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Auditors call for improvements in anchoring overarching policy priorities in the EU budget

There are major differences in the extent to which the European Commission has incorporated the EU's overarching policy priorities of climate change, biodiversity preservation, gender equality, sustainable development and digital transition throughout the EU's spending programmes, according to a new report by the European Court of Auditors (ECA). Gender is the priority which is least well mainstreamed in the EU budget, the auditors conclude. In addition, there are significant differences in the way the Commission measures the EU budget's contribution to the five key cross-cutting policies and reports on their achievement.

"The Commission should better incorporate the EU's overarching policy priorities into its performance framework, in particular for gender equality, digital transition and the SDGs, while taking into account the cost and feasibility of its approach," said François-Roger Cazala, the ECA Member responsible for the report. "It should also improve reporting on cross-cutting policy priorities to show how it makes the most of every euro spent, as well as better highlighting expenditure that contributes to several horizontal policy priorities at the same time."

The Commission reported that it had fully incorporated key overarching EU policy priorities into the EU's budget programmes, but the auditors found significant differences between climate and biodiversity compared to gender. Although the five horizontal priorities were incorporated to different degrees into the EU's spending programmes, such as those on research, agriculture and regional development, the auditors found that the Commission had provided overly positive conclusions on progress made towards mainstreaming targets. Climate and biodiversity priorities were mostly incorporated adequately; the United Nations' Sustainable Development Goals (SDGs) and the digital transition had been partially incorporated. Gender, on the other hand, had been incorporated to a much lesser extent.

For climate and biodiversity, the Commission has developed methods to track spending across multiple programmes in order to identify and report how much it spends on them, and has a framework in place to measure the EU budget's contribution. However, its reporting is not accurate. This is because it used approximations, and because of weaknesses previously singled out by the auditors regarding overestimations in spending. The Commission reports limited

The purpose of this press release is to convey the main messages of the European Court of Auditors' report on the EU budget performance. The full report is available at <u>eca.europa.eu</u>.

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information on the contribution of EU programmes towards the Sustainable Development Goals and the digital transition, while the arrangements for measuring their contribution to gender equality have improved but continue to face limitations.

The Commission tracks spending on climate and biodiversity, and is starting do so for gender. However, it provides little information on whether EU spending contributes to multiple priorities at the same time. It also does not measure the outcomes of EU spending in terms of its actual impact on horizontal priorities, although it is working on a related pilot project to measure such outcomes.

Background information

The Commission pursues horizontal policy priorities across spending programmes. It aims to progressively incorporate them into the design and spending of the EU budget in order to ensure that spending programmes address them in addition to their own programme objectives. Making cross-cutting policies part and parcel of the way the EU's spending programmes are designed, carried out and assessed is important for maximising transparency in how funds related to different priorities are allocated and providing a broad overview of the EU budget's performance.

This is the first time that the auditors have reported on the EU's horizontal policy priorities as a whole. They inspected a selection of 11 programmes that cover 90 % of payments made up to the end of 2021 under four headings of its multi-year budget. The five priorities are relevant for the EU's current multi-year spending until 2027.

The full ECA annual report on the performance of the EU budget – status at the end of 2021 is available on the <u>ECA website</u>. See also the ECA's previous reports on <u>climate reporting</u>, <u>gender</u> <u>mainstreaming</u> and <u>sustainability reporting</u>.

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