

# Press Release

Luxembourg, 5 April 2017

**Member State spending plans targeted towards EU 2020 goals, but performance measures too complex, say Auditors**

Despite some initial difficulties, the spending plans agreed between the European Commission and the EU Member States have successfully identified national investment needs, objectives and expected results, according to a new report from the European Court of Auditors. They are also targeted at supporting the EU 2020 strategy for growth and jobs. However, too many performance indicators have been developed and a number of important definitions are not harmonised.

EU Member States sign so-called “Partnership Agreements” with the European Commission. These are strategic investment plans which indicate their national spending priorities under the European Regional Development Fund, the Cohesion Fund and the European Social Fund. Investments supported by the three funds and implemented through operational programmes are expected to total some €350 billion between 2014 and 2020, which represents about one third of the EU budget.

The auditors examined whether the Commission had negotiated these Agreements and operational programmes effectively, so as to better target EU funding towards the EU 2020 strategy priorities, and whether the setting of performance conditions had been adequate. They visited Spain, Ireland, Croatia, Poland, Romania and Denmark.

*“The Cohesion policy legislation was adopted just before the start of the 2014-2020 programme period”, said Mr Ladislav Balko, the member of the European Court of Auditors responsible for the report. “Despite this difficulty, the Commission has been effective in adopting the Partnership Agreements and operational programmes and in concentrating EU funds on growth and jobs promoted by the Europe 2020 strategy. But achieving results will also require substantial contributions from national budgets as well as structural reforms. This shows that the Commission is making greater use of these funds to influence economic governance in the Member States.”*

For most of the 2014-2020 programmes examined, say the auditors, the Commission and Member States have been successful in setting out specific objectives and how they are to be

**The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on [www.eca.europa.eu](http://www.eca.europa.eu).**

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achieved. However, there is no common definition of “output” and “result” and no harmonised approach between funds on the use of common indicators. In addition, thousands of the specific performance indicators created by Member States cannot be aggregated at the EU level. Moreover, the structure of the programmes increases the volume of data to be collected. This will result in an additional administrative burden, while it remains to be seen what use will be made of the data.

The auditors make a number of recommendations to the Commission and the Member States to improve the operation of the Partnership Agreements and the running of operational programmes.

The Member States should:

- provide the Commission with the financial information needed to monitor compliance with the spending rules effectively;
- discontinue unnecessary programme-specific indicators;
- ensure that data relevant to establishing the effects of co-financed interventions is collected.

The Commission should:

- ensure that its legislative proposals for period after 2020 are presented in good time;
- ensure that Member states comply with the spending rules;
- define a common terminology for “output” and “result” and propose it for inclusion in the Financial Regulation;
- identify indicators which are best suited to determining the impact of EU funding for 2014-2020;
- disseminate good practices by Member States for evaluating the impact of EU interventions and promote benchmarking ;
- where appropriate, apply the concept of a performance budget, which links resources to results.

Special Report No 2/2017: “The Commission's negotiation of 2014-2020 Partnership Agreements and programmes in Cohesion: spending more targeted on Europe 2020 priorities, but increasingly complex arrangements to measure performance” is available in 23 EU languages.