



Council of the
European Union

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'I' ITEM NOTE

From: Budget Committee

To: Permanent Representatives Committee

Subject: Council 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 2019
– *Adoption*

DRAFT COUNCIL 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 2019

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 319 thereof,

Having carried out the examination provided for in Article 319(1) TFEU,

Whereas:

(1) According to the revenue and expenditure account for the financial year 2019:

- revenue amounted to	EUR 163 917 569 359.09
- expenditure disbursed from appropriations amounted to	EUR 157 428 362 340.51
- cancelled payment appropriations (including earmarked revenue) carried over from year <i>n-1</i> amounted to	EUR 1 661 145 502.35
- appropriations for payments carried over to year <i>n+1</i> amounted to	EUR 1 610 901 146.79
- EFTA payment appropriations carried over from year <i>n-1</i> amounted to	EUR 3 728 660.39

- the balance of exchange-rate differences amounted to EUR 3 623 341.88
- the positive budget balance amounted to EUR 3 217 055 050.93

- (2) Cancelled payment appropriations for the financial year amounted to EUR 74 870 959.98;
- (3) EUR 1 667 152 590.60 (95.70 %) of the EUR 1 742 023 550.58 in appropriations for payments carried over to year *n* have been used;
- (4) The observations in the report by the Court of Auditors for the financial year 2019 call for certain comments by the Council, which are ANNEXED hereto;
- (5) The Council attaches importance to its comments being followed-up and assumes that the Commission will implement all of the recommendations in full, without delay;
- (6) The Council has adopted conclusions concerning special reports published by the Court in 2019 and 2020¹;
- (7) Following the examination referred to above, implementation by the Commission of the budget for the financial year 2019 taken as a whole, on the basis of the observations made by the Court of Auditors, is such as to allow a discharge to be given in respect of such implementation,

HEREBY RECOMMENDS the European Parliament, in the light of these considerations, to give a discharge to the Commission in respect of the implementation of the budget of the European Union for the financial year 2019.

Done at Brussels,

For the Council
The President

¹ Docs. 5143/20, 6174/20, 6425/20, 6493/20, 8295/1/20 REV 1, 8624/20, 8627/20, 8635/20, 9081/20 + COR 1 REV 1, 9112/20, 9183/20, 9184/20, 9190/20, 9249/20, 9251/20, 9258/20, 9334/20, 9630/20, 9730/20, 10069/20, 10920/20, 11581/20, 11749/20, 12479/20, 12481/20, 13204/20, 13247/20, 13646/20, 14080/20, 14084/20, 14168/20, 14198/20 and 5375/21.

INTRODUCTION

1. The Council welcomes the European Court of Auditors' annual report and Statement of Assurance on the implementation of the EU budget and the analysis of the audit findings and conclusions provided. The Council attaches great importance to the independent audit work carried out by the Court, as defined in Article 287 TFEU, and namely to the primary task of providing a Statement of Assurance on the reliability of the accounts and examining the legality and regularity of revenue and expenditure.
2. The Council takes note that, for the financial year 2019, the Court has split its annual report in two separate parts. One part concerns the reliability of the EU consolidated accounts and the regularity of transactions. The other part covers the performance of spending programmes under the EU budget. In it, the Court, as a pilot exercise, covered - for the first time - the Annual Management and Performance Report (AMPR) from the Commission, which is the Commission's main high-level performance report on the EU budget. The Council calls both institutions to continue to work as necessary to achieve the assessment of the true value delivered to the EU citizens.
3. The Council welcomes the Court's finding that the EU accounts present a true and fair view of the EU's financial position and that the Court has issued a clean opinion on the reliability of the 2019 accounts. The Council also welcomes that the revenue for 2019 was found to be legal and regular and free from material error. Nevertheless, the Council regrets that the Court has issued an adverse opinion on the legality and regularity of expenditure and that the estimated level of error reported by the Court is still material.

4. The Council acknowledges the findings of the Court, as specified in its annual report and in the report on performance, and supports the Court's recommendations, inviting the Commission and the other institutions to also take the relevant Council recommendations into consideration. Special attention should be given to errors linked to public procurement, which are present in all chapters of the budget.
 5. Despite the repeated calls from the Council, the Court again did not present a level of error for each chapter. In this regard, the Council stresses the need to ensure comparability between years within each policy area and again asks the Court to provide error rates for all headings, irrespective of the size of expenditure, taking into account the increasing political importance of chapters like Security and Citizenship and Global Europe.
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ANNUAL REPORT
ON THE IMPLEMENTATION OF THE EU BUDGET FOR THE
2019 FINANCIAL YEAR

CHAPTER 1
THE STATEMENT OF ASSURANCE AND SUPPORTING INFORMATION

1. The Council regrets that the estimated level of error reported by the Court is still material and has increased for the second year in a row, after a decrease in previous years. The overall estimated level of error for expenditure accepted in the accounts for 2019, as estimated by the Court, is 2.7 %. The Council takes note that a substantial proportion of this expenditure - more than half - is materially affected by error and considers that this concerns mainly reimbursement-based expenditure, in which the estimated level of error is 4.9 %. The Council also notes that the Court reported that, due largely to a rise in "Cohesion" spending, such expenditure increased to EUR 66.9 billion in 2019, representing 53.1 % of the audit population. The Council also takes note that the Court considers that the effects of the errors found in the accepted expenditure of the year are both material and pervasive.
2. The Council acknowledges the decrease of the error rate achieved in reimbursement-based payments in 2019 in sub-heading 1b (from 5 % to 4.4 %) and in heading 2 (from 2.4 % to 1.9 %). The Council notes that this type of expenditure is still subject to complex rules and thus, prone to a high risk of error, despite the streamlining changes in the regulatory framework introduced in 2018. In this framework, the Council takes note of the simplification efforts brought in the Commission's proposals for the post-2020 regulatory framework, notably for cohesion. The Council stresses that, in order to achieve the reduction of error rates and ensure the effective and correct management of EU funds, simpler, more transparent and more predictable legislation should remain a top priority.
3. The Council acknowledges that the spending programmes and related control systems, as well as the management cycles, cover multiple years. In this regard, the Court and the Commission have different roles in the multiannual control process, which could lead to different results. The financial corrections and recoveries performed after the Court's audit have the objective of bringing the level of error below materiality. Therefore, the Council also acknowledges the improved results achieved by the auditing bodies in detecting and correcting the errors. The Council strongly encourages the Member States and the Commission to continue to increase the quality of the management of the EU's finances.

4. The Council is also concerned about the reoccurring lower level of risk estimated by the Commission for certain headings compared to the level of error estimated by the Court. In the opinion of the Court, this is due to weaknesses in some *ex post* checks, affecting the detective and corrective capacity and the regularity information provided by the Commission.
5. The Council notes again that the Court's estimated level of error is not a measure of fraud, inefficiency or waste of funds per se, but of payments which were not made in accordance with the applicable rules and regulations regarding eligibility of spending.
6. The Council welcomes the clean opinion given by the Court on the reliability of the annual accounts of the European Union (hereinafter "the accounts") for the financial year 2019. The Council notes the Court's statement that the accounts present fairly, in all material respects, the EU's financial position, as at 31 December 2019, and the results of its operations, its cash flow and the changes in its net assets for the year then ended, in accordance with the Financial Regulation and with accounting rules based on internationally accepted accounting standards for the public sector.
7. The Council also welcomes the fact that the revenue underlying the accounts for 2019 is legal and regular in all material respects, as in previous years.
8. The Council notes with satisfaction the overall effectiveness of the audit bodies in detecting errors and mismanagement of EU funds and appreciates the continuous efforts and actions undertaken by the Commission and the Member States to implement the Court's recommendations. However, the Council recognises shortcomings identified by the Court in the work of some audit authorities. Based on the findings of the Court, the Council encourages actors involved in the management and control of EU budget implementation to coordinate and further improve their work, so that the Court could make more use of the work performed by national and Commission auditors in view of developments connected to the principle of cross reliance.

9. Bearing in mind that it is essential that the EU budget efficiently delivers true value to the EU citizens, the Council considers that an assessment of the results achieved by the EU budget is an important element of the annual evaluation of the sound financial management of EU funds.
10. The Council also acknowledges the fact that Commission's performance reporting covers different sets of objectives, including the objectives set in sectoral legislation and additional cross-cutting objectives. However, the Council supports the Court's recommendation to the Commission to continue to increase in particular the quality of programme performance assessments, combining both qualitative and quantitative assessment, and provide a more systematic analysis of the efficiency of programmes and of external factors affecting programme performance.
11. Moreover, the Council shares the view of the Court that, despite recent improvements, there is still room for improvement in the quality of performance indicators and the reliability of performance information in some areas, as well as in the calculation of progress to target and transparency of target-setting, and reiterates its calls on the Commission to take further appropriate actions on all recommendations made by the Court.

CHAPTER 2
BUDGETARY AND FINANCIAL MANAGEMENT

1. The Council takes note of the almost full budget implementation in 2019 in commitments and payments and welcomes the fact that the budget was neither under- nor over-budgeted, which shows an overall orderly budgetary management.
2. However, the Council notes with concern the continuing increase of outstanding budgetary commitments (RAL) to an all-time high. While welcoming the increased speed of implementation of the European Structural and Investment (ESI) Funds, amplified by the revised rules adopted in the context of the COVID-19 crisis, the Council remains deeply concerned about the risk of pressure on the payment appropriations available in the first years of the MFF 2021-2027 and supports the Court's recommendation to the Commission to closely follow payment needs, including those arising from the pandemic, and to take action, within its institutional remit.
3. The Council agrees with the assessment of the Court regarding the importance of having a complete picture of the exposure of the EU budget, and calls on the Commission to reassess, including in the context of the COVID-19 crisis, the amounts and mechanisms available to mitigate further exposure, including a revision of the provisioning rates. The Council notes with concern the EUR 15.6 billion increase in liabilities for pensions and other employee benefits, and urges the Commission to take actions to prevent further deterioration of the EU balance sheet.
4. The Council supports the Court's recommendation to the Commission to continue to provide the European Parliament and the Council with relevant information on the funds transferred from the EU budget for financial instruments managed by the EIB group, in order to allow proper scrutiny and increase the transparency of such operations.

CHAPTER 3

REVENUE

1. The Council notes with satisfaction that in 2019 the revenue part of the budget was not affected by material error, that the underlying transactions tested were found to be free from error and that the examined revenue-related systems were assessed as being overall effective, whilst the key internal controls of traditional own resources (TOR) were assessed as being partially effective. The Council notes that there are weaknesses in certain Member States' management of customs duties, and regrets that the Commission takes a lot of time to resolve the shortcomings detected in its TOR inspections carried out in the Member States.
2. The Council takes note of the fact that there are weaknesses in Member States' controls to reduce the customs gap, requiring EU action, namely the lack of EU wide harmonisation of the performance of customs controls for mitigating the risk of undervalued imports throughout the Customs Union and the Member States' inability to identify the riskiest economic operators at EU level for post-release audits due mainly to the lack of an EU-wide database providing information on imports by economic operators at EU level.
3. Therefore, the Council supports the Court's recommendation made to the Commission to provide Member States with regular support in selecting the riskiest importers for these audits and takes note of the Commission's efforts in introducing the advanced capabilities of the "Surveillance III" customs IT system by January 2023.
4. The Council regrets the fact that there were delays in the Commission's follow-up and closing of TOR open points. In this regard, the Council supports the Court's recommendations made to the Commission to revise its procedures by establishing a system for monitoring TOR open points based on quantitative and qualitative criteria that rank shortcomings detected in Member States in order of priority.

5. Furthermore, the Council calls on the Commission to propose a revision of the Regulation for making available all categories of own resource (MAR) as soon as possible, with the aim of achieving a single, streamlined MAR for all categories of own resources.
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CHAPTER 4
COMPETITIVENESS FOR GROWTH AND JOBS

1. The Council regrets that the estimated level of error reported by the Court is 4.0 %, double the one last year, but back in line with previous years.
2. The Council acknowledges that, for the second year, research and innovation again represent the highest percentage of the transactions audited by the Court (80 out of 130 transactions). The share of spending for space programmes, a low-risk expenditure area, decreased in the whole audit population compared to 2018. The Council notes that FP7 and H2020 spending remains high-risk and the main source of errors, representing 78 % of the estimated level of error for this sub-heading in 2019. On the other hand, the Council takes note of the small number of transactions concerning other programmes and activities where quantifiable errors were detected (4 out of 50 transactions). These transactions concern projects under the Erasmus+ and CEF programmes.
3. The Council regrets that despite previously reported improvements and administrative simplification in Horizon 2020 (H2020), research spending is still affected by material error. Therefore, the Council urges the Commission to continue its efforts to reach an error rate below the materiality threshold.
4. The Council is concerned about the fact that, according to the Court's findings, the estimated level of error would have been 1.1 percentage points lower if the Commission had made proper use of all available information to prevent, detect and correct errors before accepting the expenditure. The Council reiterates its appeal to the Commission 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.

5. The Council notes with regret that, as in previous years, the main risk identified by the Court is ineligible costs declared by beneficiaries, mostly SMEs and new entrants that are more error-prone when submitting cost claims. The Council also takes note with concern of the Court's analysis that personnel costs continue to be the root cause for most errors, notably in research, where the methodology for calculating personnel costs has become more complex in some respects under H2020, increasing the risk of error. The Council supports the Court's recommendation on H2020 and renews its invitation to the Commission to carry out more targeted checks on cost claims by SMEs, to enhance its information campaign and communication efforts towards providing beneficiaries with proper guidance on eligibility issues and rules for the calculation and declaration of personnel costs, as well as to further simplify the rules for calculating direct personnel costs in the next Research Framework Programmes.
6. The Council notes that the estimated risk at payment calculated by the Commission in its Annual Management and Performance Report (AMPR) is below materiality (1.7 %). However, the Council is concerned about weaknesses and inconsistencies signalled in the Court's review of the ex-post audits on H2020 carried out by both the Commission and contracted external auditors. In this regard, the Council invites the Commission to increase its efforts to remedy these weaknesses.
7. The Council notes that the Commission has accepted and implemented, fully or in most respects, the Court's previous recommendations with regard to sub-heading 1a. In particular, the Council welcomes the wider use of simplified cost options such as lump-sum payments that facilitates SMEs' participation. Furthermore, the Council welcomes the Court's findings that the Commission's annual activity reports in this policy area provide a relatively fair assessment of its financial management and the regularity of underlying transactions and corroborate the Court's findings and conclusions.

CHAPTER 5

ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1. The Council takes note of the fact that the estimated level of error reported by the Court for payments in the "Economic, Social and Territorial cohesion" policy area decreased by 0.6 percentage points to 4.4 % in 2019, remaining, however, well above the materiality threshold of 2 %.
2. The Council recognises the improvements found by the Court this year in the management and control systems of the Member States and the Commission, but acknowledges that the Court still cannot fully rely on the work of the audit authorities and on the residual error rates reported by the Commission. Therefore, the Council encourages them to continue their efforts to further improve their management and control systems.
3. The Council also urges the Commission and the Members States to continue their efforts to simplify the legislation of EU funds. The Council notes with satisfaction the implementation of the new control and assurance framework, designed to ensure that annual residual error rates fall below the materiality threshold, but supports the assessment of the Court that further improvements are necessary in the way the framework is applied, both by managing authorities and audit authorities and by the Commission. In this sense, the Council supports the Court's recommendation addressed to the Commission to analyse the main sources of undetected errors and develop, together with the audit authorities, the necessary measures to improve the reliability of the reported residual rates.
4. The Council notes that half of the estimated level of error is caused by ineligible projects (before taking account of financial corrections) and therefore supports the Court's recommendation to the Commission to clarify what is meant by "physically completed" and/or "fully implemented" operations, supporting Member States to verify compliance of their operations with Article 65(6) of the Common Provision Regulation (CPR) and to better detect ineligible operations.

5. The Council notes that Cohesion programmes cover multiple years and that the Commission, as manager of the EU budget, puts in place multiannual control strategies designed to prevent errors and, if this is not possible, to detect them and apply corrections before the closure of the programmes. This underlines that the Commission and the Court play different roles in the control chain of the EU budget and therefore their control approaches differ considerably. In this regard, the Council notes that the estimated risk at closure is below materiality (1.1%).
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CHAPTER 6
NATURAL RESOURCES

1. The Council notes with satisfaction that in 2019, the estimated level of error reported by the Court for payments in the "Natural resources" policy area is 1.9 % (compared to 2.4 % in 2018), below the materiality threshold. Taking into account other evidence produced by the control system, the Court found the level of error to be close to materiality.
2. The Council welcomes the fact that the corrective measures applied by the Commission and Member States reduced the estimated level of error by 0.2 percentage points. Therefore, the Council encourages the Commission to continue its support to Member States to take all necessary actions to prevent, detect and correct errors.
3. The Council takes note that the risk of error in this chapter is concentrated in the areas subject to more complex eligibility rules of rural development, market measures, fisheries, environment and climate action and that the main sources of error were ineligible beneficiaries, activities, projects or costs.
4. In this respect, the Council supports the Court's recommendations made to the Commission to update its analysis of the Common Agricultural Policy (CAP) fraud risks more frequently, perform an analysis of Member States' fraud prevention measures and disseminate best practices in the use of the Arachne tool to further encourage its use by paying agencies.

CHAPTER 7
SECURITY AND CITIZENSHIP

1. The Council regrets that in relation to substantive testing in the area of "Security and Citizenship" the audit sample was once again not representative of the full range of spending under this MFF heading and that, consequently, the Court did not estimate an overall error rate. Furthermore, the Council notes that more than a third of the audited transactions were affected by error.
2. While recognising Member States' efforts to step up the implementation of their national programmes under the Asylum, Migration and Integration Fund (AMIF) and the Internal Security Fund (ISF) within a complex political setting, the Council underlines the importance of further steps in this direction, aimed at avoiding increased pressure on national authorities as programmes head towards closure. In view of the increased political focus on this policy area and its growing budget, the Council urges the Court to enlarge its audit scope to a representative sample, to provide an error rate for this heading in the following years.
3. The Council welcomes the Court's conclusion that all national audit authorities for AMIF and ISF examined have developed and implemented detailed report procedures of sufficient quality, and that the Commission's assessment set out in the Annual Control Reports (ACR) is structured and punctilious and covers all relevant legal aspects. The Council, however, expresses concern that the Court has identified some weaknesses in the work of audit authorities and regrets the Court's finding that some responsible authorities differed in their definition of "interim payment", which affected the comparability of the audit results.

4. The Council expresses its full support for the Court's recommendations and welcomes the fact that the Commission has already started implementing them together with the Member States. The Council encourages the audit authorities, responsible for AMIF and ISF national programmes, to improve, on the basis of appropriate guidance and instructions issued by the Commission, the audit coverage, the sampling and the audit trail, in line with the Court's recommendations.
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CHAPTER 8
GLOBAL EUROPE

1. The Council regrets that the Court has again chosen not to establish an estimated level of error for this chapter and calls on the Court to provide such an estimated level of error in future years with a view to allowing year-on-year comparison of the risk to the EU financial interests. Furthermore, the Council notes that close to a third of the audited transactions were affected by error.

 2. The Council welcomes and supports the recommendations of the Court regarding the strengthening of checks by DG NEAR, DG DEVCO, DG CLIMA and Service for Foreign Policy Instruments (FPI) in order to identify and prevent recurrent errors, and regarding the disclosure of the limitations of DG NEAR's Residual Error Rate study in the Annual Activity Reports (AAR). The Council also supports the recommendation related to the methodology for calculating the "grant rate" by DG NEAR in order to reflect more accurately the higher risk in the area of direct management grants.
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CHAPTER 9
ADMINISTRATION

1. The Council welcomes the fact that the administrative and related expenditure of the EU institutions remained, as in previous years, free from material error. The Council notes with satisfaction that no material levels of error were identified by the Court in the examined annual activity reports.
2. The Council welcomes the Court's finding that there were fewer errors relating to staff costs and the management of family allowances than in previous years and the fact that the Office for the Administration and Payment of Individual Entitlements (PMO) has already corrected in 2020 the errors found in the previous year. The Council encourages the Commission to continue minimising the errors in managing staff costs in line with the July 2020 European Council conclusions.
3. The Council regrets the Court's observation on errors in a payment made by the European Parliament to a European political party. These errors, similar to the shortcomings in transactions detected and reported by the Court in previous years, concerned non-compliance with the expenditure eligibility rules. The Council calls on the European Parliament to improve its procedures, instructions and control mechanisms to prevent these errors from occurring.
4. The Council regrets the Court's two findings related to the European Economic and Social Committee (EESC). First, the EESC has not yet developed definitions for the sensitive posts or functions, nor has it carried out a risk analysis with a view to adopting mitigating controls and an internal mobility policy. Secondly, the EESC has not carried out a comprehensive risk assessment since 2014. The Council calls on the EESC to implement a policy for dealing with sensitive functions, as well as establishing and implementing comprehensive risk assessment procedures.

5. The Council takes note of the observations and recommendations made by the Court in its report on the annual accounts of the European Schools for the financial year 2019 and acknowledges the remediation measures adopted by the Office of the General Secretary of the European Schools, looking forward to the evaluation by the Court of the results achieved.
 6. The Council takes note of the Court's finding that EU institutions and bodies had reduced their establishment plans by 1 409 posts (3 %) from 2012 to 2018, while the number of contract staff increased by 3 253 budgeted full-time equivalents (FTE) (37 %) during the same period. The Council calls on the Commission to monitor this development closely with the aim of stabilising the total workforce in line with the July 2020 European Council conclusions.
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**REPORT OF THE EUROPEAN COURT OF AUDITORS
ON THE PERFORMANCE OF THE EU BUDGET - STATUS AT
THE END OF 2019**

INTRODUCTION

1. The Court covered the Commission's high-level performance reporting through the AMPR and programme statements. It examined whether the Commission has a robust process for producing these reports and whether they give a clear, comprehensive and balanced overview of the performance of EU spending programmes. The Court also examined the results achieved by EU programmes under, respectively, (sub-)headings 1a, 1b, 2, 3 and 4 of the 2014-2020 multiannual financial framework.
2. The purpose of this work was to establish how relevant performance information is and, based on that information, to assess how well EU spending programmes have performed.
3. Out of 58 spending programmes, the Court selected and examined 9, which, taken together, represent around three quarters of all payments made up to the end of 2019 against the 2014-2020 multiannual financial framework commitments.
4. The Council takes note that the Court is of the opinion that, due to their inherent limitations, performance indicators can only provide an incomplete picture of programme performance, since there are aspects that the indicators do not capture or capture poorly.
5. The Council recognises that Commission's reporting on the performance of EU spending programmes continues to improve and becomes more balanced, thanks to the coherent use of Annual Management and Performance Report (AMPR), Programmes' Performance Overview (PPO) and programme statements. The Council encourages the Commission to continue its efforts in particular to improve the reliability of the performance information presented in the programme statements and the AMPR, and to continue to report on the performance of EU spending programmes for at least as long as substantial amounts of payments beyond the duration of the MFF period concerned are being made during the following MFF.

COMPETITIVENESS FOR GROWTH AND JOBS

1. The Council welcomes the Court's specific performance assessment for H2020 while taking note of the currently limited available information mainly due to a considerable time-lag between funding of projects and materialisation of results and impacts, which is an inherent characteristic of research and innovation funding. The Council notes with satisfaction that the efficiency of H2020 increased following simplification and most projects achieved their expected outputs and results.
2. The Council welcomes the Court's specific performance assessment for EFSI which indicates that the programme is on track to reach its targets of mobilised investment and achieve its multiplier effect. However, the Council notes with concern that some projects could have been financed from other sources and that in some cases the EFSI effect on additional investment may have been overstated. The Council welcomes the fact that the Commission has managed the EFSI Guarantee Fund applying the principles of sound financial management and makes continuous efforts to improve the EFSI geographical diversification.

ECONOMIC, SOCIAL AND TERRITORIAL COHESION

1. The Council takes note that a large majority of the indicators set out in the general programme objectives for ERDF and CF were not yet on track, based on data available at the end of 2018, with low figures on specific indicators for SMEs and the low-carbon economy, while recognising that the slow start-up in spending for the period 2014-2020 has influenced the pace of achievement of cohesion policy objectives, for which targets are set for 2023. The Council welcomes the Court's conclusion that those two specific programmes contribute towards the policy objectives of EU economic, social and territorial cohesion.
2. The Council shares the conclusions of the Court related to the risk, especially for payments availability, in the use of funding towards the end of the MFF, and also shares the assessment that the delay in spending for the period 2014-2020 influences the achievement of cohesion policy objectives. The Council welcomes the introduction of mandatory common result indicators proposed for the period 2021-2027 and the establishment of the Commission's open data platform and is looking forward to the assessment of their outcomes.

NATURAL RESOURCES

1. The Council notes the Court's findings on the performance indicators for the CAP, mostly related to inputs or outputs and showing rather the level of absorption of EU funds than the results or impacts of the policy.
 2. The Council notes the Court's findings on the difficulty to assess the performance of the related EU spending in the area of rural development based on the information reported by the Commission in the AMPR and programme statements in relation to the general objective on balanced territorial development.
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SECURITY AND CITIZENSHIP

The Council notes that while the 2019 AMPR provides contextual information, it does not indicate whether the AMIF is on track to meet its general objective. The information available points to the relevance of spending and its EU added-value, but the indicators defined do not provide evidence about economy and efficiency. The fact that two thirds of the indicators measure activities and output may lead to an overly positive view of achievements. The Court concludes that AMIF performs best at strengthening the CEAS and is weakest in returns of illegal migrants.

GLOBAL EUROPE

1. The Council notes that the Commission's high-level performance reports provide insufficient information to assess the DCI's performance. The Council notes that progress towards the general objective of establishing an area of shared prosperity and good relations had been greater in Neighbourhood East than in Neighbourhood South.
2. The Council notes that the indicators in the high-level reports revealed a generally positive trend in poverty reduction, gender equality in education, agreements with neighbouring countries and human development, but also notes the worsening trend in consolidation of democracy, rule of law and political stability. However, the Council notes that the indicators did not provide information on the performance of the programmes themselves, and consequently invites the Commission to present indicators clearly illustrating the extent to which the programmes were delivering expected outputs and results.
