



Trump enigma undeciphered



Creating a joint army is not on Europe's agenda

EU budget should reflect in full the real-life needs

It is the right time to think about the post-2020 MFF, latest EESC's opinion highlights



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Photo: EESC

The EESC found that there is an enormous need for simplification as the EU budget remains extremely complex in all manner of ways.

For the need of a thorough analysis and evaluation of where the funds of the EU Budget are spent, how they are spent, how the performance of the funds spent that way is evaluated, and how the results achieved are communicated, urged the European Economic and Social Committee (EESC) in its own initiative opinion adopted at the Committee's last plenary session in Brussels.

A prerequisite for boosting the EU budget's performance is the establishment of clearly defined priority objectives for the benefit of EU citizens, corresponding aggregated indicators and a robust reporting system, Joost van Iersel, President of the EESC's ECO Section, underlined.

The EU budget is a key tool for financing the EU priorities, accounting for approximately 1% of EU GDP, and amounting to €145.3bn in 2015. It also plays a significant role in underpinning economic policies in the Member States, accounting for an average 1.9% of their public expenditure, and considerably more than 10% in some cases.

According to Petr Zahradnik, Czech EESC member of the Employers' Group and rapporteur on the EESC's opinion on a "Performance-based EU budget and its focus on real results: the key to sound financial management", the current mid-term review of the multiannual financial framework (MFF) could provide an additional opportunity for deeper considerations about future EU budgetary instruments.

The EU budgetary expenditures must not only comply with the rules of legality and regularity, but there must also be a targeted and systematic focus on the results and performance the budget delivers in addressing EU priority areas. Adopting performance culture rules in relation to the EU Budget requires maintaining close linkage between the scope and nature of expenditure, on the one hand, and a comprehensive set of performance indicators for measuring results and performance, on the other, the opinion states.

A performance culture is not acquired in a single step, but through a process of development that presupposes both the appropriate legal environment and the selection of tools for encouraging key actors to adopt the desired behaviour. A budget conceived in these terms constitutes an instrument of EU fiscal policy for delivering real results and impacts in EU priority areas that bring a clearly quantifiable added-value, which is the added-value of the EU, explained Petr Zahradnik.

The adopted opinion finds that there is an enormous need for simplification as the EU budget remains extremely complex in all manner of ways, making it difficult to manage it effectively and measure its real results and benefits. Simplification certainly does not mean reducing the qualitative benchmarks and requirements - on the contrary, it means creating a more open space for respecting qualitative standards.

According to the author of the opinion, the post-2020 multiannual financial framework, together with a new competitiveness and development strategy and the social rights pillar whose preparation is ongoing, should act as a crucial medium-term strategic platform, with the structure and weighting of particular expenditure items adjusted to real-life needs and priorities.