



Council of the
European Union

131786/EU XXVII. GP
Eingelangt am 23/02/23

Brussels, 23 February 2023
(OR. en)

6247/23
ADD 2

FIN 160
PE-L 7

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
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 2021

- *Statement by Denmark and the Netherlands*

Delegations will find in the ANNEX the joint statement by Denmark and the Netherlands.

Joint statement by Denmark and the Netherlands on the discharge of the 2021 EU budget*Denmark and the Netherlands*

- Underline the **unique and independent role of the European Court of Auditors (the Court) in carrying out the Union's audit** by providing the Council and the European Parliament with a statement of assurance as to the reliability of the accounts and the legality and regularity of the underlying transactions, as laid down in Article 287 of the TFEU.
- Specifically underline the importance of the annual audit report of the Court, the role of the Court in the annual discharge procedure, and its opinion and recommendations in this process as set out in Article 319 TFEU on the implementation of the annual budget and discharge.
- Underline that legality and regularity of EU expenditure is key in preserving the public's trust in the European institutions.
- Deeply **regret that the estimated error rate for expenditure reported by the Court was found to be both material and pervasive**, remains well above the materiality threshold of 2 % and has increased compared to 2020. This has led the Court, for the third consecutive year, to give an adverse opinion on the legality and regularity of expenditures for the year 2021.
- Call upon the **European Commission and Member States to attach great value to the Court's conclusions and to implement the recommendations**, especially regarding reimbursement-based payments and the management and control of the EU budget.
- Are concerned about the **insufficient integration of the effect of horizontal policy priorities into the performance framework and the Commission's overstatement on climate expenditure in particular**, as concluded by the Court in its report on performance.
- See the evaluation of the performance of the EU budget, and the results achieved, as an essential and **integral part of the annual audit**.

- Call upon the Commission **to increase focus on result-based performance indicators** that can directly be linked to EU actions. To ensure trust and legitimacy it is essential that the EU budget efficiently **delivers true value to EU-citizens**.
- Forward looking, call upon the European Commission as well as the Member States to consider the following:
 - Firstly, a **clearly formulated set of applicable rules and proper (ex-post) control** is crucial. High standards for monitoring and accountability should be maintained in order to make sure that funds are spent properly. **Unnecessarily complex funding rules and implementation procedures should be simplified** where appropriate.
 - Secondly, **sufficient attention and support for implementation and control** is crucial, both by Member States and the Commission.
 - Lastly, **proper documentation** is fundamental for the ex-post legality check.
- Finally, call on the Commission to timely inform the Council on the implementation of the Court's recommendations with regards to the RRF. And attach great value to a method for quantifying the impact of non-achievement of a milestone or target. In addition, call on the Commission to **assess the effectiveness of all elements of the milestones and targets under the RRF**.