



DELIVERING ON RESULTS AND PROTECTING THE EU BUDGET IN 2022

October 2023

A strong European Union response to unprecedented crises

SUCCESS STORIES IN 2022:

- **Deployment of the Recovery and Resilience Facility:** At the end of 2022, all 27 national recovery and resilience plans of the Member States had been approved, and a total of **€138.7 billion** had been paid out to Member States. Significant achievements were already made by the end of 2022 in the following areas:
 - **Green transition:** Annual energy consumption was reduced by 14 million megawatts per year and more than 400 000 refuelling and recharging stations for clean vehicles were installed or upgraded.
 - **Digital transition:** More than 9.2 million dwellings gained access to very high-capacity internet networks and 123 million users were already using new or improved public digital services ⁽¹⁾.
 - **Healthcare:** 28 million people could be served by new or modernised healthcare facilities.
 - **Education and training:** 2.6 million people participated in education and training.
 - **Support for businesses:** Almost 413 000 enterprises received support, either monetary or in kind.
- **Delivering on our climate commitments:** In 2022 **€119.4 billion** were dedicated to measures contributing to climate objectives, representing 36% of the EU budget and NGEU. Climate investments were boosted by the issuance of NGEU Green Bonds (€36 billion raised by end of 2022), significantly expanding the sustainable finance market.
- **2014-2020 programmes continued to deliver results:** Through the cohesion policy 22 million citizens benefitted from flood protection, 19 million citizens benefitted from forest fire protection, and 6.3 million households had broadband access of at least 30 megabits per second.

⁽¹⁾ The same person can use the service multiple times, in which case they would be counted multiple times.

- **Support to Ukraine and the Member States** in their response to the consequences of Russia’s war of aggression against Ukraine: In 2022, overall assistance from the EU budget to Ukraine and its people as well as EU Member States amounted to **€15.4 billion**, including humanitarian assistance and financial support.

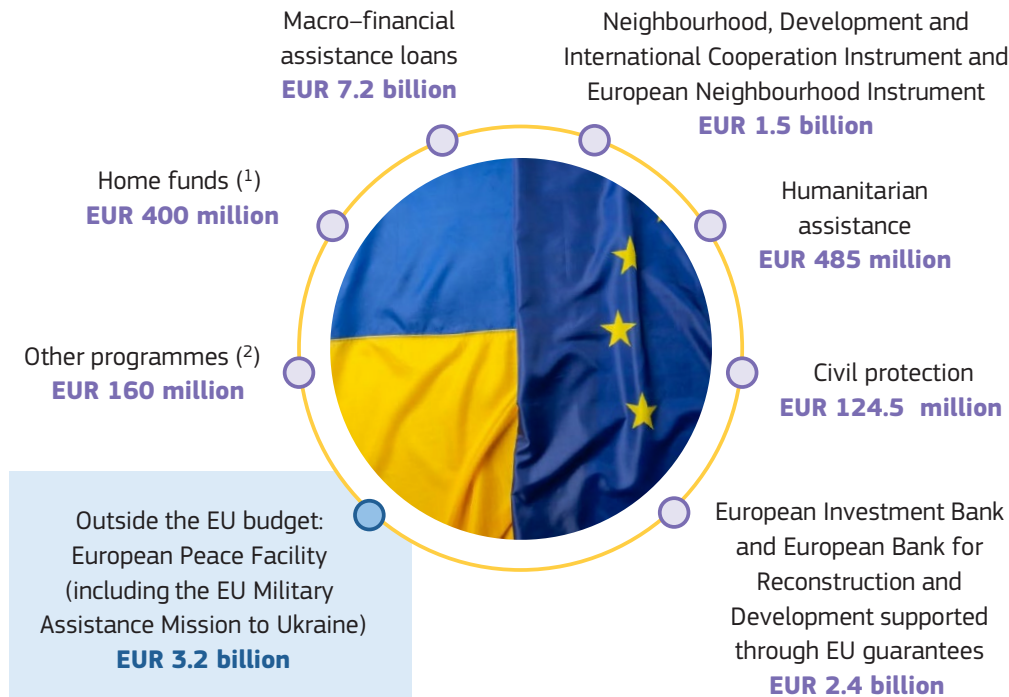


Chart: Committed allocations to Ukraine and Member States to face the consequences of the war from the EU budget and outside the EU budget for the European Peace Facility in 2022 (in EUR). The amounts in this overview do not include the EUR 13.6 billion of flexibility offered through the Cohesion’s Action for Refugees in Europe and Flexible Assistance to Territories.

(1) Support provided via emergency assistance (2021-2027 programmes), mainly in 2022 but also in 2023.

(2) Horizon Europe, Connecting Europe Facility, EU4Health, European Instrument for International Nuclear Safety Cooperation, common foreign and security policy.

Source: European Commission.

Resources used in accordance with the principle of sound financial management

In 2022 the Commission continued to make sure that the EU budget is spent responsibly and correctly, by working closely with all EU countries and other partners.

The Commission applies controls to the budget both before and after payments have been made, and makes corrections if and when necessary. This is reflected in both the ‘risk at payment’ and the ‘risk at closure’ (of the programme).

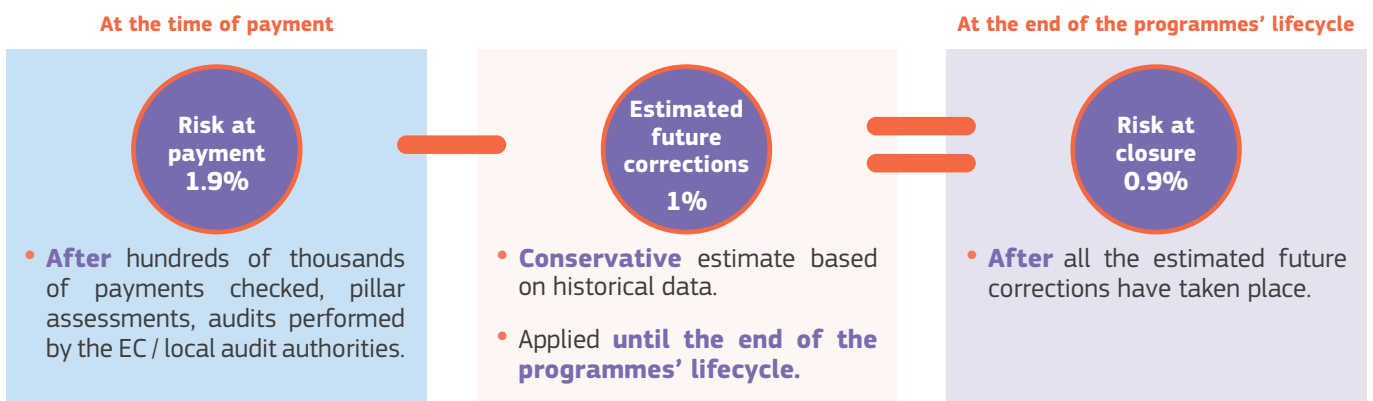


Chart: Risks at payment and closure for the European Commission as a whole for 2022.

i RISK AT PAYMENT

Estimation of the level of expenditure that is not in compliance with the applicable rules and regulations at the time of the payment.

RISK AT CLOSURE

Estimation of the level of expenditure that is not in compliance when all controls and related corrections have been completed and, legally, no further action can be taken.

Main conclusions from the European Court of Auditors' Annual Report on financial year 2022

- ✔ Clean accounts for the 16th year in a row.
- ✔ Revenue free from material error.
- ✔ No material error in payments under administrative expenditures.
- ⊙ Qualified opinion on the legality and regularity of Recovery and Resilience Facility expenditure.
- ⊗ Adverse opinion on the legality and regularity of MFF expenditure with an increase in the overall level of error (from 3% in 2021 to 4.2% in 2022).

i WHAT IS A SPENDING ERROR?

A spending error should not be confused with fraud or waste of money. An example of spending error is when a beneficiary of a grant declares, by mistake, costs that are not eligible for reimbursement. 74% of errors identified by the ECA in 2022 are linked to ineligible costs included in costs claims or ineligible projects, activities or beneficiaries. This is essentially due to a wrong understanding and application of the rules. The level of error reported by the ECA is therefore not a measurement of fraud.

i WHY DO THE ECA AND THE COMMISSION NOT SHARE, IN SOME CASES, THE SAME ASSESSMENT AS TO WHETHER THE PAYMENTS ARE REGULAR?

In its 2022 ECA annual report, the ECA reported an increase in the estimated error rate for the area 'cohesion, resilience, and values', compared to a relatively stable level of error reported for the last five years. On its side, the Commission's risk at payment reported in 2022 for the same area remained comparable with those of previous years. The Commission attributes the difference to the fact that the ECA reports errors related to any breach of applicable rules. The Commission does not necessarily consider the associated expenditure to be ineligible. Out of the 48 financial errors reported by the ECA for Cohesion policy funds, the Commission has assessed that, for 18 errors, it would not have legal ground to impose financial corrections (or higher corrections than those already applied).

Likewise, for 15 milestones and targets out of the 281 audited by the ECA under the Recovery and Resilience Facility, the Commission and the ECA have different assessment on their fulfilment. This is principally based on differences of interpretation of the legal requirements, or differences in the qualitative judgement.



All graphs source: European Commission.

© European Union, 2023

Reuse of this document is allowed, provided appropriate credit is given and any changes are indicated (Creative Commons Attribution 4.0 International license). For any use or reproduction of elements that are not owned by the EU, permission may need to be sought directly from the respective right holders. All images © European Union, unless otherwise stated.

