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DRAFT REPORT

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds
(2025/2145(DEC))

Committee on Budgetary Control

Rapporteur: Daniel Freund

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1. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s 2024 Annual Management and Performance Report for the EU Budget (COM(2025)0824),
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on the implementation of the budget for the financial year 2024, together with the institutions’ replies³, and to the Court of Auditors’ special reports,
- having regard to the statement of assurance⁴ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁴ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁵, and in particular Articles 69, 260, 261 and 262 thereof,

- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁶, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2024 / Postpones its decision on granting the Commission discharge in respect of the implementation of the general budget of the European Union for the financial year 2024;
 2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
 3. Instructs its President to forward this decision, and the resolution forming an integral part of it, to the Council, the Commission and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for their publication in the *Official Journal of the European Union* (L series).

⁵ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁶ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

2. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Climate, Infrastructure and Environment Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Climate, Infrastructure and Environment Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6001, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6001/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs, the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Director of the European Climate, Infrastructure and Environment Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the Director of the European Climate, Infrastructure and Environment Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the Director of the European Climate, Infrastructure and Environment Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

3. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Education and Culture Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Education and Culture Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6003, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6003/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Director of the European Education and Culture Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the Director of the European Education and Culture Executive Agency discharge in respect of the implementation of the Executive

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

Agency's budget for the financial year 2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the Director of the European Education and Culture Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

4. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Innovation Council and SMEs Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Innovation Council and SMEs Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6015, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6015/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the acting Director of the European Innovation Council and SMEs Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the acting Director of the European Innovation Council and SMEs Executive Agency discharge in respect of the

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

implementation of the Executive Agency's budget for the financial year 2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the acting Director of the European Innovation Council and SMEs Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

5. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Research Council Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Research Council Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6023, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6023/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Director of the European Research Council Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the Director of the European Research Council Executive Agency discharge in respect of the implementation of the Executive

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

Agency's budget for the financial year 2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the Director of the European Research Council Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

6. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Health and Digital Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Health and Digital Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6041, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6041/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Director of the European Health and Digital Executive Agency discharge in respect of the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the Director of the European Health and Digital Executive Agency discharge in respect of the implementation of the Executive

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

Agency's budget for the financial year 2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the Director of the European Health and Digital Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

7. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the European Research Executive Agency for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the final annual accounts of the European Research Executive Agency for the financial year 2024³,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on EU agencies for the financial year 2024, together with the agencies’ replies⁴,
- having regard to the statement of assurance⁵ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy Community,
- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/6023, 18.11.2025, ELI: <http://data.europa.eu/eli/C/2025/6023/oj>.

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁵ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

- the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁶, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁷, and in particular Articles 69, 266, 267 and 268 thereof,
 - having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁸, and in particular Article 14(3) thereof,
 - having regard to Commission Regulation (EC) No 1653/2004 of 21 September 2004 on a standard financial regulation for the executive agencies pursuant to Council Regulation (EC) No 58/2003 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁹, and in particular the first and second paragraphs of Article 66 thereof,
 - having regard to Commission Implementing Decision (EU) 2021/173 of 12 February 2021 establishing the European Climate, Infrastructure and Environment Executive Agency, the European Health and Digital Executive Agency, the European Research Executive Agency, the European Innovation Council and SMEs Executive Agency, the European Research Council Executive Agency, and the European Education and Culture Executive Agency and repealing Implementing Decisions 2013/801/EU, 2013/771/EU, 2013/778/EU, 2013/779/EU, 2013/776/EU and 2013/770/EU¹⁰,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Director of the European Research Executive Agency discharge in relation to the implementation of the Executive Agency's budget for the financial year 2024 / Postpones its decision on granting the Director of the European Research Executive Agency discharge in respect of the implementation of the Executive Agency's budget

⁶ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁷ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁸ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

⁹ OJ L 297, 22.9.2004, p. 6, ELI: <http://data.europa.eu/eli/reg/2004/1653/oj>.

¹⁰ OJ L 50, 15.2.2021, p. 9, ELI: http://data.europa.eu/eli/dec_impl/2021/173/oj.

for the financial year 2024;

2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
3. Instructs its President to forward this decision, the decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission, and the resolution forming an integral part of those decisions, to the Director of the European Research Executive Agency, the Council, the Commission and the Court of Auditors, and to arrange for their publication in the *Official Journal of the European Union* (L series).

8. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on discharge in respect of the implementation of the budget of the ninth, tenth and eleventh European Development Funds for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the financial statements and revenue and expenditure accounts for ninth, tenth and eleventh European Development Funds for the financial year 2024 (COM(2025)0354 – C10-0158/2025),
- having regard to the financial information on the European Development Funds (COM(2025)0345),
- having regard to the Court of Auditors' annual report on the activities funded by the ninth, tenth and eleventh European Development Funds for the financial year 2024, together with the Commission's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of ... on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2024 (00000/2025 – C10-0000/2025, 00000/2025 – C10-0000/2025, 00000/2025 – C10-0000/2025),
- having regard to the Commission's report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000³ and amended in Ouagadougou (Burkina Faso) on 22 June 2010⁴,
- having regard to Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including

¹ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

² OJ C, C/2025/5405, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5405/oj>.

³ OJ L 317, 15.12.2000, p. 3.

⁴ OJ L 287, 4.11.2010, p. 3.

Greenland)⁵,

- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second Financial Protocol to the fourth ACP-EC Convention⁶,
- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies⁷,
- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies⁸,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention⁹,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund¹⁰,
- having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund¹¹,
- having regard to Article 44 of Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323¹².
- having regard to Rule 101 and the third indent of Rule 102 of, and Annex V to, its Rules of Procedure,
- having regard to the opinions of the Committee on Foreign Affairs, the Committee on

⁵ OJ L 355, 7.10.2021, p. 6, ELI: <http://data.europa.eu/eli/dec/2021/1764/oj>.

⁶ OJ L 156, 29.5.1998, p. 108.

⁷ OJ L 317, 15.12.2000, p. 355.

⁸ OJ L 210, 6.8.2013, p. 1, ELI: http://data.europa.eu/eli/agree_eums/2013/806/oj.

⁹ OJ L 191, 7.7.1998, p. 53, ELI: http://data.europa.eu/eli/reg_financ/1998/430/oj.

¹⁰ OJ L 83, 1.4.2003, p. 1, ELI: http://data.europa.eu/eli/reg_financ/2003/401/oj.

¹¹ OJ L 78, 19.3.2008, p. 1, ELI: <http://data.europa.eu/eli/reg/2008/215/oj>.

¹² OJ L 307, 3.12.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1877/oj>.

Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

- having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Grants the Commission discharge in respect of the implementation of the budget of the ninth, tenth and eleventh European Development Funds for the financial year 2024 / Postpones its decision on granting the Commission discharge in respect of the implementation of the budget of the ninth, tenth and eleventh European Development Funds for the financial year 2024;
 2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
 3. Instructs its President to forward this decision and the resolution forming an integral part of it to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for their publication in the *Official Journal of the European Union* (L series).

9. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the general budget of the European Union for the financial year 2024, Section III – Commission (2025/2145(DEC))

The European Parliament,

- having regard to the general budget of the European Union for the financial year 2024¹,
- having regard to the consolidated annual accounts of the European Union for the financial year 2024 (COM(2025)0359 – C10-0145/2025)²,
- having regard to the Commission’s report on the follow-up to the discharge for the 2023 financial year (COM(2025)0373), and to the detailed replies to the specific requests made by the European Parliament,
- having regard to the Commission’s 2024 Annual Management and Performance Report for the EU Budget (COM(2025)0824),
- having regard to the Commission’s annual report to the discharge authority on internal audits carried out in 2024 (COM(2025)0314), and to the accompanying Commission staff working document (SWD(2025)0159),
- having regard to the Court of Auditors’ annual report on the implementation of the budget for the financial year 2024, together with the institutions’ replies³, and to the Court of Auditors’ special reports,
- having regard to the statement of assurance⁴ as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council’s recommendation of ... on discharge to be given to the Commission in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to the Council’s recommendation of ... on discharge to be given to the executive agencies in respect of the implementation of the budget for the financial year 2024 (0000/2025 – C10-0000/2025),
- having regard to Articles 317, 318 and 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 106a of the Treaty establishing the European Atomic Energy

¹ OJ L, 2024/207, 22.2.2024, ELI: <http://data.europa.eu/eli/budget/2024/207/oj>.

² OJ C, C/2025/4944, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/4944/oj>.

³ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

⁴ OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

Community,

- having regard to Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012⁵, and in particular Articles 69, 260, 261 and 262 thereof,
- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union⁶, and in particular Articles 69, 266, 267 and 268 thereof,
- having regard to Council Regulation (EC) No 58/2003 of 19 December 2002 laying down the statute for executive agencies to be entrusted with certain tasks in the management of Community programmes⁷, and in particular Article 14(2) and (3) thereof,
- having regard to Rule 101 of and Annex V to its Rules of Procedure,
- having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
- having regard to the letter from the Committee on Agriculture and Rural Development,
- having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
- 1. Approves the closure of the accounts of the general budget of the European Union for the financial year 2024 / Postpones the closure of the accounts of the general budget of the European Union for the financial year 2024;
- 2. Sets out its observations in the resolution forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds;
- 3. Instructs its President to forward this decision to the Council, the Commission and the Court of Auditors, and to the national parliaments and the national and regional audit institutions of the Member States, and to arrange for its publication in the *Official Journal of the European Union* (L series).

⁵ OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>.

⁶ OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

⁷ OJ L 11, 16.1.2003, p. 1, ELI: <http://data.europa.eu/eli/reg/2003/58/oj>.

10. PROPOSAL FOR A EUROPEAN PARLIAMENT DECISION

on the closure of the accounts of the ninth, tenth and eleventh European Development Funds for the financial year 2024 (2025/2145(DEC))

The European Parliament,

- having regard to the financial statements and revenue and expenditure accounts for the ninth, tenth and eleventh European Development Funds for the financial year 2024 (COM(2025)0354 – C10-0158/2025),
- having regard to the financial information on the European Development Funds (COM(2025)0354),
- having regard to the Court of Auditors' annual report on the activities funded by the ninth, tenth and eleventh European Development Funds for the financial year 2024, together with the Commission's replies¹,
- having regard to the statement of assurance² as to the reliability of the accounts and the legality and regularity of the underlying transactions provided by the Court of Auditors for the financial year 2024, pursuant to Article 287 of the Treaty on the Functioning of the European Union,
- having regard to the Council's recommendations of ... on discharge to be given to the Commission in respect of the implementation of the operations of the European Development Funds for the financial year 2024 (00000/2025 – C10-0000/2025, 00000/2025 – C10-0000/2025, 00000/2025 – C10-0000/2025),
- having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States, of the one part, and the European Community and its Member States, of the other part, signed in Cotonou (Benin) on 23 June 2000³ and amended in Ouagadougou (Burkina Faso) on 22 June 2010⁴,
- having regard to Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland)⁵,
- having regard to Article 33 of the Internal Agreement of 20 December 1995 between the representatives of the Governments of the Member States, meeting within the Council, on the financing and administration of the Community aid under the Second

¹ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

² OJ C, C/2025/5407, 13.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5407/oj>.

³ OJ L 317, 15.12.2000, p. 3.

⁴ OJ L 287, 4.11.2010, p. 3.

⁵ OJ L 355, 7.10.2021, p. 6, ELI: <http://data.europa.eu/eli/dec/2021/1764/oj>.

Financial Protocol to the fourth ACP-EC Convention⁶,

- having regard to Article 32 of the Internal Agreement of 18 September 2000 between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies⁷,
- having regard to Article 11 of the Internal Agreement of 24 and 26 June 2013 between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020 in accordance with the ACP-EU Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies⁸,
- having regard to Article 319 of the Treaty on the Functioning of the European Union,
- having regard to Article 74 of the Financial Regulation of 16 June 1998 applicable to development finance cooperation under the fourth ACP-EC Convention⁹,
- having regard to Article 119 of the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund¹⁰,
- having regard to Article 50 of Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund¹¹,
- having regard to Article 44 of Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323¹².
- having regard to Rule 101 and the third indent of Rule 102 of, and Annex V to, its Rules of Procedure,
- having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,

⁶ OJ L 156, 29.5.1998, p. 108.

⁷ OJ L 317, 15.12.2000, p. 355.

⁸ OJ L 210, 6.8.2013, p. 1, ELI: http://data.europa.eu/eli/agree_eums/2013/806/oj.

⁹ OJ L 191, 7.7.1998, p. 53, ELI: http://data.europa.eu/eli/reg_financ/1998/430/oj.

¹⁰ OJ L 83, 1.4.2003, p. 1, ELI: http://data.europa.eu/eli/reg_financ/2003/401/oj.

¹¹ OJ L 78, 19.3.2008, p. 1, ELI: <http://data.europa.eu/eli/reg/2008/215/oj>.

¹² OJ L 307, 3.12.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1877/oj>.

- having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
1. Approves the closure of the accounts of the ninth, tenth and eleventh European Development Funds for the financial year 2024 / Postpones the closure of the accounts of the ninth, tenth and eleventh European Development Funds for the financial year 2024;
 2. Instructs its President to forward this decision to the Council, the Commission, the Court of Auditors and the European Investment Bank, and to arrange for its publication in the *Official Journal of the European Union* (L series).

11. MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

with observations forming an integral part of the decisions on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission and executive agencies and the ninth, tenth and eleventh European Development Funds (2025/2145(DEC))

The European Parliament,

- having regard to its decision on discharge in respect of the implementation of the general budget of the European Union for the financial year 2024, Section III – Commission,
 - having regard to its decisions on discharge in respect of the implementation of the budgets of the executive agencies for the financial year 2024,
 - having regard to Rule 101 of and Annex V to its Rules of Procedure,
 - having regard to the opinions of the Committee on Foreign Affairs, the Committee on Development, the Committee on Employment and Social Affairs, the Committee on the Environment, the Committee on Transport and Tourism, the Committee on Regional Development, the Committee on Culture and Education, the Committee on Civil Liberties, Justice and Home Affairs and the Committee on Women's Rights and Gender Equality,
 - having regard to the letter from the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on Budgetary Control (A10-0000/2026),
- A. whereas the eleventh EDF has reached its final stage as its sunset clause came into effect on 31 December 2020; whereas, however, specific contracts for existing financing agreements were signed until 31 December 2023, and the implementation of the ongoing projects funded by the EDF will continue until their final completion;
- B. whereas the ninth, tenth and eleventh¹ EDFs were not incorporated into the Union general budget and continue to be implemented and reported on separately until their closure;
- C. whereas, for the 2021-2027 MFF, development cooperation aid to ACP countries is integrated in the Neighbourhood, Development and International Cooperation Instrument – Global Europe ('NDICI-Global Europe') as part of the EU general budget, and development cooperation aid to OCTs, including Greenland, has been incorporated into the Decision on the Overseas Association;
- D. whereas the EDFs are managed almost entirely by the Commission's Directorate-General for International Partnerships (DG INTPA) with a small proportion (7 %) of the

¹ The 11th EDF covers the 2021-2027 MFF.

2023 EDF expenditure being managed by the Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR);

Political priorities

1. Stresses the importance of respect for the Union's fundamental values and principles as defined in the Treaty on the European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU); in the framework of the discharge process puts special emphasis on the principles of the rule of law as set out in Article 2 TEU, the principle of sound financial management as set out in Article 317 TFEU and the combatting of fraud and the protection of the financial interests of the Union as set out in Article 325 TFEU;
2. Recalls that respect for the rule of law and fundamental rights is a precondition for sound financial management of the Union budget and that the Commission has a wide range of instruments at its disposal to ensure respect for these principles; notes with serious concern the continued rule of law backsliding, systemic corruption and attacks on fundamental rights in several Member States, with direct implications for the sound management of Union funds; highlights in particular the deteriorating situation in Hungary, marked by widespread corruption and entrenched oligarchic networks; deplores that, while problems persist or worsen, the pressure exerted by the Commission to induce meaningful reforms has diminished as the amounts of funds that remain frozen are decreasing; stresses that the Commission needs to move beyond monitoring and to make full and consistent use of the available instruments to suspend or protect Union funding where rule of law deficiencies affect sound financial management, in Hungary and in all other Member States concerned;
3. Welcomes that the Court of Auditors (the Court) for the financial year 2024 has again issued a clean opinion concerning the reliability of the accounts and the legality and regularity of revenue; at the same time, deplores that the Court has had to issue an adverse opinion on the legality and regularity of Union budget expenditure, for the 6th consecutive year, and a qualified opinion on the legality and regularity of expenditure under the Recovery and Resilience Facility (RRF);
4. Notes that the Court highlights several issues in their Annual Report for 2024 that give cause for serious concern; welcomes that the overall error rate has declined from 5,6 % for 2023 to 3,6 % for 2024; stresses, however, that this decrease should be interpreted with caution, as it may not necessarily reflect an improvement in the effectiveness of control systems but could also be influenced by contextual factors such as the end of COVID-19 related emergency spending, a comparatively low level of budgetary implementation in 2024 and the early stage of implementation of the 2021-2027 MFF; is particularly concerned that while the error rate for the heading 'Cohesion, resilience and values' has decreased from 9,3 % to 5,7 %, it is still considerably above the materiality threshold of 2 %; expresses serious concern in this context about proposals to introduce a new spending model under the next MFF that would rely even more heavily on Member States' control systems, while the underlying causes of persistently high error rates do not yet appear to have been adequately addressed;
5. Expresses deep concern about the persistent shortcomings in the implementation of the RRF; notes that the Court has issued a qualified opinion on the legality and regularity of RRF expenditure for the third consecutive year and that it estimates the minimum

financial impact of its findings to be above the materiality threshold; underlines the serious audit and control deficiencies identified by the Court, which continue to undermine assurance over the regular use of RRF funds; is particularly concerned about the significant accountability gap resulting from the lack of reliable and complete information on final beneficiaries of Union funding, due in particular to the Commission's interpretation of the concept of 'final recipient' under the RRF, which contradicts the existing legislation; considers that, taken together, these shortcomings in the RRF would justify a refusal to grant discharge for the implementation of the RRF in 2024 if the discharge authority were able to take this decision separately; recalls that Parliament has repeatedly raised serious concerns in previous discharge resolutions regarding the RRF, including on the transparency of final beneficiaries, and therefore demands that the Commission provide, within six months, a complete and meaningful list of final beneficiaries, excluding merely intermediary entities such as ministries or managing authorities; states that, failing this, Parliament will bring the matter before the European Court of Justice to ensure that citizens and stakeholders have full access to this information;

6. Notes with concern that the current implementation rate for the cohesion funds is significantly lower than the implementation rate during the previous MFF 2014-2020, which coincides with the fact that only around 50 % of funds under the RRF had been disbursed by the end of 2024, implying that the remaining 50 % of the funds must be disbursed before then end of the RRF implementation period in December 2026; notes with concern that the total amount of outstanding EU bonds rose to EUR 578,2 billion at the end of 2024 and notes the Court's estimates that this amount could reach EUR 900 billion by the end of 2027, which may place a significant burden on future MFFs due to the associated interest payments and principal repayments;
7. Stresses that transparency is not an abstract governance principle but a core element of an effective control environment; underlines that incomplete documentation, inconsistent registration practices or reliance on informal communication channels directly weaken audit trails and hinder the discharge authority's capacity to assess legality, regularity and sound financial management; in that regard regrets that there have been numerous examples over the last years where the Commission failed to live up to reasonable standards of transparency as also stated in the European Court of Justice case concerning text messages between the Commission President and the CEO of Pfizer; recalls that the General Court annulled the Commission's refusal decision in the New York Times/Stevi case² concerning access to relevant text messages, underlining the need for credible searches and robust record-keeping for ephemeral communications; is similarly concerned that the Commission on many occasions has not provided answers to access to document requests within stipulated deadlines, especially concerning cases under the confirmatory applications where the European Ombudsman has found systemic and significant delays in the Commission administration's response;
8. Notes that Andrej Babiš has resumed office as Prime Minister of Czechia since December 2025; recalls he had previously been found to be in a situation of conflict of interest linked to his ownership of Agrofert while exercising that function and that this

² Stevi, New York Times v Commission, T-36/23, ECLI:EU:T:2025:483, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:62023TJ0036>.

conflict of interest led to the suspension and financial correction of Union funding in the past; notes with concern that, at present, no verifiable legal arrangements have been put in place to definitively eliminate the risk that Union funds could benefit, directly or indirectly, his private business interests;

9. Stresses that Members of the Commission must meet the highest standards of integrity, independence and accountability, both in their current functions and in their previous roles; notes with concern that several senior management positions remained vacant in DG NEAR during the period in which Commissioner Várhelyi, now Commissioner for Health and Animal Welfare, was responsible for this Directorate-General in his capacity as Commissioner for Neighbourhood and Enlargement, and that a spy ring allegedly operated out of the Permanent Representation of Hungary to the Union while he was in charge which, taken together, undermine trust in his ability to exercise office in a manner fully consistent with the Union's values and the requirements of sound administration;
10. Deplores that the Court in several Special Reports over the last years has repeatedly documented that the Commission systematically overestimates the positive climate effects of Union spending; at the same time regrets that the Commission methodologies for tracking climate and biodiversity effects of Union spending do not capture all of the effects of Union activities, for instance, the impact of some subsidies under the common agricultural policy that are harmful to climate and biodiversity; notes that only tracking the positive effects of the Union budget on climate and biodiversity leads to a systematic overestimation of the contribution of the Union budget to these objectives and provides an overly positive impression of the performance of the Union budget; stresses that these methodological shortcomings translate into concrete accountability gaps for the discharge authority; regrets in particular that the Commission was unable to provide traceable information on projects rejected or modified in 2024 on the basis of the Do No Significant Harm principle, despite its central role in the RRF and cohesion policy; underlines that the Parliament's ability to exercise budgetary control also depends on verifiable, project-level evidence of environmental compliance and impact;
11. Recalls that the Commission's 2024 review of NGO grant agreements confirmed the absence of breaches of the law; underlines that civil society organisations are legitimate beneficiaries of Union funding under the Treaties and often contribute to the delivery of Union objectives in a cost-effective and impact-oriented manner; stresses that budgetary control, safeguards and transparency requirements must be applied in a neutral, proportionate and evidence-based way, respecting legal certainty and that they must not single out NGOs as a risk category; emphasises that selective transparency undermines trust in the discharge process and that effective scrutiny requires the application of equivalent standards to all beneficiaries, including companies and consultancies;
12. Recalls that due to the urgent need to boost the Union's defence capabilities, the number and volume of Union defence funding instruments has increased since the start of Russia's war of aggression against Ukraine; underlines the need for a comprehensive Union approach to defence funding, with increased focus on countering hybrid threats, including those related to artificial intelligence, drones and cyber-attacks; underlines that democratic accountability, auditability and transparency must increase in parallel with expenditure and that security considerations cannot be used to justify weaker oversight, fragmented reporting or reduced access for the discharge authority; stresses

the need for further improvement of the transparency of Union defence funding, including by ensuring audit arrangements equivalent in practical effect to those applicable to civilian spending, and that the discharge authority can exercise democratic scrutiny of all Union-funded activities, during the adoption, design and implementation phases;

Key recommendations:

13. Calls on the Commission in particular to:

- (i) urgently reassess and address the deterioration of the rule of law and risks to the Union budget in Hungary, and take all necessary actions in accordance with the Conditionality Regulation and other available tools, including full suspension of Union funds;
- (ii) consistently and accurately apply the provisions related to the ‘final recipients’, of Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility³ (the RRF Regulation), by revising its Guidance on RRFs, to communicate with Member States on the correct application of the definition of ‘final recipients’ and to provide the discharge authority, within six months, with a complete and meaningful list of final beneficiaries, excluding merely intermediary entities such as ministries or managing authorities;
- (iii) ensure full compliance with Union rules on access to documents, including regarding text messages and other electronic communications of the Commission President and Commissioners;
- (iv) ensure that no Union funds are paid, directly or indirectly, to Agrofert or any other business interests of Andrej Babiš if the identified conflict of interest has not been demonstrably and verifiably resolved;
- (v) calls on the President of the Commission, pursuant to Article 17(6) TEU, to withdraw confidence in Commissioner Várhelyi;
- (vi) calls on the Commission to strengthen the existing control framework through independent ex-ante verification of climate and biodiversity coefficients, systematic publication of project-level climate data and transparent reporting on environmentally harmful expenditure, in line with the Court’s recommendations;

³ OJ L 57, 18.2.2021, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>.

CHAPTER I - Multi-annual Financial Framework (MFF)

The European Court of Auditors' statement of assurance and budgetary and financial management

Reliability of the accounts

14. Welcomes the Court's conclusion in its annual report on the implementation of the budget for the financial year 2024⁴, that the consolidated accounts of the European Union for that year are reliable; notes that the Court has issued a clean opinion on the reliability of the accounts every year since 2007;
15. Notes that on 31 December 2024, total liabilities amounted to EUR 827,3 billion, and total assets amounted to EUR 518,5 billion; notes that the resulting difference of EUR 308,8 billion represents the Union's negative net assets, which reflects the debt and the share of expenditure already incurred by 31 December 2024 that must be financed by future budgets; further notes that the negative economic result for 2024 totalled EUR 97,2 billion, with amounts expensed for NextGenerationEU (NGEU) contributing significantly both to the negative net asset position and to the economic result;
16. Notes that at the end of 2024, the estimated value of incurred but not yet claimed eligible expenses due to beneficiaries, recorded as accrued expenses, was EUR 160,7 billion (2023: EUR 155,2 billion), of which EUR 7,9 billion is related to RRF forecasted future payments;
17. Welcomes the Court's conclusion that the assets, liabilities, revenue and expenses, including those related to NextGenerationEU (NGEU), the estimate related to the UK's withdrawal process, and the impact of Russia's war of aggression against Ukraine, are presented fairly in the consolidated annual accounts;

Legality and regularity of Union revenue

18. Notes the Court's conclusion that the Union's revenue is free from material error and that the managing systems examined by the Court were generally effective;

Legality and regularity of Union expenditure

19. Strongly regrets the adverse opinion on the legality and regularity of the Union budget expenditure issued by the Court for the sixth year in a row; considers this increasingly problematic and stresses that if the situation should continue to persist or even further deteriorate, the discharge authority cannot continue to grant discharge to the Commission;
20. Welcome the decrease in the Court's estimation of the level of error to 3,6 % in 2024 expenditure, a two percentage point decrease from 5,6 % in 2023; notes with concern that the Court continues to detect substantial issues in reimbursement-based expenditure which are the biggest contributor to the overall error rate where the estimated level of

⁴ OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

error is 5,7 %; notes that the effect of the errors found by the Court is estimated to be both material and pervasive;

21. Notes that the Commission's 2024 estimates of the risk at payment, covering all MFF headings except Heading 3, are consistently lower than the Court's confidence intervals, particularly for Headings 2 and 6, considers that this also reflects the significant methodological and mandate-related differences between the two institutions;
22. Notes that, unlike the Court, which must report all errors regardless of whether a financial correction is possible, the Commission only reports irregularities for which it considers recoveries are legally justified; recalls that the Commission's definition of 'irregularity' excludes irregularities caused by weaknesses in national administrations or in the Commission itself, whereas the Court's definition of "error" includes all payments made without meeting the required conditions;
23. Reiterates its concern over the Court's observation that the Commission's risk assessment is likely to underestimate the actual level of risk in several areas; notes that the recurrent weaknesses identified in Member States' management and control systems continue to limit the degree of reliance that can be placed on their work; welcomes that, as of 2025, the Court will discontinue the practice of selecting audit samples from transactions already reviewed by the Commission or national audit authorities, a change rendered necessary because this approach, though expected to reveal few or no errors, has repeatedly proven unreliable; underlines that this development raises serious doubts about the effectiveness of the Union's control systems and reinforces Parliament's longstanding call for reliable assurance mechanisms across all management modes;
24. Calls on the Commission to accelerate the deployment of interoperable anti-fraud and data-mining tools across management modes, enabling cross-checks on beneficial ownership, procurement risk indicators and double-funding signals; urges the Commission to report annually to the discharge authority on the coverage and effectiveness of these tools, including uptake by managing authorities;
25. Underlines that the estimated level of error in the Union's expenditure, as reported in the Court's statement of assurance, reflects amounts that were paid out without meeting all the applicable rules and conditions; considers that, although this is not an indicator of fraud or corruption and does not automatically imply a wasteful use of resources, it does indicate cases where corrective action is required and where the protection of the Union's financial interests can be strengthened; regrets that persistent levels of error, while often technical in nature, may nevertheless undermine public confidence in the Union and expose the Commission to reputational risks regarding its capacity to ensure sound financial management of the Union budget;
26. Recalls that, as set out in the Treaties, the discharge authority needs a statement of assurance, provided by the Court, on the reliability of the accounts and the legality and regularity of the underlying transactions at year-end for its decision on discharge for that year; notes that Union spending programmes are multiannual and that their management and control systems cover multiple years, allowing for corrections and recoveries after year-end;
27. Recalls that the Commission bears primary responsibility for preventing and detecting fraud affecting the Union's financial interests; notes that the Court of Auditors, in line

with its mandate, must report any cases of irregularity identified during its audit work; further notes that the Court refers suspicions of criminal offences falling under the competence of the European Public Prosecutor's Office (EPPO) and suspicions of fraud, corruption or other illegal activities to the European Anti-Fraud Office (OLAF); notes that in 2024 the Court reported 19 cases of suspected fraud to OLAF and, in parallel, transmitted 7 of these cases to the EPPO, which have so far resulted in six OLAF investigations and seven EPPO investigations; commends the Court for its systematic reporting to OLAF and the EPPO, especially given that information stemming from audit activities carries a high degree of reliability; stresses that all cases of irregular expenditure identified by the Court should be reported to OLAF and the EPPO, leaving it to these competent bodies to assess whether there is fraudulent intent warranting further investigation;

Budgetary and financial management

28. Notes that the mid-term revision of the MFF, adopted in February 2024, introduced a revised technical adjustment which increased the 2024 ceiling for commitment appropriations from EUR 186,0 billion to EUR 186,8 billion, and raised the level of payment appropriations by EUR 7,1 billion, bringing the final payment appropriation budget to EUR 149,7 billion, while maintaining the overall payment ceiling at EUR 170,5 billion; further notes that the revision also established the Ukraine Reserve and the European Union Recovery Instrument (EURI) as new special instruments placed outside the MFF ceilings;
29. Notes that the budgetary authority initially approved a Union budget for 2024 of EUR 189,4 billion in commitment appropriations; notes that five amending budgets adopted during the year resulted in a net increase of EUR 5,9 billion, bringing total commitments to EUR 195,3 billion, thereby exceeding the MFF ceiling of EUR 186,8 billion; underlines that this was made possible through the use of MFF special instruments, which provide additional resources beyond the ceilings to address emerging or unforeseen needs;
30. Notes that the absorption of the 2014-2020 European Structural and Investment Funds (ESIF) has reached an advanced stage, with total payments amounting to EUR 475,2 billion, corresponding to 97,0 % of the EUR 489,9 billion available under the programmes; welcomes the fact that 21 Member States have exceeded a 95,0 % absorption rate for the 2014-2020 programming period, demonstrating strong implementation capacity as the period approaches closure;
31. Underlines that the cumulative absorption rates presented by the Commission, based on prefinancing and interim payments made to Member States, do not fully reflect the progress of project implementation on the ground, as they do not capture the total amounts disbursed by national authorities to final beneficiaries;
32. Notes with concern that, despite a notable increase in 2024 payments, absorption under the 2021-2027 Common Provision Regulation (CPR) remains low, with EUR 14,7 billion disbursed in 2024 compared to EUR 6,3 billion in 2023, which is still modest relative to overall allocations; further notes that RRF grant payments reached only EUR 55,9 billion in 2024, around half of the Commission's June 2023 forecast, reflecting continued delays in submitting and processing payment requests;

33. Notes that in 2024 the Commission forecast decommitments of EUR 8,8 billion for the period 2025-2027, up from the EUR 8,1 billion estimated in 2023 for 2024-2027, with this increase driven primarily by cohesion policy programmes under the current MFF and by the European Agricultural Fund for Rural Development (EAFRD) as 2014-2020 programmes approach closure in 2026; the low implementation in 2024 puts important amounts at risk from 2025 onwards;
34. Notes with concern that for the CF, ERDF and ESF+ the Commission forecasts total decommitments of EUR 2,7 billion, a notable rise from the EUR 2,2 billion projected in 2023 and nearly seven times the EUR 0,4 billion forecast in 2022, despite the assumption of a sharp acceleration in implementation in 2026 and 2027; stresses that failure to achieve this accelerated implementation rate will further increase the amounts at risk of decommitment;
35. Notes that outstanding Union borrowing increased by more than 30,0 % in 2024, reflecting the Commission's expanded use of capital markets to finance large-scale programmes such as Support to mitigate Unemployment Risks in an Emergency (SURE) and NGEU; notes that by 2027 total outstanding borrowing could exceed EUR 900,0 billion, almost ten times the level recorded in 2020 prior to the launch of NGEU; notes that since December 2022 the Commission has applied a diversified funding strategy as its standard method for raising funds on capital markets, and that at the end of 2024 the nominal value of outstanding Union borrowing stood at EUR 601,3 billion, up from EUR 458,5 billion in 2023;
36. Notes that interest expenditure linked to the financing of the non-repayable NGEU support reached EUR 5,4 billion for the period 2021 to 2024, including EUR 3,4 billion in 2024 alone, which is almost 50,0 % higher than the initial forecast of EUR 3,7 billion; observes that total interest expenditure in the current MFF may range between EUR 29,0 and EUR 30,4 billion, approximately double the Commission's original estimate of EUR 14,9 billion; notes that a 2024 briefing entitled 'Management of debt liabilities in the EU budget under the post-2027 MFF' requested by the Committees on Budgets⁵ estimated that interest payments for the non-repayable NGEU support in the next MFF could amount to EUR 70,9 and EUR 73,8 billion, underscoring the long-term budgetary impact of NGEU borrowing;
37. Notes with concern that the Union budget's exposure continued to increase in 2024, reflecting the growing volume of borrowing operations and associated guarantees; points out that the total exposure of the Union budget amounted to EUR 342,0 billion at the end of 2024, which amounts to an increase of 14,8 % compared with EUR 298,0 billion at the end of 2023; underlines that this trend underscores the importance of a robust system to ensure that the Union can meet its debt obligations under all circumstances; stresses that, in the context of rising debt levels, the development of genuine new own resources is essential to prevent debt servicing costs from crowding out priorities under future multiannual financial frameworks;
38. Notes with concern that, as highlighted by the Court in Special Report 18/2025 on EU

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[https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/766173/IPOL_BRI\(2024\)766173_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2024/766173/IPOL_BRI(2024)766173_EN.pdf).

budget flexibility, the Commission's proposal for the 2021-2027 MFF was not sufficiently grounded in a thorough identification and analysis of the needs and risks the Union budget should be able to address; notes that, although the existing flexibility arrangements enabled the Union to react to emerging priorities, several flexibility tools were depleted repeatedly in the early years of the MFF, thereby limiting the margin for manoeuvre for the remainder of the period; underlines that the flexibility framework is overly complex with no clearly defined sequence for activating margins below the ceilings and special instruments above them; notes furthermore that certain flexibility tools overlap with one another and with thematic programmes targeting the same needs, resulting in unnecessary complexity in financial management and decision-making;

Recommendations

39. Strongly supports the recommendations of the Court in its annual report on the implementation of the budget for the financial year 2024 as well as in related special reports; calls on the Commission to implement them without delay and to keep the discharge authority informed on the progress of the implementation;
40. Calls on the Commission, in particular to:
 - (i) strengthen the reliability and transparency of financial reporting, in particular by improving the presentation of negative net assets and accrued expenses, and by ensuring that the long-term budgetary implications of NGEU borrowing are communicated clearly and systematically to the budgetary authority;
 - (ii) take all necessary measures to address the persistent weaknesses in the legality and regularity of expenditure, including by improving guidance to managing authorities, and accelerating efforts to remedy recurrent shortcomings in reimbursement-based spending and consistently apply the Rule of Law Conditionality Regulation where risks persist;
 - (iii) adjust its risk-at-payment methodology so that it ensures full alignment between its risk estimations and the control environment on which it relies;
 - (iv) strengthen monitoring of the implementation of 2021-2027 shared management funds, including more active follow-up on low absorption rates, enhanced administrative support to Member States, and the systematic identification of structural bottlenecks that slow down implementation;
 - (v) make full use of all available instruments to prevent decommitments and to ensure that allocated funds are fully and effectively absorbed;
 - (vi) clearly communicate on expected interest expenditure on the Union's borrowing operations, including its budgetary implications for future MFFs, and the sustainability of the current diversified funding strategy;
 - (vii) urges the Commission to review and simplify the Union budget's flexibility framework for the next MFF, including establishing clear sequencing for mobilising margins and special instruments, avoiding overlaps between flexibility tools, and improving the transparency of their use;

- (viii) recommends that, in future MFF proposals, the Commission include a comprehensive analysis of needs, risks and crisis-response capacity, ensuring that flexibility instruments are sufficiently justified, adequately funded and capable of addressing unforeseen events without being depleted prematurely;
- (ix) calls on the Commission to continue to ensure robust cooperation with OLAF and the EPPO, including timely transmission of suspected fraud cases and reinforced fraud-prevention strategies, especially in high-risk expenditure areas and large-scale financial instruments;

Revenue

- 41. Welcomes that the overall audit evidence also for the financial year 2024 indicates that the level of error in revenue was not material; at the same time continues to point out that the problems with customs duties being incorrectly declared or not declared at all (the ‘customs gap’) leads to a shortfall in collected import duties, which has been a persistent problem for many years for the Union and for its Member States;
- 42. Notes with satisfaction that the revenue systems that the Court examined were generally effective; at the same time asks the Commission to address the remaining weaknesses identified by the Court, especially those related to long-outstanding issues concerning VAT reservations and open points concerning traditional own resources (TOR);
- 43. Underlines that reform of the Union customs system continues to be a problem related to own resources but also to the fight against organised crime; regrets that the Court has observed that the Commission has not developed a detailed plan for implementation of the customs reform proposal of May 2023;
- 44. Stresses that fast adoption and implementation of all elements of the proposal for a customs reform must remain an absolute priority; highlights that the establishment of the EU Customs Authority and the EU Customs Data Hub should ensure real-time risk assessment, fraud detection, and uniform rule application, replacing fragmented national systems for a stronger and digitalized Customs Union and should ensure a significant reduction of the customs gap and should therefore be accelerated as much as possible;
- 45. Commends the efforts made by EPPO and OLAF to fight against the organised exploitation of the current weaknesses in the Union customs controls;
- 46. Welcomes the proposals for new own resources presented by the Commission, including as part of the package of proposals for the next MFF, which should at the very least be able to cover the expenses related to the interest and repayment of loans under the RRF in order to ensure that such expenses do not limit Union funds available for regular Union spending programmes;

Recommendations:

- 47. Calls on the Commission in particular to:
 - (i) intensify its actions to ensure the fastest possible implementation of the customs reform, including the establishment and initial operation of the EU Customs

Authority and the development, implementation, and maintenance of the EU Customs Data Hub;

- (ii) intensify cooperation on customs with other countries outside the Union in order to facilitate trade and increase the fight against cross-border tax and customs fraud;
- (iii) address the remaining weaknesses identified by the Court especially those which concern long-outstanding issues concerning VAT reservations and open points concerning traditional own resources (TOR);
- (iv) continue work towards the introduction of additional new own resources;

Single market, Innovation and Digital

- 48. Notes that the budget for the programmes under MFF heading 1 ‘Single Market, Innovation and Digital’ was EUR 25,9 billion (13,5 % of the Union budget) distributed as follows: EUR 14,9 billion (57,6 %) for Research, EUR 4,1 billion (15,9 %) for Transport, Energy and Digital, EUR 3,1 billion (11,9 %) for the InvestEU Programme, EUR 2,3 billion (8,8 %) for Space, and EUR 1,5 billion (5,8 %) for other areas;
- 49. Notes that the Court has examined 127 transactions covering the full range of spending under this MFF heading; notes with concern that 32 (25 %) of the 127 transactions that the Court examined contained errors; regrets that, based on the 28 quantifiable errors the Court found, and additional errors detected in MFF heading 1 transactions implemented by EU agencies, joint undertakings and the European Institute of Innovation and Technology, the Court estimates that the level of error in spending on ‘Single Market, Innovation and Digital’ in 2024 was material at 3,2 %; further notes that the Commission estimates the risk at payment as 1,6 % for this heading, which is in the lower half of the range of the Court’s estimate;
- 50. Notes the categorisation of errors by the Court, with ineligible direct personnel costs accounting for 76 % of errors, ineligible other direct costs (VAT, travel, equipment) accounting for 18 %, ineligible subcontracting accounting for 4 % and ineligible indirect costs for 2 %;
- 51. Notes with concern the Court’s observation that research and innovation expenditure is most affected by error, particularly in the area of personnel costs; notes that the Court found quantifiable errors relating to 26 of the 99 research and innovation transactions it sampled;
- 52. Welcomes that for its 2024 Annual Report, the Court also assessed the performance information on MFF heading 1 which was presented in the programme performance statements of the 2023 annual management and performance report prepared by the Commission; appreciates the Court’s overall conclusion that the design of performance indicators improved compared to the 2014-2020 programming period, including the balance of different types of indicators (input, output, result and impact) in the case of Horizon Europe, the EU Space Programme, and InvestEU; notes with concern that the 2021-2027 Connecting Europe Facility (CEF) legislation does not include result or impact indicators;

53. Is concerned that the Court detected gaps in the traceability of reported results, particularly for Horizon 2020; considers it essential to verify and ensure the traceability and reliability of data used to establish performance indicators; notes with concern that, owing to the introduction and increasing use of simplified cost options and delivery models based on financing not linked to costs, weaknesses in the traceability and reliability of performance data can adversely affect Union financial interests;
54. Notes with concern the Court's finding that the Commission could not provide project-level information for InvestEU, as it is implemented through indirect management, complemented by monitoring visits; regrets the Commission's reply that InvestEU implementing partners are neither required by the guarantee agreements nor by the InvestEU Regulation to report key performance indicators (KPIs) at project level; considers that project-level data should be the basis for enhanced performance reporting for financial instruments implemented under indirect management, such as InvestEU;
55. Is concerned that the Court found that, in general, progress in achieving targets for KPIs was lower than assessed by the Commission; notes that MFF 2021-2027 programmes are mostly on track to achieve targets, while 2014-2020 programmes had only partially met their objectives; notes with concern the Court's conclusion that less than half of the performance indicators of Horizon 2020 and of CEF 2014-2020 show that results have been achieved or are on track; notes that for InvestEU, 50 % of the indicators presented in the programme performance statements did not have a target; acknowledges the Commission's reply that, owing to the market- and demand-driven nature of financial instruments such as InvestEU, the performance of such programmes depends on their take-up by the market, which limits the Commission's ability to establish predefined milestones and targets;
56. Recalls the importance of Union research and innovation (R&I) funding programmes for the scientific, societal, economic and technological development of the Union, reducing inequalities, achieving the green and digital transitions and decreasing the Union's energy dependency on Russia; underlines that in order to enhance the Union's competitiveness and close the innovation gap, increased funding for R&I is needed, also with a view to addressing the Draghi report's pertinent recommendations;
57. Notes that the ex-post evaluation of Horizon 2020 estimated that for each euro of costs linked to the programme, five euros worth of benefits would be generated for society by 2040; deeply regrets that 74 % of proposals assessed as high quality by independent experts could not be funded due to budget constraints; notes that an additional EUR 159 billion would have been needed to fund all high-quality proposals; stresses the importance of ensuring sufficient funding for Union R&I to boost the Union's sustainable prosperity and competitiveness;
58. Underlines the importance of simplifying the rules and procedures governing Union R&I funding to facilitate beneficiaries' access to funding and programme implementation; is worried by the Court's finding that despite the simplifications introduced under Horizon Europe to facilitate the beneficiaries' cost reporting, the Court found no significant differences between Horizon 2020 and Horizon Europe as regards the regularity of expenditure;
59. Notes the Court finding that the Commission has implemented most of its

recommendations made in previous years; nevertheless, is concerned that the tool Personnel Costs Wizard, the use of which the Court strongly encourages, especially by certain categories of beneficiaries that are more prone to committing errors, such as SMEs and new entrants, was not yet ready at the time of the Court's audit; notes the Court's finding that for five of the 34 Horizon Europe transactions in its 2024 sample, beneficiaries either still calculated personnel costs using the method applicable to Horizon 2020 or did not fully follow the new rules applicable to Horizon Europe; considers that the development and use of tools such as the Personnel Costs Wizard could help beneficiaries apply the correct rules for calculating personnel costs, the major source of error under MFF heading 1;

60. Notes that in 2024 the Commission has continued the roll out of simplified cost options such as lump sums and unit costs in Horizon Europe, with lump sum funding accounting for 27 % of the total call budget in the work programmes for 2024; recalls the Court's clarification that when lump sum grants are given, the beneficiaries are paid a pre-defined lump sum for each completed work package, regardless of the actual costs incurred; further notes that the Commission's target is to provide by 2027 at least 50 % of the call budget in published work programmes in the form of lump sums; is concerned, that for the reasons explained in box 5.4 of its Annual report, the Court was not able to assess whether including a specific item of equipment in the budget proposal was necessary and justified in the case of a lump sum grant it audited;
61. Acknowledges that the Horizon Europe interim evaluation found that lump sums provided real simplification for beneficiaries, as estimated savings range between 14 % and 30 % of their administrative costs; notes the findings of the Commission's assessment of Lump Sum Funding in Horizon 2020 and Horizon Europe 2018-2024, including that beneficiaries also reported to the Commission that they would welcome more clarity on how lump sum grants would be audited; appreciates that in 2024, the Commission put in place an ex-post control strategy for Horizon Europe grants, including a methodology for ex-post technical reviews in lump sum grants; notes that the Commission has launched the first 30 Horizon Europe ex-post technical reviews in the fourth quarter of 2024;
62. Notes the Court's finding that there has been a significant increase in EU financial support to third parties in research, as under Horizon 2020 grants EUR 2,5 billion of such funding was provided for the whole programming period, whereas by the end of 2024, EUR 5,5 billion was provided under Horizon Europe; is concerned by the Court's finding that for nine out of 11 transactions sampled relating to grants to third parties, the EUR 60 000 funding threshold set by Article 207 of the Financial Regulation had been exceeded without proper justification for derogation in the work programme or the call; notes that in the Commission's view, the need for higher grant amounts is inherent to certain types of actions; is alarmed by the Court's finding that third parties are not required to demonstrate the effectiveness of their controls to ensure the regularity of Union spending; agrees with the Court that this poses a risk to sound financial management and the protection of the Union's financial interests;
63. Notes that Union research and innovation programmes, including Horizon Europe, support the development of advanced technologies for civil applications, but acknowledges that certain technologies may carry inherent dual-use risks; notes the Commission's reply that it is currently not monitoring specifically after the end of a

project if the results of Union-funded R&I projects are taken forward for dual use, military or defence applications; underlines the importance of ensuring that Union funding is fully consistent with the Union's values and obligations under international law; stresses at the same time the need for the Commission to strengthen the follow-up of Union-funded research results, including their transition to commercial use, in order to maximise societal impact and ensure an adequate return on investment for taxpayers;

64. Recalls that on 10 March 2022 the European Parliament decided to set up the PEGA Committee to investigate alleged infringement or maladministration in the application of Union law in relation to the use of Pegasus and equivalent spyware surveillance software and the European Parliament recommendation of 15 June 2023 to the Council and the Commission adopted following PEGA Committee's work⁶; expresses its profound concern about media reports⁷ alleging that Union funding has directly supported companies implicated in the development, deployment and export of spyware by entities whose technologies have been linked to unlawful surveillance of journalists, human rights defenders and political actors in the Union and in third countries; notes the Commission's reply that the proper use of Union funds is ensured by various contractual provisions related to, for example, the obligation to respect the highest ethical standards and applicable law when implementing the action, and the obligation to ensure the respect of basic Union values and that failure to respect these obligations can result in various contractual measures, including suspension of contract or payments and contract termination; notes also the Commission's written reply that it considers that it has put in place several measures to address the risk that spyware falls into the wrong hands and increase protection for the potential victims of spyware, including European Media Freedom Act, e-Privacy Directive, Cyber Resilience Act and Dual-use regulation and that its annual Rule of Law reports also cover developments regarding the allegations of illegal use of spyware;
65. Notes the Commission's reply to CONT that the companies in question have received a total of EUR 12,77 million from the Union budget since 2021; regrets that despite the discharge rapporteur's repeated requests, the Commission only shared with the CONT committee partial information on the total amount of Union funding allocated to spyware or intrusive surveillance software firms, as the reply it provided is limited to information already publicly available in the Financial Transparency System (FTS), which currently only publishes information on beneficiaries and contractors under direct management and on implementing partners under indirect management; considers that based on media reports, it cannot be excluded that the companies in question might have also received Union funding from programmes under shared management and that additional spyware companies may have benefitted from Union funding; deplores the fact that the discharge authority received an incomplete reply to its request;
66. Highlights the importance of Union investments in the development of high performing, sustainable and efficiently interconnected trans-European networks in the fields of transport, energy and digital services and notes that the CEF, with EUR 4,1 billion of expenditure in 2024, is a key Union instrument in delivering these objectives;

⁶ Texts adopted: P9_TA(2023)0244.

https://www.europarl.europa.eu/doceo/document/TA-9-2023-0244_EN.html.

⁷ <https://www.ftm.eu/articles/spyware-industry-eu-subsidies-surveillance-concers>.

67. Recalls that to achieve the Union's ambition of reaching climate neutrality by 2050, the Union needs to transform its energy system; notes the Commission's written reply that since 2021, EUR 12,63 million was spent on renewable hydrogen production and related infrastructure from the CEF -renewable energy and EUR 187,21 million of CEF-Transport funding was spent on refuelling stations; notes further that between 2021 and 2024 the Commission allocated EUR 791,13 million in grants under the Innovation Fund to e-fuel projects; calls for caution in the allocation of Union funds to technologies with an uncertain or limited long-term role in the decarbonisation pathway such as e-fuels, in order to ensure that scarce public resources are prioritised for solutions with the highest climate impact and scalability;
68. Recalls that the Digital Markets Act (DMA) aims to ensure fair and innovation-friendly digital markets in Europe, preventing any single actor from dominating it at the expense of consumers, competitors, or democratic oversight; notes that during 2024, the Directorate-General for Competition (DG COMP) faced serious understaffing, as reported in its Annual Activity Report (AAR) 2024; notes that DG COMP reallocated staff to units responsible for the enforcement of the DMA which created staff shortages in other departments;

Recommendations

69. Calls on the Commission to:
- (i) fully address the Court's recommendations concerning legality and regularity and performance reporting;
 - (ii) introduce requirements for implementing partners to provide performance reporting based on project-level data also for financial instruments implemented under indirect management, such as InvestEU;
 - (iii) conduct a review of the simplification measures introduced for Horizon Europe to assess whether they provide genuine simplification for project beneficiaries and applicants;
 - (iv) develop and encourage the use of tools, such as the Personnel Costs Wizard, that help beneficiaries apply the correct rules for calculating personnel costs;
 - (v) evaluate the lessons learned from the ex-post technical reviews for lump sum grants launched in 2024 and in 2025, and report back to the discharge authority;
 - (vi) conduct a comprehensive review of Union funding for the development, deployment and export of spyware or intrusive surveillance software across all management modes since 2021, and share it with the discharge authority;
 - (vii) ensure that Union research funding, including under Horizon Europe and through agreements with non-EU partners, does not contribute to the development of spyware or equivalent intrusive surveillance technologies in line

with the Parliament's relevant recommendations adopted on 15 June 2023⁸;

Cohesion, Resilience and Values

70. Notes that the budget for the programmes under MFF-Heading 2 'Cohesion, resilience and values' was EUR 61,4 billion (32,1 % of the Union budget) distributed as follows: 47,7 % for the European Regional Development Fund (ERDF) and other regional operations, 16,4 % for the European Social Fund (ESF), 6,7 % for the Cohesion Fund (CF), 6,6 % for Erasmus+, 2,2 % for CEF Transport, 3,6 % for EU Recovery, and 3,1 % for other schemes;
71. Notes that the Court has examined a sample of 223 transactions covering the full range of spending under MFF Heading 2; notes with concern that the Court's estimated overall level of error in expenditure under this heading in 2024 is again significantly above the materiality threshold at 5,7 %;
72. Notes the Court's categorisation of errors found in cohesion expenditure, with ineligible costs accounting for 49 % of errors, serious non-compliance in public procurement and state aid rules accounting for 23 %, ineligible projects for 18 %; notes, furthermore, that ERDF and CF related expenditure account for the largest share of errors (54 %);
73. Notes that overall, the Directorate-General for Regional and Urban Policy (DG REGIO) concluded in its AAR that a material level of irregular expenditure remained in the 2024 accounts for the ERDF/CF, despite the results of the controls and corrections already applied at Member State level, and that the Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) concluded the same for the ESF/YEI and FEAD;
74. Reiterates its concerns about the Court's conclusion in its Review 03/2024 'An overview of the assurance framework and the key factors contributing to errors in 2014-2020 cohesion spending' that the Commission underestimates the level of errors it reports;
75. Is concerned about the persistent shortcomings observed by the Court in the work of national audit authorities as visible in the weaknesses identified in the assurance packages, with a residual error rate above the materiality threshold in assurance packages that account for more than 60 % of the total value of assurance packages audited in 2024; stresses with concern that managing authorities consistently do not effectively succeed in preventing or detecting irregularities in expenditure declared by beneficiaries and that this reduces the extent to which the Commission can rely on their work;
76. Is concerned about the Court's observation that the errors the Court found could, and should, have been detected by the audit authorities when they conducted their checks; notes that this reduces the extent to which the Commission can rely on the results of their work; highlights with concern the Court's observation that, since 2017, the proportion of assurance packages with residual error rates of above 2 % had not dropped below 39 % of the expenditure in its samples, indicating that shortcomings remain in the work of the audit authorities, which are not sufficiently addressed by the

⁸ Texts adopted: P9_TA(2023)0244, paragraph 112.
https://www.europarl.europa.eu/doceo/document/TA-9-2023-0244_EN.html,

Commission's assurance work; however, welcomes the launch by the Commission of an Action Plan aiming at improving the authorities' detection capacity in the 2021-2027 period;

77. Notes that the Court, in its Review 04/2025 'The Future of EU Cohesion Policy: Drawing lessons from the past' recalled the longstanding challenge related to the complexity of the regulatory framework, and that, despite efforts to simplify rules and procedures, the complexity of Union regulation and the coexistence of national and regional requirements continues to impose significant administrative burdens and contributes to a high error rate; notes that, while simplified cost options have been introduced to reduce reporting obligations, their use remains limited, especially in the ERDF; stresses that persistent weaknesses in Member States' management and control systems must be remedied before the introduction of any future spending model under the next MFF that increases reliance on national controls;
78. Notes that the Court's findings, in its Special Report 04/2025 'Financial corrections in cohesion policy funds' that the Commission does not apply financial corrections as it should to protect the Union budget from irregular expenditure in cohesion policy, and that, despite cohesion spending being affected year after year by a significant number of errors, the Commission took more than a decade to adopt its first financial correction in September 2025 for the 2014-2020 period; points out that the legal framework governing the correction mechanism is complex that guidance and criteria for assessing serious deficiencies is not clear enough, and is not applied consistently, and that there is no well-defined timeframe for the procedure;
79. Notes that the discharge authority is considering introducing an acceptable level of error rate in cohesion policy above which annual discharge would be postponed;
80. Notes with concern that the Court identified shortcomings in the planning and preparation of the authorities' audit work, such as weaknesses in the sampling approaches and incomplete checklists;
81. Recalls that, following a discharge-related access to documents request concerning contracts with 30 economic operators, the Commission had to undertake a broad and resource-intensive identification exercise due to limitations in its internal data systems, which resulted in the identification of hundreds of entities with similar or related names; acknowledges the efforts made by the Commission services to respond promptly and transparently; further recalls that, as of the next MFF, the Commission will be required to use data stored in the Arachne data-mining and risk-scoring tool to feed a centralised transparency website, with Member States obliged to provide automated access to relevant data, an obligation which will apply from 2027 onwards and on which the Commission has already begun preparatory work; stresses, however, that the Commission should assess, ahead of the rollout of the new compulsory system, whether more efficient interim solutions can be put in place to enable the rapid and reliable identification of contractual relationships with specific economic operators, at least under direct and indirect management where it does not depend on data input from Member States;
82. Notes that the Court, in its Special Report 24/2025 'Financial instruments in EU cohesion policy: A revolving use of funds materialised partially' found that, while one of the advantages of financial instruments in cohesion policy over grants is that reflows

can be used to support additional final recipients, leading to more efficient use of public financing, only a limited reuse of reflows materialises during eligibility periods, partly due to acceptable reasons, such as the long-term nature of investments; notes that after the eligibility period, reflows are generally reused for cohesion purposes but with limitations; deplores that the legal framework on the reuse obligation is insufficiently clear and ambiguous, and that the Commission lacks oversight, leading to varying practices among Member States' managing authorities;

83. Is concerned about the Court's observation that implementation of the cohesion policy funds (ERDF, CF, ESF+), accounting for over 90 % of the shared management funds under the CPR for 2021-2027, remained low; highlights that when the Court compares their implementation (pre-financing and interim payments) with the previous programming period, the overall absorption rate of these three funds was only 5 % by the end of 2024 compared to 14 % at the equivalent point of the previous MFF (end of 2017); notes with concern that as the end of the eligibility period for the underlying expenditure⁹ and the deadline for payment of the final balance for the 2021-2027 MFF are set one year earlier than in the previous programming period, the pressure to absorb Union funds will increase further;
84. Expresses its concern that in 2024, the Commission forecast decommitments for the period 2025-2027 increased at EUR 8.8 billion compared to the 2023 forecast of EUR 8.1 billion for the same period and that this increase in estimated decommitments was mainly driven by the cohesion programmes under the current MFF and by the EAFRD; notes that EAFRD decommitments are expected when the programmes of the previous MFF close in 2026, while cohesion programmes for the 2021-2027 MFF face significant risks of decommitments from 2027 onwards;
85. Highlights the Commission Internal Audit Service's (IAS) recommendation, in its audit carried out in 2024 on assurance building processes for the funds implemented under shared management, that the single audit strategy of the DG REGIO, DG EMPL and the Directorate-General for Maritime Affairs and Fisheries (DG MARE) needs to be updated as certain elements were not sufficiently clear or have not been sufficiently developed at this stage of the programming period; also notes the IAS' recommendation that DG REGIO, which also implements the EU Solidarity Fund under shared and indirect management, needs to further improve its design and effective management;
86. Notes that, following the establishment of its framework¹⁰ for reduction and recoveries in case of fraud, corruption, and conflict of interests affecting the financial interests of the Union that have not been corrected by the Member State, the Commission undertook the first such reduction on 8 May 2025, when, following an OLAF recommendation, it adopted its first implementing decision reducing support to Slovakia by EUR 1,225 million in relation to an uncorrected irregularity; notes, however, the Court's finding in Special Report 26/2025 that the Commission lacks a mechanism to monitor whether amounts ordered to be recovered by national courts following criminal proceedings are actually repaid in full to the Union budget;
87. Expresses deep concern over the findings in the 2025 Rule of Law Report regarding the

⁹ Article 63(2) of Regulation (EU) 2021/1060.

¹⁰ C/2024/4618, Annex IV.

rule of law situation in Hungary, particularly the persistent and systemic challenges in the judiciary and the media sectors; notes with alarm that the transparency of case allocation in lower courts has not been improved, and that undue pressure on some judges continues within the judiciary, notably in relation to internal debates on key issues related to judicial independence; notes with concern in the same vein that the implementation of the 2024-2025 National Anti-Corruption Strategy lags behind, with the decrease of the number of convictions for corruption crimes, the absence of progress in establishing a robust track-record on high-level corruption, and the continuous reporting by the Hungarian Integrity Authority of obstacles in fulfilling its oversight tasks effectively;

88. Notes that from the EUR 20,9 billion allocations under the CPR initially blocked due to fundamental rights concerns, only EUR 8,6 billion remain blocked for the Hungarian government in January 2026; further notes that from the EUR 6,3 billion initially blocked under the Rule of Law Conditionality Regulation because of rule of law and corruption concerns, EUR 1 and 1,1 billion have been decommitted at the end of 2024 and 2025 respectively; expresses deep concern that, while the rule law continues to deteriorate and corruption flourishes through entrenched oligarchic networks in Hungary, the amount of Union funds that remains frozen due to rule of law and corruption concerns decreases, and consequently, the pressure applied by the Commission on the Hungarian government to make reforms shrinks constantly;
89. Notes that MOL, a publicly listed Hungarian petrochemical conglomerate, is effectively controlled through three so-called public interest trusts affiliated with the Hungarian Government, each holding a 10 % share; recalls that Council Implementing Decision (EU) 2022/2506 of 15 December 2022 prohibits the Commission from entering into new legal commitments, under direct or indirect management, with Hungarian public interest trusts and entities maintained by them when implementing the Union budget; notes with concern that at least one funding agreement appears to have been concluded between the Commission and MOL after the adoption of that Decision; takes note of the Commission's reply that it is investigating the matter, and expects the Commission to provide the discharge authority without delay with a clear explanation of how such a commitment could have been signed;
90. Notes that the Hungarian government is set to receive the third-largest allocation under the SAFE instrument, amounting to EUR 16,2 billion, intended to support major defence-industry investments; recalls that the Commission has the power to withhold approval of national defence investment plans under SAFE where there are concerns regarding the protection of the Union's financial interests; notes that the Hungarian government recently sold a controlling 75 %+1 stake in its state defence-industry holding to 4iG, a company widely seen as close to the government; strongly warns that, in light of the continued deterioration of the rule of law, persistent corruption risks and systemic weaknesses in oversight as described above, the Union's financial interests cannot be considered adequately protected if SAFE funding were to be disbursed to Hungary without, at the very least, setting strict conditions that must be met prior to any disbursement of funds;
91. Highlights with alarm that since the 2024 Rule of law Report, Slovakia adopted a series of amendments to the Criminal Code, passed in the second half of 2024, including the closure of specialised anti-corruption entities, National Crime Agency and Special

Prosecutor's Office, which resulted in delays in investigations transferred to other bodies and significant drops in the number of corruption cases; notes with concern Slovakia's Government plan to replace the current office for whistleblowers with an institution whose chair would be appointed directly by the parliamentary speaker, which risks politicising the office, aligning its work with the Government's priorities, scaling back protection of whistleblowers, and undercutting scrutiny of how the Government handles Union funds; stresses that these developments pose an increased, substantial risk to the sound financial management of the Union budget; emphasises that the Rule of Law Conditionality Regulation is not limited to last-resort measures, but also allows for early action with partial suspensions, where rule of law breaches are identified that pose a serious risk to the sound financial management of the Union budget;

92. Notes, in this context, that following the Committee on Budgetary Control mission to Bratislava on 26–28 May 2025, unfounded public statements by the Prime Minister of Slovakia and members of the National Council led to threats against the Leader of the mission, necessitating police protection; considers that such incidents further illustrate the deteriorating rule of law environment and the risks it poses to the Union's financial interests;
93. Deplores that, according to civil society's analysis, the vast majority of recommendations from the Rule of Law Report repeat the previous ones; considers that this raises concerns as to whether the recommendations are taken sufficiently seriously by Member States and whether the Commission is applying adequate pressure to ensure their effective implementation; stresses that, many of the shortcomings listed in the Rule of Law Report have a direct impact on the sound financial management of the Union budget and therefore considers it essential from a budgetary control perspective that the exercise produces tangible and measurable results;
94. Notes the Commission reply that the Secretariat-General (SG) coordinates between the use of three different instruments of the Conditionality Regulation, the Rule of Law Report, the RRF and of the CPR horizontal enabling conditions to ensure consistency across all programmes, instruments and Member States, and that within each instrument, there is a lead service entrusted with the implementation and relevant associated services also feed into this work; further notes that the Directorate-General for Justice and Consumers (DG JUST) and SG jointly lead the work on the Rule of Law Report, DG EMPL leads for the work on the Charter horizontal enabling condition, SG REFORM with the Directorate-General for Economic and Financial Affairs (DG ECFIN) for the work on the RRF and the Directorate-General for Budget (DG BUDG) for the work on the Conditionality Regulation; deplores, however, that the role of the Commission President on the decision-making behind frozen funds remains opaque; notes that, despite a solid framework on paper, the decision-making process remains insufficiently transparent in practice; regrets that in the past, the Commission only provided the bare minimum of information, without key details, and did not share the full documentation, even after Parliament had requested it; stresses that clear and transparent decision-making structures are essential to avoid any perception of the freezing of funds being subject to political considerations;
95. Regrets that the Commission took more than two years to open infringement proceedings against Malta for the non-application of Union law in the field of online gambling; notes with serious concern that, as a result of Malta's legislation preventing

the enforcement of valid judgments from other Member States, around 100 000 Union citizens entitled to repayments have been unable to obtain redress; notes further that several gambling companies licensed in Malta have begun transferring assets to other entities, thereby risking the effective enforcement of thousands of court judgments even if the contested legislation were to be withdrawn; deeply regrets, in this context, the Commission's delay in initiating infringement proceedings;

Recommendations

96. Calls on the Commission to act on the Court's recommendations from its Annual Report to ensure that:

- (i) audit authorities strengthen their control and detection capacity by verifying that they plan properly the sampling, confirm that compliance with eligibility criteria is proven, and keep proper documentation to support the audit trail;
- (ii) when systematic weaknesses have been detected in operational programmes and a flat rate has been imposed, Member State authorities do not use the flat rate correction mechanism to avoid their responsibility to check the eligibility of the expenditure before declaring it to the Commission, and make individual recoveries as necessary;

97. Furthermore, calls on the Commission to:

- (i) continue to address the systemic issue of non-detection of errors at Member State level in cohesion policy spending with the effective implementation of the action plan, aimed at increasing detection capacity at Member State and Commission level;
- (ii) develop a methodology to measure the overall financial impact of EPPO and OLAF investigations, including amounts recovered following national court decisions in criminal proceedings, and to obtain regular information from Member States on asset recovery and the share returned to the Union budget as recommended by the Court;
- (iii) link recommendations from the Rule of Law Report to the implementation of concrete measures by the Member State concerned to have a stronger impact and at best contribute to protecting the Union's financial interests, and refers in this regard to the recommendations made in Parliament's resolution of 18 June 2025 on the Commission's 2024 Rule of Law Report;
- (iv) step up its monitoring of the horizontal and thematic enabling conditions in all Member States to identify potential threats to the protection of the Union Budget and ensure enhanced transparency and stakeholder participation in the application of this tool;
- (v) closely align the rule of law report with the Conditionality Regulation and report in more detail on the breaches of the principles of the rule of law that can be used as input to trigger the Conditionality Regulation;
- (vi) urgently reassess and address the deterioration of the rule of law and risks to the Union budget in Hungary and take all necessary actions in accordance with the Conditionality Regulation and other available tools, including full suspension of

Union funds;

Natural resources and environment

98. Notes that the budget for the programmes under MFF heading 3 ‘Natural resources and environment’ was EUR 64,4 billion (33,7 % of the Union budget) distributed as follows: 59,2 % of this expenditure went to the European Agricultural Guarantee Fund (EAGF) – direct payments (EUR 38,1 billion), followed by EAFRD (EUR 15,5 billion, 24,0 %), Just Transition Fund (EUR 6,2 billion, 9,5 %), European Agricultural Guarantee Fund (EAGF) – market-related expenditure (EUR 2,7 billion, 4,1 %), Maritime and Fisheries (EUR 1,3 billion, 2,0 %), Environment and Climate (LIFE) (EUR 600 million, 0,9 %) and other (EUR 200 million, 0,3 %);
99. Underlines that in 2024 the common agricultural policy (CAP) represented the main share (87,3 %) of Union spending on natural resources and environment; recalls that 2024 was the second year of the CAP 2023-2027, which introduced a new delivery model incorporating performance-based elements, agreed with the Member States in Strategic Plans, as the basis for payments;
100. Welcomes that at the end of 2024, payments from EAFRD 2021-2027 amounted to EUR 6,3 billion (in 2023: EUR 700 million), representing an absorption rate of 9,5 % (compared to 1 % in 2023); also welcomes the 32 % absorption rate of the Just Transition Fund; notes with concern the low absorption rate of European Maritime, Fisheries and Aquaculture Fund (EMFAF), which reached only 3 % by the end of 2024,
101. Notes that the Court has examined a sample of 228 transactions covering the full range of spending under this MFF heading in 19 Member States and the United Kingdom; notes with concern that the Court estimates the level of error for this heading to be 2,6 % (in 2023: 2,2 %); further notes that the Court found eight quantifiable errors (i.e. errors with a direct financial impact on the Union budget) in rural development, eight in eco-scheme transactions, a new type of intervention introduced under the 2023-2027 CAP to support agricultural practices that contribute to the climate and the environment goals and animal welfare, three in direct payments excluding eco-schemes, two in market measures, and one in a shared management transaction under the EMFAF; observes that the Court also detected 19 other compliance issues with no financial impact on the Union budget;
102. Notes the categorisation of errors by the Court, with administrative errors accounting for 44 % of errors, ineligibility issues for 28 %, non-respect of agri-environmental, climate, or eco-scheme commitments for 16 % and provision of inaccurate information on areas or animals for 12 %;
103. Expresses its concern that in case of 13 quantifiable errors, the Court considers that the Member State authorities and the Commission had sufficient information to prevent, or to detect and correct the error before accepting the expenditure and that, had the Member State authorities made proper use of all the information at their disposal, the estimated level of error for this heading would have been 2,2 percentage points lower;
104. Is reassured by the Court’s conclusion that the direct payments under CAP, excluding eco-schemes remained free of material error in 2024; acknowledges the Commission’s assessment that this confirms the important role the Integrated Administration and

Control System (IACS) plays in preventing and reducing the risk of errors, as direct payments are managed by each Member State through IACS, which interlinks databases of holdings, aid applications, animal registries and agricultural areas;

105. Recalls that under the performance-based model of CAP 2023-2027, Member States set the rules to be complied with by final beneficiaries in accordance with the general framework of the Union, while the Commission focuses on performance results and the functioning of the systems that Member States put in place to ensure the respect of those conditions and no longer on the individual transactions; further recalls that accordingly for CAP 2023-2027, Member States are obliged to report to the Commission on output and result indicators related to policy performance, and not on control statistics;
106. Notes the Commission's replies to the Court that it considers that the audit work of the Certification Bodies continues to be a key element of assurance for the CAP expenditure under the Strategic Plans; notes, furthermore, that for CAP 2023-2027, Member States are required to report to the Commission their assurance packages, including the new annual performance reports and the Certification Body's opinion and accompanying reports, which the Commission then uses, together with the results of its own audit findings and those of the Court, to conclude on the assurance for CAP expenditure; underlines that the Commission does not calculate an error rate or risk at payment for expenditure under the CAP Strategic Plans; acknowledges the Commission's explanation that since 74,8 % of the expenditure of the MFF heading 3 in 2024 corresponded to performance-based expenditure under CAP Strategic Plans, no risk at payment could be determined for this heading and, as a consequence, for the Union budget as a whole;
107. Observes that for 2024, Directorate-General for Agriculture and Rural Development (DG AGRI) assessed 82 % of CAP 2023-2027 spending as low-risk, 11 % as medium-risk, and the remaining 7 % as high-risk; notes the Court's clarification that low-risk spending corresponds to interventions unaffected by potential serious deficiencies in their governance systems and that most low-risk spending relates to direct payments and other support covered by the IACS; further notes that in its Annual Activity Report for 2024, DG AGRI combined the result of the performance-based and compliance-based payments and concluded that overall 77 % of CAP spending in 2024 was low-risk (compared to 69 % of CAP spending in 2023 and 72 % in 2022), 10 % was medium-risk, and 13 % was high-risk;
108. Notes with concern the reservations issued in DG AGRI's 2024 AAR, namely, ten reservations for nine Member States for IACS expenditure under CAP Strategic Plans due to potential serious deficiencies identified in the functioning of the governance systems, 6 reservations for five Member States concerning non-IACS expenditure under CAP Strategic Plans due to potential serious deficiencies identified in the functioning of the governance systems, six reservations for four Member States concerning market measures due to the significant occurrence of weaknesses in the legality and regularity of the underlying transactions, with the amount at risk estimated as EUR 14,92 million, one reservation for one Member State concerning direct payments under programme of options specifically relating to remoteness and insularity (POSEI) due to the significant occurrence of weaknesses in the legality and regularity of the underlying transactions, with the amount at risk estimated as EUR 28,83 million, 12 reservations for ten Member States concerning rural development due to the significant occurrence of weaknesses in

the legality and regularity of the underlying transactions, with the amount at risk estimated as EUR 209,80 million;

109. Welcomes that as part of its 2024 audit, the Court also collected and analysed information on the introduction of annual performance reports for CAP 2023-2027; is reassured by the Court's overall conclusion that that annual performance reporting has, for the most part, been introduced as planned and that it has not identified any issues with the reported data; is reassured by the Court's finding that for the nine paying agencies it reviewed, correspondence can be established between the payments made and the outputs recorded in their IT systems for producing annual performance reports;
110. Notes the Court's finding, based on its survey of 19 Member States, that paying agencies' performance reporting systems were still under development in 2024, with 18 paying agencies having automated the production of performance indicators and two using a manual or partly automated approach to produce some key output indicators for their 2024 annual performance reports; notes with concern that the IT systems used for producing the annual performance reports, at the time of Court's audit work, had not yet undergone full testing to check their compliance with the international information security standards (ISO 27001);
111. Recalls that CAP 2023-2027 is built around ten key objectives, including ensuring a fair income for farmers; considers that direct income support under CAP should be provided only to active farmers whose main activity is agriculture, with a specific focus on those most in need, such as family-sized and small farms, farms in areas with natural or other specific challenges, young and female farmers; considers that the Commission should take measures to increase the effectiveness of Union agricultural funds and ensure that only active farmers receive direct income support, and not landowners;
112. Is concerned by the allegations of large-scale fraud affecting Union agricultural funds, which were first reported in the media in February 2025, concerning the Greek Payment and Control Agency for Guidance and Guarantee Community Aids (OPEKEPE); recalls that EPPO published a press release in May 2025 confirming that they were conducting an investigation into an alleged organised fraud scheme involving agricultural funds and corruption involving public officials of OPEKEPE; recalls that EPPO has, according to press reports, handed over information to the Greek Parliament with a view to investigating two former ministers; notes that the OPEKEPE scandal has led to the resignation of several ministers and deputy ministers over their alleged involvement in the scandal; notes with concern EPPO's press release of 22 October 2025 that explains that in the course of EPPO's preliminary investigation, an organised criminal group, allegedly involved in a systematic large-scale subsidy fraud scheme and money-laundering activities, has been identified;
113. Acknowledges that DG AGRI issued in its AAR 2024 four reservations related to expenditure managed by OPEKEPE; notes that one such reservation covers all the IACS interventions under the CAP Strategic Plans, as DG AGRI's conformity audit and the work of the certification body revealed a number of potential serious deficiencies in relation to the implementation of the identification system for agricultural parcels, as well as in the design and functioning of the management and control system; notes another reservation was issued concerning non-IACS expenditure under the CAP Strategic Plans covering the wine sector and apiculture due to potential serious

deficiencies in relation to the design or set-up of the systems not covering the principles of economy, efficiency and measures to avoid double funding; notes that the third reservation for OPEKEPE concerns 2014-2022 rural development programmes, for which the adjusted error rate is estimated to be 7,45 %, due to DG AGRI's audits in 2023 and 2024 that identified several weaknesses related to land parcel identification system, weaknesses in the OPEKEPE's on-the-spot checks, serious deficiencies with regard to the supervision and checks of the local action groups, procedures to verify the potential creation of artificial conditions, checks on double financing and public procurement and deficiencies in the evaluation of the reasonableness of costs and verification of SME status; notes the fourth reservation concerning market measures outside of CAP Strategic Plans was issued covering fruit and vegetable producer organisations and exceptional measures, for which an adjusted error rate of 10 % is estimated following DG AGRI's audit in 2024 that identified deficiencies in administrative and on-the-spot checks impacting exceptional measures and due to fact that, based on the Certification Body's assessment, adjustments were made to the error rates for fruit and vegetable producer organisations and promotion;

114. Acknowledges the Commission's written replies that in 2023 and again in June 2024, DG AGRI requested that the Greek competent authority places OPEKEPE's accreditation under probation; notes the explanation in DG AGRI's AAR that deficiencies affecting several accreditation criteria were identified by the Certification Body and by DG AGRI, and as a result, Greek authorities put the accreditation of OPEKEPE under probation in September 2024 and drew up an accreditation action plan; further notes that the Commission is following the progress of the implementation of this remedial action plan; insists that the Commission share the latest revised action plan and its assessment with the discharge authority;
115. Notes the Commission's reply that in June 2025, the Commission applied a financial correction of EUR 415 million for the deficiencies identified in the management and control system in Greece during the years 2015-2022¹¹; notes with concern that the Commission was aware of serious deficiencies related to OPEKEPE since at least 2021, as a then ongoing accreditation related conformity enquiry was already reported in DG AGRI's AAR for 2021; regrets the fact that the Commission has not taken action earlier to thoroughly investigate the serious deficiencies found in relation to OPEKEPE's work, mitigate risks and better protect the Union budget;
116. Expresses its concerns over the number of irregularities and allegations of fraud related to Union-funded guesthouses; notes the Commission's written replies that for the 2014-2022 programming period, guesthouses were financed, together with other types of investments, under Rural Development sub-measure 6.4 (investments in creation and development of non-agricultural activities) and the Leader programme; finds it regrettable, that since the Member States are not reporting to the Commission the number and type of investments supported by these measures, the Commission could not provide to the discharge authority an overview of Union-funded guesthouse projects; notes that the Commission's audits on rural development measures are system-

¹¹ Commission Implementing Decision (EU) 2025/1147 of 11 June 2025 excluding from European Union financing certain expenditure incurred by certain Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD) (OJ L, 2025/1147, 13.6.2025, ELI: http://data.europa.eu/eli/dec_impl/2025/1147/oj).

based and do not assess the legality and regularity of individual transactions; acknowledges the Commission's written reply that findings on the management and control system implemented by the Member States in connection with guesthouses have been raised in Hungary, Slovakia (measure 6.4) and in Greece (Leader); considers that given the number of fraud allegations connected to guesthouses, the Commission should also monitor and audit individual guesthouse projects, including their use beyond the project implementation period and consider extending the durability period for these kinds of projects to prevent further misuse as well as to introduce strict conflict of interest checks as a prerequisite for the allocation of Union funds to build guesthouses;

117. Recalls that the current Prime Minister of Czechia was found to be in a situation of conflict of interest during his previous mandate and the related the European Parliament resolution of 13 December 2018¹²; notes the Commission's written replies concerning the measures taken in response to the conflict of interest due to Andrej Babiš's ownership of Agrofert while serving as Prime Minister of Czechia; in particular notes that the Commission suspended in March 2020 the payment of one Agrofert project worth EUR 30 606,96; notes that in June 2022, the Commission applied a financial correction of EUR 3,3 million to Czechia, part of which (EUR 30 606,96) concerned the situation of conflict of interest of the Prime Minister during his mandate that ended in 2021¹³; insists that the Commission should continue to monitor possible conflicts of interests that might affect Union funds, especially in relation to elected officials, and take action to protect the Union budget;
118. Notes that Andrej Babiš has been re-elected and assumed the office of Prime Minister of Czechia in December 2025; takes note of his public announcement that he intends to relinquish ownership and control of Agrofert through the creation of an allegedly irreversible trust arrangement; notes, however, that no concrete legal documentation has so far been made public, that the trust structure has not yet been established as of 15 January 2026, that its jurisdiction, governance and trustees remain unknown and that Mr Babiš continues, at present, to own Agrofert and other business interests which could potentially benefit from Union funds; notes, further, that, even under the arrangement as described, Agrofert would ultimately be transferred to his children, thereby maintaining a clear long-term economic interest; stresses that the mere announcement of future arrangements is insufficient to dispel concerns of conflict of interest;
119. Recalls that climate and biodiversity are two of the horizontal policy priorities for the 2021-2027 Union budget; notes that the Commission defines climate and biodiversity mainstreaming as the systematic consideration of climate and biodiversity objectives in the design, preparation, implementation and evaluation of each spending programme;
120. Recalls that the 2020 Interinstitutional Agreement established a binding 30 % target for climate spending, but only an annual 'ambition' of 7,5 % in 2025 and 10 % in 2026 and 2027 for biodiversity spending; notes that the Commission tracks Union spending on

¹² Texts adopted, P8_TA(2018)0530.

¹³ Commission Implementing Decision (EU) 2022/908 of 8 June 2022 excluding from European Union financing certain expenditure incurred by the Member States under the European Agricultural Guarantee Fund (EAGF) and under the European Agricultural Fund for Rural Development (EAFRD) (OJ L 157, 10.6.2022, p. 15, ELI: http://data.europa.eu/eli/dec_impl/2022/908/oj).

climate and biodiversity-related activities by means of dedicated methodologies; stresses that the climate and biodiversity tracking methodologies are ex-ante tagging systems based on the expected effect of activities and do not factor in results; recalls that the mainstreaming of priorities in the Union budget entails the consideration of that priority in all stages of the budgetary cycle; underlines, therefore, that the tracking of spending related to climate or biodiversity objectives is only one step in a comprehensive green budgeting cycle, in which climate and biodiversity objectives are considered throughout the whole lifecycle of the budget;

121. Notes that applying its climate and biodiversity tracking methodologies, the Commission calculates that the Union is on track to meet its 30 % climate spending target for 2021-2027 and its biodiversity spending ambition of 7,5 % for 2024; regrets that it is not on track to meet its biodiversity spending ambition of 10 % for 2026 and 2027;
122. Is concerned that in several audits, the Court found that Union funds' contribution to climate objectives was unclear and potentially overestimated due to weaknesses in the Commission tracking methodologies; recalls that in its special report 09/2022 on climate spending in the 2014-2020 Union budget, the Court found that the climate contribution of the Union budget had been overstated by EUR 72 billion under the 2014-2020 MFF, as reported spending was not always relevant to climate action, particularly under the CAP; looks forward to receiving the Court's assessment of the Commission's follow-up of its recommendations made in special report 09/2022 in 2026;
123. Notes the Court's Special Report 20/2024 on Common Agriculture Policy Plans and the Commission's reply, in particular that the Court's overall conclusion that the CAP Strategic Plans 2023-2027 are 'greener' than in the previous CAP period, but do not match the Union's ambitions for the climate and the environment, and that key elements for assessing performance are missing; welcomes that the Court also recommends the Commission to estimate the CAP's contribution to the Green Deal targets and strengthen the future CAP monitoring framework for the climate and the environment;
124. Notes the Court's special report 14/2024 'Green transition – Unclear contribution from the Recovery and Resilience Facility' and the Commission's reply; is disappointed by Court's overall conclusion that weaknesses in the design and implementation of the RRF call into question the achievement of its climate and environmental objectives and that the RRF's contribution to the green transition is not clear; is concerned that the Court found that tracking climate expenditure involves a high level of approximation and some coefficients were leading to potential overestimations; welcomes that the Court also recommends the Commission to better estimate climate spending under future funding instruments and ensure adequate design of future funding instruments that are to support the climate and environmental objectives and targets;
125. Notes the Court's Special report 15/2024 on climate adaptation in the Union and the Commission's reply; appreciates the Court's conclusion that the overall Union framework for adaptation policy was sound; is concerned by the finding that Member States sometimes used outdated scientific data for their national adaptation strategy documents and that the Member States' reporting on climate adaptation was insufficient and added little value in terms of tracking progress; is disappointed by the Court's

findings that a third of the sampled projects had little or no impact on increasing adaptive capacity and that there is a risk that two projects (out of 36) might result in maladaptation; welcomes that the Court also recommends that the Commission improve reporting on climate adaptation through common indicators to measure progress and follow up on the weaknesses identified;

126. Recalls that all Union spending must comply with the horizontal ‘do no significant harm’ (DNSH) principle, laid down in point 16 of the Interinstitutional Agreement, which stipulates that Union spending must not cause harm to the six environmental objectives set out in Article 17 of the Taxonomy Regulation¹⁴, namely climate mitigation and adaptation, sustainable use and protection of water resources, the circular economy, pollution prevention and control, and biodiversity protection; considers that, in light of the Court’s recurrent findings, the negative environmental effects of Union spending should also be tracked and reported on;
127. Recalls that EU Emissions Trading System (EU ETS) is a key component of the European Green Deal and one of the main instruments for achieving the Union’s climate ambition; notes the finding of 2024 IAS audit on the implementation and monitoring of the EU ETS that despite the heavy workload, complex legal framework and scarce resources they operate with, the Directorate-General for Climate Action (DG CLIMA) staff showed commitment to perform their tasks and willingness to improve the efficiency of the EU ETS related processes; appreciates the Commission’s written confirmation that DG CLIMA intends to address most internal audit recommendations by 2025 and all by mid-2028;
128. Recalls that since 2010, DG CLIMA has issued a reservation in all of its AARs on reputational, legal and/or financial grounds related to security weaknesses identified in the Union Registry for the EU ETS, which was maintained in the AAR 2024; deplores the fact that the underlying weaknesses have not been addressed since 2010; is alarmed by the Commission’s written clarification that the level of risk is closely linked to the value of the assets handled by the EU ETS, which have increased tenfold since 2017, and is also further aggravated by the deteriorating geopolitical context; underlines, that while the financial impact of the reservation for 2024 cannot be quantified, at the time of DG CLIMA’s AAR 2024 the Union Registry held allowances in the value of over EUR 200 billion at current prices;
129. Notes with concern the Commission’s written reply that the evolution of the risk landscape has systematically outpaced the speed by which the Commission was able to improve security measures; understands that in the Commission’s assessment the security risk identified in the Union Registry for the EU ETS can only be resolved with an increased level of spending and, ultimately, by externalising the Union Registry; is appalled that the proposal to address the security weaknesses of the Union Registry is stalled primarily by the non-availability of appropriate human and financial resources; notes with concern the Commission’s written reply that those resources should come from the introduction of fees per services to the Member States to finance the operation

¹⁴ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: <http://data.europa.eu/eli/reg/2020/852/oj>).

of the EU ETS, but as a suitable legal basis for the introduction of a service fee needs to be first proposed in the ETS Directive, the Commission considers that a solution cannot be found before 2028; considers it imperative that appropriate resources be made available without delay to address the major financial, legal and reputational risks to the Union that the security weaknesses of the Union Registry entail;

130. Recalls that democracy and pluralism are fundamental values of the Union enshrined in Article 2 TEU; further recalls that, in line with Article 11 TEU, Union institutions shall provide citizens and representative associations the opportunity to make known and publicly exchange their views in all areas of Union action in order to maintain an open, transparent and regular dialogue;
131. Recognises the importance of the LIFE programme, the Union's only standalone programme for the environment and climate action, to funding nature conservation, circular economy, climate action and clean energy transition projects and more broadly, to promoting sustainable development across the Union; recalls the provisions of the LIFE+ Regulation, including Article 11(6), which indicates that providing operating grants to support the functioning of non-profit making entities which are involved in the development, implementation and enforcement of Union legislation and policy, and which are primarily active in the area of the environment or climate action, including energy transition, is an eligible action for LIFE funding; notes that operating grants allocated to NGOs under the LIFE Programme represent only 1 % of the programme's total budget;
132. Regrets the allegations of undue lobbying made against non-governmental organisations whose activities were supported by LIFE operating grants; notes that the reply of the Commission's Executive Vice-President for a Clean, Just and Competitive Transition to CONT on 2 December 2025 in the discharge hearing confirms that the activities by non-governmental organisations supported by LIFE operating grants did not breach any legal framework and that the implementation of LIFE programme fully respected the Financial Regulation;
133. Notes that a review of a number of funding contracts between the Commission and economic operators, requested in the framework of this discharge procedure, shows that activities aimed at influencing public policy or decision-making are not limited to NGOs but also appear in contracts with other categories of beneficiaries; expresses concern that, in some cases, companies receiving Union funding for such activities may simultaneously have EU decision-makers sitting on their boards and receiving remuneration; further notes that the IAS performed a targeted engagement focussed exclusively on NGO funding under the LIFE programme to verify compliance with the guidance on funding for activities related to the development, implementation, monitoring and enforcement of Union legislation and policy but did not verify compliance with that guidance of agreements signed with other beneficiaries;

Recommendations

134. Calls on the Commission to:
 - (i) in cooperation with Member States, make available the financial and human resources necessary to urgently resolve the remaining significant security weaknesses identified in the Union Registry of the EU ETS;

- (ii) provide support to Member States to simplify eco-schemes, as recommended by the Court, without lowering their environmental ambition;
- (iii) support Member States with testing and upgrading the IT systems used for producing the annual performance reports, to ensure their compliance with the applicable international information security standards;
- (iv) improve the sound financial management of the current and future CAP by ensuring that direct income support is provided only to active farmers, with a specific focus on those most in need, such as family-sized and small farms, farms in areas with natural or other specific challenges, young and female farmers;
- (v) conduct financial and compliance audits of Union-funded guesthouse projects on a risk basis;
- (vi) closely monitor the use of Union-funded guesthouse projects beyond the project implementation period and consider extending the durability period for these kinds of projects to prevent continued misuse as well as introduce strict conflict of interests checks as a prerequisite for the allocation of Union funds to build guesthouses;
- (vii) collect data from Member State authorities on the number of guesthouse projects funded by Union budget since 2021, indicating also any irregularities detected, and share this information with the discharge authority;
- (viii) monitor possible conflicts of interests affecting Union funds, and ensure that conflicts of interests are actually resolved, including for Members of the European Council and ensure, in particular, that no Union funds are paid, directly or indirectly, to Agrofert or any other business interests of Andrej Babiš as long as the identified conflict of interest has not been demonstrably and verifiably resolved;
- (ix) share with the discharge authority all relevant documents concerning the Commission's follow-up of the OPEKEPE case, including the up-to-date action plan and its assessment by the Commission, under specific confidential modalities, if necessary;
- (x) draw lessons learnt from the OPEKEPE case, strengthen the control system of the EU agricultural funds, reinforce the Commission's control activities accordingly and report back to the discharge authority on the measures taken;
- (xi) improve its methodology used to track Union spending on climate and biodiversity-related activities of 2021-2027 MFF, including by addressing the relevant recommendations made in the Court's special reports and also tracking the negative effects of Union spending on the environment and biodiversity objectives;
- (xii) develop and implement a comprehensive green budgeting methodology in the next MFF by integrating climate, biodiversity and environmental considerations into all steps of the budget cycle;

- (xiii) continue to verify that funding agreements with all types of beneficiaries comply with the Commission guidance of May 2024 on funding for activities related to the development, implementation, monitoring and enforcement of Union legislation and policy;
- (xiv) ensure strict compliance with Article 61 of the Financial Regulation by effectively preventing, identifying and managing conflicts of interest when concluding grant agreements in particular with beneficiaries that employ or remunerate EU decision-makers;

Migration and Border management

135. Notes that in 2024 the budget for the programmes under MFF heading 4 ‘Migration and Border Management’ was EUR 3,4 billion (1,8 % of the Union budget spending) distributed as follows: EUR 1,4 billion (40,1 %) for the Asylum, Migration and Integration Fund (AMIF), EUR 1,3 billion (37,7 %) for three decentralised agencies, the European Border and Coast Agency (FRONTEX), the European Union Agency for Asylum (EUAA) and the European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (EU- LISA); and EUR 0,8 billion (22,2 %) for the Integrated Border Management Fund (IBMF), which is composed of the Border Management and Visa Instrument (BMVI) and the Customs Control Equipment Instrument (CCEI);
136. Recalls that AMIF funding for 2014-2020 had to be spent by June 2024 and the final accounts had to be submitted by 31 December 2024; notes the Court’s finding that, at the time of their audit, a material amount of AMIF 2014-2020 funding remained to be cleared (12 % or EUR 528 million) pending acceptance of these final accounts by the Commission; acknowledges the Commission’s reply that the total expenditure declared by the Member States during the period 2014-2020, including the submission of the final accounts, amounted to 94 % of AMIF;
137. Notes that the Court examined a sample of 23 transactions, which it considered not large enough to be representative of the spending under MFF headings 4 and 5 and, thus, it cannot provide a separate estimate of the error rate for these headings; further notes that the Court’s audit results show that the expenditure under MFF headings 4 and 5 is affected by errors due to eligibility and procurement issues and the absence of supporting documents and that thus it is deemed a high-risk area (8 out of 23 transactions audited were affected by errors); is concerned that the Court detected three quantifiable errors which had a financial impact on the Union budget, seven cases of non-compliance with legal and financial provisions (which had no direct financial impact on the Union budget) and two transactions that did not comply with the principles of sound financial management due to inadequate protection of Union-funded equipment and reimbursement of value added tax to public bodies above incurred costs contrary to Commission guidance; notes that the Commission estimates that the risk at payment in 2024 is 1,3 % for the expenditure on migration and border management;
138. Welcomes the Court’s conclusion that the Commission has fully addressed two recommendations the Court made in its 2021 Annual Report and one recommendation made in its 2022 Annual Report, which relate to providing further guidance to the beneficiaries of Union action and emergency assistance and to conducting better

targeted ex ante checks; appreciates the adoption of the revised control strategy for Emergency Assistance projects implemented under direct and indirect management in the Directorate-General for Migration and Home Affairs (DG HOME) in December 2024;

139. Expresses its dissatisfaction with the fact that the Court continues to experience difficulties with obtaining the documentation necessary to carry out its mandate from international organisations implementing Union-funded projects; notes with concern that some international organisations restricted the Court's access to documents to a temporary electronic consultation in a view-only environment and the Court's conclusion that this indicates a lack of precision in the Commission's contractual arrangements with international organisations; notes the Commission's reply that they consider that the existing contractual agreements with the international organisations already provide a framework to ensure document accessibility in a manner that permits the required checks; regrets the fact that the Commission has not fully accepted the Court's recommendation to address this recurring issue, especially given that the Court's difficulties with auditing international organisations implementing Union-funded projects have persisted since their audit of the 2018 financial year; insists that the Commission's contractual arrangements with partners must guarantee the Court's full audit rights, including the ability to download and retain evidence necessary for audit, review, quality control and follow-up;
140. Notes with concern that two reservations on the declaration of assurance were issued in DG HOME's Annual Activity Report for 2024; notes that one reservation concerns the implementation of 2014-2020 AMIF and ISF programmes in several Member States due to serious deficiencies in management and control systems for these programmes detected by DG HOME; further notes that the other reservation concerns 2021-2027 AMIF, BMVI and ISF programmes in several Member States due to serious deficiencies in the management and control systems for these programmes;
141. Notes that Member States submitted their first national annual accounts for the 2021-2027 AMIF and BMVI programmes in 2024; further notes that the Court has reviewed five audit authorities' work in relation to their annual control reports and audits of AMIF and BMVI expenditure; welcomes the Court findings that the audit authorities had developed and implemented detailed procedures of sufficient quality to report on their work in the annual control report;
142. Further notes the Court's conclusion that the audit authorities it has reviewed had detailed audit programmes and used the checklists to support their conclusions; notes with concern that the Court has also observed some weaknesses in the audit authorities work; acknowledges the Commission's acceptance of the Court's recommendation to follow up the shortcomings in audit authorities' work;
143. Notes the 2024 adoption of the Pact on Migration and Asylum in 2024 and the allocation of an additional EUR 2 billion to MFF heading 4 for 2024-2027 in the context of the mid-term revision of the MFF 2021-2027, also with a view to enabling the full implementation of the new rules of the Pact; appreciates the Commission's written replies that confirm that it has made available additional EUR 3 billion under the AMIF and BMVI for the years 2025–2027 to, inter alia, support Member States hosting persons fleeing the war in Ukraine;

144. Stresses that managing the Union's external borders is a pillar of the Pact on Migration and Asylum; maintains that the Union needs to better protect vulnerable people from smuggling and trafficking networks; notes that following the adoption of the Commission Communication of 11 December 2024¹⁵, the Commission has allocated approximately EUR 520 million to Union Member States bordering Russia and Belarus through the BMVI;
145. Recalls that solidarity and fair responsibility-sharing are core principles underpinning the Union's migration and asylum policy; highlights in this context the role of the AMIF in supporting Member States in reception, asylum procedures, integration measures and resettlement, including for persons fleeing conflicts and humanitarian crises; underlines that the effective implementation of the Pact on Migration and Asylum requires sufficient, well-managed and timely funding to support solidarity measures across the Union;
146. Observes that in 2024, 37,7 % of Union funding for migration and border management was allocated to decentralised agencies in the area of migration and Home Affairs; recalls that while decentralised agencies are independent from the Commission legally, financially, and in the execution of their obligations, the Commission has oversight responsibility over their activities; reminds that migration must be managed in full compliance with Union law, including fundamental rights; expresses its deep concern regarding reports of pushbacks at the Union's external borders, including by Frontex in Greece and the related European Court of Human Rights judgement of 7 January 2025¹⁶; appreciates the Commission's written replies that more monitoring of Frontex' activities in Greece is needed;

Recommendations

147. Invites the European Court of Auditors to provide an estimate of the error rate for MFF heading 4;
148. Calls on the Commission to:
- (i) fully implement the Court's recommendations, including ensuring that its contractual arrangements with international organisations fully respect the Court's audit rights;
 - (ii) address system deficiencies, together with Member State authorities, related to the reservations issued in DG HOME's Annual Activity Report 2024, and if necessary, also launch conformity clearance procedures and issue recovery orders for the amounts paid to Member States and considered as irregular by the Commission;
 - (iii) continue to monitor and scrutinise the steps required by Member States and Union agencies for the full implementation of the Pact on Migration and Asylum by 2026, and report to the Parliament on progress towards its implementation;

¹⁵ COM(2024)0570.

¹⁶ European Court of Human Rights, case of *A.R.E. v Greece* (application no 15783/21).

- (iv) closely monitor Union-funded actions for border management, in particular with a view to ensuring full compliance with the fundamental rights in the Union and the principle of non-refoulement;

Security and Defence

- 149. Notes that in 2024 the budget for the programmes under MFF heading 5 ‘Security and Defence’ was EUR 2,1 billion (1,1 % of the Union budget spending) distributed as follows: EUR 800 million (36,9 %) for the European Defence Fund (EDF), EUR 300 million (15,9 %) for military mobility, EUR 300 million (13,3 %) for Defence instruments and Union Secure Connectivity; EUR 300 million (12,1 %) for decentralised agencies, namely the European Union Drug Agency (EUDA), European Union Agency for Law Enforcement Cooperation (Europol), and European Union Agency for Law Enforcement Training (CEPOL), EUR 300 million (11,9 %) for nuclear safety, decommissioning and other areas, and EUR 200 million (9,9 %) for the Internal Security Fund (ISF);
- 150. Recalls that ISF funding for 2014-2020 had to be spent by June 2024 and the final accounts had to be submitted by 31 December 2024; notes the Court’s finding that, at the time of their audit, a material amount of ISF funding remained to be cleared (16 % or EUR 505 million) pending acceptance of these final accounts by the Commission; acknowledges the Commission’s reply that the total expenditure declared by the Member States during the period 2014-2020, including the submission of the final accounts, amounted to 94 % of ISF;
- 151. Notes with concern that, for the reasons explained in the section on migration and border management, the Court cannot provide a separate estimate of the error rate for MFF heading 5 ‘Security and Defence’ and that, based on its audit results, the Court considers expenditure from this heading to be high-risk; notes that the Commissioner for Defence and Space has clarified during his hearing in CONT on 6 November 2025 that the Court’s Annual Report 2024 does not include any errors found on defence projects; further notes that the Commission estimates that in 2024 the risk at payment was 0,5 % for expenditure on security and defence;
- 152. Recalls that the highly unstable geopolitical situation in the Union’s neighbourhood giving rise to greater security and defence challenges, including hybrid threats; stresses that Russia poses a considerable threat to the security of the Union; recalls that the European Parliament has called on the Union and its Member States to put in place a legal framework enabling Russia to be classified as a state sponsor of terrorism;
- 153. Recalls that defence capabilities in the Union suffer from decades of under-investment and that, according to the Commission, the defence spending gap for the next decade currently stands at EUR 500 billion; notes that due to the urgent need to boost defence capabilities, the number of Union defence funding instruments has increased since Russia’s war of aggression against Ukraine; notes that Union defence instruments include extra-budgetary ones such as the European Peace Facility (EPF), and the Security Action for Europe (SAFE), a temporary defence loan instrument; stresses, furthermore, that in addition to defence funding programmes, other Union programmes can serve dual-use purposes, notably the Military Mobility component of the Connecting Europe Facility (CEF) and the Union Secure Connectivity programme,

established in 2023 primarily to provide Union Member States with guaranteed access to highly secure, sovereign and global connectivity services; also notes that after its mid-term review in September 2025, cohesion policy funds can also be used to improve military mobility and develop defence infrastructure, especially in the Eastern border regions;

154. Appreciates the Commission's written replies that acknowledge that the multitude of defence-related instruments resulted in a fragmented funding landscape, with certain overlaps and gaps; stresses the need for further improving the transparency of Union defence funding, including by guaranteeing the Court's audit rights for all instruments and ensuring that the discharge authority can exercise democratic scrutiny of all Union-funded activities; highlights the need for increasing the user-friendliness of information on Union defence funding published, with a view to also benefiting applicants and beneficiaries, especially SMEs;
155. Stresses that the rapid increase in Union defence and security expenditure in 2024 requires audit arrangements equivalent in practical effect to those applicable to civilian spending, including effective access for the European Court of Auditors, OLAF and the EPPO to all relevant documentation, even where projects involve classified or dual-use technologies; recalls that the Commission itself acknowledged that access to classified deliverables can be delayed or prevented where Member States are 'originators' of classification and that corrective measures, including suspension or termination of funding, may be necessary where audit access is obstructed;
156. Reiterates its concern over the Commission's decision to proceed with the adoption of the 'Rearm EU' initiative without prior consultation of the European Parliament; regrets that such a decision bypasses the principle of institutional balance and undermines Parliament's role as co-legislator in shaping strategic and budgetary priorities; insists that the Commission should refrain from initiating substantial policy instruments that impact the Union's financial and strategic architecture without ensuring full respect for the prerogatives of the Parliament;
157. Recalls that the EDF's general objective is to foster the competitiveness, efficiency and innovation capacity of the European defence technological and industrial base (EDTIB) throughout the Union; notes that, as outlined in the Commission's written replies, EDF funding amounting to EUR 227,9 million was allocated to 20 projects related to artificial intelligence and further EUR 171,1 million was allocated to 18 projects focused on aerial-drone technologies, while 50 projects focused on what can be classified as traditional defence equipment, relating to ground, air and naval combat, underwater, air missiles defence and chemical, biological, radiological and nuclear (CBRN) risk mitigation, were supported with a total of EUR 1,49 billion from the EDF; expresses its concern that since 2021, less than EUR 400 million from EDF was spent on projects related to artificial intelligence and drone technologies, despite the fact that experience from ongoing and recent conflicts clearly demonstrates the rapidly growing role of cyber capabilities, artificial intelligence and unmanned systems, including drones, in modern warfare;
158. Notes the Court's Special Report 04/2025 on EU military mobility and the Commission's replies; is concerned by the Court's overall conclusion that the second EU action plan on military mobility, published in November 2022, was not built on

sufficiently solid foundations and that progress towards its objective, namely ensuring swift and seamless movement of personnel, materiel and assets at short notice and on a large scale, has been variable due to design weaknesses and obstacles to implementation; notes with concern the Court's observation that the Commission had not carried out a robust assessment of the overall funding required to make its objectives and targets achievable; regrets the fact, highlighted by the Court, that parliamentary oversight of all Union military mobility activities is not possible, as not all projects are funded through the Union budget; notes that the European Parliament lacks the power to oversee military mobility activities of the European Defence Agency (EDA), which is an intergovernmental agency, or that of PESCO, which is a Member State-driven cooperation framework;

159. Expresses its concern that following three calls for proposals organised in 2021, 2022 and 2023, the entirety of the military mobility envelope under the CEF for the current programming period has already been exhausted, while at least EUR 100 billion investment is estimated to be needed for addressing the 500 hotspots identified in the Union as needing urgent upgrading¹⁷; notes the Commission's written reply that the 2024 revision of the TEN-T Regulation introduced elements to integrate military mobility into Union transport policy; further notes that the European Commission and the High Representative adopted the Military Mobility Package 2025; reiterates its concern about the current lack of responsiveness and efficiency in military mobility, which is hampered by regulatory and procedural complexity and lack of harmonisation resulting in slow coordination and time loss;

Recommendations

160. Invites the European Court of Auditors to provide an estimate of the error rate for MFF heading 5;
161. Calls on the Commission to:
- (i) take measures to improve the transparency of Union spending on defence across all instruments, including by guaranteeing the Court's audit rights for all instruments and ensuring that the discharge authority can exercise democratic scrutiny of all Union-funded activities, not only during negotiation but also during the implementation phase;
 - (ii) provide the discharge authority with annual consolidated reporting covering all defence-related expenditure from the Union budget, off-budget instruments and all other relevant instruments, such as military mobility and security-related programmes, in order to enable democratic scrutiny and avoid fragmentation;
 - (iii) provide to the Parliament more systematic follow-up and reporting on Union defence and military mobility measures, implementation and funding, including those relating to EU-NATO cooperation, EPF, EDA and PESCO;

¹⁷ Joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 16 October 2025 entitled 'Preserving Peace – Defence Readiness Roadmap 2030', JOIN(2025)0027).

- (iv) strengthen the EDF's contribution to a comprehensive European defence approach by increasing support for projects addressing hybrid threats, including artificial intelligence, cyber and drone technologies;
- (v) repeats its call to further strengthen Union security and defence measures by substantially increasing the funding available to improve dual-use transport infrastructure corridors and by taking action to eliminate administrative, procedural and regulatory barriers to cross-border military movements, while prioritising Union funding to projects that best respond to the current European threat landscape;

Neighbourhood and the world

162. Notes that the budget for the programmes under MFF heading 6 'Neighbourhood and the world' was EUR 15,4 billion (8,0 % of the Union budget expenditure excluding RRF;) distributed as follows: 62,4 % for the Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI-Global Europe), 15,9 % for Humanitarian Aid (HUMA), 14,9 % for Pre-Accession Assistance (IPA III), 2,7 % for Ukraine Macro-Financial Assistance Plus and 4,1 % for other actions and programmes;
163. Welcomes that in 2024 the Court examined a statistically representative sample of 137 transactions covering all spending under this MFF heading, enabling it for the first time to calculate an error rate; notes with concern the estimated error rate of 4,9 %, significantly exceeding the 2,0 % materiality threshold; further notes that 56 of the 137 transactions (40,9 %) contained quantifiable errors that have a financial impact on the Union budget; observes that these errors concerned ineligible costs, serious breaches of public procurement rules, missing essential supporting documentation, ineligible beneficiaries, and expenditure not actually incurred; considers that these issues may indicate weaknesses in the functioning and reliability of control systems;
164. Is struck by the fact that in ten of the cases involving quantifiable errors, the Commission already had sufficient information at its disposal to prevent the error or to detect and correct it before accepting the expenditure; notes that, had the Commission effectively used this information, the estimated level of error would have been reduced by 1,4 percentage points;
165. Notes that, as in previous years, a significant share of the errors detected by the Court concerned contracts implemented under indirect management by pillar-assessed organisations, including international institutions; observes that for these contracts the Commission accepted expenditure on the basis of a financial report and a management declaration, the latter being a self-issued certification by the pillar-assessed organisation attesting to the completeness, accuracy and compliance of the financial information provided; notes with concern that 26 of the 42 quantified errors detected by the Court related to such contracts, contributing 3,1 percentage points to the estimated level of error, thereby highlighting persistent vulnerabilities in the assurance framework for indirect management with pillar assessed entities;
166. Expresses concern that, once again, the Court encountered delays in obtaining requested documentation from certain international organisations and international financial institutions, thereby hindering the timely conduct of its audit work, despite its previous

recommendation from 2020; notes that in 19 audited transactions these entities limited access to documents to temporary, view-only electronic consultations, without allowing the Court to retain copies, which impeded proper planning, execution and quality control of the audit; regrets that these obstacles persisted despite the Commission's efforts to resolve the issue through sustained communication with the organisations concerned, as also highlighted in the report of the 2024 annual report on the EDFs;

167. Expresses serious concern that no Results-Oriented Monitoring (ROM) missions took place in 2024, owing to the termination of the two existing ROM service contracts in 2025; highlights with concern that the planned 2024 restricted tender for the new generation of ROM contracts had to be cancelled due to the unavailability of NDICI support expenditure credits, forcing DG INTPA to rely on operational credits and to prepare a standalone NDICI Support Measure to finance ROMs; notes that a new restricted tender procedure was relaunched in October 2025 under a suspensive clause, with the new three-year ROM contract expected to be signed only in April 2026; underlines that this funding and procurement disruption has resulted in a full suspension of the ROM system since early 2025, delaying independent performance monitoring of programme implementation and weakening the overall results-orientation of external action;
168. Notes that, EU investment in trade-related assistance to the world's least-developed countries (LDCs) has declined, with only 12,0 % of Aid for Trade (AFT) flows reaching LDCs in 2022 compared to 18,0 % on average between 2010 and 2015; notes with concern that this underperformance persists despite the 25,0 % spending target for LDCs set in the revised 2017 EU Aid for Trade strategy; takes note of the findings of the European Court of Auditors in Special Report 17/2025, which concluded that EU Aid for Trade is not on track to meet the 2030 target; welcomes the Commission's acceptance of the Court's recommendation to analyse the underlying causes of this decline and notes that this assessment is planned for 2026, stressing the need for timely corrective action to ensure that Union trade assistance reaches those most in need;
169. Stresses that Union aid must under no circumstances, directly or indirectly, finance terrorism, and therefore must not support any entity linked to Hamas or to any other terrorist or extremist organisation; recalls that, to this end, it is both legitimate and essential to clearly identify all final beneficiaries of Union assistance, also in third countries; emphasises the need for rigorous oversight of the distribution and use of aid to ensure that no funds are misused;
170. Welcomes the Commission's continued engagement with the Palestinian Authority on curriculum reform and acknowledges the tangible progress reported in 2025, including the ongoing review and amendment of textbooks by the Palestinian Ministry of Education and Higher Education to ensure alignment with UNESCO standards; notes in particular that the revised Grade 12 textbooks were finalised and made public in early October 2025 and are currently undergoing review by the Union;
171. Notes that, as in previous years, no Union funding in 2024 has been used to support the production of Palestinian textbooks, and that Union assistance under both the 2024 Emergency Support package and the Multiannual Comprehensive Programme for Palestinian Recovery and Resilience (2025-2027) is strictly limited to traceable expenditure items such as salaries, social allowances and arrears to hospitals; notes that

this multiannual programme is conditional upon an ambitious Reform Matrix agreed with the Palestinian Authority, which includes a systematic review of learning materials;

172. Urges the Commission, in the context of delivering support and humanitarian aid to the Palestinian population, to enhance support to UNRWA as well as to all trusted partners, including local CSOs; recalls the importance for the Commission to guarantee independent controls of UNRWA by external experts, the Court and experienced international partners;
173. Expresses grave concern over serious shortcomings in the management of DG NEAR under the responsibility of Commissioner Várhelyi during his mandate as Commissioner for Neighbourhood and Enlargement (2019–2024); notes that, during this period, an unprecedented number of senior management positions remained vacant for exceptionally long durations, severely undermining the Directorate-General's leadership capacity; notes in particular that the post of Director-General remained vacant for 28 months, Director A for 25 months, Director NEAR B (Southern Neighbourhood) for 48 months, Director NEAR D (Western Balkans) for 35 months, Director of the Support Group for Ukraine for 32 months, and Director R for 22 months; underlines that these prolonged vacancies affected some of the Union's most politically sensitive and operationally critical portfolios, including during the Russian invasion of Ukraine and the Hamas terrorist attack against Israel; further notes the results of the April 2022 DG NEAR staff survey showing significant declines in confidence in senior management's leadership, the worst results of the DG's staff survey ever recorded; considers that leaving DG NEAR without stable senior leadership for years cannot be reconciled with the duty of sound administration and effective management expected from a Commissioner;
174. Notes the statements made by Commissioner Várhelyi during the exchange of views in the Committee on Budgetary Control on 12 January 2026, in which he claimed that the post of Director of the Support Group for Ukraine had only been created in 2022 and filled immediately thereafter; deplors that this information provided to Parliament was inaccurate, as the Support Group for Ukraine was established in 2014 and, between 2020 and 2023, its leadership was ensured on an interim basis by the Deputy Director-General of DG NEAR in addition to her many other functions;
175. Notes recent investigative reporting published in October 2025 by several European media outlets alleging that Hungarian intelligence services engaged in espionage activities in Brussels, including attempts to recruit Hungarian nationals working in Union institutions; notes that these activities reportedly intensified during the period 2015–2019, when Mr. Várhelyi served as Hungary's Permanent Representative to the Union and was formally the superior of intelligence officers operating under diplomatic cover; underlines that, while these allegations concern a period prior to his appointment as Commissioner, they further contribute to serious concerns regarding his conduct and independence; notes that the Commission has confirmed that it is examining these allegations internally and it expects to be informed of the outcome of this examination as soon as it is concluded;
176. Considers that, taken together, the serious and prolonged management failures in DG NEAR, the provision of inaccurate information to Parliament in the context of the

discharge procedure, and the additional concerns relating to conduct and independence outlined above demonstrate a pattern that is incompatible with the standards of accountability, reliability and sound administration required of a Member of the Commission; concludes therefore that Commissioner Várhelyi cannot be considered fit to exercise the responsibilities of a Commissioner entrusted with the management of politically sensitive portfolios and significant Union funds;

177. Notes with concern that Union funding to Ukraine is spread across numerous instruments and facilities, creating a fragmented and complex financing landscape; underlines that the absence of a consolidated and transparent overview of how these funds, including loans guaranteed by the MFF headroom, are allocated and spent hinders effective democratic oversight, accountability and the ability to assess the overall impact of Union support;
178. Notes that Ukraine's anti-corruption specialised bodies (NABU, SAPO and HACC) continue to deliver investigations, prosecutions and judgments in high-level cases, demonstrating that independent anti-corruption institutions are starting to function and that recent resignations of accused ministers show a degree of governmental responsiveness and accountability; regrets, however, that progress remains limited, that investigations by other law-enforcement bodies have stagnated, and that legislative initiatives adopted or tabled in 2024, including attempts to place NABU and SAPO under the authority of the Prosecutor General, risked undermining the independence and effectiveness of the anti-corruption framework; welcomes the swift reversal of these amendments following domestic and international pressure, but expresses concern at reports from anti-corruption institutions and civil society of growing pressure from state authorities, reduced transparency, and attempts to limit liability for corruption offences; calls on the authorities to prevent backsliding, address procedural delays and obstructions in high-level cases, and revise statutes of limitation in line with European standards;
179. Notes with concern the recent fraud allegations in Ukraine's energy sector, including suspected large-scale misappropriation, procurement manipulation and illicit enrichment involving state-owned energy companies and regulatory bodies; underlines that these allegations, if confirmed, point to structural vulnerabilities in governance, oversight and internal control systems; stresses that such cases risk undermining public trust, weakening Ukraine's reform credibility and jeopardising EU financial support;
180. Notes that, to ensure sound financial management of the Ukraine Facility, the Commission established in June 2024 a dedicated Audit Board through Implementing Decision (EU) 2024/1697, composed of independent experts appointed by the Commission; notes that the Audit Board's mandate is to detect systemic weaknesses in Ukraine's management and control of Facility funds, including deficiencies in fraud prevention, anti-corruption safeguards and conflict-of-interest systems, and to report such issues directly to the Commission;
181. Underlines that, beyond its oversight role, the Audit Board may issue recommendations to the Ukrainian authorities on addressing financial irregularities or structural shortcomings in the management of Union funds; stresses that Ukraine, represented by the Ministry of Economy, must provide a written response to each recommendation, either outlining implementation measures or providing a justified explanation for non-

implementation; highlights that the Audit Board's findings may carry significant financial consequences, as its reports, similarly to those of OLAF, may constitute grounds for the Commission to reduce, suspend or withhold Union funding under the Ukraine Facility;

182. Recalls that, under the Ukraine Facility, regular payments are conditional on the Commission verifying the implementation of Ukraine's recovery and reform plan and the continuous respect of democratic mechanisms, the rule of law and human rights; notes that, to date, the Commission has on five occasions concluded that individual reform steps were not fulfilled under instalments one to five, leading to the suspension of corresponding amounts, one of which has since been remedied; welcomes in this regard the Commission's strict conditionality approach and its demonstrated willingness to verify implementation thoroughly and to withhold funds where conditions are not met;
183. Welcomes that OLAF provides targeted anti-fraud assistance to authorities and supports the accession of Ukraine to the Union Anti-Fraud Programme; notes that the Framework Agreement for the Ukraine Facility, which entered into force in June 2024, provides for legally binding arrangements for the management, control, supervision, monitoring, evaluation, reporting and audit of funds under the Facility, as well as measures to prevent, investigate and correct irregularities, fraud, corruption and conflicts of interest, and provisions on the roles of OLAF and EPPO;
184. Is concerned about the allocation of EFSD+ under the new flexible 'Support to Investments' envelope in favour of benefiting countries where the Global Gateway investments are easier to implement at the expense of prioritising LDCs and fragile and conflict-affected countries;
185. Notes that despite longstanding Union funding to strengthen Libyan border and migration controls reports indicate that such assistance has not prevented the continuation of systemic violations, including forced returns, inhumane detention conditions and deaths, and may have made the Union vulnerable to reputational damage; underlines that the discovery of mass graves in Libya in 2025 and continued allegations from civil society and human rights organisations about the treatment of migrants heighten concerns about whether Union funding in this context aligns with fundamental Union values, including respect for human rights, and stresses the need for rigorous monitoring, transparency and accountability mechanisms to ensure that migration-related assistance does not indirectly contribute to further harm;
186. Notes that, as of 1 February 2025, the European Commission reorganised the former DG NEAR, dividing its responsibilities between two newly established directorates: the Directorate-General for Enlargement and Eastern Neighbourhood (DG ENEST), responsible for candidate countries and the Eastern Neighbourhood, and the Directorate-General for the Mediterranean, North Africa and the Gulf (DG MENA), which now covers the Mediterranean region;

European Development Funds (EDF)

187. Notes that to audit the regularity of transactions, the Court examined a sample of 85 transactions, representing the full range of spending from the EDFs; notes, furthermore, that this comprised 16 transactions related to the European Union Emergency Trust

Fund for Africa, 54 transactions authorised by 14 EU delegations¹⁸, 14 transactions approved by Commission headquarters and 1 transaction related to the Bêkou Trust Fund;

188. Notes with concern that, out of the 85 transactions examined, 34 (40,0 %) contained errors, compared to 62 (44,3 %) in 2023 for the same number of transactions; stresses, moreover, that the Court quantified 27 errors (52 in 2023), on the basis of which it estimated the level of error for the financial year 2024 to be 6,5 % (8,9 % in 2023);
189. Highlights with concern that the three most frequent types of errors detected in the 2024 financial year were: ineligible expenditure (40,0 %), the absence of essential supporting documentation (32,0 %) and the over-clearing of pre-financing (14,0 %);
190. Notes with bewilderment that, as of 31 December 2024, the full accounting closure of the 9th European Development Fund, covering the period 2000-2007, had still not been completed, more than 17 years after the introduction of the sunset clause, with eight contracts still ongoing, illustrating the exceptional complexity and duration of certain EDF programmes;
191. Notes positively that the Commission has improved the calculation of cut-off estimates by systematically taking into account extensions of contract implementation periods occurring after the reporting year, following a recommendation made by the Court in its 2023 annual report;
192. Notes with concern that, as in previous years, significant pre-financing balances remain uncleared for excessively long periods, including EUR 446,0 million outstanding for more than 10 years, largely linked to the EU-Africa Infrastructure Trust Fund, whose long-term operations result in very slow clearing of pre-financing;
193. Notes that the expected outcomes of DG INTPA's ongoing review of its control strategy include the reinforcement of guidance on financial reporting and on enhanced ex-ante controls so as to prevent errors including on excess clearing;
194. Notes that the Director-General's declaration of assurance in DG INTPA's 2024 Annual Activity Report contains no reservations, continuing a trend in which the Directorate-General reduced the scope of reservations from 16,0 % of expenditure in 2017 to 1,0 % in 2018 and to zero from 2019 onwards; notes further that DG INTPA estimates the amount at risk at payment at EUR 89,7 million (1,1 % of 2024 expenditure) and the amount at risk at closure at EUR 78,6 million (0,97 %), and that it expects EUR 11,1 million (12,4 % of the amount at risk at payment) to be corrected in subsequent years through its own checks; observes however that, of the EUR 5,0 million reported as recovered in 2024, the Court's testing showed that EUR 0,2 million should not have been counted as implemented corrective capacity, raising concerns about the reliability of the DG's reporting;
195. Notes that DG INTPA commissioned its 13th Residual Error Rate (RER) study in 2024,

¹⁸ Burundi, Democratic Republic of the Congo, Guinea-Bissau, Kenya, Malawi, Mauritania, Mauritius, Mozambique, Namibia, Nigeria, Sierra Leone, Togo, Uganda, Zambia.

an important component underpinning the Director-General's declaration of assurance and the regularity information disclosed in the Annual Management and Performance Report; observes that the 2024 study, based on a sample of 401 transactions, estimated a residual error rate of 0,48 %, remaining for the ninth consecutive year below the Commission's 2,0 % materiality threshold; recalls, however, that the Court has repeatedly identified methodological shortcomings that may underestimate the true residual error rate, particularly concerning the treatment of high-value items; notes that while the Commission has revised the RER methodology as of 2025 to clarify certain aspects and limit reliance on management checks and other auditors' work, the updated methodology still permits the exclusion of 'isolated' errors from extrapolation; expects the Commission to implement the revised methodology rigorously and looks forward to the Court's verification of its application in the next audit cycle;

Recommendations

196. Calls on the Commission to:

- (i) strengthen preventive and corrective controls under heading 6, by addressing recurrent weaknesses such as ineligible expenditure, procurement breaches, missing documentation and expenditure not actually incurred; calls for reinforced guidance to delegations and implementing partners;
- (ii) perform a comprehensive review of the assurance framework for indirect management, particularly with pillar-assessed organisations and international financial institutions;
- (iii) ensure that the new ROM contract is operational without delay in April 2026 as the interruption of ROM undermines performance monitoring and the results-orientation of NDICI implementation; prevent future disruptions in ROM by securing stable financing and ensuring that monitoring tools are available continuously throughout the MFF period;
- (iv) reverse the decline in Aid for Trade funding to LDCs, conduct the planned 2026 analysis without delay and propose corrective measures ensuring that Aid for Trade resources prioritise countries most in need;
- (v) integrate into the new MFF legislative proposal the recommendations of the External Action Guarantee complementing the Commission's evaluation, including increased use of blending in LDCs, fragile or conflict-affected countries and engaged coordination with stakeholders such as civil society;
- (vi) ensure impartial and evidence-based assessments in enlargement reporting so that political considerations do not override objective evaluation criteria;
- (vii) ensure that no Union assistance benefits entities that are involved in human rights violations, repression or democratic backsliding, and apply conditionality rigorously, including through suspension of assistance where fundamental Union values are undermined;

- (viii) continue support UNRWA and reliable humanitarian partners, coupled with independent oversight by external experts and the Court, to ensure effective control and confidence in the use of Union funds;
- (ix) calls on the President of the Commission, pursuant to Article 17(6) TEU, to withdraw confidence in Commissioner Várhelyi;
- (x) provide a consolidated and transparent overview of all Union financial support to Ukraine, including grants, loans and guarantees under multiple instruments and facilities, in order to strengthen democratic scrutiny and ensure full accountability;
- (xi) monitor closely the serious fraud allegations in Ukraine, and continue to apply conditionality where systemic risks or misuse of funds are identified; to keep the European Parliament regularly informed about the activities and findings of the Audit Board in order to ensure proper parliamentary oversight;
- (xii) report on the volume of EFSD+ amounts allocated and contractualised in LDCs and for transparency on how the quota of allocations within country MIPs is respected;
- (xiii) report to the discharge authority on the remedial measures taken upon finalisation of DG INTPA's ongoing review of its control strategy;
- (xiv) accelerate the closure of the 9th EDF, noting that it remains open 17 years after the sunset clause, and review the reasons that contributed to the prolonged implementation cycle;

Administration

197. Notes that MFF heading 7 'European public administration' accounted for EUR 13,3 billion equal to 6,9 % of Union budget spending in 2024; notes that the European Commission spends EUR 8 billion equal to 60,6 % of the total amount; notes with satisfaction that also for 2024 the Court concludes that administrative spending is a low-risk spending area; stresses that the Commission should without hesitation follow-up on the issues identified by the Court in their Annual report 2024 concerning the payment for IT services;
198. Continues to be critical of the process whereby the Commission in 2023 decided to sell 23 of its office buildings in Brussels and lease 17 of them back for a period until 2029; notes that apparently the decision to do this was taken without clear impact assessments of all transactions; finds it especially worrying that the Commission only received one bid for the transaction from a Belgian state-owned company, which had submitted an indicative offer before the Commission launched the call for applications and that the offer did not fulfil the requirements in the call for tenders concerning the time period for the validity of a bank guarantee; expresses its deep concern that the Commission's evaluation committee lacked independence since all members were subordinates of the authorising officer;
199. Notes that the Commission reports that 54 requests for article 24 assistance under the Staff Regulation were submitted in the period 2021-2024 and that only 8 have been

followed up on with the opening of an administrative inquiry; finds that this number is worryingly low, as it means that 85 % of the requests have been dismissed without any follow-up; welcomes that the office of the Chief Confidential Counsellor has been strengthened, taking into account that around 300 Commission staff asked her for help in harassment related cases within one single year; further notes that 14 complaints were submitted directly to the Investigation and Discipline Office of the Commission (IDOC), where four cases were closed as non-cases after assessment, two cases were closed without follow-up after administrative inquiry; pre-disciplinary proceedings led to one warning, one written warning, and three reprimands, one case is still in pre-disciplinary phase and two cases are currently with the Disciplinary Board, while two case were reported directly to OLAF both of which were dismissed on grounds of insufficient suspicion; stresses that these numbers seems to be very low for an organisation with more than 30.000 employees and encourages the Commission to improve the possibilities for employees to come forward with cases of harassment in a safe environment; regrets that the Commission has not come up with a self standing report analysing the reasons for the apparent dysfunctionality of the formal harassment procedure as requested in the context of the 2023 discharge exercise;

200. Notes that, in the period 2021–2024, no cases were reported to OLAF by Commission staff members where the source qualified as a whistleblower; regrets that the Commission did not provide information on whether, or how many, cases were instead reported through internal hierarchical channels or to the Secretary-General; considers that, in the absence of comprehensive data on the number of cases raised, the channels used, and the follow-up actions taken by the Commission in each case, it is not possible to assess whether the whistleblowing system is effective; notes in this context that the Commission is currently reviewing its Whistleblowing Guidelines in light of case law and practical experience with the implementation of the Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law in the Member States, with a view to aligning them as closely as possible with the Directive;
201. Notes with interest that the Commissioner for Budget, Anti-Fraud and Public Administration in his mission letter was tasked to carry out a large-scale review of the Commission’s organisation and operations; agrees in principle that it is important for all organisations to examine periodically whether their organisation and procedures are up to date; underlines that it is important that the process remains transparent and that relevant organisations representing the Commission’s staff and other relevant actors are fully involved in the process, also to foster trust and acceptance of the review’s outcome by all stakeholders, including in particular the staff affected;
202. Underlines that transparency in the administration and access to information and documents are key elements in ensuring a just and democratically sound society; in that regard regrets that there have been numerous examples over the last years where the Commission has not lived up to reasonable transparency standards as also evidenced by the lost court case concerning text messages between the Commission President and the CEO of Pfizer¹⁹; stresses that it is important for the credibility of the Commission that it ensures a strict and trustworthy implementation of the new guidelines concerning the use of text messages in relation to workflows and that at least two qualified persons check whether text messages exchanged in relation to work convey important

¹⁹ Case T-36/23.

information before they are deleted, in particular those text messages exchanged by Commissioners and the Commission President;

203. Stresses that access to documents is a key principle to ensure transparency in public administration; points out that unfortunately the Commission in many situations has not provided answers within stipulated deadlines especially concerning cases under the confirmatory applications where the European Ombudsman has found systemic and significant delays in the Commission administration; highlights that it is essential for the credibility of the Commission that journalists and the general public can have access to documents within the legally applicable deadlines;
204. Recalls that the European Ombudsman has found cases of maladministration in relation to several legislative proposals that the Commission has presented in 2025; notes with great concern that these cases include the Omnibus I package where the consultation time between Commission departments had been reduced to less than 24 hours over a weekend and where there were no clear internal records of a climate consistency assessment being carried out; stresses the importance of adhering to the rules about better law-making; underlines that the European Union will not win any global competitive race by destroying some of the very foundations the Union is built on including principles on how to ensure robust, durable and legally sound legislation that ensures a stable regulatory business environment for the private sector to operate in;
205. Deplores the technical, organisational and procedural shortcomings of the functioning of EPSO over the last years which have led to serious reputational damage to the general Union recruiting process and have had severe negative consequences for many candidates who have invested time and resources in trying to participate in selection procedures that have been cancelled, delayed or have had serious technical shortcomings;
206. Encourages the Commission and EPSO leadership to evaluate all aspects of the selection procedure in order to ensure that the Commission and other Union institutions can rely of EPSO for the identification and selection of highly qualified and motivated candidates for all types of jobs in the institutions; at the same time encourages the Commission to address persistent imbalances in geographical representation throughout the services;

European Schools

207. Notes that the overall budget for the European Schools for 2024 was EUR 439,5 million, representing an increase of 5,3 % from 2023; recalls that European Schools are primarily funded by the European Commission, other European Institutions, Member States and fees from parents;
208. Notes with satisfaction that neither the IAS nor the Internal Control Capability unit (ICC) have found critical issues in their audits and controls in 2024; notes however that identified weaknesses in human resource management and public procurement procedures should be addressed as a matter of priority;

Observations concerning the discharge procedure

209. Stresses that the Parliament would expect the Commission to provide the detailed

replies to the discharge resolution ahead of the initiation of the discharge hearings for the following year, which normally start in early November; finds it regrettable that it received the Commission's detailed replies to the specific requests made by the European Parliament in the discharge report for the 2023 financial year only in the beginning of December 2025; stresses that such delays undermine the efficiency of the discharge process by increasing the workload for both institutions and reducing the focus of parliamentary scrutiny;

210. Underlines that when oral questions cannot be answered by the responsible Commissioner directly during a discharge hearing in Parliament, follow-up answers in writing should be provided to Parliament within the agreed timeframe;
211. Notes with satisfaction that most Commissioners respect the discharge procedure and take part in the hearings as requested by the budgetary control committee; underlines that the Commission President in her role as head of the Commission has a decisive role in the formulation and the implementation of all major Commission initiatives and policy proposals; considers that in that function the Commission President should actively participate in the discharge procedure and underlines in this context the importance of the President of the European Commission taking part in the plenary discharge debate;

Recommendations:

212. Calls on the Commission in particular to:
- (i) ensure that any future decisions concerning sale and sale and lease back operations concerning buildings are done on basis of thorough impact assessments, that more than one offer should be received and that evaluation committees must be independent from the authorising officers;
 - (ii) design the future phases of the large-scale review of the Commission's organisations and operations in a transparent way and ensure that relevant organisations representing the Commission staff and other relevant actors are fully involved in the process;
 - (iii) commission an external study by independent experts under the auspices of the Chief Confidential Counsellor analysing the functioning or malfunctioning of the formal harassment procedure and proposing means to make it more effective;
 - (iv) provide the discharge authority with a comprehensive overview, for the period 2021–2025, of whistleblowing cases raised by staff members, including the number of cases, the reporting channels used (including the respective hierarchy, Secretary-General and OLAF), the follow-up actions taken in each case, and the employment status of the reporting persons;
 - (v) in the context of its review of the Whistleblowing Guidelines, take all necessary measures to align them with the standards set out in the Directive;
 - (vi) guarantee strict and trustworthy implementation of the new guidelines concerning the use of text messages in relation to workflows, in particular in

relation to Commissioners and the Commission President, so as to avoid future justified critique of the Commission's handling of such texts;

- (vii) ensure timely and correct handling of applications for access to documents, at all stages of the process;
- (viii) speed up work in order to ensure that EPSO functions properly in order to provide Union institutions with sufficient and highly qualified candidates;
- (ix) continue to explore all possibilities to correct significant geographical and gender imbalances in different categories of staff;

CHAPTER II - Recovery and Resilience Facility (RRF)

Court's observations

213. Notes that the Court issued a qualified opinion on the legality and regularity of the RRF expenditure for the third consecutive year, following similar conclusions in 2022 and 2023; notes that in 2024, the Court sampled 395 milestones and targets (M&Ts) across 28 grant payments, covering EUR 53,5 billion out of a total EUR 59,9 billion disbursed in 2024 and, while the Court does not provide an error rate due to the RRF's specific spending model, it estimates that the minimum financial impact of its findings exceeds the materiality threshold; notes with alarm the increasing trend in the overall financial impact of quantitative findings; expresses concerns that, according to the Court's conclusion, six out of 28 RRF grant payments made in 2024 were affected by quantitative findings, and that five of these payments were affected by material error; notes that in the Court's opinion, aside from these matters, the RRF expenditure accepted in the 2024 accounts is legal and regular in all material respects;
214. Notes with concern that the Court identified six milestones in five payments that had not been satisfactorily fulfilled; notes that in these cases, the missing elements represented more than a minimal acceptable deviation and that the Commission nevertheless proceeded with the corresponding payments; further notes that in one of the six cases, the Commission in its preliminary assessment relied on data and checks provided by the Member State without performing additional testing to verify their reliability;
215. Notes furthermore that the Court identified an additional 12 cases of weaknesses in the Commission's assessment which, although they did not impact the satisfactory fulfilment of the milestone or target concerned, revealed that the Commission had not carried out sufficient checks to assess the reliability of data and checks provided by Member States;
216. Notes the Court also identified four cases of vaguely defined milestones or targets, which had also been acknowledged and documented by the Commission in its preliminary assessment; notes that when M&Ts are defined in vague terms, the criteria for assessing their fulfilment inevitably become vague as well, undermining the robustness and clarity of the assessment process; notes the Commission acknowledges that in some cases M&Ts set by the Council Implementing Decisions could have been drafted more clearly;
217. Recalls that the RRF super milestones for Poland mandated specific reforms in the field of justice including first, the dismantling of the Disciplinary Chamber of the Supreme Court and its replacement by an independent Chamber of the Supreme Court, and second, that all judges affected by the rulings of the Disciplinary Chamber had the right to have their case reviewed by the new Chamber within a clear timeframe; notes that, in an attempt to achieve compliance with that super milestone, the PiS Government abolished the Disciplinary Chamber and created a new Chamber of Professional Responsibility in June 2022, and highlights that no Union funds were disbursed as this represented a cosmetic change; notes that, after Donald Tusk's cabinet came to power in 2023, however, the Commission used those same reforms passed by the PiS Government over one year earlier to declare that the super milestones had been fulfilled;

highlights that this sequence raises serious doubt as to whether Poland's judicial-independence milestones is fully and durably met, and that the release of RRF funds may have been premature, given that core elements of the super milestones remain unfulfilled; highlights that also the Court found serious weaknesses in the appointment of judges in Poland but, due to the ongoing Court of Justice of the European Union (CJEU) case C-517/24 regarding a request for preliminary ruling directly related to this matter, the Court decided, in its 2024 annual reports, to refrain from concluding on the satisfactory fulfilment of these two milestones; underlines that the outcome of case C-517/24 will be decisive for assessing the regularity of the RRF payments concerned;

218. Notes with particular concern that the Court has found that projects relating to one milestone and three targets in two payments had begun before the eligibility period; notes that the Regulation stipulates that only measures which started from 1 February 2020 onwards may be financed under the RRF, but does not further define what constitutes the 'start' of a measure; notes that, in October 2024, the Commission issued guidance interpreting the 'start' of a measure as the beginning of its implementation on the ground, when costs materialise; recalls, however, the Court's view that the start of a measure should be considered the date of the first legal commitment (e.g. a contract, purchase order, or financing decision), as this constitutes the start of the first activity related to the measure; does not share the Commission's interpretation that the eligibility period concerns only the date of start of works on a specific project rather than the beginning of the preparatory or projection phase;
219. Notes that outstanding Union borrowing increased by more than 30 % in 2024, reflecting the Commission's expanded use of capital markets to finance large-scale programmes such as SURE and NGEU; notes that by 2027 total outstanding borrowing could exceed EUR 900 billion, almost ten times the level recorded in 2020 prior to the launch of NGEU; notes that since December 2022 the Commission has applied a diversified funding strategy as its standard method for raising funds on capital markets, and that at the end of 2024 the nominal value of outstanding Union borrowing stood at EUR 601,3 billion, up from EUR 458,5 billion in 2023; is concerned that the rising level of debt and the associated increase in interest costs will have long-term implications for the Union's fiscal stability, potentially resulting in greater financial strain and reducing the Union's capacity to respond to future challenges or invest in key strategic priorities;
220. Notes with concern that annual NGEU-financed RRF grant payments amounted to EUR 55,9 billion in 2024, reaching only around half of the level expected by the Commission in June 2023 (EUR 96,0 billion), reflecting persistent delays in the submission and processing of payment requests; notes, however, that momentum increased toward the end of the year, with 15 Member States submitting payment requests totalling EUR 58,5 billion in December 2024;
221. Notes that by the end of 2024, payments under the RRF amounted to EUR 197,5 billion out of EUR 358,9 billion in committed grants, leaving up to EUR 161,4 billion still to be disbursed by the end of 2026; notes that this substantial volume of outstanding payments, concentrated in the final two years of the instrument, increases the risk of implementation bottlenecks and further delays, particularly in Member States facing structural capacity constraints; stresses that the timely absorption of the remaining RRF grants will depend on the quality and maturity of reforms and investments, the stability

of national governance systems, and the Commission's ability to process a high volume of payment requests efficiently within a compressed timeframe;

222. Notes the Court's finding that RRF grant implementation was lower than expected, while NGEU top-up absorption accelerated in 2024; notes that annual payments of RRF grants totalled EUR 55.9 billion in 2024, of which EUR 7.9 billion was financed from REPowerEU and EUR 48.0 billion from NGEU grants, and that the annual payments for NGEU-financed RRF grants were only half what the Commission had expected in June 2023 (EUR 96 billion); highlights, however, that 15 Member states had submitted payment requests totalling EUR 58.5 billion in December 2024; notes that with payments by the end of 2024 of EUR 197.5 billion out of EUR 358.9 billion of commitments made, RRF grants of up to EUR 161.4 billion remain available to be paid by the end of 2026;
223. Notes with concern the Commission's acknowledgment, in its report of 8 October 2025 on the implementation of the RRF, that the pace of implementation differs significantly among Member States, with only six Member States having received payments corresponding to more than 65 % of their total RRF envelope and another four Member States having received more than 50 % of their allocation; expresses concern about the substantial disparities in the absorption of RRF grants to date; stresses that, with less than six months remaining until the August 2026 deadline, the timely and effective implementation of reforms and investments by Member States has become increasingly urgent;
224. Stresses its concern about the Court's findings in Special Report N°22/2024 on double funding resulting from the RRF model'; highlights that Member States national plans may include so-called 'zero cost measures', i.e. measures estimated to have no costs to be financed by the RRF, and for which no checks for double-funding are carried out, as the Commission considers that measures receiving no RRF funds pose no such a risk; notes that, in 2024, the Court nevertheless identified a case of double funding in Croatia; further notes that the Commission does not collect confirmed data on double funding cases under the RRF in 2024 and relies primarily on Member States' systems, despite the Court identifying double funding as a structural blind spot;
225. Recalls that the Regulation stipulates that, measures and actions relating to previously fulfilled M&Ts must not have been reversed, and that Member States are required to confirm this non-reversal in the management declarations accompanying their payment requests; notes with concern that the Court found one case of reversal of a Greek target relating to the establishment and full operation of 50 mental health care establishments, which was deemed in the Court's 2023 annual report as not satisfactorily fulfilled as five of the 50 establishments were found not operational; deplores the RRF legal framework does not allow the Commission to effectively address reversals after 31 December 2026;
226. Underlines that, in line with Article 12(1) of the Financing Agreement and Article 21(1) of the Loan Agreement, the Commission '*may carry out verifications, reviews, checks and audits for the implementation of the RRF regarding the information and justification regarding the satisfactory fulfilment of M&Ts in a payment request*', and that such verifications, reviews, checks and audits may be carried out for a period after the RRF has expired and could help identify cases where information underlying the payment

request as submitted by a Member State was not correct;

227. Notes that, under the European Semester, the implementation of measures set out in the medium-term fiscal-structural plans is monitored annually, with Member States submitting progress reports to the Commission; notes that, in line with the guidance²⁰ to Member States on the information requirements for the medium-term fiscal-structural plans and for the annual progress reports, for the lifetime of the RRF, these reports are required to include information on progress in implementing any of the RRP reforms and investments included in the medium-term fiscal-structural plans;
228. Notes that since 2021, the Commission has issued 20 final audit reports covering milestones and targets, containing 591 recommendations to 15 Member States; expresses particular concern that for most (64 %) of the 136 recommendations related to critical and very important findings, the implementation deadline set in the audit report had already passed; notes the Commission acknowledgement that such delays in implementation by some Member States represent 22 % of the total recommendations related to critical and very important findings;
229. Notes the Court's observation that Member State control systems to ensure compliance with public procurement and state aid are insufficiently effective; notes the Court identified weaknesses in 22 individual public procurement procedures including lack of checks to prevent/detect conflict of interest; weakness in justifying the use of urgent procedure; and weakness in estimating the procurement value and project duration leading to significant differences between the tender documents and the actual contracts signed;
230. Notes the Court identified weaknesses, for five Member States, in their management declarations, which are to provide assurance that the information submitted with the payment requests is complete, accurate and reliable; notes the Court's finding that the five Member States, including Czechia, Spain, France, Croatia and Slovakia, were aware of insufficient evidence for the satisfactory fulfilment of some M&Ts when submitting the payment request, but that none of them included any reservation in their management declaration highlighting that a milestone/target was only partially fulfilled at the time of the payment request;
231. Expresses concern about the Court's findings in Special Report n° 21/2025: on RRF support for an improved business environment; highlights that reforms set out in the national plans differ in scope, nature and ambition, and may not always translate into structural changes in the business environment; also expresses disappointment that M&Ts are generally limited to measuring legal 'outputs', mostly the adoption of laws, rather than their results, and therefore, the payment conditions were fulfilled once the laws were adopted, not when the laws have shown their effects; notes that many reforms were already envisaged before the RRF, but that the RRF's financial support helped ensuring that the reforms were implemented at that moment in time;

Audit and control

232. Notes the Court's observation that, as regards serious irregularities not corrected by the Member State, the Director-General of DG ECFIN qualified its assurance with a

²⁰ Guidance C/2024/3975, 21 June 2024.

reservation following the high risk identified in one member state (Czechia) due to two cases of conflict of interest for which the Member State refused to take corrective actions; notes that this reservation concerns two RRF payments, and that the Commission also assessed 20 payments as medium risk and five payments as low risk of serious irregularities; notes with concern that, as the risk assessment criteria are similar to those used by Member States for checks on public procurement and state aid, the Court considers that this assessment also underestimates the level of risk;

233. Is concerned by the Court reporting that information available to the Commission on detected fraud is limited; highlights that, at the end of 2024, the EPPO was handling 311 active cases related to NGEU, and that all but four of these concerned the RRF, representing approximately 17 % of all active expenditure fraud investigations; notes that the estimated damage to the Union's financial interests is EUR 2.8 billion, representing 30 % (2023: 25 %) of the overall estimated damage resulting from all EU expenditure fraud; is worried that, in 2024, the Member States' management declarations had reported only five cases of detected suspected fraud, meaning a very limited of the EPPO open cases were reported by Member States themselves, casting doubts on Member States' ability to detect and fight fraud; stresses that the figures presented by the EPPO confirm that the risk of fraud is present in the RRF, and that they call into question the ability of Member States to identify and report suspected fraud and the remedial measures taken;
234. Notes that, on 3 November 2025, the Commission adopted an Implementing Decision on the partial suspension of the disbursement of the second instalment of the non-repayable support for Bulgaria as one control milestone had not been deemed satisfactorily fulfilled; notes that the Bulgarian government had passed a reform aiming to ensure a politically independent appointment of the Anti-corruption Commission, and that the Commission's Implementing Decision further notes that the National Assembly retains a predominant role in both the nomination and appointment of the management of the Anti-corruption Commission, notably its three members, and the Nomination Committee in itself cannot mitigate this role; notes that Bulgaria has six months to find a way to revise the legislative framework and demonstrate it meets the required threshold of political independence to receive the second instalment of the RRF non-repayable support; reminds the Commission that the suspension should only be lifted where Bulgaria has taken the necessary measures to ensure a satisfactory fulfilment of the milestone;
235. Considers that the RRF constitutes a constitutional test for democratic accountability, given its size, speed and exceptional delivery model; stresses that Parliament's role as discharge authority is meaningful only if transparency, traceability and verification standards are applied rigorously and consistently across all Member States;

Transparency

236. Notes the Court's observation that traceability of RRF funds is not systematic across Member States, and that the systems in place in two Member States did not ensure the systematic collection of data on expenditure incurred by final recipients of RRF funds; deplores the Court's finding that, despite the Commission's guidance on the methodology to be followed by Member States for publishing the 100 biggest final

recipients²¹, significant variations in the type of information published occur; also notes that two Member States reported amounts allocated (i.e. budgeted) or disbursed but in some cases only to the level of intermediate bodies, and in some cases combined with national funding, and that one Member State only reported data related to measures with M&Ts submitted for payment to the Commission, which did not fully reflect implementation of ongoing measures;

237. Recalls that Article 22(2)(d)(ii) of the RRF Regulation (EU) 2021/241 *provides for the obligations of the Member States, for the purpose of audit and control and to provide comparable information on the use of RRF funds, to collect name of contractor and sub-contractor, where the final recipient is a contracting authority*, and that Article 25a(2) of Regulation (EU) 2023/435²² amending the RRF Regulation *requires Member States to publish information on the 100 final recipients receiving the highest amount of funding under the RRF, and, in the case of a legal person, the recipient's full name and VAT identification number or tax identification number, or another unique identifier established at national level shall be published*; notes the Commission position, presented in its Guidance on Recovery and Resilience Plans²³, describes a final recipient as the 'last entity receiving funds that is not a contractor or subcontractor'; expresses deep concern over this interpretation of the concept of 'final recipient', which contradicts the existing legislation; stresses that, should the Commission continue to refuse to ensure full transparency, Parliament will consider all available measures to enforce compliance, to prevent a similar interpretation from being applied to the transparency provisions in other financial regulations; considers that persistent failure to ensure meaningful publication of final recipients seriously calls into question Parliament's ability to grant discharge on an informed basis; recalls that Parliament has repeatedly raised serious concerns in previous discharge resolutions regarding the RRF, including on the transparency of final beneficiaries, and therefore demands that the Commission provide, within six months, a complete and meaningful list of final beneficiaries, excluding merely intermediary entities such as ministries or managing authorities; states that, failing this, Parliament will bring the matter before the European Court of Justice to ensure that citizens and stakeholders have full access to this information;
238. Reminds the Commission that the letter and spirit of the RRF Regulation must be strictly followed, and that the adoption of guidelines or other internal documents must be fully in line with the results of the negotiations between the co-legislators; believes that this has not been the case when the Commission adopted the provisions related to the interpretation of what a 'final recipient' is in its Guidance on RRFs;
239. Highlights furthermore that, on 4 February 2025, CONT Members requested the

²¹ COM(2024)0474 Annex 5, Annex to the Report from the Commission to the European Parliament and the Council on the implementation of the RRF, 10.10.2024.

²² Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC (OJ L 63, 28.2.2023, p. 1; ELI: <http://data.europa.eu/eli/reg/2023/435/oj>).

²³ COM(2024)0474 Annex 5, Annex to the Report from the Commission to the European Parliament and the Council on the implementation of the RRF, 10.10.2024.

Commission to provide for each Member State the list of the 100 largest natural persons or entities receiving funds under the RRF, including contractors and subcontractors; finds it unacceptable that only six Member States shared the requested data with the Commission services, and a Member State expressed its intention to share the list in the future, while three other Member States indicated they would not submit the data, claiming that the request was not in line with the reporting requirements under the RRF Regulation, while the remaining 17 Member States failed to react to the Commission's request;

Recommendations

240. Calls on the Commission to act on the Court's recommendations from its 2024 Annual Report to ensure that the Commission:
- (i) perform sufficient substantive testing to ensure the reliability of the information supporting the Member States' compliance with the Council Implementing Decisions requirements when assessing M&Ts supported primarily by monitoring or implementation reports, instead of relying on Member States' data and checks;
 - (ii) analyse the reasons for delays for the implementation by Member States of recommendations linked to critical or very important findings and consider applying flat rate reductions;
241. Furthermore, calls on the Commission to:
- (i) closely monitor the continued fulfilment of M&Ts, in particular those related to audit, monitoring and control, and ensure an adequate monitoring of the state of implementation of various M&Ts at different point in time after the expiry of the RRF with the options provided under the Financing and Loan Agreements and the European Semester;
 - (ii) work closely with Member States to ensure that M&Ts, in particular those of a structural nature or linked with CSRs, are fully and diligently implemented;
 - (iii) implement stricter verification mechanisms to prevent the inclusion of pre-existing projects that do not provide added value under the RRF framework;
 - (iv) consider suspending payments to Poland if compliance with the two super milestones aimed at strengthening the independence and impartiality of the judiciary backslides or remains partial;
 - (v) urgently reinforce fraud detection mechanisms, including the use of a mandatory fraud risk assessment for all large-scale RRF projects;
 - (vi) consistently and accurately apply the provisions related to the 'final recipients', of the RRF Regulation, by revising its Guidance on RRFs, to communicate with Member States on the correct application of the definition of 'final recipients', and to provide the discharge authority, within six months, with a complete and meaningful list of final beneficiaries, excluding merely intermediary entities such as ministries or managing authorities;

- (vii) ensure consistent performance information, in the post-2027 MFF, by establishing a single set of clearly defined policy areas and a consistent methodology to link challenges, objectives, measures, funding and performance indicators to one or more policy areas;
- (viii) strictly apply the provisions of the RRF Regulation, including those regarding suspension of payments or recoveries of amounts, in particular if the protection of the financial interests of the Union is not ensured;
- (ix) mandate interoperable, automated cross-checks across RRF, cohesion and direct management instruments and to report annually to the discharge authority about detected double-funding cases;
- (x) propose, for post-2026 instruments and regulation revisions, an obligation for Member States to report suspected fraud and irregularities using a harmonised taxonomy aligned with OLAF/EPPO standards and needs and to include penalties for systemic under-reporting.

ANNEX: DECLARATION OF INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he included in his report input on matters pertaining to the subject of the file that he received, in the preparation of the draft report, from the following interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register¹, or from the following representatives of public authorities of third countries, including their diplomatic missions and embassies:

1. Interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register
Commission Harassment Prevention Network
Transparency International EU
USHU - Representation of staff in the EEAS and EU Delegations
Generation 2004 - Commission staff association
2. Representatives of public authorities of third countries, including their diplomatic missions and embassies
-

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that he has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484 (<https://www.europarl.europa.eu/data-protect/index.do>), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.

¹ Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2021/611/oj).