towards the application of net financial corrections in the areas of agriculture and cohesion policy in the next programming period; awaits the delegated act laying down detailed rules for the criteria for the assessment of the functioning of management and control systems, for establishing the level of financial corrections to be applied and for applying flat-rate corrections.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	11.2.2014
Result of final vote	+: 33 -: 0 0: 4
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Francesca Barracciu, Catherine Bearder, Victor Boştinaru, Nikos Chrysogelos, Ryszard Czarnecki, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, Iñaki Irazabalbeitia Fernández, Seán Kelly, Constanze Angela Krehl, Jacek Olgierd Kurski, Petru Constantin Luhan, Elżbieta Katarzyna Łukacijewska, Iosif Matula, Erminia Mazzoni, Miroslav Mikolášik, Jens Nilsson, Lambert van Nistelrooij, Jan Olbrycht, Younous Omarjee, Markus Pieper, Ovidiu Ioan Silaghi, Monika Smolková, Georgios Stavrakakis, Nuno Teixeira, , Justina Vitkauskaitė Bernard, Kerstin Westphal, Joachim Zeller
Substitute(s) present for the final vote	Martina Anderson, Karin Kadenbach, Evgeni Kirilov, Marie-Thérèse Sanchez-Schmid
Substitute(s) under Rule 187(2) present for the final vote	Ivana Maletić