



Special Reports of the European Court of Auditors

A Rolling Check-list of
recent findings

STUDY



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Special reports of the European Court of Auditors: A rolling check-list of recent findings

This publication seeks to assist the Members of the European Parliament's Committee on Budgetary Control (CONT) in their work related to the 2021 discharge procedure, scrutinising how the general budget of the European Union is spent. It is based on a sample comprising 17 special reports by the European Court of Auditors (ECA), which have been presented during CONT committee meetings over the past 12 months (December 2021 to November 2022), and for which the committee secretariat prepared working documents. This analysis provides a general overview of the ECA's mandate and the emerging role of performance auditing. The main part of this study is a section of selected tables regarding each ECA special report. The tables seek to gather published information to provide a concise and useful summary.

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Table of frequently used abbreviations and acronyms

AWARE	ECA methodology and guidance
BUDG	European Parliament Committee on Budgets
Commission	European Commission
CONT	European Parliament Committee on Budgetary Control
ECA	European Court of Auditors
EPPO	European Public Prosecutors' Office
EPRS	European Parliamentary Research Service
EU	European Union
FA	Financial Agreement
FR	Financial Regulation
IIA	Interinstitutional Agreement
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International standards of supreme audit institutions
MFF	European Union multiannual financial framework
OLAF	European Anti-Fraud Office
RoP	Rules of Procedure
TFEU	Treaty on the Functioning of the European Union

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Executive summary

This study aims to offer a quick overview of a sample of European Court of Auditors (ECA) special reports and their reception at the European Parliament. It covers the 17 special reports presented in the Committee on Budgetary Control (CONT) over the past 12 months (December 2021 to November 2022), for which the committee secretariat prepared working documents. In this way, it seeks to assist the Members of the CONT committee in their work related to the 2021 discharge procedure, scrutinising how the European Union general budget is spent.

The study provides a general overview of the mandate and tasks of the European Court of Auditors and the growing importance of performance audits carried out by the Court (Part I), plus a list of the 17 selected special reports (Part II). The main body of this study is a section of tables (Part III) prepared on each ECA special report. While the special reports included in this rolling checklist are relevant in the context of the 2021 discharge procedure, it is important to note that they do not cover all special reports used in the procedure.

The ECA special reports embody performance auditing in the EU context by assessing whether money was spent effectively, efficiently and economically. In other words, special reports focus on the additionality of EU policies, demonstrating whether EU resources were used according to the principles of sound financial management.

The EU's multilevel system of institutions and governance has contributed to a unique accountability chain. This study sheds light on the role of the European Parliament as the discharge authority, which acts upon the recommendation of the Council. The European Court of Auditors acts as an independent auditor, measuring both performance, legality and the regularity of the accounts. The European Commission is the EU institution ultimately responsible for the implementation of the EU budget, out of which about four fifths is put into practice through shared management with Member States.

The broad mandate the EU Treaties conferred on the ECA includes the power to access information, to perform audits on the spot, and to make recommendations based on its findings not only to the EU institutions, but also to the EU Member States. However, the ECA has no formal power to enforce its recommendations. In this respect, it has to rely upon the co-legislators and the judiciary to act, in their respective roles. Moreover, the ECA follows up regularly on implementation of its recommendations, which provides a soft power means to encourage their uptake.

The ECA special reports provide valuable information to the European Parliament on the achievements and shortcomings of EU policies in practice, complementing the reports submitted at various stages of the discharge procedure by the European Commission and the ECA. The ECA's main contact in the European Parliament is the CONT committee, the primary functions of which include the oversight of the executive and granting discharge to the European Commission and all other EU institutions and agencies. In this sense, it is distinct from most of the other standing committees. In increasing numbers, ECA special reports are also presented in subject-specific committees or in joint meetings of the CONT and subject committees.

In addition to setting the context and development of performance auditing, this study presents some findings on the 17 special reports making up the sample. It looks into: their division between the strategic areas defined in the 2021-2025 ECA multiannual strategy; information on EU Member States represented in their audit scope; special reports presented in the CONT committee or in joint meetings with CONT and other committees; the acceptance rate of the ECA recommendations; and the parliamentary questions relevant to the sample.

Part I – Introduction

1. European Court of Auditors and performance auditing

1.1. European Court of Auditors – Guardian of the EU's finances

Established by the Treaty of Brussels¹ of 22 July 1975, the ECA started its work as an independent auditor in October 1977, with a mandate to scrutinise the use of Community funds. With the entry into force of the Maastricht Treaty in 1993,² the ECA was upgraded to an EU institution whose mandate³ has developed over the years.

The ECA's main responsibility is to audit all aspects of EU budget implementation and to report back to the European Parliament and Council, which exercise their scrutiny powers in the annual discharge procedure. To this end, the ECA provides the Parliament and the Council with an annual statement of assurance on the reliability of the accounts and the legality and regularity of the underlying transactions supplemented by specific assessments for each major area of Union activity. Through these reports ECA examines not only the lawfulness and regularity of all revenue and expenditure, but also whether the principles of sound financial management were applied in spending public EU money (Article 287 TFEU). Even though the ECA's audit mandate is exclusive, it engages in systematic cooperation, discussions and exchange of best practices with national audit institutions.

In the context of the discharge procedure, the ECA presents an annual report on the previous year's budget to the Council and European Parliament. Since 2020 (for the financial year 2019), the ECA also provides a separate annual report on the performance of spending programmes under the EU budget.⁴ This separate report contains, after a certain delay, information on the implementation status of ECA performance audit recommendations and examines performance of the EU budget in a number of subject areas. However, it has been announced that the pilot performance report carried out by the ECA will be reintegrated to the ECA annual report from 2023 onwards.

The ECA works as a collegial body consisting of one member from each Member State. ECA Members select a President of the institution among themselves. From an organisational perspective, the ECA is divided into five chambers and supported by a secretariat comprising around 850 employees.⁵ ECA members are appointed by the Council for a renewable six-year term, upon nomination by the respective national governments.⁶ The European Parliament, which has a consultative role in the appointment process, organises hearings with all designated candidates. It invites them to make a statement before the committee responsible (CONT) and to answer questions put by its Members. Parliament then votes in plenary on each nomination by secret ballot. (Articles 285-287 Treaty on the Functioning of the EU (TFEU), European Parliament Rules of Procedure (RoP) 129). However, its opinion has no binding force on the Council.

The Treaties confer a broad mandate on ECA. Its constitutional powers include the right to access information and to perform audits on the spot, among other things. In terms of information

¹ [Second Budgetary Treaty / Treaty of Brussels](#), signed in July 1975, entry into force June 1977.

² [Treaty on European Union](#) OJC 191, 29.7.1992.

³ The ECA's mandate is defined in the Treaty on the Functioning of the European Union (TFEU), namely Articles 285-287 on the nomination, tasks and duties of the European Court of Auditors and Articles 318-319 TFEU on the discharge procedure.

⁴ See latest version: [Report of the European Court of Auditors on the performance of the EU budget – Status at the end of 2021](#), European Court of Auditors, November 2022.

⁵ [Our activities in 2021 – ECA Annual Activity Report](#), European Court of Auditors, May 2022.

⁶ K. Kowald, [Nomination to the European Court of Auditors: Role of the European Parliament in the appointment procedure](#), EPRS Briefing, European Parliament, 2020.

collection and questioning powers, the ECA may access and search premises and information and communication technology (ICT), to retrieve any files or data relevant to its tasks. However, it has no formal power to subpoena and question officials. As regards sanctioning powers, the ECA cannot directly impose formal sanctions. It can enforce accountability only indirectly, by referring its findings to the European Parliament; or the Council, who may use their budgetary or formal disciplinary sanctioning mandates; or by informing the judiciary, European Anti-Fraud Office (OLAF) or European Public Prosecutor's Office (EPPO). The ECA also uses soft power to encourage implementation of its recommendations by following the progress of their adoption systematically and publicly.

The ECA performance auditing model has undergone several assessments, in its various phases of maturity, the findings of which have contributed to its further development as an important part of the unique accountability chain of the EU institutions, bodies and agencies. An international peer review in 2009, criticised, for example, the ECA's country selection in audit samples as insufficiently representative, because the ECA tended to select the Member States most affected by the policy in question.⁷ A second peer review was conducted in 2014.⁸ Finally, an Organisation for Economic Co-operation and Development (OECD) evaluation on budgeting and performance in the European Union in 2017, assessed how the EU compared with global good practices, ranking the EU model of performance reporting highly, recognising it as reliable and credible.⁹

According to a recent article on the ECA's accountability powers, focusing on its capacity to hold accountable actors responsible for the implementation of the EU budget, four developments underpin its increased prominence. First, the ever-growing complexity of EU policies and governance requires specialisation on the part of accountability professionals. Second, the ECA is increasingly seen as an advocate of good governance due to the growing importance of integrity in public account management, transparency and promotion of best practices, as well as institutional learning. Moreover, professional standards, international norms and various soft law instruments contribute to this phenomenon, strengthening the ECA's role as guardian of the EU's finances. Third, the European Parliament's oversight powers and certain elements of the ECA's mandate, notably performance auditing, contribute mutually to each other's success. On one hand, the Parliament benefits from the evidence and findings provided by ECA audits, and on the other hand, it provides a public forum where these reports and their recommendations can be presented and discussed. Finally, the multi-layered governance structures reaching from EU to national and sub-national levels, partially complementing or competing with each other, increase the role of audit authorities on all levels and underline the importance of cooperation between them.¹⁰

The ECA publishes the results of its work in several types of publication, serving different purposes.

- Annual reports cover the financial and compliance audit work on the EU budget and the European Development Fund.
- Special annual reports on EU agencies offer financial and compliance audit work on the EU budget.
- Special reports, as described in section 1.2 below, present audit results on specific topics reflecting a high-level of risk and public interest, in particular performance issues.
- ECA opinions, the ECA provides its views on new or updated laws with a significant impact on EU financial management.

⁷ International peer review of The European Court of Auditors, European Court of Auditors, 2009.

⁸ Peer Review European Court of Auditors 2014 (Report), Eurosai, 2014.

⁹ [Public Governance Directorate - Budgeting and Performance in the European Union A review in the context of EU Budget Focused on Results](#), OECD, 2017.

¹⁰ A. Wille and M. Bovens, "[Watching EU watchdogs assessing the accountability powers of the European Court of auditors and the European Ombudsman](#)", *Journal of European Integration*, 44:2, 2022, pp. 183-206.

- ECA reviews, either based on published audits or presenting the ECA's analysis of areas or issues not yet audited.

1.2. Development of European Court of Auditors performance auditing

In practice, performance auditing¹¹ measures the soundness of financial management. It focuses on progress achieved against the objectives set for EU policies and programmes. Principles of economy, efficiency and effectiveness play a key role in measuring this progress. Sound financial management is mentioned as the basis of EU budget implementation in the Treaty of Rome of 1957. Today, sound financial management is at the heart of Article 310(5) TFEU on financial provisions and Article 317(1) TFEU on the implementation of the budget and budget discharge.

International audit standards underpin the ECA's work and that of national supreme audit institutions (SAI). The Lima Declaration on Guidelines on Auditing Precepts¹² identifies performance auditing as being of equal importance to the traditional audit on the legality and regularity of financial management of accounting. According to the precepts, performance is measured through the 'economy, effectiveness and efficiency' of public administration, and can be audited in specific financial operations as well as in a broader context of organisational and administrative systems. The International Organization of Supreme Audit Institutions (INTOSAI) standard 100(22) on Fundamental Principles of Public Sector Auditing distinguishes between three types of public sector auditing, i.e. financial, performance and compliance auditing, and gives the following definition of performance auditing:¹³

Performance audit focuses on whether interventions, programmes and institutions are performing in accordance with the principles of economy, efficiency and effectiveness and whether there is room for improvement. Performance is examined against suitable criteria, and the causes of deviations from those criteria or other problems are analysed. The aim is to answer key audit questions and to provide recommendations for improvement.

The ECA publishes the results of performance audits as 'special reports'. ECA performance audits assess the quality of the management of EU funds by the auditee, using the three 'E's':

- Economy: i.e. if resources are made available in due time, in appropriate quantity and quality and at the best price;
- Efficiency: reflecting the relationship between resources employed and outputs and results achieved; and
- Effectiveness: the relationship between the achievement of objectives and the intended results and outcomes.¹⁴

ECA special reports, which have become an integral part of the discharge procedure since the Treaty of Maastricht, embody performance auditing in the EU context.¹⁵ However, performance auditing only emerged in 2000, when the ECA embarked on a systematic development of special reports. To

¹¹ Please see the definition of performance auditing on the ECA website: [Our methodology](#).

¹² The IX International Congress of INTOSAI in Lima 1977 adopted the Lima Declaration, which defines the prerequisites for the independence and effective functioning of government auditing. It is classified as a document of founding principles in the international standards of supreme audit institutions (ISSAIs)

¹³ [ISSAI 100: Fundamental Principles of Public-Sector Auditing](#)

¹⁴ Please see the ECA AWARE method [database](#).

¹⁵ According to Stephenson (2015 and 2017), the history reports on policy programmes or financial procedures dates well back in time. 'In its first 20 years, the ECA published 102 special reports and studies (1977-1996), followed by 112 special reports in the following 7 years alone (1997-2004) and 71 in the following 5 years (2005-2010).' Stephenson, P. Why Better Regulation Demands Better Scrutiny of Results, J.L. REFORM 97, 2017.

ensure the relevance and added value of its work, the ECA focuses on areas of financial importance, and forthcoming developments of political and public interest. ECA special reports examine the achievement of policy objectives in light of the value for money concept, consisting of the above-mentioned 'economy, efficiency and effectiveness'.¹⁶

The ECA may submit special reports on specific questions at any time (Article 287 TFEU). In this way, they offer an ex-post performance analysis of selected EU policies or programmes and answer the question whether set objectives have been achieved in an effective and efficient manner. Special reports also assess whether EU actions delivered more added value than what could have been achieved by acting at national level alone. Based on its audit findings, the ECA provides recommendations in special reports on how to save money, enhance processes or avoid risks to better achieve the policy objectives.

ECA special reports follow a specific structure of five main sections:

- Executive summary,
- Introduction,
- Audit scope and approach,
- Observations, and
- Conclusions and recommendations.

Sections designed for helping to understand the arguments and their logic accompany the standard structure. According to best practice, audit results should measure performance against the stated audit questions; the significance of observations should be underpinned by evidence and clearly explained; conclusions and recommendations should be aligned with the facts and arguments presented in the report.¹⁷

In its recommendations, the ECA may address the European Commission, other EU institutions, EU Member States, or bodies responsible for implementing the EU budget. However, in practice, the effectiveness of ECA recommendations to Member States relies on its cooperation with national audit institutes, as the Commission regards that recommendations made to Member States are outside of the ECA's remit.¹⁸

In terms of performance audit practice, the 2021-2025 ECA strategy aims at reinforcing a risk-based approach and improving the impact of recommendations to increase their relevance, usefulness, and cost-effectiveness. Giving more country-related information through special reports and strengthening the follow-up of recommendations given to EU institutions and bodies and the Member States, is part of the strategic goals set for the coming years. ECA recommendations address mainly EU institutions, but they can target Member States' actions when the ECA identifies weaknesses in Member State authorities that have responsibility for key activities in the EU spending cycle.¹⁹

The ECA systematically checks the implementation of its recommendations by identifying and assessing auditees' corrective actions. In the performance report on the EU budget – status end of 2021 – published in the context of the 2021 discharge procedure, the ECA provides information about how the Commission followed up on the recommendations made in 2018. The overall implementation rate is high, at around 83 %. However, the percentage of recommendations that

¹⁶ G. Cipriani, 'Improving the Accountability of the EU Budget's Multi-Level Implementation: Strengthening the Contribution of the European Court of Auditors', *German Law Journal*, 22(3), 2021, pp. 466-489; and P. Stephenson, 'Reconciling Audit and Evaluation?: The Shift to Performance and Effectiveness at the European Court of Auditors', *European Journal of Risk Regulation*, 6(1), 2015, pp. 79-89.

¹⁷ Please see the ECA AWARE method [database](#).

¹⁸ G. Cipriani, [Improving the Accountability of the EU Budget's Multi-Level Implementation: Strengthening the Contribution of the European Court of Auditors](#), *German Law Journal*, 22(3), 2021, pp. 466-489.

¹⁹ AWARE – [ECA Methodology database](#), refers to ECA instructions.

were fully implemented has fallen from 80 % to 75 % and those implemented in time has decreased from 68 % to 60 %.

For its part, the European Parliament has encouraged the ECA to develop performance auditing further. For example, in its resolution of 2014 on the future role of the European Court of Auditors,²⁰ Parliament noted that using special reports to shed light on high-risk areas would increase transparency and accountability. It also stated that the special reports provide valuable information to politicians and European citizens on the functioning of the Union and the use of European funds in many sectors, thereby bringing Europe closer to its citizens.

1.3 European Court of Auditors 2021-2025 strategy

ECA's vision is to 'be at the forefront of the public audit profession, and to contribute to a more resilient and sustainable European Union which upholds the values on which it is based'. The ECA's objective, stated in its mission, puts performance auditing at the core by declaring: 'Through our independent, professional and impactful audit work, [we] assess the economy, effectiveness, efficiency, legality and regularity of EU action to improve accountability, transparency and financial management, [and] thereby enhance citizens' trust and respond effectively to current and future challenges facing the EU.'²¹

To address new and arising challenges, the ECA updated its multiannual strategy in January 2021, adjusting its vision, mission and values as well as producing a chart for the long-term perspective for its audit work. This five-year strategy for 2021-2025 sets the following three goals:

- Improving accountability, transparency and audit arrangements across all types of EU action;
- Targeting audits on the areas and topics where we can add most value; and
- Providing strong audit assurance, in a challenging and changing environment.

The ECA annual activity report announces a mid-term review of the implementation of the strategy in 2023. For 2021, the first year of implementation of the new multiannual strategy, the ECA itself flags the following achievements as milestones: the development of a draft strategic audit approach for the 'Next Generation EU' (NGEU) instrument and the Recovery and Resilience Facility (RRF); and a review of the ECA work programming system.²² The ECA strategy emphasises the increasing importance of performance audits, which goes beyond its initial role of the statement of assurance audits. For the timespan covered by the strategy, the ECA identified four strategic areas on which it plans to focus its performance audits:

- The Union's economic competitiveness;
- Resilience to threats to the Union's security, and respect for the European values of freedom, democracy and the rule of law;
- Climate change, the environment and natural resources; and
- Fiscal policies and public finances in the Union.

In its annual work programme, the ECA highlights its audit priorities for the year ahead and outlines the year after. It groups the forthcoming special reports and reviews according to the strategic areas and offers a short description of their scope. An 'other areas' category lists those that are related to topical subjects falling outside the scope of the main strategic areas.

²⁰ European Parliament resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty ([2014/2249\(INI\)](#)).

²¹ [The 2021-2025 Strategy of the European Court of Auditors](#), European Court of Auditors, January 2021.

²² [Our activities in 2021 – ECA Annual Activity Report](#), European Court of Auditors, May 2022.

Although the ECA drafts its work programme independently, it nonetheless consults its main institutional stakeholders during the process. Since 2015, the ECA has reached out to the European Parliament and established a dialogue with its committees to collect their suggestions. More recently, the ECA has also opened a similar dialogue with the Permanent Representations of Member States to gather their audit ideas. The ECA reports that almost two thirds of these external suggestions are taken up in full or in part.

Box 1 – Evaluation and performance audit: Two distinct ex-post assessment methods

The Interinstitutional Agreement on Better Law-making of 2016 (OJ L 123, 12.5.2016, p.1-14), which is the backbone of the EU's Better Regulation agenda, embodies the commitment of the Commission, the Parliament and the Council to the principles of better law-making. It promotes evidence-informed policymaking as a means to raise the quality of legislation, notably through impact assessments underpinning legislative and policy initiatives, stakeholder consultation, evaluations of the application of EU laws and policies, and advocates interinstitutional planning. The Commission's Better Regulation guidelines and detailed toolbox provide a methodology for conducting evaluations – that is, to assess the performance of EU acts, policies or spending programmes against the five criteria effectiveness, efficiency, coherence and EU added value.

However, this methodology is not generally considered to be relevant for assessing the value for money of EU action. Performance auditing at EU level follows a different method, developed by the ECA and underpinned by international standards and the different national auditing traditions of EU Member States. The 2013 Interinstitutional Agreement on Budgetary Discipline, on Co-operation in Budgetary Matters and on Sound Financial Management (OJ L 4331, 22.12.2020, p. 28-46) includes arrangements for a number of budgetary matters, such as budget transparency; and implementation of the principle of sound financial management of Union funds, related to assessing performance and cross-referencing of budgetary and legislative planning.

ECA special reports on EU better law-making

Interestingly, the European Court of Auditors has assessed different aspects of the EU's Better Law-making agenda on several occasions: special report 3/2010 explored how far impact assessments in the EU institutions support EU decision-making; special report 16/2018 examined ex-post reviews of EU legislation, and special report 14/2019 made recommendations on the Commission's 'Have your say!' portal, which was found to engage citizens in public consultations but to fall short of outreach activities. Most recently, and also noteworthy, review 02/2020 assessed the Better Regulation agenda as such, and concluded that 'Better Regulation must remain at the heart of EU law-making'.

The ECA's work programme for '2021+' envisages a total of 73 special reports and reviews for 2021-2022 across the four strategic areas. An additional category for other issues grants a special focus to the EU response to the COVID-19 pandemic. ECA's work programme for '2022+' mentions the transition towards a resource-efficient and competitive economy and the EU's response to the COVID-19 pandemic as two (out of four) main areas of challenges and concerns. The ECA announced 16 reports on issues related to the EU's response to COVID-19 and a series of audits on the Recovery and Resilience Facility. ECA's work programme for '2023+' comprises 82 topics, whereby the Next Generation EU and the Recovery and Resilience Facility (RRF) continue to feature prominently, with other topics aiming to boost EU's recovery after the acute phase of the COVID-19 pandemic. For example, the strategic area of environment and natural resources cover topics, such as security of energy supply, pollution and sustainable food production.²³

²³ European Court of Auditors work programmes: [Our Work Programme 2021+](#), [2022+ Work Programme](#) and [2023+ Work Programme](#)

2. Political scrutiny of EU budget implementation

2.1. Discharge procedure and European Parliament oversight

In accordance with Article 319 TFEU, the European Parliament decides whether to grant discharge for the execution of the EU budget based on a non-binding recommendation from the Council. It therefore exercises ex-post democratic control and uses its oversight capacity to scrutinise how the annual EU budget was spent, in terms of compliance with rules as well as value for money, at the political level. The European Court of Auditors reports, including the special reports among others, are an essential part of this procedure.

As soon as the budget is approved, the Commission is responsible for its implementation, together with Member States (Article 317 TFEU). The budget can be directly managed by the European Commission, jointly implemented by the Commission and the EU Member States under shared management, or executed indirectly by partner organisations or other authorities inside or outside the EU. Shared management covers 80 % of the EU budget funds, which adds to the complexity of the auditing system, since it has to combine both national and EU levels. To serve this purpose, the ECA has developed linkages with national and regional institutions auditing the EU funds managed at national or regional levels.²⁴

The Financial Regulation (FR)²⁵ ensures principles and procedures for the establishment, implementation and control of correct and effective implementation of the budget. The Commission and other actors must uphold these control and audit obligations governing the various types of implementing measures. Parliament monitors the implementation of the annual budget, notably through the Committee on Budgets (BUDG) and the Committee on Budgetary Control (CONT), the procedures, remit and powers of which are set out in Parliament's Rules of Procedures (RoP, rules 92-104, and Annex V and VI). The discharge procedure falls within the remit of the CONT committee.

The Parliament grants discharge separately not only to the Commission but also to other EU institutions and to EU agencies, bodies and joint undertakings in respect of the role entrusted to them in the implementation of the EU annual budget (FR 70). Technically, the discharge procedure allows the accounts to be closed and brings the budgetary cycle to an end. Politically it represents a democratically elected institution's assessment of how the public money is used. The Treaties do not directly mention refusal to grant discharge (Article 319 TFEU), refusal is therefore considered an implicit power, for which the procedure is defined in Parliament's RoP Annex V.²⁶

The power to grant discharge has in practice been a significant instrument for the Parliament to increase its political leverage over the Commission, both in the exceptional case of refusal to grant discharge and when discharge is granted under normal circumstances.²⁷ Parliament's resolution on the discharge includes observations on the implementation of the budget, which the Commission and the other institutions are obliged to take into account in the execution of expenditure. The same applies to Council's comments in its recommendation on discharge. The Commission provides the

²⁴ A. Wille and M. Bovens, [Watching EU watchdogs assessing the accountability powers of the European Court of auditors and the European Ombudsman](#), *Journal of European Integration*, 44:2, 183-206, 2022.

²⁵ [Regulation 2018/1046 of 18 July 2018 on the financial rules applicable to the general budget of the Union](#), OJ L 193, 30.7.2018, p. 1–222

²⁶ A. D'Alfonso, [Discharge procedure for the EU Budget: Political scrutiny of budgetary implementation](#), EPRS, European Parliament, May 2020.

²⁷ While refusing discharge does not imply immediate legal consequences, it does have major political consequences. For more details, please see Article 319 TFEU and RoP Annex V. Please see also: A. D'Alfonso, [Discharge procedure for the EU Budget: Political scrutiny of budgetary implementation](#), EPRS, European Parliament, May 2020.

Parliament and the Council with a follow-up report on measures taken in response to these discharge observations and comments, which is in turn examined by Parliament and Council in the framework of the subsequent discharge procedure. In addition to the Commission, Parliament or Council may ask other institutions and relevant bodies and agencies to report on the measures they have taken to address discharge observations and comments (Article 319 TFEU and Article 262 FR). According to EPRS analyses,²⁸ the Commission has committed to applying the majority of Parliament's requests over the years and has presented the Treaty-based documents relevant for the discharge procedure on time. This assessment is based on data for 2008-2017. Should discharge be postponed, the Commission is obliged to take all measures necessary to remove the obstacles to granting discharge promptly (Article 260 FR).²⁹

In terms of challenges, the extra-budgetary financial instruments created and approved outside the scope of the multiannual financial framework (MFF) and the EU annual budget that tend to emerge in crises are seen to pose a threat to transparency since they escape the parliamentary oversight of the EU budget.

Box 2 – 2021 Discharge procedure – Marked by the COVID-19 pandemic

In the first year of the 2021-2027 MFF, annual EU spending amounted to €181.5 billion, which equals 1.3 % of the combined gross national incomes of the EU Member States. With the spending of €46.5 billion for the Recovery and Resilience Facility (RRF) – a temporary instrument established in response to the socio-economic impacts of the COVID-19 pandemic – total payments amount to €228.0 billion. The RRF accounts for 90 % of the NGEU funding.

In this exceptional situation, the ECA decided to provide two separate opinions on the legality and regularity of expenditure. One opinion covered the traditional EU budget and the other addressed the RRF, where only one payment was made to a Member State (Spain) in 2021. The audit scope comprised the single 2021 disbursement and the clearing of the related pre-financing.

In its Statement of Assurances, the ECA estimated¹ the level of error in EU budget expenditure was 3.0 % in 2021, which is higher than the error rate found the previous year (2.7 % in 2020). In addition to the statement of assurance, the ECA presented its opinion on the performance of the EU budget implementation in November 2022, focusing on the 'economy, efficiency and effectiveness' of spending, as well as in ECA special reports put forward throughout the year. It included: 1) an ECA report on the performance of the EU budget – status at the end of 2021, and 2) replies by the EU institutions to that report. In its report, the ECA focused on examining the incorporation of the Commission's horizontal policy priorities, their performance framework and the follow-up to ECA recommendations. ECA special reports relevant to the 2021 discharge offer detailed information on policies and their application.

The European Parliament held a number of hearings and posed written questions, which are available on the website of the European Parliament together with the main documents related to the 2021 discharge procedure,

(<https://www.europarl.europa.eu/committees/en/cont/discharge-procedure/discharge-2021>).

¹ [2021 Annual reports](#), European Court of Auditors

When granting discharge on the implementation of the EU's annual budget, the European Parliament³⁰ and the Council consider a range of accountability reports. In the context of the discharge procedure, the main reports are:

²⁸ M. Remac, [Parliamentary scrutiny of the European Commission: implementation of the Treaty provisions: European Implementation Assessment](#), EPRS, European Parliament, 2018.

²⁹ A. D'Alfonso, [Discharge procedure for the EU Budget: Political scrutiny of budgetary implementation](#), EPRS, European Parliament, May 2020.

³⁰ In addition to the reports by the EU institutions, which are part of the discharge procedure, the CONT committee is supported by its secretariat and Parliament's internal research services, the policy departments of Parliament's Directorates-General for Internal Policies and External Policies, as well as the European Parliamentary Research Service (EPRS).

- Commission report on the consolidated accounts of the EU as part of an integrated report known as the annual management and performance report (AMPR).
- The Statement of Assurance by the European Court of Auditors (DAS).
- ECA annual report on the implementation of the EU budget.
- Separate report for the European Defence Fund (EDF).

The European Parliament also holds hearings and may pose written questions to European Commissioners and senior officials of EU institutions, agencies and joint undertakings, to gather further information relevant for the discharge procedure.

2.2. European Court of Auditors performance reports in the European Parliament

The European Parliament acknowledged ECA special reports as a valuable source of evidence for its role as a legislator and as a budget authority in a resolution of 4 February 2014 on the future role of the Court of Auditors.³¹ Parliament also requested more focus on 'economy, efficiency and effectiveness' in the use of public funds entrusted to the Commission, and encouraged the Court of Auditors to present adjustments in EU programmes based on audit observations. In its resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty,³² the Parliament underlined the ECA's role in ensuring better spending of European funds and noted its importance in providing evidence necessary for the democratic scrutiny of the implementation of EU budget.

The CONT committee's mandate clearly states its responsibility for control of the implementation of both the EU budget and the EDF, as well as responsibility for the European Parliament's decision related to the discharge procedure. It also specifically mentions examination of ECA special reports in cooperation with specialised committees to monitor the cost-effectiveness of the various forms of Union financing in the implementation of EU policies. (Annex VI, Powers and responsibilities of standing committees, RoP). Traditionally, the ECA has reported primarily to the CONT committee, as the role of other committees does not include monitoring and examining EU spending. However, the growing number of ECA special reports, increasing complexity of EU policies, and specialised auditing have raised special committees' interest in ECA performance reporting.

During recent years, the CONT committee has increasingly invited other parliamentary committees to discuss ECA special reports in joint committee meetings. In such a meeting, a Member of one of the ECA's five chambers would typically present the special report in the presence of Members from CONT and other parliamentary committees and the representatives of the institutions addressed in the report, most often the Commission. The discussions on what has worked in practice and whether auditors have identified room for improvement offer policymakers valuable evidence, especially in light of a revision of the policy in question.³³ In 2019, the (then) new CONT committee chair, Monika Hohlmeier (EPP, Germany) recognised the growing importance of ECA special reports, noting that:

ECA reports have become more relevant for the specialised committees in the European Parliament. Clearly, a considerable number of ECA reports now fall within the domain of specialised committees and should be presented there. However, I think that the CONT should always be invited to participate. And I greatly appreciate the guarantee from the ECA that the CONT will always be first to

³¹ European Parliament resolution of 4 February 2014 on the future role of the Court of Auditors. The procedure on the appointment of Court of Auditors' Members: European Parliament consultation ([2012/2064\(INI\)](#)).

³² European Parliament resolution of 16 February 2017 on improving the functioning of the European Union building on the potential of the Lisbon Treaty ([2014/2249\(INI\)](#)).

³³ P. Stephenson, Reconciling Audit and Evaluation?: The Shift to Performance and Effectiveness at the European Court of Auditors, *European Journal of Risk Regulation*, 6(1), 2915, pp. 79-89.

*choose which ECA special reports should be presented in the CONT, with an invitation of course to the specialised committees.*³⁴

ECA President since September 2022, Tony Murphy, confirmed the continuity of the special relationship between the Court and the CONT committee in his speech to the Committee on 13 October 2022, on the occasion of the presentation of the first part of the ECA annual report:

*My focus as President will be on continuing our work to support this Committee with the information that you need to fulfil your role and to improve accountability and transparency across all types of EU action, in the interests of our citizens.*³⁵

³⁴ ECA Journal 2/2019 and Stephenson, P., Sánchez-Barrueco, M.-L., and Aden, H. (eds), *Financial Accountability in the European Union: Institutions, Policy and Practice* (1st ed.), Routledge, 2020.

³⁵ Intervention by Tony Murphy, President of the European Court of Auditors, Presentation of the ECA's 2021 annual report Committee on Budgetary Control – European Parliament, 13 October 2022.

3. Scope, focus and information sources

3.1. Purpose of this rolling checklist

This publication is aimed at assisting the Members of the CONT committee in their work related to the 2021 discharge procedure, scrutinising how the EU general budget is spent. It also aims at providing a general overview of the ECA special reports and their reception in the parliamentary committees, namely the special reports presented in the CONT committee over the past 12 months (December 2021-November 2022), for which the secretariat of the CONT committee prepared working documents. While the special reports covered by this rolling checklist are relevant in the context of the 2021 discharge procedure, it is important to note that they do not cover all special reports used in the 2021 discharge procedure. Moreover, this publication does not contain information on special reports presented to the CONT committee after the cut-off date of 30 November 2022.³⁶

This rolling checklist is divided in three parts. The four chapters of Part I provide a description of the mandate and main tasks of the European Court of Auditors, together with a brief overview of the evolution of performance auditing and the current ECA strategy for 2021-2025. The last chapter presents contextual information on selected ECA special reports, such as their division between policy areas, geographical coverage and the level of acceptance of the recommendations presented in them. Part II offers a lists of special reports selected to this checklist. Finally, Part III consists of tables summarising information in the selected ECA special reports. It aims to relate the topics covered in ECA special reports to the relevant debates and positions within the European Parliament, notably CONT committee working documents and parliamentary written and oral questions.

In terms of parliamentary questions, each table in Part III of this publication contains a list of selected parliamentary questions (written and oral) from the current parliamentary term (2019-2024), related to the topic of each special report. The selection of these questions was carried out by the Ex-post Evaluation Unit of the European Parliamentary Research Service and included in the working documents by the CONT committee's secretariat. It is important to note that the lists of selected parliamentary questions are not exhaustive. Moreover, the selection of parliamentary resolutions seeks to cover the most pertinent own-initiative resolutions, as well as, on occasion, resolutions on topical issues and other resolutions, in relation with the topic.

This study is one in a series of six rolling checklists published by the Ex-post Evaluation Unit of the Directorate for Impact Assessment and European Added Value. It was first published in 2015 and subsequently updated annually until a break after its fifth edition in 2019. This publication is therefore the updated sixth edition of the checklist.

3.2 Information sources

As regards information sources, the introductory part (Part I), is based on official documents complemented by desk research based on journal articles and books offering an overview of the mandate and role of European Court of Auditors and on the evolution of performance reporting. Part II consists of a list of the 17 ECA special reports selected for this rolling checklist. The selection is based on the reports' relevance to the 2021 discharge procedure and on whether they were presented in the CONT committee.

³⁶ R. Korver and G. Zana, [Special Reports of the European Court of Auditors, A Rolling Check-list of recent findings](#), EPRS, European Parliament, February 2019.

Each table presented in Part III of this checklist includes:

- Link to the ECA website presenting the special report and the corresponding press release.
- Information on the strategic area of the special report defined in the ECA annual work programme. A symbol used by ECA in its special reports is placed in the right corner of every page of the corresponding table (EPRS has given a colour code to each strategic area to facilitate the reading of this rolling checklist).
- The audit question(s) posed in the special report; a concise summary of its findings and recommendations.
- A brief overview of the corresponding CONT committee working document, available on the committee's website. This section includes the Rapporteur's recommendations.
- A selection of European Parliament own-initiative resolutions related to the topic of the report.³⁷ In some cases, the reader will also find references to resolutions on topical subjects and other parliamentary resolutions.
- A selection of parliamentary written and oral questions related to the topic of the report.³⁸
- Lists of Member States and EU institutions within the scope of the audit.
- Links to the replies from the European Commission and other EU institutions addressed in the special report. Information on the level of acceptance of ECA recommendations presented in the special report.³⁹

³⁷ Information source for resolutions is the European Parliament Legislative Observatory (OEIL) [website](#).

³⁸ Information sources used to retrieve the questions are the European Parliament [Public Register of Documents](#) and its Plenary [website](#) on parliamentary questions.

³⁹ This information is available in the ECA special report itself or through the ECA [website](#).

4. Main findings of the dataset on European Court of Auditors special reports relevant to the 2021 discharge procedure

4.1. Division by strategic area

Through its annual programming approach, the ECA's goal is to adjust the coverage of special reports to prominent topics. In 2021 and 2022, the COVID-19 pandemic and the management of the Next Generation EU initiative were announced as the core of auditing activities, in addition to cross-cutting policies such as sustainability and EU values. However, in the sample of this study, the majority of the reports touch upon the 'climate change, environment and natural resources' strategic area, together with 'others', which covers reports falling outside the scope of the strategic areas.

Figure 1 – Presentation of the 17 selected ECA special reports by strategic area

Figures shown represent the number of times ECA special reports selected for this paper mentioned each strategic area (between December 2021 and November 2022)



* LEADER – *Liaison Entre Actions de Développement de l'Économie Rurale*

Source: EPRS, based on ECA working documents for 2021 and 2022.

Next Generation EU is examined in only one special report within the sample of this rolling checklist – '21/2022: The Commission's assessment of national recovery and resilience plans'. However, the ECA work programme 2023+ anticipates future special reports on the COVID-19 pandemic-related areas, such as response investment initiatives (Coronavirus Response Investment Initiatives (CRII) and CRII+) and Recovery assistance for cohesion and the territories of Europe

(REACT-EU) and the RRF. Special report 19/2022: EU COVID-19 vaccine procurement continued the series of COVID-19 pandemic related reports, which will be complemented by further special reports on the impact of COVID-19, such as 'COVID-19 and the food chain' and 'COVID-19 response of the EU Agencies'.

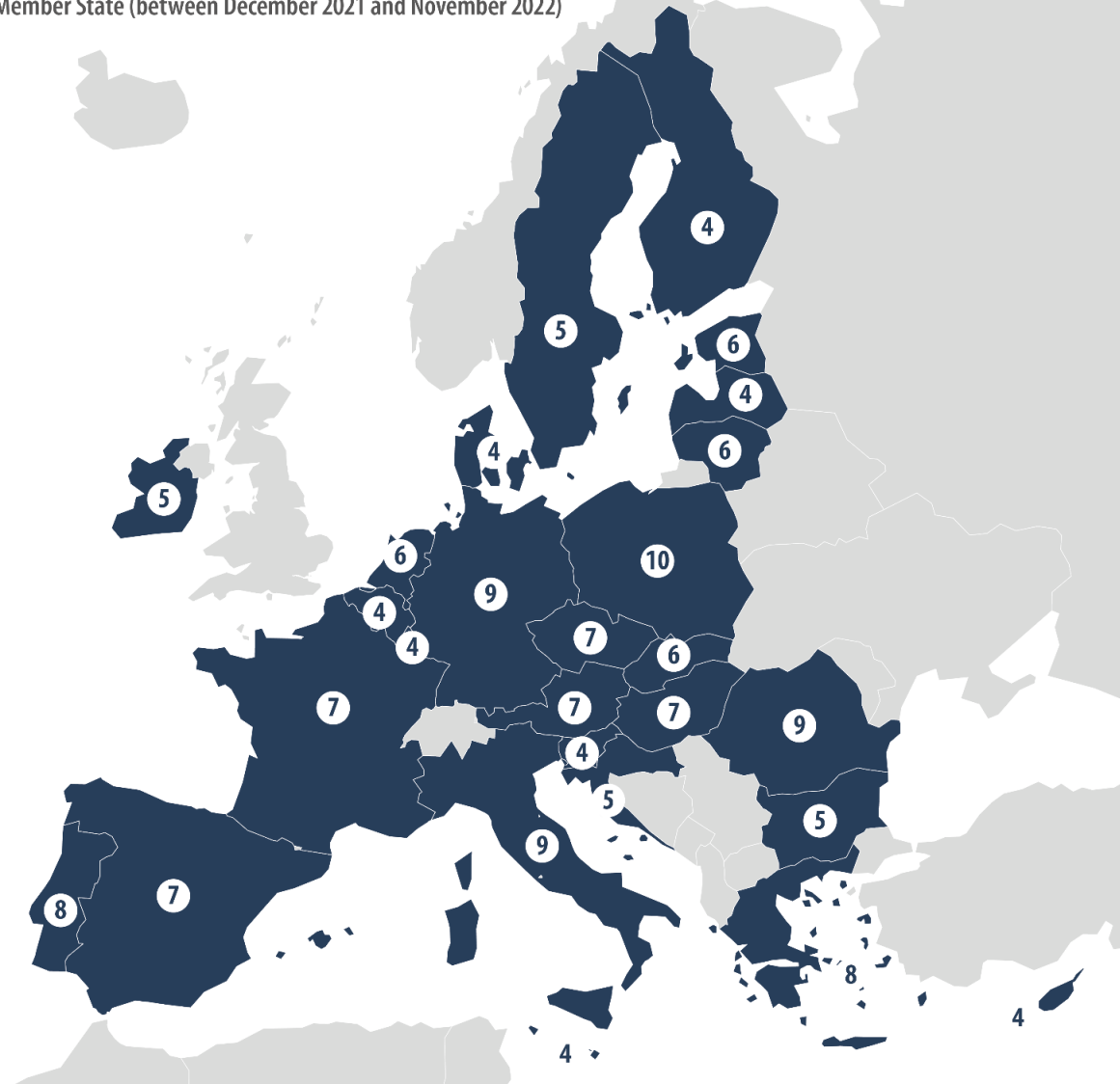
Fraud against EU financed programmes is a standing and horizontal goal of auditing covered, for example, in special report 26/2021 on the 'Regularity of spending in EU Cohesion policy' and special report 24/2021 on 'Performance-based financing in Cohesion policy' published in 2021, which both fulfil this target.

4.2. Coverage of Member States

As the independent auditor, the ECA seeks to target its performance audits on areas where they can bring most added value to democratic oversight, public debate and sound financial management.

Figure 2 – Member States within the scope of audits in selected ECA special reports

Figures shown in the map represent the number of times ECA special reports selected for this paper mentioned each Member State (between December 2021 and November 2022)



Source: EPRS compilation based on information published in the ECA special reports.

4.3. EU institutions' replies to ECA recommendations

By definition, recommendations based on performance auditing help improve financial management and the performance of EU programmes and policies. A constructive and well-founded recommendation follows logically from the findings and conclusions of the audit and addresses the cause of problems by providing feasible, practical and cost-effective remedies. Recommendations should state clearly the desired action and target the entities with the responsibility and competence to act. One of the main principles is that recommendations should have been discussed with the auditee(s) before publication.⁴⁰

The 17 special reports included in the sample make a total of 56 recommendations, of which a large majority (54) are addressed to the European Commission, with only one rejection. In its reply to the ECA, the Commission justified this refusal by stating that the recommendation is dependent on the outcome of EU legislation and thus outside its power. Other institutions targeted in the recommendations are the European External Action Service (EEAS), together with the Commission, in special report 1/2022 on 'EU support for rule of law in the Western Balkans'. The EEAS partially accepted the ECA recommendation. The other occasion relates to special report 6/2022 on 'EU intellectual property rights', where the ECA made a recommendation directly to the European Union Intellectual Property Office (EUIPO), which accepted it.

Table 1 – Response to recommendations presented in ECA special reports

Number of ECA recommendations in ECA special reports relevant to 2021 discharge/ selected for this rolling checklist		
Level of acceptance	European Commission	Other EU institutions
Accepted	42	1
Partially accepted	11	1
Not accepted	1	-

Source: European Commission replies to ECA special reports selected for this rolling checklist.

4.4. European Court of Auditors special reports in parliamentary committees

The special reports summarised in this publication were presented by ECA members during CONT committee meetings or in joint meetings with specialised committees. While the CONT committee is most likely the main user of ECA special reports in the European Parliament, CONT increasingly also organises joint meetings with subject committees where ECA Members come to present their special reports and to respond to questions posed by Members of the European Parliament.⁴¹ For example, ECA special report 19/2022 on 'Vaccine Procurement' was presented in a joint meeting of CONT and Special Committee on the COVID-19 pandemic: lessons learned and recommendations for the future (COVI) on 13 October 2022.

Occasionally, ECA special reports are presented only in committees specialised in their subject matter. For example, on 2 June 2022, ECA member Bettina Jakobsen presented ECA special report 05/2022 on 'Cybersecurity of EU institutions, bodies and agencies' in a meeting of the Parliament's Committee on Industry, Research and Energy (ITRE). On 21 April 2022, ECA member Tony Murphy

⁴⁰ AWARE – [ECA Methodology database](#), refers to ISSAI 300/40; ISSAI 3000/126; ISSAI 400/59; GUID 3920/125.

⁴¹ European Parliament committee meetings are webstreamed and can be followed online on the Committees [website](#).

presented the ECA special report 26/2021 on 'Regularity of spending in EU Cohesion policy' in a meeting of the Committee on Regional Development (REGI).

Table 2 – Presentation of ECA special reports in the CONT and other committees

Year	Number of ECA special reports	Presentations of ECA special reports in CONT committee	Presentation of ECA special reports in joint meeting CONT + other committees
2022	24*	3	11
2021	27	4	13
2020	26	6	4
2019	25	16	-

Sources: European Parliament, [eMeeting for Committees website](#); ECA Annual Activity Reports.

* State of play on 30 November 2022.

4.5. Considerations of parliamentary questions

The Members of the European Parliament, political groups or committees may use written and oral questions to obtain precise information on a specific topic or to compel a policy statement.⁴² The most common category are questions for written answers from individual Members to the European Commission, which have to be answered within six weeks. This type of written questions are subject to a quota of a maximum of 20 questions over a rolling period of three months per Member, political group or committee. A priority question is an exception, which requires a reply within three weeks and is subject to a quota of one every month per Member, political group or committee.⁴³ A major interpellation for written answer of general interest needs to be published on the Parliament's website (RoP 139).

A question for oral answer (RoP 136) may be tabled by a committee, a political group or a group of Members (reaching at least 5 % of Parliament's Members) to the Council, to the Commission or to the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy. The Conference of Presidents decides upon their timing during a plenary sitting. Oral questions to the European Commission must be submitted at least one week in advance to the plenary when they are planned to appear on the agenda, and to the Council three weeks before the date of the plenary sitting. The Commission or the Council's oral answer is followed by a debate in plenary, and possibly the adoption of a parliament resolution on the topic.⁴⁴

The table below provides an overview of the total number of parliamentary questions asked by the different political groups since the start of the ninth parliamentary term. These figures are compared to the number of parliamentary questions referred to in the CONT working documents on the special reports which are the subject of this publication. Although the shares of all questions per political group are not identical with the shares of the selected questions in the working documents, the table nevertheless shows that the selected questions in the working documents give a fairly representative picture of the questions asked by the different political groups.

⁴² According to the Rules of procedure (RoP 138), Members, political groups and committees are entitled to address questions for written answer to the President of the European Council in his political role, to the Council, the Commission and to the Vice-President of the Commission/High-Representative of the Union.

⁴³ R. Corbett, F. Jacobs, D. Neville, *European Parliament*, 9th edition, John Harper Publishing, 2016.

⁴⁴ R. Corbett, F. Jacobs, D. Neville, *European Parliament*, 9th edition, John Harper Publishing, 2016.

Table 3 – Parliamentary questions per political group during the ninth parliamentary term

Political group	Total number of parliamentary questions	% of all parliamentary questions	Number of questions referred to in CONT working documents	% of questions referred to in CONT working documents
EPP	4 232	20 %	24	20 %
S&D	3 127	15 %	25	20 %
Renew	2 356	11 %	20	16 %
Greens/EFA	1 679	8 %	10	8 %
ID	3 879	18 %	19	16 %
ECR	1 966	9 %	9	7 %
GUE/NGL	2 535	12 %	10	8 %
Non-attached	1 380	7 %	5	4 %
Total	21 154	100 %	122	100 %

Source for total number of parliamentary questions: [EP Plenary website](#) on parliamentary questions, accessed on 16 November 2022.

5. Conclusions

Although European Court of Auditors special reports have been part of the discharge procedure for the past 30 years, their nature changed at the beginning of the new millennium. Their use became more strategic, as the ECA aligned them with the EU's political priorities and their financial importance. In that respect, special reports provide salient assessments of the performance of EU policies and programmes. In terms of methodology, ECA special reports are based on the concepts of 'economy, efficiency and effectiveness' and are therefore distinct from ex-post evaluations.

The European Parliament supported the increasing importance of performance audits, stressing the need for greater transparency and accountability of EU spending in a number of resolutions. ECA special reports are important for the European Parliament, as the latter uses the evidence provided by these audits to call for action to improve the performance of the audited EU policy or programme. The ECA, on the other hand, relies to some extent on the other institutions' adoption of its audit results and recommendations to give them additional weight.

A look at the ECA strategy for 2021-2025 confirms the increasing role of performance audits and shows the orientation of the ECA's work planning to align with the EU's political priorities. The ECA's strategy is structured around four strategic areas (competitiveness, resilience to threats, climate, and fiscal policies), while ECA annual work programmes for 2021, 2022 and 2023 mention an additional new area, the EU response to COVID-19 and post-crisis recovery and a category for other areas.

The ECA's adaptability to changing political priorities is also reflected in the selection of special reports that are the subject of this study. Among the 17 special reports presented to the Committee on Budgetary Control (CONT), or in joint meetings with other EP committees, over the past 12 months, no fewer than four were related to the climate change, environment and natural resources strategic area. Two special reports covered aspects of the response to COVID-19 and the post-crisis recovery. The list of special reports selected for the dataset of this study therefore reflects a representative picture of ECA special reports, in accordance with its strategic planning.

The relevance and usefulness of ECA special reports is confirmed by the fact that the European Commission, the main addressee of the ECA's recommendations included in its special reports, accepted the vast majority of recommendations. Finally, the study takes a look at the selection of parliamentary questions presented in the CONT working documents and in the tables of this rolling checklist, and demonstrates that they represent the political groups of the European Parliament in a fairly balanced way.

This study compiles information and analysis related to the mandate and tasks of the European Court of Auditors, with a particular focus on the Court's performance audits, which it publishes as special reports. These ECA special reports have an integral and growing role in the discharge procedure in the European Parliament. Consequently, this rolling checklist provides short overview tables that link the ECA special reports presented to the European Parliament's CONT committee with the committee's related working documents and other pertinent information from within Parliament.

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European Public Prosecutor's Office, EPPO, <https://www.eppo.europa.eu/en>

Part II – List of special reports selected for this rolling checklist

Strategic areas	Special reports in this RCL	Colour code
Increasing the EU's economic competitiveness for the benefit of all citizens	06/2022: EU intellectual property rights 08/2022: ERDF support for SME competitiveness 16/2022: Data in the Common Agricultural Policy	
Resilience to threats to the Union's security, and respect for the European values of freedom, democracy and rule of law	01/2022: EU support for the rule of law in the Western Balkans 14/2022: The Commission's response to fraud in the Common Agricultural Policy	
Climate change, environment and natural resources	02/2022: Energy efficiency in enterprises 09/2022: Climate spending in the 2014-2020 EU budget 12/2022: Durability in rural development 22/2022: EU support to coal regions	
Fiscal policies and public finances in the Union	26/2021: Regularity of spending in EU Cohesion policy	
EU response to COVID-19 and post-crisis recovery	19/2022: EU COVID-19 vaccine procurement 21/2022: The Commission's assessment of national recovery and resilience plans	
Other areas	24/2021: Performance-based financing in Cohesion policy 27/2021: EU Support to tourism 10/2022: LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated 11/2022: Protecting the EU budget 17/2022: External consultants at the European Commission	

Part III – Rolling checklist tables

Special report 24/2021 of 21 October 2021

Performance-based financing in Cohesion policy: worthy ambitions, but obstacles remained in the 2014-2020 period

Strategic priority area	Other areas
Report No / Title	Special report No 24/2021: Performance-based financing in Cohesion policy: worthy ambitions, but obstacles remained in the 2014-2020 period Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>The audit assessed the use of instruments for a performance-based financing of Cohesion policy during the 2014-2020 period (European Regional Development Fund, Cohesion Fund, European Social Fund). For this, it looked at the requirement to meet specific ex-ante conditionalities (EAC); the mandatory performance reserve; and performance-based funding models ('joint action plans' and 'financing not linked to costs'). The questions asked were whether:</p> <ul style="list-style-type: none"> - these instruments were well designed to incentivise performance and shift the focus to achieving results; - the Commission and Member States used them effectively; and - their use made a difference in the way Cohesion funding was allocated and disbursed. <p>Findings:</p> <p>1. Overall, all three instruments had the potential to incentivise performance and to shift the focus to achieving results.</p> <ul style="list-style-type: none"> a) Ex-ante conditionalities were one of the main innovations of the 2014-2020 period. They were designed to set the right conditions for effective spending from the start of the programmes, before the EU financing is disbursed. b) The innovative element of the performance reserve was the assessment of performance within an agreed framework comprising a set of milestones for each priority axis and the allocation of the reserve to successful priorities. Thereby, the performance reserve introduced a transparent and rules-based instrument to make the financing of Cohesion policy more performance-based, although only for 6 % of Member States' ESI Fund allocations. c) The two new funding models were a clear step towards making Cohesion policy more performance-based, although their use was optional and limited to specific areas.



	<p>2. The Commission and Member States were only partially effective in using the three instruments to make Cohesion funding more performance-based.</p> <ul style="list-style-type: none"> a) Around one third of thematic EACs remained unfulfilled at the programme adoption stage. Failure to fulfil EACs (or to complete action plans) rarely had financial consequences for Member States. For the 2021-2027 period, enabling conditions (as successor of EACs) are supplemented by a new 'rule of law' conditionality. b) The Commission released 82% of the €20 billion performance reserve for the 2014-2020 period. Overall, this allocation had only a limited impact on programme budgets. Given its bounded effect, mandatory performance reserves have been discontinued and replaced by a mid-term review for the upcoming period 2021-2027. However, provisions have been vague and do not set out how actual programme performance will affect the allocation of funds. c) Member States showed little interest in using the new performance-based funding models: 'joint action plans' ('JAP', which is a form of financing based on outputs/results linked to specific OP objectives) and 'financing not linked to costs' ('FNLTC', funding practice based on non-financial parameters rather than expenditure incurred). <p>Recommendations:</p> <ul style="list-style-type: none"> 1. Make the best use of enabling conditions in the 2021-2027 period, and in particular: <ul style="list-style-type: none"> a) systematically monitor Member States' fulfilment of enabling conditions throughout the programming period through its representative in the monitoring committee for Cohesion policy programmes; b) report to the European Parliament and to the Council on Member States' fulfilment of enabling conditions and its own enforcement activities. 2. Prepare the ground early for an effective mid-term review for the 2021-2027 period: <ul style="list-style-type: none"> a) inform Member States at an early stage about the approach to be applied for the mid-term review, including in relation to the allocation of funding for the remainder of the period; b) take any relevant findings of the 2024 evaluation of the Member States' use of the RRF into account for its 2025 mid-term reviews for the Cohesion policy fund investments in those Member States. 3. Clarify the rules underlying the 'financing not linked to costs' funding model: <ul style="list-style-type: none"> a) identify, in close cooperation with Member States, relevant investment areas where funding can be based on FNLTC and the conditions to be fulfilled or outputs/results to be achieved for the types of activities, measures and operations that can use FNLTC; b) set out criteria for its assessment of Member States' reasoned requests for amendment of conditions to be fulfilled or outputs/results to be achieved.
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	<p>4. Clarify the approach for providing assurance on EU funding through the 'financing not linked to costs' model:</p> <ol style="list-style-type: none"> examine the reliability of Member States' systems for monitoring and reporting on the conditions to be fulfilled or outputs/results to be achieved; provide assurance on the effective application of the rules governing the internal market (public procurement and state aid).
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 06/12/2021 on ECA Special Report 24/2021: Performance-based financing in Cohesion policy: worthy ambitions, but obstacles remained in the 2014-2020 period</p> <p>Rapporteur: Andrey Novakov (EPP)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> welcomes the contribution of cohesion policy to provide emergency support to Member States throughout the COVID pandemic, allowing for a rapid redirection of the available 2014-2020 funding towards the most severely affected sectors while proposing considerable simplifications such as: extension of deadlines, accelerated payments and retroactive reimbursement of COVID-19 related expenditure and the use of the temporary increase of the EU co-financing rate to 100%; notes, in this regard, that flexibility and speed did not lead to increased risks for the EU budget and contributed to performance; calls on national and regional authorities to collaborate closely with the European Commission for achieving synergies and for incentivising performance when implementing the cohesion policy and the Recovery and Resilience Facility; acknowledges the observations in regards to the fulfilment of ex-ante conditionalities and calls on the Commission to closely monitor the fulfilment of the new enabling conditions and the latter is linked to expenditure reimbursement by the Commission; notes that a number of the issues raised in this special report are expected to be entirely or partially resolved in the new programming period 2021-2027 thanks to a number of changes in the new Common Provisions Regulation; notes that the Common Provisions Regulation for the 2021-2027 programming period contains an overhauled enabling conditions and performance framework, paired with a new approach in programming, monitoring and control; also notes that the newly-reformed system will reveal its advantages in the years to come; welcomes the performance-enhancing provisions such as the single audit principle that represents a risk-proportioned audit conditioned by collaboration with the EPPO, enhanced obligations on conflict of interest, the use of simplified cost options of financing not linked to costs; calls on ECA to initiate a follow-up audit after the mid-term review in order to provide insight into the new programming period, assessing performance-based financing while consulting a wide range of data;



	<p>8. notes that performance requires data and information; calls, therefore, on the Commission and the Member States to put into mandatory use a single integrated, interoperable information and monitoring system, including a single data-mining and risk-scoring tool to access and analyse the relevant data and increase control reliability, with a view to a generalised application, including with the help of the Technical Support Instrument; such data should allow to strengthen the control and audit processes, notably as regards fraud and conflict of interest also in the context of the upcoming revision of the Financial Regulation;</p> <p>9. notes that performance is closely linked to close cooperation with the EU Anti-fraud players such as EPPO and OLAF, with a view to improve monitoring and control systems in shared management and preventing possibilities for mismanagement of funds; calls for sufficient budgetary appropriations and staffing of the respective agencies in order to deliver on the goal to protect the EU budget;</p> <p>10. encourages Member States to exchange information both among themselves and with the Commission and to cooperate more closely with a view to improving data collection and enhancing the effectiveness of controls;</p> <p>11. recalls that according to the Rule of law conditionality Regulation, the Commission is to propose measures such as suspension of the approval of programmes, reduction of pre-financing and suspension of payments, in case breaches of the rule of law in a Member State affect or seriously risk affecting the sound financial management of the EU budget;</p> <p>12. notes with concern the slow rate of submission of cohesion policy partnership agreements and programmes in combination with delays and disruptions that might be caused by the coronavirus outbreaks; concludes that performance of cohesion policy might be impacted significantly by these and other external factors;</p> <p>13. therefore, highlights the need for balance between control and simplification, while no projects, beneficiaries and policies must be punished; calls in this regard for less suspensions and interruptions of payments.'</p>
Related EP resolutions	<p>European Parliament resolution of 28 April 2021 on Discharge 2019: EU general budget - Commission and executive agencies, incl. 'Performance: the European Regional Development Fund (ERDF) and the Cohesion Fund (CF)' (paragraphs 248-290) and 'Performance: European Social Fund (ESF) and Youth Employment Initiative (YEI)' (paragraphs 291-300) (2020/2140(DEC)).</p> <p>European Parliament resolution of 14 May 2020 on Discharge 2018: EU general budget - Commission and executive agencies, incl. ex ante conditionalities fulfilled by national action plans (paragraph 468) (2019/2055(DEC)).</p>
Selected oral / written questions	<p>More effective use of cohesion funds for regional development, E-001076/2020, Question for written answer to the Commission, Rule 138, Viktor Uspaskich (Renew).</p> <p>European Commission answer</p> <p>Using the performance reserve in the management of the European Structural and Investment Funds, E-000063/2020, Question for written answer to the Commission, Rule 138, Mathilde Androuët (ID).</p>



	<p>European Commission answer</p> <p>Calabria regional operational programme (ROP) 2014-2020: serious delays in social inclusion policies, E-003666/2019, Question for written answer to the Commission, Rule 138, Laura Ferrara (NI).</p> <p>European Commission answer</p> <p>Assessment of programmes and 2019 performance framework for 2014-2020 programming period – Articles 21, 52 and 53 of Regulation (EU) No 1303/2013, P-000900/2020, Priority question for written answer P-000900/2020 to the Commission, Rule 138, Cristian Ghinea (Renew) .</p> <p>European Commission answer</p> <p>Generating cost savings by conducting proper assessments and following up on Court of Auditors recommendations, E-005978/2020, Question for written answer to the Commission, Rule 138, Charlie Weimers (ECR), Joachim Kuhs (ID), Eugen Jurzyca (ECR)</p> <p>European Commission answer</p>
Member States in the scope of the audit	Austria, Germany, Italy, the Netherlands, Poland, Portugal, Romania.
EU institutions in the scope of the audit	European Commission.
EC acceptance of ECA recommendations	The European Commission accepted all four recommendations.
Answers of other EU institutions to ECA Special Report	-



Special report 26/2021 of 23 November 2021

Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final

Strategic priority area	Fiscal policies and public finances of the Union
Report No / Title	Special Report 26/2021: Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>The audit asked whether the Commission:</p> <ul style="list-style-type: none"> • carries out sufficient and appropriate audit work to produce a reliable and relevant annual residual risk of error for each assurance package (RTER); • discloses a reliable annual residual risk of error in the Annual Activity Reports (AAR) of each DG (Key Performance Indicator 5); • presents, in the Annual Management and Performance Report (AMPR), a reliable annual level of error (risk at payment) for Cohesion. <p>The audit assessed the relevant processes and procedures for the acceptance of the accounts, the assessment of the regularity of the expenditure underlying the annual accounts of the assurance packages and the way the Commission prepares and presents the regularity information in the AARs and the AMPR.</p> <p>Findings:</p> <p>1. Overall, the audit found that the Commission carries out a substantial amount of work related to accepting Member States' annual accounts and verifying the reliability of the regularity information provided in the Member State authorities' reports. However, the audit concludes that the Commission only provides a minimum estimate of the level of error that is not final, at operational programme (OP) and Directorate-General (DG) level and consequently in its AMPR.</p>



	<p>2. The audit noted that, for 2014–2020, the Commission, in line with the regulatory framework, accepted the annual accounts without taking into account the regularity of the related expenditure. Although the legislator introduced the 10 % payment retention, with the intention of safeguarding the EU budget, the Commission had to release it even when the Member States' audit authorities had confirmed a residual error above the materiality threshold of 2 % and the Commission's regularity checks still had to be completed. The provisions governing these arrangements have changed for the 2021–2027 programming period. While the Commission can no longer accept accounts with a confirmed residual total error rate (RTER) above the materiality threshold of 2 %, it will continue to release the reduced retention of 5 % before it has completed its regularity checks.</p> <p>Recommendations:</p> <p>1. The Commission should propose a legislative revision to ensure that the payment retention is adequately protected before it is released.</p> <p>In order to safeguard the EU budget, the ECA recommends that the Commission proposes a revision of the 2021-2027 legal framework to address the remaining risk when the 5 % retention is released. The Commission should only be able to release it when it has finished the regularity work for an OP for a specific accounting period or at the latest at programme closure.</p> <p>2. The Commission should improve its audit work, audit documentation and review process.</p> <p>The Commission should take the necessary steps, to ensure that:</p> <ul style="list-style-type: none"> a) its compliance audit plan reflects its risk assessment. When other factors are considered and result in changes, the Commission should clearly document and explain the reasons for that change; b) its audit work is sufficiently documented; c) its review process is strengthened in order to detect and correct potential weaknesses in its own work; d) the Member States receive a separate formal confirmation of the final RTER for the OP and each accounting year. <p>3. The Commission should strengthen the main elements of the regularity information provided in the Annual Activity Reports. The estimated level of error and the reservations represent key regularity information, which the Commission should strengthen. We recommend that the Commission should:</p> <ul style="list-style-type: none"> a) address the methodological issues that we found in this audit, resulting in a minimum KPI (error rate). Such an approach should allow that the KPI takes into account, for the non-audited expenditure, the high frequency of the errors with financial impact found in compliance audits when estimating the aggregated error rate; b) facilitate readers' understanding of a technical and complex matter and explain more clearly and more prominently in the AARs that the reservations are based on error rates that are not confirmed, together with the related risk.
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	<p>4. Central Services should receive instructions for the production of the AMPR from its owner, the College of Commissioners.</p> <p>The AMPR is a key accountability document of the Commission that contributes to the discharge procedure. In order to ensure that its owner, the College of Commissioners provides relevant and reliable information in the AMPR, and to better reflect the responsibilities of the different actors involved in its production and adoption, we recommend that the owner of the AMPR provides instructions to the Central Services, outlining the content and structure of the AMPR and defining the scope of the Central Services' review of the underlying AARs.</p>
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 10/01/2022 on ECA Special report 26/2021: Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Mikuláš Peksa</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. Highlights that the high-risk level and the significant amount of spending call for a robust control and assurance system that (i) can ensure the regularity of the Cohesion expenditure and (ii) should deliver a relevant and reliable estimate of the real level of error in this area; 2. Is aware that the Court has highlighted in more than one circumstance that the work of Member State audit authorities has weaknesses that limit its reliance; 3. Regrets that ECA's experience in 4 years of audit on 2014-2020 expenditure indicates univocally that it is not always possible to rely on the Cohesion error rates reported by Member States' audit authorities; 4. Acknowledges that, nevertheless, the information on which is grounded the calculation of the error rate is based on this work of the Member State audit authorities, on whose results the Commission carries out its verifications and assessment; 5. Agrees with the Court that the error rates reported by the Commission's Directorates-General (in their Annual Activity Reports - AARs) and by the Commission (as aggregated in the Annual Management and Performance Report - AMPR) are reliable only if the Commission controls compensate for the limitations of the Member States' audit work; 6. Understands that the Commission carries out a substantial amount of work related to accepting Member States' annual accounts and verifying the reliability of the regularity information provided in the Member State authorities' reports, via desk reviews, fact-finding missions, in-depth review of working papers in some cases and on-the-spot re-performance audits, risk-assessment and risk-based compliance audits; 7. Takes duly note that the Commission's desk reviews have inherent limitations, that the Commission's compliance audits have a limited coverage of both operational programmes and operations and that the published key performance indicators (the residual total error rates - RTER) are not final but provisional and that the error rate disclosed is only the minimum estimation of its level,



	<p>that the Commission's check lists do not provide adequate information, that no additional work at operations' level is performed (which is essential to detect errors additionally to those already detected by the national audit authority) and the risk assessment to identify the targets of the compliance audits (which includes sampling and re-performance of audits) is not consistently carried out;</p> <ol style="list-style-type: none"> 8. Underlines that the Court's observations indicate that, in spite of the work carried out, the Commission only provides a minimum estimate of the level of error and that such estimate is not final, at operational programme (OP) and Directorate-General (DG) level and consequently in its AMPR; 9. Stresses that the estimated level of error and the reservations represent key regularity information, which the Commission should provide on the ground of a robust and reliable methodology and procedures; 10. Is concerned by the fact that no reliable and final estimate of the error rate is possible within the calendar year, hence before completion of the regularity check cycle; 11. Is aware that despite the annual acceptance of programme accounts that contributes to improving accountability, EU spending programmes are multiannual by design and the related control systems and management cycles also cover multiple years and that errors may be detected at any point in the whole of the programme cycle, sometimes several years after the payment took place; 12. Welcomes the fact that Commission and Member States may correct errors in the same year or in subsequent years, up to the point of closure at the end of the programmes' life cycle to reach a residual level of error below 2% for all programmes over time; 13. Calls on the Commission to enhance clarity of its information on the error rate and when linking it to the reservations issued by the Directors-General in the AARs to specify when such error rates are not confirmed; 14. Urges the Commission, when estimating the aggregated error rate, to factor in for the non-audited expenditure the high frequency of the errors with financial impact found in compliance audits; 15. Welcomes control strategies that are multiannual and risk-differentiated and the risk-based approach in identifying the targets of the Commission's compliance audits; Asks the Commission to ensure that risk assessment is adequately taken into account in the planning of the compliance audits and that the decision making process in this regard, as much as the following audit work, are duly documented; 16. Is aware that in the programming period 2014-2020 the regulatory framework allowed the acceptance of accounts and the release of the 10% payment retention to the Member States even when the confirmed residual error rate was above the materiality threshold of 2%; Is concerned by the fact that in the programming period 2021-2027 while the Commission can no longer accept accounts with a confirmed residual error rate above the materiality threshold of 2 %, still the release of the payment retention (reduced to 5%) will nevertheless occur before completion of the regularity check cycle; 17. Welcomes the Court's recommendations that the Commission proposes a revision of the 2021-2027 legal framework to address the remaining risk when the 5 % retention is released; Considers this actions necessary to better safeguard the EU budget; Maintains that the Commission should only be able to release the payment retention when it has finished the regularity work for an OP for a specific accounting period or at the latest at programme closure;
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	<p>18. Regrets the low implementation rate of the Commission's requests for financial corrections; Is aware that this low rate reflects the length of the procedure; Calls on the Commission to identify solutions that can speed up the audit process to achieve robust final conclusions and increase the effectiveness of the corrective measures; Asks the Commission to adopt net financial corrections in order to address serious deficiency in the effective functioning of the management and control systems without exceptions, to safeguard the EU budget;</p> <p>19. Stresses that the Annual Management and Performance Report (AMPR) is a key accountability document of the Commission that contributes to the discharge procedure; Regrets that the current limitations affecting the Annual Activity Reports (AARs) are mirrored in the AMPR;</p> <p>20. Considers that an enhanced approach in the issue of reservations to the declarations of assurance by the Directors-General would increase the level of protection of the EU resources; Calls the Commission's Central Services on addressing the issue related to the under estimation of the error rates in the AARs resulting in a limited number of reservations;</p> <p>21. Remarks that the College of Commissioners is expected to provide relevant and reliable information in the AMPR; Agrees on the need to provide more robust framework to its content and structure, in order to ensure that the AMPR better reflects the responsibilities of the different actors involved in its production and adoption; Calls on the College of Commissioners to give instructions to the Central Services to outline the scope of their review of the underlying AARs.'</p>
Related EP resolutions	<p>European Parliament resolution of 23 November 2021 on Digitalisation of the European reporting, monitoring and audit, incl. the need 'to ensure efficient checks on conflicts of interests, irregularities, issues of double funding and any misuse of funds' (paragraph 30) (2021/2054(INL)).</p> <p>European Parliament decision of 28 April 2021 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2019, Section III – Commission and executive agencies, incl. the error rate calculated by the Court of Auditors (paragraph 33), questions of regularity of spending (paragraphs 45, 46, 48, 61), regularity and absorption rates (paragraph 257) (2020/2140(DEC)).</p> <p>European Parliament resolution of 10 July 2020 on protection of the European Union's financial interests - combating fraud - annual report 2018, incl. fraudulent irregularities in cohesion policy expenditure (paragraphs 8, 15, 44, 46), transparency (paragraph 16), management and close surveillance of the grants (paragraph 43), the omnibus regulation (paragraph 104). (2019/2128(INI)).</p>
Selected oral / written Questions	<p>Preventive and corrective measures taken to protect the EU budget, E-000060/2021, Question for written answer to the Commission, Rule 138, Daniel Freund (Verts/ALE). Commission answer</p> <p>European territorial cooperation programmes 2021-2027, E-004536/2021, Question for written answer to the Commission, Rule 138, Maria Grapini (S&D).</p>



	Commission answer Conflict of interest and corruption affecting the protection of the EU's financial interests in the Member States , O-000041/2019, Question for oral answer to the Commission, Rule 136, Monika Hohlmeier on behalf of the Committee on Budgetary Control. Commission answer
Member States in the scope of the audit	No specific Member State in the scope of the audit.
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission did not accept recommendation 1, and partially accepted recommendations 2, 3 and 4.
Answers of other EU institutions to ECA Special Report	-



Special report 27/2021 of 14 December 2021

EU Support to tourism – Need for a fresh strategic orientation and a better funding approach

Strategic priority area	Other areas
Report No / Title	Special Report 27/2021: EU Support to tourism - Need for a fresh strategic orientation and a better funding approach Press release
Short summary of cope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The audit assessed whether the Commission's actions aimed at supporting the EU's tourism industry during the 2014-2020 period were effective.</p> <ul style="list-style-type: none"> • Did the Commission's tourism strategy address the needs of the tourism sector effectively and was regularly updated to reflect changing priorities? • Has ERDF financial support to public tourism investments been consistent with existing EU, national and regional tourism strategies and whether it has been sustainable and focused on investments that add value beyond the project itself? • Has the Commission initiated action to mitigate the effects of the COVID-19 pandemic on the tourism sector? <p>Findings:</p> <p>1. The ERDF operational programmes took the existing EU, national and regional tourism strategies into account when designing and targeting investment priorities for tourism. The audit revealed mixed results: some projects were sustainable and contributed to fostering tourism activity in the region; others had only a limited impact. In several cases, shortcomings in the initial project planning and needs assessments as well as at the project selection stage resulted in reductions in project scope, delays and cost overruns during project implementation. The Commission's guidance on how to use ERDF funding for tourism was useful but some relevant aspects had not been sufficiently addressed.</p> <p>2. The ERDF legislation for the 2014-2020 period included one common output indicator for tourism investments funded by the ERDF. In addition, Member States could make use of programme-specific indicators. There were however no common results indicators used during the 2014-2020 period. The common output indicator does not allow to measure in all cases the intended achievements of the projects, even though they were</p>



	<p>stated in the project proposal. The Commission has to carry out an ex-post evaluation of the ERDF support for the 2014-2020 period by the end of 2024.</p> <p>3. The EU's tourism sector has suffered an unprecedented shock following the COVID-19 pandemic. The Commission has put forward measures and proposals to mitigate the impact of this crisis on the EU's tourism industry. In particular, the EU Digital COVID Certificate has been essential in restoring intra-EU travel in time for the summer of 2021.</p> <p>Recommendations:</p> <p>1. Set out a new strategy for the EU tourism ecosystem, which explicitly aims at supporting investments that contribute to a more sustainable form of tourism. In order to develop an effective tourism agenda for 2030, the Commission should set out a consolidated new strategy for the EU tourism ecosystem. This strategy, to be developed in cooperation with the Member States, should address the EU's objective of a greener and more sustainable tourism and how to address the consequences of the COVID-19 pandemic. The strategy should specify the necessary actions and timeline and take account of how the available EU funding (including through the Recovery and Resilience Facility) is being used for tourism investments that contribute to achieving these objectives.</p> <p>2. Encourage Member States to adopt project selection procedures that help steering the ERDF financial support to tourism projects which:</p> <ul style="list-style-type: none"> a) are supported by adequate demand analysis and needs assessments to limit the risk of ineffectiveness; b) are coordinated with projects in neighbouring areas, avoiding overlap and competition; c) have an impact beyond the project itself on stimulating tourism activity in the region; and d) are sustainable and will be properly maintained in the years after their completion.
CONT Committee Working Document; Rapporteur	<p><u>CONT Working Document of 17/02/2022</u> on Special report 27/2021:: EU Support to tourism - Need for a fresh strategic orientation and a better funding approach</p> <p><i>Committee on Budgetary Control</i></p> <p><i>Rapporteur: Sabrina Pignedol</i></p> <p><i>'Recommendations by the rapporteur,</i></p> <ul style="list-style-type: none"> 1. Takes note of the Court's report, its findings and its two recommendations;



	<ol style="list-style-type: none"> 2. Regrets that the audit was focused on 4 Member States (Hungary, Poland, Romania and Spain) mostly located in the Eastern Europe; calls the ECA to look for a more geographical balance in the future special reports; 3. Notes the fact that the EU's role in tourism policy is complementary to the role of the Member States, aimed at supporting and coordinating their actions, with no dedicated EU budget for tourism in the 2014-2020 period and in the new programming period, despite several requests from the European Parliament; notes that the Court's findings as regards the ERDF should also be seen in this light; notes that this audit by the Court was not as such primarily aimed at examining the economy, efficiency and effectiveness in the management of the EU budget; 4. Takes note that EU funding sources for tourism are several, although it is mainly financed by ERDF; regrets a lack of data on the specific impact of every source on the sector; considers that the fragmentation of the financing instruments could lead to funding difficulties for the companies, mostly constituted by SMEs; stresses the importance to create a dedicated budget line for tourism to facilitate access to funds, in addition to coordinating and monitoring the effectiveness of funded projects; calls for a quick direct and indirect support to this sector, in particular to SMEs; 5. Underlines in the Court's report that the representatives of the tourism sector note that, despite its world-leading position as a tourism destination, the EU is lacking a common tourism strategy and a roadmap for the future of the sector; notes moreover that these representatives are of the opinion that the Commission should play a leading role both in developing such a strategy and in its implementation; 6. Notes the Court's conclusion that the EU's tourism strategy is not fit for the new challenges facing the sector, in particular in emergency situations; acknowledges the Commission's actions that take time to implement; recalls the Parliament's resolution on 'establishing an EU strategy for sustainable tourism' and calls on the Commission to integrate this into the new strategy; 7. Stresses the importance of tourism funds targeting and acting for the development of disadvantaged, peripheral areas and those at risk of depopulation; notes the importance of rethinking tourism at a European level by creating and implementing transnational tourist routes that helps to enhance areas that alone would not intercept the interest of visitors; 8. Recalls that in November 2019 the Commission adapted the EU tourism priorities in line with the European Green Deal, paying particular attention to sustainable and responsible tourism and extending the scope of the digital component to smart tourism and innovation; regrets that, again, these adapted priorities were not associated with either specific actions or proposals on how best to use EU funds to deliver them; 9. Notes the Court's conclusion that the 2014-2020 ERDF financial support for public tourism investments has addressed EU and national tourism objectives, but no investment priorities or preconditions have been indicated and therefore the consistency of the projects with the priorities of the EU strategy has not been verified, causing waste of resources, delays in the implementation of projects and overlaps; calls on the Commission to take adequate measures to avoid a reiteration of these problems; recalls that there were no common result indicators used during the 2014-2020 period and that the common output indicator do not allow to measure in all cases the intended achievements of the projects; also notes the issues identified by the Court related to indicators,
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	<p>which limit the reliability and usefulness of the assessment of performance of the said investments; calls on the Commission to make sure that Member States improve their design of programmes, including definition of indicators, and project selection;</p> <p>10. Notes that often the bureaucracy involved in accessing European funds discourages SMEs from applying, with a concrete risk that those funds are assigned only to larger companies that can afford the burden of bureaucracy; therefore calls on the Commission to find easier procedures to facilitate the request for those funds so as to make them accessible to those who need them most;</p> <p>11. Notes the Court's observations as regards the Commission's EU-wide COVID-19 response for the tourism sector; recalls that tourism is the industry whose basic investment needs are currently estimated to be the highest and far beyond most of the others ecosystems' needs; welcomes the actions taken by the Commission and encourages the Commission to continue guard the EU-wide dimension of tourism;</p> <p>12. Calls on the Commission and the Member States to pay particular attention, especially at this time of fragility in the tourism sector, to the possible infiltration of organized crime and the risk that these organizations may intercept the funds that should be used for the recovery of tourism businesses;</p> <p>13. Notes the recommendations of the Court and the acceptance of these recommendations by the Commission; calls on the Commission to implement the recommendations in accordance with the agreed deadlines.'</p>
Related EP resolutions	<p>European Parliament resolution of 19 June 2020 on transport and tourism in 2020 and beyond (paragraphs 21, 23, 24, 38, 40) (2020/2649(RSP)).</p> <p>European Parliament resolution of 25 March 2021 on establishing an EU strategy for sustainable tourism (paragraphs 15 and 20) (2020/2038(INI)).</p> <p>European Parliament resolution of 14 September 2021 towards future-proof inland waterway transport in Europe (paragraph 56) (2021/2015(INI)).</p> <p>European Parliament resolution of 24 October 2019 on the negative impact of the bankruptcy of Thomas Cook on EU tourism (paragraph 11) (2019/2854(RSP)).</p>
Selected oral / written Questions	<p>Written questions on the ECA Special Report 27/2021</p> <p>The European strategy for tourism, E-005720/2021, question for written answer to the Commission, Rule 138, Mihai Tudose (S&D) Commission answer</p> <p>Europe's tourism sector – EU support to improve project implementation and access to funding, E-000103/2022, question for written answer to the Commission, Rule 138, Gianantonio Da Re (ID) Commission answer</p> <p>ERDF funding and tourism 2014-2020</p> <p>Redistribution of ERDF funds in Spain, E-002910/2020, question for written answer to the Commission, Rule 138, Susana Solís Pérez (Renew)</p>



	<p>Commission answer</p> <p>Sustainable tourism</p> <p>The EU's role in tourism policy, E-001734/2021, question for written answer to the Commission, Rule 138, Sara Skyttedal (PPE)</p> <p>Commission answer</p> <p>Introducing an EU hygiene certification seal and making it available to SMEs in the tourism industry, P-002331/2021, priority question for written answer to the Commission, Rule 138, Inma Rodríguez-Piñero (S&D), Isabel García Muñoz (S&D)</p> <p>Commission answer</p> <p>EU reaction to the effects of the Covid-19 pandemic on tourism and questions related to EU strategy on tourism</p> <p>Assessing the Union's measures for the EU tourism sector as the end of the summer season nears, O-000054/2021, question for oral answer to the Commission, Rule 136, Karima Delli on behalf of the Committee on Transport and Tourism</p> <p>Commission answer</p> <p>Need for a comprehensive EU strategy to support the tourism sector E-004623/2021 Question for written answer to the Commission, Rule 138, Lefteris Christoforou (PPE)</p> <p>Commission answer</p> <p>Crisis in the tourism sector, answer P-002889/2020, priority question for written to the Commission, Rule 138, Giuseppe Ferrandino (S&D), Alessandra Moretti (S&D), Patrizia Toia (S&D), Brando Benifei (S&D), Simona Bonafè (S&D), Franco Roberti (S&D), Pina Picierno (S&D), Massimiliano Smeriglio (S&D), Elisabetta Gualmini, (S&D), Paolo De Castro (S&D), Giuliano Pisapia (S&D), Irene Tinagli (S&D), Caterina Chinnici (S&D), Andrea Cozzolino (S&D)</p> <p>Commission answer</p> <p>Support for tourism ecosystems, E-004312/2020, question for written answer to the Commission, Rule 138 Emmanouil Fragkos (ECR)</p> <p>Commission answer</p> <p>Tourism rescue package for peripheral region, E-003409/2020, question for written answer to the Commission, Rule 138 Chris MacManus (GUE/NGL)</p> <p>Commission answer</p> <p>The bankruptcy of Thomas Cook</p> <p>Thomas Cook: legislative measures for the tourism sector, E-003092-19, question for written answer to the Commission, Rule 138, Manolis Kefalogiannis (PPE)</p>
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	<p>Commission answers 1 and 2</p> <p>Impact on tourism of the collapse of Thomas Cook, E-002944-19, question for written answer to the Commission, Rule 138, Elissavet Vozemberg-Vrionidi (PPE)</p> <p>Commission answers 1, 2 and 3</p> <p>Effects of the bankruptcy of the Thomas Cook Group, O-000033/2019, question for oral answer to the Commission, Rule 136, José Manuel García-Margallo y Marfil, Rosa Estaràs Ferragut, Pablo Arias Echeverría, Cláudia Monteiro de Aguiar, Markus Ferber, Dennis Radtke, Cindy Franssen, Krzysztof Hetman, Stelios Kypourouopoulos, Pascal Arimont, Benoît Lutgen, Romana Tomc on behalf of the PPE Group</p> <p>Bankruptcy of Thomas Cook and EU policy on support for the tourism industry, E-003032-19, question for written answer to the Commission, Rule 138, Izaskun Bilbao Barandica (Renew)</p> <p>Commission answer</p>
Member States in the scope of the audit	Hungary, Poland, Romania and Spain
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission accepted both recommendations.
Replies of other EU institutions to ECA Special Report	-



Special report 01/2022 of 10 January 2022

EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist

Strategic priority area	Resilience to threats to the Union's security, and respect for the European values of freedom, democracy and rule of law
Report No / Title	Special Report 01/2022: EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The audit assesses the effectiveness of EU support for the rule of law in the Western Balkans during 2014-2020. It focusses on the rule of law components of justice and the judiciary, anti-corruption and human rights, notably access to justice and freedom of expression. The auditors scrutinised whether support was well designed and achieved the planned results.</p> <p>To answer the main audit question, we considered two subsidiary questions:</p> <ul style="list-style-type: none"> • Has EU support for the rule of law in the Western Balkans been well designed? • Has EU support for the rule of law in the Western Balkans delivered the expected results? <p>The scope covers the Commission and the EEAS activities in the Western Balkans and examines the six Western Balkan countries. It focuses on:</p> <ol style="list-style-type: none"> IPA II, which is the main instrument supporting the rule of law in the region; and the EU's political and policy dialogue with national authorities. <p>Findings:</p> <p>1. EU action has contributed to reforms in technical areas, such as the efficiency of the judiciary and the development of relevant legislation, but in a context of insufficient political will, it has had a limited overall impact in advancing fundamental rule of law reforms in the region. Albeit limited progress, fundamental problems remain in areas of the independence of the judiciary, the concentration of power, political interference and corruption, which call for additional efforts in promoting reforms in these areas.</p>



2. The auditors found that through the 'fundamentals first' approach and, since 2020, the clustering of negotiation chapters, the Commission has increased its focus on the rule of law in the Western Balkans and has generally translated the EU's political priorities for the rule of law into specific action under the instrument for pre-accession (IPA). Other international organisations, think tanks and civil society organisations (CSO) have identified the same focus areas as the Commission for rule of law. However, EU support for civil society action on the rule of law is insufficient in meeting the needs of the sector and its impact is not thoroughly monitored.

3. An enabling media and civil society environment can help publicise and clarify the goals and results of EU actions, explain the path to EU membership and promote the EU's democratic principles. We found that freedom of expression is the area that has progressed the least in all six countries. In some countries, public support for the reforms necessary for accession is declining. Although the Commission has recognised that administrative capacity and political will are the key risk areas in the implementation of IPA projects, the auditors did not find specific actions to mitigate those risks. In particular, key risks are not used to generate preconditions for project funding or implementation, so they do not serve for the design of concrete mitigation measures. EU delegations have also rarely exploited the possibility of suspending IPA financial support if reforms are not progressing satisfactorily. IPA II lacks suitably strict conditionality clauses that would directly link stalled rule of law reforms to consequences in the funding of other sectors. The Commission's legislative proposal for the IPA III regulation reinforces conditionality. Yet the draft did not set out clearly how conditionality will affect the provision of funding.

4. Whenever the Council has applied political conditionality in the form of the overall balance clause, this has induced the partner countries to advance their reform agendas. Differences have arisen between the Commission and the Council on the extent to which a partner country has satisfied the clause. In our view, this situation threatens the incentive effects of conditionality.

5. Most completed projects have achieved their intended outputs, and around half have achieved their intended outcomes. In the case of ongoing projects, either it is too early to make an assessment owing to project extensions, or progress cannot be measured because performance information is missing or of insufficient quality. When carried out, results oriented monitoring has helped to highlight projects results and improving their implementation. Overall, IPA assistance has helped improve the efficiency of the judiciary and was key to implementing the legislative framework and promoting a proactive approach in the fight against corruption. The auditors found that the main obstacles to project sustainability are poor financial and institutional capacity and lack of political will. Few IPA projects are taken up by national authorities, and they may thus not be financially sustainable after the end of EU support. Furthermore, the modest progress made in the rule of law over the last 20 years threatens the overall sustainability of EU support, since it raises questions about the credibility of the accession process. Reporting on lessons learnt can help identify performance issues and obstacles to the sustainability of results, but is not commonly a part of project design.

Recommendations:



	<p>1. Strengthen the mechanism for promoting rule of law reforms in the enlargement process. In particular, concentrate on setting strategic targets for each enlargement country by establishing final impact indicators in fundamental areas of the rule of law, such as independence of the judiciary, freedom of expression, the fight against corruption and state capture together with milestones for monitoring progress towards them.</p> <p>2. Intensify support for civil society engaged in rule of law reforms and media independence. In particular:</p> <ul style="list-style-type: none"> a) prioritise support for an independent media and for CSOs active in the area of rule of law by earmarking IPA III funding for CSOs under rule of law actions; b) provide for long-term financial support for CSOs and independent media organisations, in a way that is not exclusively based on project funding; c) assist civil society and independent media organisations to enable them to develop tailor-made tools to monitor how corruption evolves; d) monitor the contribution of CSOs to rule of law reforms by means of specific indicators. <p>3. Reinforce the use of conditionality in IPA III by linking the disbursement of IPA III funding in non-rule of law areas (for example, rural development and infrastructure) to progress on the rule of law.</p> <p>4. Strengthen project reporting and monitoring:</p> <ul style="list-style-type: none"> a) construct sound log-frames for all relevant IPA-funded projects including , among other things, clearly defined output and outcome indicators using baseline and target values; b) increase the use of results oriented monitoring missions of IPA III funded projects in the rule of law sector; c) include a 'lessons learnt' section in all final project reporting, with findings and recommendations to improve the sustainability of future project results.
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 08/02/2022 on ECA Special Report 01/2022: EU support for the rule of law in the Western Balkans: despite efforts, fundamental problems persist</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Joachim Kuhs</p> <p><i>'Recommendations by the rapporteur</i></p> <p><i>The European Parliament,</i></p>



	<ol style="list-style-type: none"> 1. Recalls that Albania, North Macedonia, Montenegro and Serbia are candidates, and Bosnia-and-Herzegovina and Kosovo are potential candidates for EU membership; 2. Stresses that yet all of these countries continue to face issues concerning the rule of law and fundamental rights, and that for more than two decades, the EU has been striving to help them in implementing their reform agenda; 3. Notes that EU assistance is built around two intertwining streams of action: financial support (amounting to around €700 million between 2014 and 2020) and political dialogue; also notes that, while EU priorities for the rule of law in the Western Balkans are clear and generally translated into specific action under the instrument for pre-accession, key risks to the sustainable impact of its action remain insufficiently mitigated; 4. Deplores that measures to address weak administrative capacity and political will – which are both essential – are too few and often ineffective, and that, in addition, the application of pre-conditions for project funding and implementation is inconsistent; 5. Regrets, similarly, that the EU has too rarely exploited the possibility of suspending assistance if a beneficiary fails to observe the basic principles of democracy, the rule of law and respect for human rights; notes that EU support is mostly based on short-term projects; 6. Invites the Commission to reassess the mechanism for the promoting rule-of-law reforms and to link funding more closely to progress on the fight against corruption and fraud, and improve project reporting and monitoring.'
Related EP resolutions	<p>European Parliament resolution of 15 December 2021 on cooperation on the fight against organised crime in the Western Balkans (paragraphs 4, 14 and 50) (2021/2002(INI)).</p> <p>European Parliament recommendation of 19 June 2020 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the Western Balkans, following the 2020 summit (paragraphs 1 (a), 1 (w) and 1 (bw)) (2019/2210(INI)).</p> <p>European Parliament resolution of 16 December 2021 on forced labour in the Linglong factory and environmental protests in Serbia (paragraph 4, 12) (2021/3020(RSP)).</p> <p>Resolutions on Commission reports on the Western Balkan countries:</p> <p>European Parliament resolution of 25 March 2021 on the 2019-2020 Commission Reports on North Macedonia (2019/2174(INI)).</p> <p>European Parliament resolution of 19 May 2021 on the 2019-2020 Commission Reports on Montenegro (2019/2173(INI)).</p> <p>European Parliament resolution of 24 June 2021 on the 2019-2020 Commission Reports on Bosnia and Herzegovina (2019/2171(INI)).</p> <p>European Parliament resolution of 25 March 2021 on the 2019-2020 Commission Reports on Albania (2019/2170(INI)).</p>



	<p>European Parliament resolution of 25 March 2021 on the 2019-2020 Commission reports on Serbia (2019/2175(INI)).</p> <p>European Parliament resolution of 25 March 2021 on the 2019-2020 Commission Reports on Kosovo (2019/2172(INI)).</p>
Selected oral / written questions	<p>Questions mentioning directly the ECA SR 1/2022</p> <p>European Court of Auditors special report on EU support for the rule of law in the Western Balkans, E-000286/2022, question for written answer to the Commission, rule 138, Hilde Vautmans (Renew) Commission answer</p> <p>EU support for the rule of law in the Western Balkans: no tangible results, E-000154/2022, question for written answer to the Commission, rule 138, Julie Lechanteux (ID) Commission answer</p> <p>Questions related to rule of law situation in the Western Balkans and financial aid in general</p> <p>Follow-up to and implementation of Court of Auditors recommendations, E-005977/2020, to the Commission question for written answer, rule 138, Charlie Weimers (ECR), Joachim Kuhs (ID), Eugen Jurzyca (ECR) Commission answer</p> <p>Follow-up on the presentation of the Enlargement Package and the economic and investment plan for the Western Balkans, E-005696/2020, question for written answer to the Commission, rule 138, Željana Zovko (PPE) Commission answer</p> <p>Effectiveness of EU aid to the Western Balkans, E-001567/2021, to the Commission question for written answer, rule 138, Dominique Bilde (ID) Commission answer</p> <p>Country-specific questions related to rule of law in Western Balkans and EU financial aid</p> <p>Rule of law and justice for all in North Macedonia, E-005362/2021, question for written answer to the Commission, rule 138, Ivan Štefanec (PPE), Pernille Weiss (PPE), Peter Pollák (PPE), Karen Melchior (Renew) Commission answer</p>



	<p>Monitoring of EU funding for the green transition in Serbia and in the Western Balkan area generally, E-004520/2021, question for written answer to the Commission, rule 138, Vlad Gheorghe (Renew) Commission answer</p> <p>Albania's presence on FATF's 'grey list', E-005586/2020, question for written answer to the Commission, rule 138, Dominique Bilde (ID) Commission answer</p> <p>Kosovo's cooperation and pre-accession aid, E-005229/2020, question for written answer to the Commission, rule 138, Jordan Bardella (ID) Commission answer</p> <p>Respecting religious freedom in Montenegro, E-004731/2020/rev.1 to the Commission, rule 138, Thierry Mariani (ID) Commission answer</p>
Member States in the scope of the audit	
EU institutions in the scope of the audit	European Commission, European External Action Service (EEAS)
EC acceptance of ECA recommendations	<ul style="list-style-type: none"> a) European Commission accepted recommendation 1 b) European Commission and EEAS partially accepted recommendation 2 c) European Commission partially accepted recommendation 3 d) European Commission accepted recommendation 4
Replies of other EU institutions to ECA Special Report	European Commission and the EEAS



Special report 02/2022 of 17 January 2022

Energy efficiency in enterprises – Some energy savings but weaknesses in planning and project selection

Strategic priority area	Climate change, environment and natural resources
Report No / Title	Special Report 02/2022: Energy efficiency in enterprises - Some energy savings but weaknesses in planning and project selection Press release
Short summary of audit questions, findings and recommendations	<p>Audit questions:</p> <p>The audit focusses on efficiency and effectiveness of the EU co-funded energy efficiency investments in enterprises during the 2014-2020 programming period in the EU-27. The work of the Commission and of the Member States are under scrutiny. The monitoring framework and the actual results of the co-funded projects is also part of the scope.</p> <p>The audit assesses whether EU cohesion policy funds for energy efficiency in enterprises were soundly spent. These sub-questions define the focus areas:</p> <ul style="list-style-type: none"> a) Did the Commission and the Member States assess the most appropriate use of EU funds considering the energy efficiency objectives? b) Have Member States used procedures allowing the selection of efficient projects? c) Can project results demonstrate improvements in energy efficiency in enterprises? <p>Findings:</p> <p>1. During the 2014-2020 period, the ERDF and the CF provided €2.5 billion for selected operations promoting energy efficiency measures in enterprises (14 and 15). The Member States and the Commission jointly manage these funds. Overall, the auditors found that the planned spending was not well integrated within the EU energy efficiency strategy, while certain projects had efficiency issues. Member States set up efficiency criteria</p>



	<p>for projects, but these alone did not lead to improved project efficiency. The expected results, although not captured by the existing monitoring framework, indicate that the projects contribution to the energy efficiency objectives will be limited.</p> <p>2. While the ERDF and the CF offer the possibility of co-financing energy efficiency in enterprises, the Commission did not justify how the ERDF and CF would contribute to addressing the specific financing needs for energy efficiency in enterprises, in terms of total and public investment. The OPs set clear priorities and objectives for energy efficiency in enterprises, although most do not state their intended contribution to the implementation of the NEEAPs. A small number of OPs planned significant amounts and proportions of the total ERDF and CF contribution for improving energy efficiency in enterprises at national or regional level. These programmes also had a higher proportion of selected funds compared to the rest of the programmes.</p> <p>3. Member States' authorities used mostly grants. The authorities did not justify their choice of financial support in the OPs. It is not possible to determine the extent to which projects would have gone ahead without EU support, but the information we obtained from beneficiaries replies suggests that a small majority of projects may have done so. Public grants provided around half of the total project investment, and the EU component (ERDF and CF) contributed the largest share of public support.</p> <p>4. As regards Member State procedures, the auditors found that in general, the selection process promoted efficient projects, although weaknesses affect the overall performance of the programme. Most Member States required enterprises to submit validated estimates of energy savings and offered in a few instances even financial support for ex ante energy audits to those enterprises. Ex post validation of project results was less frequent. Most managing authorities generally required projects to comply with minimum energy savings and performance standards, even in the absence of EU efficiency standards for enterprises. The level of ambition of these requirements differed, but most promoted substantial savings. We also found that some Member States' authorities had set efficiency criteria for investments.</p> <p>5. Overall, projects appeared to be efficient: the median cost of achieving energy savings was lower than the median price of electricity across Member States, although below the DEEP benchmark. Financial indicators were seldom used in project selection, despite the fact that most beneficiaries had used them. We noted that for a third of projects, the payback times were longer than the investment lifetime, meaning that they were not efficient.</p> <p>6. By analysing how much the payback times influence the cost of saving energy, we noted that very long payback times, i.e. longer than the investment lifetime, mean significantly higher costs of achieving energy savings (95-100). Setting efficiency criteria relating to energy and CO2 costs did not significantly decrease the average cost of savings. Using payback times would have been more efficient and could have helped in identifying suitable funding instruments. Projects with very short payback times and low avoidance costs would have likely taken place even in the absence of an EU grant; they could have been funded through loans (99 and 106). The new Common provisions Regulation requires authorities to justify, for the new OPs, their choice of funding instrument.</p>
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	<p>EU support should not be provided where payback times largely exceed the investment lifetime, meaning that projects are less efficient and likely not financially viable. A third of the projects for which we had data were in this situation.</p> <p>7. While the priority of improving energy efficiency in enterprises is set at EU level, there are no common indicators measuring its outputs and results in the period 2014-2020. Indicators measuring the number of enterprises with low-carbon investments or CO2 emission reductions apply to several priorities, and it is not possible to identify the outputs and results of the energy efficiency priority. Member States set programme-specific indicators, but their outputs and results cannot be aggregated at EU level. The cohesion policy funds legislation for 2021-2027 introduced common energy efficiency indicators. However, they are not aligned with other EU reporting requirements, such as the Regulation on the Governance of the Energy Union and Climate Action, which is more detailed. The new indicators allow authorities to consider renewable energy sources as energy efficiency investments affecting climate tracking and the monitoring of spending for energy efficiency.</p> <p>8. The auditors estimate that energy savings generated by the co-funded projects have a limited contribution, of about 0.3 %, to the energy saving needs towards 2030.</p> <p>Recommendations:</p> <p>1. Assess the potential and actual contribution of cohesion policy funds to energy efficiency. Improve the use of funds by carrying out a robust assessment of:</p> <ul style="list-style-type: none"> a) The potential contribution of EU funds invested for energy efficiency in enterprises at the programming stage, taking into account public financing needs expressed in the National Energy and Climate Plans. b) The specific impact of energy efficiency projects for enterprises when evaluating the 2014-2020 programme period. <p>2. Verify whether the choice of the funding instrument is appropriately justified by the Member States in their programme proposals and that grants are not used where financial instruments would be more appropriate.</p>
CONT Committee Working Document; Rapporteur	<p>CONT Working Document of 13/07/20212 on Special report 11/2022: Protecting the EU budget - Better use of blacklisting needed</p> <p><i>Committee on Budgetary Control</i></p> <p><i>Rapporteur: Petri Sarvamaa</i></p> <p><i>'Recommendations by the rapporteur,</i></p>



	<ol style="list-style-type: none"> 1. Reminds the Commission that the surge in energy prices is driven by the global demand and supply dynamics; notes that the new geopolitical events and energy market reality requires the Union to accelerate the clean energy transition and urges the Commission to take action against our current dependency on Russian energy; 2. Notes that there are still significant efforts needed to achieve the enhanced Union targets for energy efficiency; acknowledges the role of enterprises to achieve the Union's energy efficiency objectives and encourages the Commission to follow-up on the recommendations from the Court as soon as possible; 3. Notes that the European Regional Development Fund and the Cohesion Fund have been the most important Union instruments in financing the improvement of energy efficiency in enterprises; notes, however, that most spending has been allocated in just a few Member States, with only five of them accounting for two thirds of the allocated spending; encourages the Commission to ensure that the financing of energy efficiency in enterprises is spread out to all Member States; 4. Stresses the important role of the Union grants to support sustainable projects; regrets that, according to the Court's Special Report, programs do not specify how the funds contribute to energy efficiency priorities and call on the Commission to ensure an improvement of the use of funds.'
Related EP resolutions	<p>European Parliament resolution of 17 September 2020 on maximising the energy efficiency potential of the EU building stock (2020/2070(INI))</p> <p>European Parliament resolution of 25 March 2021 on cohesion policy and regional environment strategies in the fight against climate change (2020/2074(INI))</p>
Selected oral / written Questions	<p>Contribution of cohesion policy to tackling climate change, E-000322/2020, Question for written answer to the Commission Margarida Marques (S&D) Commission answer</p> <p>Green Deal compatibility criteria for Projects of Common Interest, E-003672/2020, Question for written answer to the Commission Tiemo Wölken (S&D), Dietmar Köster (S&D), Marianne Vind (S&D), Christel Schaldemose (S&D), Paul Tang (S&D), Niels Fuglsang (S&D), Andreas Schieder (S&D), Gabriele Bischoff (S&D), Pierre Larrousurou (S&D), Maria Arena (S&D), Sylvie Guillaume (S&D), Mohammed Chahim (S&D), Günther Sidl (S&D), Aurore Lalucq (S&D), Raphaël Glucksmann (S&D), Eric Andrieu (S&D), Bettina Vollath (S&D), Nora Mebarek (S&D), Mounir Satouri (Verts/ALE), Marc Botenga (GUE/NGL), Cornelia Ernst (GUE/NGL), Henrike Hahn (Verts/ALE), Michael Bloss (Verts/ALE), Piernicola Pedicini (NI), Caroline Roose (Verts/ALE), Manon Aubry (GUE/NGL), Manuel Bompard (GUE/NGL), Benoît Biteau (Verts/ALE), Pär Holmgren (Verts/ALE), Alice Kuhnke (Verts/ALE), Jakop G. Dalunde (Verts/ALE), Damien Carême (Verts/ALE), Ernest Urtasun (Verts/ALE), David Cormand (Verts/ALE), Rasmus</p>



	<p>Andresen (Verts/ALE), Niklas Nienäb (Verts/ALE), Gwendoline Delbos-Corfield (Verts/ALE), Ville Niinistö (Verts/ALE), Anna Cavazzini (Verts/ALE), François Alfonsi (Verts/ALE), Kira Marie Peter-Hansen (Verts/ALE), Reinhard Bütikofer (Verts/ALE), Yannick Jadot (Verts/ALE), Grace O'Sullivan (Verts/ALE), Bas Eickhout (Verts/ALE), Eleonora Evi (NI), Jutta Paulus (Verts/ALE), Karima Delli (Verts/ALE), Claude Gruffat (Verts/ALE), Daniel Freund (Verts/ALE), Michèle Rivasi (Verts/ALE), Helmut Scholz (GUE/NGL), Damian Boeselager (Verts/ALE), Sven Giegold (Verts/ALE), Pascal Durand (Renew), Marie Toussaint (Verts/ALE)</p> <p>Commission answer</p> <p>The 2021-2027 ERDF and the role of large companies in energy transition in France , E-005005/2021/rev.1, Question for written answer to the Commission</p> <p>Christophe Grudler (Renew), Geoffroy Didier (PPE), Gilles Boyer (Renew), Dominique Riquet (Renew), Sandro Gozi (Renew), Stéphane Bijoux (Renew), Laurence Farreng (Renew), Anne Sander (PPE), Irène Tolleret (Renew), Nathalie Colin-Oesterlé (PPE), François-Xavier Bellamy (PPE)</p> <p>Commission answer</p>
Member States in the scope of the audit	EU-27
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission partially accepts the first recommendation and accepts the second recommendation.
Replies of other EU institutions to ECA Special Report	-



Special report 6/2022 of 26 April 2022

EU intellectual property rights – Protection not fully waterproof

Strategic priority area	Increasing the EU's economic competitiveness for the benefit of all citizens
Report No / Title	Special report No 6/2022: EU intellectual property rights - Protection not fully waterproof Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>The audit assessed the protection of intellectual property rights (IPR) concerning EU trademarks, EU designs and geographical indications within the Single Market (copyright and patents were not part of the audit). It focused on whether the EU regulatory framework for IPR provided sufficient protection, in accordance with the principles of sound financial management and public accountability and whether these EU IPRs were sufficiently enforced.. The questions asked were whether:</p> <ul style="list-style-type: none"> - the Commission had provided the necessary IPR regulatory framework; - the Commission, the EUIPO and the Member States properly implemented the IPR regulatory framework on EU trademarks, designs and geographical indications; and - IPR enforcement controls were correctly implemented by Member States. <p>Findings:</p> <ol style="list-style-type: none"> 1. Overall, the EU framework for the protection of intellectual property rights is generally solid and robust, though there are still shortcomings. 2. The Commission has established appropriate legislative and support measures to protect EU trademarks. However, the legislation on EU designs is incomplete and outdated and there are shortcomings in the legislation on geographical indications. 3. The European Union Intellectual Property Office's management of EU trademarks and designs is generally sound, but the Court identified weaknesses in its accountability framework and in its financing, control and evaluation systems. 4. Member States and the Commission showed weaknesses in the implementation of the EU's geographical indications framework. 5. Member States did not uniformly implement the Intellectual Property Rights Enforcement Directive and there are weaknesses in the implementation of customs enforcement controls.



	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Complete and update the EU IPR regulatory frameworks. 2. Assess the governance arrangements and methodology for determining fees. 3. Improve financing, control and evaluation systems. 4. Improve the EU geographical indications systems. 5. Improve the IPR enforcement framework.
CONT Committee Working Document; Rapporteur	<p>CONT Working Document of 10/05/2022 on ECA Special Report 6/2022: EU intellectual property rights - Protection not fully waterproof</p> <p>Rapporteur: Olivier Chastel (Renew)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. welcomes the Court's report on EU Intellectual Property rights, note that they play a vital part in the EU's economy; 2. regrets the weaknesses detected in EUIPO's accountability framework and in its financing, control and evaluation systems; acknowledges that EUIPO provides to the European Parliament its work programmes, annual reports, financial accounts and biannual reports on its financial situation, and that as a fully self-financed agency, the EUIPO is excluded from European Parliamentary discharge, which instead is granted by its own Budget Committee; 3. calls for EUIPO to be subject to the general budgetary and discharge procedure before the European Parliament, rather than before its own Budget Committee, on the basis that its revenue stands from the exercise of public authority based on EU law; acknowledges that the discharge procedure by the European Parliament applies depending on the financing structure of agencies, as laid down in the EU Financial Regulation; 4. calls on the Commission, the self-financing agencies and the European Parliament to set a discharge mechanism for the self-financing agencies that ensures full and complete democratic accountability; proposes as a first step a CONT report in this line; 5. calls on EUIPO to address, in the meantime, the identified deficiencies in its accountability framework and in its financing, control and evaluation systems; calls on EUIPO to report to this Committee on the progress made before the end of 2023; 6. notes with concern that the Court found that there is no clear methodology to determine EU fees, resulting in a level of fees, which produce accumulated surpluses; notes with concern the Court's report that there is a lack of guidance on the methodology for calculating lump sums, the issue with running costs and variations between Member States; calls on the Commission and EUIPO to address those problems; 7. calls on the Commission and EUIPO to address the other shortcomings identified by the Court.'



Related EP resolutions	<p>European Parliament resolution of 20 October 2020 on Intellectual property rights for the development of artificial intelligence technologies, incl. the aspect of enforcement of IPR (paragraph 38) and the 'protection of data under copyright law and potential trademark and industrial design protection for works generated autonomously through AI applications' (paragraph 17) (2020/2015(INI)).</p> <p>European Parliament resolution of 11 November 2021 on an intellectual property action plan to support the EU's recovery and resilience, incl. the aspect of enforcement of IPR (paragraphs 37-43) and of geographical indications (paragraphs 22-31) (2021/2007(INI)).</p> <p>European Parliament resolution of 20 October 2021 on a farm to fork strategy for a fair, healthy and environmentally-friendly food system, incl. the aspect of geographical indications (paragraphs 40, 84, 87, 106) (2020/2260(INI)).</p>
Selected oral / written questions	<p>Different design-right laws in the Member States, hampering the functioning of the internal market, E-004589/2019, Question for written answer to the Commission, Rule 138, Henna Virkkunen (PPE)</p> <p>European Commission answer</p> <p>Cross border enforcement of intellectual property rights, E-006227/2020, Question for written answer to the Commission, Rule 138, Ibán García Del Blanco (S&D)</p> <p>European Commission answer</p> <p>Protection of designation of origin of Macedonian products, P-000143/2021, Priority question for written answer, to the Commission 12 January 2021, Rule 138 Maria Spyraiki (PPE)</p> <p>European Commission answer</p> <p>Geographical indication protection system for non-agricultural products, E-001481/2021, Question for written answer to the Commission 17 March 2021, Rule 138, Dita Charanzová (Renew)</p> <p>European Commission answer</p> <p>Counterfeit products from non-EU countries – urgent intervention required by the Commission, E-000005/2021, Question for written answer to the Commission 2 January 2021, Rule 138 Gianantonio Da Re (ID)</p> <p>European Commission answer</p> <p>Review of legislation on geographical indications, E-000384/2022, Question for written answer to the Commission 31 January 2022, Rule 138 Elena Lizzi (ID)</p> <p>European Commission answer</p> <p>Cross-border enforcement of intellectual property rights in the EU, E-001243/2022, Question for written answer to the Commission 25 March 2022, Rule 138 Ibán García Del Blanco (S&D), Niyazi Kizilyürek (The Left), Andrey Slabakov (ECR), Tomasz Frankowski (PPE), Alexis Georgoulis (The Left), Hannes Heide (S&D), Irena Joveva (Renew), Marcos Ros Sempere (S&D)</p> <p>European Commission answer</p>



Member States in the scope of the audit	Greece, France, Lithuania, Hungary and Romania.
EU institutions in the scope of the audit	European Commission, the European Union Intellectual Property Office.
EC acceptance of ECA recommendations	The European Commission accepted four recommendations (1, 2, 4, 5) and took note of recommendation number 3 (Improve financing, control and evaluation systems).
Replies of other EU institutions to ECA Special Report	European Union Intellectual Property Office



Special report 08/2022 of 1 June 2022

ERDF support for SME competitiveness – Design weaknesses decrease effectiveness of funding

Strategic priority area	Increasing the EU's economic competitiveness for the benefit of all citizens
Report No / Title	Special report 08/2022: ERDF support for SME competitiveness - Design weaknesses decrease effectiveness of funding Press release
Short summary of audit questions, findings and recommendations	<p>Audit questions:</p> <p>Improving SME competitiveness was the second biggest ERDF thematic objective for the 2014-2020 programme period, with a budget of around €40.3 billion. The audit examined the role of the ERDF in contributing to increasing SME competitiveness for the 2014-2020 programme period. In particular, we assessed whether:</p> <ul style="list-style-type: none"> • Member State's managing authorities took similar approaches when designing the measures to increase SME competitiveness under their national and regional ERDF programmes in terms of targeting the TO3 funds and achieving the overall outreach target; • the ERDF support had helped to increase their competitiveness; • the ERDF programme's funding approach in the four Member States responded to needs of the SMEs; and • the ERDF programmes organised calls and selection procedures and disbursed funding such as to maximise the impact of the ERDF spending on SME competitiveness. <p>Findings:</p> <p>1. For the 2014-2020 programme period, the ERDF regulation did not require Member States to align the measures on SME competitiveness in the ERDF programmes with national/regional strategies. As a result, the Commission had only limited means to ensure that the ERDF funding targeted the areas with most growth potential. By the end of 2019, the ERDF aimed to provide direct support 0.8 million SMEs out of almost 25 million in total across the EU (3.3 %). The auditors found that Member States' approaches varied with some targeting ERDF support to a few hundred companies while others distributed funding more widely. When ERDF programmes spread the available funding over too many SMEs, there is potentially a high risk that ERDF support lacks the critical mass needed to make a real difference to SME's competitiveness. In 2020, as a response</p>



	<p>to the COVID-19 pandemic, many Member States reprogrammed their ERDF programmes, in the context of the CRII/CRII+ and REACT-EU initiatives. This reprogramming led to additional funding for SMEs as well to a significant increase in the number of SMEs targeted.</p> <p>2. In the four Member States audited, the 2014-2020 ERDF support for SME competitiveness stimulated the SMEs' willingness to invest. However, its effectiveness in increasing their competitiveness was hampered by the following shortcomings in the funding approach taken by the managing authorities in the Member States:</p> <ul style="list-style-type: none"> • Most calls for project submission did not tackle all relevant obstacles to competitiveness encountered by beneficiary SMEs, simply co-financing specific productive investments (such as the purchase of new machinery). In many cases examined, ERDF projects did not result in demonstrable improvements to the SME's competitive situation as regards their operations and market position, internationalisation, financial situation or capacity to innovate. • Calls rarely financed investments in other value-adding processes to increase the long-term SME competitiveness (e.g. increasing the SMEs' R&D&I capabilities or their penetration of new markets). Few projects offered SMEs tailored advisory services to overcome specific hurdles to competitiveness. • Projects mainly supported individual SMEs rather than a group of enterprises, thus limiting the ERDF outreach to SMEs. • Project funding mostly took place through non-competitive calls and selection procedures in which every application that met the minimum selection criteria received financing. • Financing took the form of grants rather than repayable forms of support (such as loans or guarantees). However, none of the audited SMEs cited difficulties in accessing financing as a key hurdle to increasing competitiveness. The use of repayable forms of support would have enabled the fund to support more businesses. <p>Several beneficiary SMEs would have made the same investments even without EU funding. In some cases, ERDF support negatively affected the economic prospects of non-beneficiary SMEs competing in the same regional or national markets as beneficiary SMEs. This reduced the net overall effect of the EU support.</p> <p>Recommendations:</p> <p>1. Review the design of ERDF calls: Invite and support Member States to design calls which encourage the submission of proposals that are more likely to be effective in increasing SME competitiveness. In practice, this would mean organising calls aimed at:</p> <ol style="list-style-type: none"> a) Addressing several factors that limit the competitiveness inside a project. These could be, for example, combining research and innovation with investments, support to training and capacity building, design of an export market strategy etc. b) Strengthening the cooperation between SMEs and other bodies (e.g. other SMEs, businesses associations, universities/research organisations).
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	<p>c) Supporting the participation of SMEs in advisory services and networks (such as for example the Enterprise Europe Network, Cluster organisations, Business Innovation Centres, European Business and Innovation Centre Network, etc.).</p> <p>2. Review ERDF selection procedures for grant awards. Invite and support the Member States to review ERDF selection procedures, in particular for grant financing, with the aim of selecting projects:</p> <ul style="list-style-type: none"> a) through a non-competitive process only when duly justified; and b) on the basis of ambitious selection criteria and thresholds in order to achieve the best relationship between the amount of support, the activities undertaken and the achievement of objectives. <p>3. Prioritise the use of repayable aid for SME competitiveness The Commission should invite and support the Member States so that:</p> <ul style="list-style-type: none"> a) Financial instruments, i.e. repayable aid such as loans or guarantees or equity, are prioritised for the funding of SME competitiveness. b) Grants are only used in cases of clear need (such as addressing market failures) or where required to achieve specific policy objectives (for example better standards for a circular, green and more just economy). Whenever possible grants should be provided in conjunction with financial instruments.
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 13/07/2022 on Special report 08/2022: ERDF support for SME competitiveness - Design weaknesses decrease effectiveness of funding</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Mikuláš Peksa</p> <p><i>'Recommendations by the rapporteur,</i></p> <ul style="list-style-type: none"> 1. Welcomes the Commission accepting most of the ECA's recommendations. 2. Regrets that, according to the ECA's Special Report, for the 2014-2020 programming period, Member States' ERDF programmes were not designed to target areas with the most growth potential. 3. Notes the large difference in different Member States between the number of SMEs funded under Thematic Objective 3, as well as between the average amounts per beneficiary SME, from €392000 in Austria to under €1000 in Ireland; calls on the Commission to encourage Member States to follow a more balanced approach. 4. Regrets that, according to the ECA's Special Report, ERDF support to a large number of SMEs, without targeting the key factors that limit the competitiveness, led to small-scale projects that lacked the critical funding mass required to make a real difference in SME competitiveness.



	<ol style="list-style-type: none"> 5. Asks the Commission to encourage and support national managing authorities to publish calls that make it possible to submit project proposals addressing various components of SME competitiveness (e.g. RD&I, productive innovation, qualification and internationalisation). 6. Notes that, although the ERDF supports projects that lead to innovation through development of products or service, more needs to be done - including by promoting collective projects - in order to incentivise SMEs to introduce new products to the market, develop R&D or collaborate with entities from the non-business environment. SMEs should also be encouraged to engage in public-private partnerships at the national level through academic research establishment or at the EU-level applying for calls for proposals from the EU's Joint Undertakings. 7. Welcomes ECA's recommendation for ambitious selection criteria and thresholds in order to achieve the best relationship between the amount of support, the activities undertaken and the achievement of objective. 8. In keeping with the legal requirement to maximise the contribution of the ERDF funding, calls on the Commission to include in its audit plans the verification of the decisions and arguments of the managing authorities to opt for competitive or non-competitive selection procedures. 9. Calls on the Commission to require that Member States align the measures on SME competitiveness in the ERDF programmes with national/regional strategies in order to ensure that the ERDF funding targets the areas with most growth potential. 10. Welcomes the fact that in 2020, as a response to the COVID-19 pandemic, many Member States adapted their ERDF programmes, leading to additional funding for SMEs, as well as to a significant increase in the number of SMEs targeted.'
Related EP resolutions	<p>European Parliament resolution of 25 March 2021 on cohesion policy and regional environment strategies in the fight against climate change (paragraphs 5, 27, 34, 42) (2020/2074(INI)).</p> <p>European Parliament resolution of 16 December 2020 on a new strategy for European SMEs (paragraphs 17, 20, 43) (2020/2131(INI)).</p> <p>European Parliament resolution of 25 November 2020 on a New Industrial Strategy for Europe (paragraphs 1, 12, 16, 23-29, 72, 75, 76, 85, 99) (2020/2076(INI)).</p> <p>European Parliament resolution of 18 June 2020 on competition policy — annual report 2019 (paragraphs 8, 13, 85) (2019/2131(INI)).</p> <p>European Parliament resolution of 8 March 2022 on Cohesion policy: promoting innovative and smart transformation and regional ICT connectivity (paragraphs 25, 42) (2021/2101(INI)).</p> <p>European Parliament resolution of 19 June 2020 on Tourism and transport in 2020 and beyond (paragraph 40) (2020/2649(RSP)).</p>



Selected oral / written Questions	<p>EU funding for small and medium-sized enterprises in Lower Saxony, E-001999/2022 Question for written answer to the Commission, Rule 138, David McAllister (PPE) Commission answer</p> <p>The 2021-2027 ERDF and the role of large companies in energy transition in France, E-005005/2021/rev.1 Question for written answer to the Commission, Rule 138, Christophe Grudler (Renew), Geoffroy Didier (PPE), Gilles Boyer (Renew), Dominique Riquet (Renew), Sandro Gozi (Renew), Stéphane Bijoux (Renew), Laurence Farreng (Renew), Anne Sander (PPE), Irène Tolleret (Renew), Nathalie Colin-Oesterlé (PPE), François-Xavier Bellamy (PPE) Commission answer</p> <p>Access to funding for SMEs, Question for written answer E-004231/2021 to the Commission, Rule 138, Maria Grapini (S&D) Commission answer</p> <p>Redistribution of ERDF funds in Spain, E-002910/2020 Question for written answer to the Commission, Rule 138, Susana Solís Pérez (Renew) Commission answer</p>
Member States in the scope of the audit	Germany, Italy, Poland and Portugal
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	<p>The European Commission accepts partially the ECA recommendations.</p> <ul style="list-style-type: none"> • First indent: the Commission accepts the recommendation. • Second indent: The Commission accepts the sub-recommendation b), but does not accept subrecommendation a). • Third indent: The Commission accepts the recommendation
Replies of other EU institutions to ECA Special Report	-



Special report 9/2022 of 30 May 2022

Climate spending in the 2014-2020 EU budget – Not as high as reported

Strategic priority area	Climate change, environment and natural resources
Report No / Date / Title	Special report 9/2022: Climate spending in the 2014-2020 EU budget- Not as high as reported Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The objective of the audit was to determine whether the Commission had reported relevant and reliable climate-spending information for 2014-2020. We also analysed progress towards the target of spending at least 20 % of the EU budget on climate action. We examined how the Commission had applied its methodology to account for climate spending and the reliability of climate reporting. Lastly, we looked into the EU framework for tracking climate spending post-2020.</p> <p>Findings:</p> <p>The audit found that the reported spending was not always relevant to climate action. The ECA's overall assessment is that the Commission overestimated the climate contribution of key components of agricultural funding such as cross-compliance, areas with natural constraints, and organic farming.</p> <p>Similarly, the audit assessed that the Commission overestimated the climate contribution of key sub-sectors of infrastructure and cohesion funding such as rail transport, electricity and biomass. The Commission did not use conservative assumptions and was inconsistent in reporting on these projects.</p> <p>The ECA considers that the overall reporting on climate spending was unreliable. It involved significant approximation and tracked only the potential positive impact on climate without evaluating the final contribution to EU climate goals. There was also a risk that the planned or committed amounts would not be spent. This could further inflate reported climate spending. In one instance, the Commission included the national contribution in EU reporting.</p>



	<p>Recommendations:</p> <p>1. Justifying climate relevance of agricultural funding. The Commission should base its quantification of the contribution of the 2021-2027 agricultural policy to climate action on scientific evidence. In line with Article 100(3) of Regulation (EU) 2021/2115 establishing rules on support for strategic plans under the common agricultural policy, it should adjust the climate contribution accordingly, if needed.</p> <p>2. Enhancing climate reporting:</p> <ul style="list-style-type: none"> a) The Commission should identify and report on EU spending with a potentially negative impact on climate. In doing so, it should build on the 'do no significant harm' principle, as defined in the EU taxonomy. b) The Commission should issue guidelines applicable to all policy areas relevant to climate spending. In doing so, it should establish and clearly disclose a coherent basis for reporting, and consistent treatment of similar projects (e.g. same climate coefficient) across the EU budget and the NextGenerationEU. c) For each programming period, the Commission should enhance the current climate reporting to take stock of the unused (unspent and de-committed) amounts. <p>3. Linking EU budget to climate and energy objectives. The Commission should report on the contribution made by climate spending to EU climate and energy objectives. It should focus in particular on how to measure the impact of the budget on mitigating climate change.</p>
CONT Committee Working Document; Rapporteur	<p>CONT Working Document on Special report 9/2022: Climate spending in the 2014-2020 EU budget- Not as high as reported</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: José Manuel Fernandes</p> <p><i>The working document was not available by the cut-off date for this study (7 December 2022).</i></p>
Related EP resolutions	<p>European Parliament resolution of 23 June 2022 on the implementation of the Recovery and Resilience Facility (paragraphs 27, 40 and 41) (2021/2251(INI)).</p> <p>European Parliament resolution of 13 November 2020 on the Sustainable Europe Investment Plan - How to finance the Green Deal (paragraph 26) (2020/2058(INI)).</p>



Selected oral / written questions	<p>Reform of the methodology for tracking climate expenditure, E-002049/2022, question for written answer to the Commission, Rule 138, Petros Kokkalis (The Left), Marie Toussaint (Verts/ALE), Pierre Larrousurou (S&D), Dimitrios Papadimoulis (The Left), David Cormand (Verts/ALE), Eleonora Evi (Verts/ALE), José Gusmão (The Left), Jutta Paulus (Verts/ALE), Maria Arena (S&D), Marisa Matias (The Left) Commission answer</p> <p>EU climate spending presented in an overly positive light according to auditors, E-002232/2022, question for written answer to the Commission, Rule 138, Charlie Weimers (ECR), Jessica Stegrud (ECR) Commission answer</p> <p>Effective way of achieving climate policy objectives, E-004323/2020, question for written answer to the Commission, Rule 138, Edina Tóth (PPE) Commission answer</p> <p>Sustainable finance and credible global leadership at the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), P-004364/2021, 23 priority question for written answer to the Commission, Rule 138, Bas Eickhout (Verts/ALE) Commission answer</p> <p>European Court of Auditors report on climate action, E-004386/2020, question for written answer to the Commission, Rule 138, César Luena (S&D) Commission answer</p>
Member States in the scope of the audit	No specific Member State in the scope of the audit.
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The Commission accepted recommendations 1, 2b, 2c, and 3. The Commission does not accept sub-recommendation 2a on the identification of EU spending with potential negative effects/contributions.
Replies of other EU institutions to ECA Special Report	-



Special report 10/2022 of 6 July 2022

LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated

Strategic priority area	Other areas
Report No / Title	Special report No 10/2022: LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions: This audit followed-up on a 2010 special report on LEADER and aimed to provide insights and timely recommendations for the ongoing Commission's evaluation of the LEADER approach. The questions asked were whether:</p> <ul style="list-style-type: none"> - LEADER and community-led local development facilitated local engagement; - LEADER and community-led local development resulted in projects with demonstrable benefits in terms of local governance, improved social capital and enhanced results; and - the introduction of the new multi-fund approach resulted in better coordination of local development support. <p>Findings: The Court made the following observation:</p> <ol style="list-style-type: none"> The LEADER approach facilitates local engagement, but there is little evidence that the benefits of the LEADER approach outweigh the costs and risks it incurs. Most Member States applied pertinent procedures to select and approve local action groups, but some applied less demanding quality standards when selecting local development strategies. Local action groups selected projects in line with the broad objectives set in their local development strategies, but some Member States and local action groups used LEADER to fund statutory tasks of national, regional or municipal authorities or other activities for which other specific EU and national funding programmes existed. Only two out of six of the Court's 2010 recommendations had been addressed.



	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Comprehensively evaluate the costs and benefits of LEADER; and 2. Assess the Community-Led Local Development approach;
CONT Committee Working Document; Rapporteur	<p>CONT Working Document of 13/07/2022 on ECA Special Report 10/2022: LEADER and community-led local development facilitates local engagement but additional benefits still not sufficiently demonstrated</p> <p>Rapporteur: Petri Sarvamaa (EPP)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. highlights that the main characteristic of the LEADER approach is the application of participatory and bottom-up methods to involve local communities in project development and decision-making processes; acknowledges that the LEADER approach involves extra costs and risks compared to mainstream (top-down) EU spending programmes; 2. takes note that the Court concludes that, a decade after their 2010 special report on LEADER, improvements have taken place in some areas and that the LEADER approach facilitates local engagement; 3. notes with concern that the Court also concludes that there is little evidence that the benefits of the LEADER approach outweigh the costs and risks it incurs; regrets that the Commission's monitoring and evaluation framework has still not provided evidence of LEADER's additional benefits; 4. calls on the Commission to comprehensively evaluate the costs and benefits of LEADER and assess the Community-Led Local Development approach; 5. calls on the Commission to follow up on the Court's recommendations and keep the CONT Committee informed of its implementation.'
Related EP resolutions	<p>European Parliament resolution of 25 March 2021 on Cohesion Policy and regional environment strategies in the fight against climate change, incl. 'the role of the LEADER/CLLD approach while implementing Smart Villages Strategies' (paragraph 17) (2020/2074(INI)).</p> <p>European Parliament resolution of 6 April 2022 on Implementation of the 2021-2027 cohesion policy, incl. on 'community-led local development and other bottom-up approaches' (paragraph 4) (2022/2527(RSP)).</p> <p>European Parliament resolution of 15 February 2022 on Challenges for urban areas in the post-COVID-19 era, incl. noting 'that community-led local development strategies are an essential tool to create jobs, reduce poverty and increase access to services in urban areas' (paragraph 12) (2021/2075(INI)).</p> <p>European Parliament resolution of 7 July 2021 on Old continent growing older - possibilities and challenges related to ageing policy post 2020, incl. highlighting 'the central role played by community-led local development initiatives in restoring and keeping living and thriving local rural economies, and the need to keep a sufficient level of funding for the LEADER programme' (paragraph 101) (2020/2008(INI)).</p>



	European Parliament resolution of 19 June 2020 on Tourism and transport in 2020 and beyond, incl. on 'the role that the European Agricultural Fund for Rural Development (EAFRD) can play, especially the LEADER programme, in supporting local and rural tourism initiatives' (paragraph 41) (2020/2649(RSP)).
Selected oral / written questions	LEADER Funding programme , E-004336/2020, Question for written answer to the Commission, Rule 138, Maximilian Krah (ID). European Commission answer Use of the EMFF , E-002938-19, Question for written answer to the Commission, Rule 138, Rosa D'Amato (NI), Mario Furore (NI). European Commission answer Obstacles to the participation of small non-profit associations in projects financed by the European Social Fund , E-000764/2021, Question for written answer to the Commission, Rule 138, João Ferreira (The Left). European Commission answer Implementation of the 2021-2027 cohesion policy , O-000002/2022, Question for oral answer to the Commission, Rule 136, Younous Omarjee on behalf of the Committee on Regional Development. European Commission answer
Member States in the scope of the audit	Austria, Czechia, Estonia, Germany, Greece, Ireland, Portugal, Romania, Slovakia, and Sweden.
EU institutions in the scope of the audit	European Commission.
EC acceptance of ECA recommendations	The European Commission only partially accepted the first recommendation to evaluate the extent to which decision-making bodies are representative, including by age, gender and other target groups. The Commission did not accept the reference to other target groups (e.g. young people, ethnic minorities and disadvantaged people) as this analysis may pose a critical problem of personal data protection and data collection. The Commission did not accept the timeframe as set to 2023 as the relevant data might be available only in 2026. The Commission accepted the second recommendation.
Answers of other EU institutions to ECA Special Report	-



Special report 11/2022 of 23 May 2022

Protecting the EU budget – Better use of blacklisting needed

Strategic priority area	Other areas
Report No / Title	Special report 11/2022: Protecting the EU budget - Better use of blacklisting needed Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>Is exclusion used effectively to protect EU funds from untrustworthy counterparties? The audit covered the period 2016-2020. It focussed on assessing the operation of EDES operated in direct and indirect management. In particular, whether the EDES:</p> <ul style="list-style-type: none"> • exclusion situations provide sufficient scope to exclude untrustworthy counterparties; • exclusion procedure provides for robust decision making regarding counterparties identified to be in an exclusion situation; • database of excluded counterparties (the 'blacklist') contains adequate names to make a significant contribution to protecting the EU's financial interests; • arrangements for identifying counterparties in exclusion situations are adequate. <p>The audit sought to contribute to the Commission's proposal for revising the Financial Regulation in 2022 and its plans for enhancing the use of digital tools and data to protect the EU's financial interests by making available an integrated and interoperable information and monitoring system covering all beneficiaries of EU funds. (Paragraph 32 of the Inter-institutional agreement of 16 December 2020 on budgetary discipline.)</p> <p>Findings:</p> <p>1. Although EDES has a broad scope and robust decision-making procedures, the Commission had only 18 non-bankruptcy related exclusions recorded in the system at the end of 2020 due to shortcomings in the arrangements for identifying counterparties in exclusion situations. This is mainly due to fragmented responsibility for exclusion, difficulties in accessing Member State data, the under-exploitation of EU data, overreliance on counterparty self-declarations, and limited central monitoring and oversight. In shared management, where EDES does not apply, differences between the approaches taken by Member States' undermine the overall effectiveness of using exclusion to protect the EU budget.</p>



	<p>2. As regards direct management, the auditors found that the EDES covers a broad range of counterparties, types of financial agreements and exclusion situations. However, there is some scope for expanding the range of exclusion situations. They also found that the EDES exclusion procedures provide for robust decision-making on counterparties in exclusion situations. In particular, they permit counterparties to be excluded without having to wait for years for a final judgment or administrative decision. The central assessment of cases by an independent panel helps ensure consistent and fair treatment of counterparties. However, there are a number of shortcomings in the arrangements for identifying whether counterparties are in exclusion situations. These have contributed to the low number of exclusions:</p> <ul style="list-style-type: none"> a) Fragmented responsibility for identifying excludable counterparties undermines the systematic assessment of counterparties; b) The Commission does not make sufficient use of some of the main EU level data sources; c) The Commission faces difficulties in accessing national data on certain exclusion situations due to legal restrictions and technical barriers; o The Commission often relies on counterparties' declarations regarding the absence of an exclusion situation without further checks. <p>Limited central monitoring and oversight of the Commission departments' identification of excludable counterparties have helped to perpetuate these shortcomings. In our view, stronger monitoring and oversight arrangements will be key to making better use of exclusion. Such monitoring would benefit from a case management system that is capable of providing an overview of ongoing and closed cases. It would also benefit from better ex-post checks of whether counterparties are in an exclusion situation, guidance for authorising officers on the use of the available data, and further promotion of the use of the EDES.</p> <p>3. As regards indirect management, the auditors noticed that implementing partners have made a small contribution to the number of exclusion cases registered in the EDES. This is largely explained by the same factors that apply in direct management. Three other contributory factors were also identified: agreements with implementing partners that do not cover all exclusion situations; the fact that implementing partners cannot exclude counterparties before a final judgement or administrative decision; and the practice of screening out untrustworthy counterparties before they are considered for EU financial support.</p> <p>4. In terms of shared management, which mostly covers agricultural and cohesion spending, the auditors found that there is no EU level mechanism for excluding counterparties. In the absence of a coherent set of obligations for using exclusion, our review of four Member States highlighted considerable differences of approach, which contribute to an unevenness in the protection of EU funds. Some Member States could make better use could of EU-level data and tools, in particular the EDES database, OLAF data on fraud and irregularities, and the data-mining and risk-scoring tool Arachne to protect the EU's financial interests.</p> <p>5. The Commission has been slow to complete its assessment of implementing partners' exclusion systems. Once this has been completed, the Commission will be in a better position to investigate and address the underlying reasons for the low number of counterparties being excluded in indirect management. It will then also be essential for the Commission to monitor the operation of the exclusion systems that implementing partners have put in place. Thus, the Commission lacks an overview of exclusion systems and data in Member States. Such an overview could help</p>
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	<p>direct efforts to improve the use of exclusion and data to protect EU financial interests in all types of management and to create a data-mining tool to help identify counterparties in – or at risk of being in – exclusion situations.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Expand the range of exclusion. The Commission should address the following issue when preparing its proposal to the legislator on revision of the Financial Regulation: the exclusion of affiliates, beneficial owners and responsible managers of EU-counterparties, even if they are not EU-counterparties themselves. 2. Strengthen the implementation of the early detection and exclusion system in direct and indirect management. To this end: <ol style="list-style-type: none"> a) Develop a case management system capable of providing an overview of ongoing and closed cases. b) Strengthen corporate oversight of the effective operation of the EDES, including by monitoring authorising officers': <ol style="list-style-type: none"> (i) follow-up of OLAF and EPPO recommendations concerning early-detection or exclusion; (ii) activities and use of available data sources to identify exclusion cases, such as early detection cases, Irregularities Management System records, ongoing OLAF and EPPO fraud investigation cases, final audit results, competition decisions, and implementing partner notifications; (iii) implementation of the EDES panel's recommendations. c) Carry out ex-post checks to ascertain whether counterparties are in an exclusion situation, in particular where authorising officers rely on declarations on honour. d) Develop standard procedures and guidelines for authorising officers regarding the use of EU-level data sources, such as early detection cases, Irregularities Management System records, OLAF and EPPO fraud investigation cases, audit findings, competition cases, and implementing partner notifications. e) Promote awareness of early detection and exclusion among Commission departments, implementing partners and the Member State authorities involved in the management of EU funds. 3. Improve the monitoring of early detection and exclusion under indirect management. To achieve a consistent level of protection of EU funds under indirect management, the Commission should ensure that its partners fulfil their obligation to notify the Commission when counterparties are identified as being in exclusion situations. 4. Extend early detection and exclusion to shared management. Address the following issue when preparing its proposal to the legislator on revision of the Financial Regulation: applying the key elements of the EDES to funds under shared management, so that counterparties found to be in an exclusion situation are treated consistently across management modes.
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	<p>5. Make better use of existing data and digital tools. Within the context of its broader efforts to use data and digital tools to protect the EU budget, the Commission should take measures to improve the use of data that is relevant to exclusion, in particular by:</p> <ul style="list-style-type: none"> a) carrying out a mapping exercise to identify the sources of relevant data to protecting the EU budget, including national data, and determine how they can be accessed; b) proposing an adequate legal basis for the access and use of data on EU counterparties, including national data, for audit and control purposes; c) developing a common data mining and risk-scoring tool with access to all relevant EU and national data with the ownership at corporate level; d) ensuring the availability of data and promoting its sharing at corporate level; and e) developing a strategy to ensure that national and EU data on EU counterparties is digital, accessible, standardised and interoperable.
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 20/07/20212 on Special report 11/2022: Protecting the EU budget - Better use of blacklisting needed</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Sándor Rónai</p> <p><i>'Recommendations by the rapporteur,</i></p> <ul style="list-style-type: none"> 1. Welcomes the detailed analysis performed by the Court; notes that the timing of the report is extremely timely, as the Commission can integrate the recommendations of the Court in the recast of the Financial Regulation; 2. Highlights that 'blacklisting' (or exclusion) is a key tool to protect the EU's financial interests with respect to EU funds; 3. Notes that EDES currently applies only to EU operations under direct and indirect management; 4. Is concerned by the conclusion of the Court that exclusion is not being used effectively to protect EU funds from untrustworthy counterparties; 5. Regrets that, according to the ECA's Special Report, shortcomings in the arrangements for identifying counterparties in exclusion situations have contributed to the low level of exclusions as regards direct and indirect management; 6. Regrets that, according to the ECA's Special Report, Member States' differing approaches undermine the overall effectiveness of exclusion as regards shared management, which contribute to an unevenness in the protection of EU funds; 7. Takes note of the Court's finding that Member States could make better use of the data-mining and risk-scoring tool ARACHNE; calls on the Commission to assess, and to report to Parliament, the reasons preventing Member States from fully adopting and using ARACHNE;



	<p>8. Welcomes ECA's recommendation to extend EDES to funds under shared management in the context of the revision of the Financial Regulation; recalls the call for the Commission outlined by Parliament in its resolution of 24 November 2021 on the revision of Financial Regulation to make the use of EDES compulsory under shared management;</p> <p>9. Welcomes the recommendations made by the Court and the constructive attitude of the Commission in accepting them; encourages the Commission to implement all the recommendations in accordance with the agreed timeframe; welcomes in this regard the Commission proposal for recast of the Financial Regulation.'</p>
Related EP resolutions	<p>European Parliament resolution of 15 December 2021 on the impact of organised crime on own resources of the EU and on the misuse of EU funds with a particular focus on shared management from an auditing and control perspective (paragraphs 21, 29,44,45) (2020/2221(INI)).</p> <p>European Parliament resolution of 15 December 2021 on the evaluation of preventive measures for avoiding corruption, irregular spending and misuse of EU and national funds in case of emergency funds and crisis-related spending areas (paragraphs 32, 27) (2020/2222(INI)).</p> <p>European Parliament resolution of 24 November 2021 on the revision of the Financial Regulation in view of the entry into force of the 2021-2027 multiannual financial framework (paragraphs 23,24) (2021/2162(INI)).</p> <p>European Parliament resolution of 23 November 2021 with recommendations to the Commission on digitalisation of the European reporting, monitoring and audit (paragraph 40) (2021/2054(INI)).</p> <p>European Parliament resolution of 8 July 2021 on the creation of guidelines for the application of the general regime of conditionality for the protection of the Union budget (paragraph 40) (2021/2071(INI)).</p> <p>European Parliament resolution of 7 July 2021 on the protection of the EU's financial interests — combating fraud — annual report 2019 (paragraphs 46,47,80,82) (2020/2246(INI)).</p> <p>European Parliament resolution of 10 July 2020 on protection of the European Union's financial interests — combating fraud — annual report 2018 (paragraphs 6,7,11,16,68,69,78) (2019/2128(INI)).</p>
Selected oral / written questions	<p>Preventive and corrective measures taken to protect the EU budget, E-000060/2021 Question for written answer to the Commission, Rule 138, Daniel Freund (Verts/ALE) Commission answer</p> <p>OLAF reports between 2010 and 2020, E-004572/2021 Question for written answer to the Commission, Rule 138, Mircea-Gheorghe Hava (PPE) Commission answer</p>



	Exclusion of companies in tax havens from public procurement , P-004427/2021, Priority question for written answer to the Commission, Rule 138, Niels Fuglsang (S&D) Commission answer
Member States in the scope of the audit	Estonia, Italy, Poland Portugal
EU institutions in the scope of the audit	European Commission, European Investment Bank (EIB), the European Investment Fund (EIF)
EC acceptance of ECA recommendations	The European Commission accepted recommendations 1, 3, 4 and 5. The Commission partially accepted recommendation 2.
Replies of other EU institutions to ECA Special Report	-



Special report 12/2022 of 20 June 2022

Durability in rural development – Most projects remain operational for the period required, but there are opportunities to achieve longer lasting results

Strategic priority area	Climate change, environment and natural resources
Report No / Title	Special report No 12/2022: Durability in rural development – Most projects remain operational for the period required, but there are opportunities to achieve longer lasting results Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>With this audit the Court expected to help the Commission when sharing best practices between the Member States and evaluating the performance of the Common Agricultural Policy. The questions asked were:</p> <ul style="list-style-type: none"> - whether investments to diversify the rural economy and improve the rural infrastructure delivered durable benefits; - whether projects had met legal durability requirements; - which were the factors affecting project durability, beyond the legal requirements; and - to which extent EU funding could be shown to bring long-term diversification opportunities in rural areas. <p>Findings:</p> <p>The Court made the following observation:</p> <ol style="list-style-type: none"> Legal durability requirements are largely met and the majority of examined projects were still operational, especially in the case of infrastructure projects.



	<ul style="list-style-type: none"> b) Two thirds of diversification projects were still operational, but with significant variation between different sectors and Member States. Weak economic performance and illegitimate private use affect the durability of some diversification projects. c) Due to illegitimate private residential use, some tourist accommodation projects were not economically viable. d) There is limited evidence that audited diversification measures bring long-term diversification in rural areas. <p>Recommendations:</p> <ul style="list-style-type: none"> 1. Target spending better on viable projects; 2. Mitigate the risks of diversion of funded assets for personal use; and 3. Harness the potential of large databases for evaluation.
CONT Committee Working Document; Rapporteur	<p>CONT Working Document of 25/07/2022 on ECA Special Report 12/2022: Durability in rural development – Most projects remain operational for the period required, but there are opportunities to achieve longer lasting results</p> <p>Rapporteur: Petri Sarvamaa (EPP)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ul style="list-style-type: none"> 1. calls on the Commission to encourage Member States with all available means to favour loans over grants for projects as it incentivises the applicants to propose viable projects that have a long term durability perspective; 2. regrets the legalistic focus of the Commission on the durability requirement of 5 years as regards the Court's observation of the durability of diversification projects; calls on the Commission make sure Member States duly take account of the operational life span of the assets for the durability requirements of projects to select; 3. notes the increased responsibility of Member States under the new CAP; calls on the Commission to fast-track the implementation of recommendation 2 a) of the Court on the exchange of best practices; considers that just sharing best practices is not enough to foster the required changes; calls therefore on the Commission to meticulously monitor the Member States' commitments in this regard and to report for each Member State on their ambitions and realisations as regards improved durability of projects; 4. welcomes the recommendations made by the Court and encourages the Commission to implement them in accordance with the agreed timeframe.'
Related EP resolutions	<p>European Parliament resolution of 24 March 2022 on MFF 2021-2027: fight against oligarch structures, protection of EU funds from fraud and conflict of interest, incl. noting 'with great concern of reports on the structural misuse of the European Agricultural Fund for Rural Development</p>



	<p>(EAFRD) budget line to build private villas for political decision-makers disguised as guesthouses, which has occurred in several Member States' (paragraph 21) (2020/2126(INI)).</p> <p>European Parliament resolution of 7 July 2021 on protection of the EU's financial interests - combatting fraud - annual report 2019, incl. on 'the legal minimum durability requirement' (paragraph 34), and a call 'on the Commission to conduct a thorough analysis on the different national rules on the durability of appropriation requirements of co-financed investments and premature repurposing, both for infrastructure and equipment' (paragraph 35) (2020/2246(INI)).</p>
Selected oral / written questions	<p>Evaluating the success of rural development programmes, E-003649/2019, Question for written answer to the Commission, Rule 138, Izaskun Bilbao Barandica (Renew).</p> <p>European Commission answer</p>
Member States in the scope of the audit	Austria, Bulgaria, Czechia, France, Greece, Hungary, Poland, Italy, Lithuania, Romania, and Slovakia-
EU institutions in the scope of the audit	European Commission.
EC acceptance of ECA recommendations	The European Commission accepted all three recommendations.
Answers of other EU institutions to ECA Special Report	-



Special report 14/2022 of 4 July 2022

The Commission's response to fraud in the Common Agricultural Policy – Time to dig deeper

Strategic priority area	Resilience to threats to the Union's security, and respect for the European values of freedom, democracy and rule of law
Report No / Title	Special report No 14/2022: The Commission's response to fraud in the Common Agricultural Policy: Time to dig deeper Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>With this audit the Court expected to help the Commission and the Member States to develop their anti-fraud capacity under the new common agricultural policy 2023-2027. The questions asked were:</p> <ul style="list-style-type: none"> - whether the Commission has taken appropriate action on fraud in CAP spending, by assessing the fraud risks inherent in CAP payment schemes; and - whether the Commission has identified and properly responded to the fraud risks affecting CAP spending. <p>Findings:</p> <p>The Court made the following observation:</p> <ul style="list-style-type: none"> a) The Commission has responded to instances of fraud in CAP spending, but was not sufficiently proactive in addressing the impact of the risk of illegal land grabbing on CAP payments, in monitoring Member States' anti-fraud measures, and in exploiting the potential of new technologies. b) There are risks linked to beneficiaries concealing breaches of eligibility conditions, to the complexity of the financed measures, and to illegal forms of 'land grabbing'. c) Rural development investment measures and certain market measures present a higher risk than other payment schemes.



	<p>d) Most paying agencies appreciated the Commission's guidance on fraud-related issues, but some considered that it could usefully have included more practical examples.</p> <p>e) The use of new technologies to automate checks and to prevent fraud is voluntary, and Member States' take-up has been slow.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Gain and share a deeper insight of fraud risks and measures in CAP spending; and 2. Promote the use of new technologies in preventing and detecting fraud in CAP spending.
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 27/09/2022 on ECA Special Report 14/2022: The Commission's response to fraud in the Common Agricultural Policy: Time to dig deeper</p> <p>Rapporteur: Luke Ming Flanagan (GUE/NGL)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. acknowledges the key role of the Common Agricultural Policy (CAP) in the support of agriculture and rural development in the EU, including direct payments to farmers, agricultural market measures, and Member States' national and regional rural development programmes supporting social and economic development in rural areas, and providing aid based on environmental and climate-related criteria; 2. shares the concerns of the Court about Fraud harming the EU's financial interests and preventing EU resources from achieving the policy objectives; 3. is deeply concerned by the Court findings that the Commission has not been not sufficiently proactive in addressing the impact of the risk of illegal land grabbing on CAP payments, in monitoring Member States' anti-fraud measures, and in exploiting the potential of new technologies; 4. regrets that the last CAP fraud risk analysis by the Commission dates back to 2016; takes note that the Commission plans to carry out a new one before the new CAP enters into force in January 2023; calls on the Commission to shorten the time between CAP fraud risk analyses; 5. regrets that the Commission (DG AGRI) did not complement its fraud risk assessment to cover 'land grabbing', as it did not consider it as direct fraud against the CAP; calls on the Commission to review how paying agencies implement the guidance on checking that land is at the applicants' lawful disposal, and disseminate best practices addressing the risks of illegal land grabbing; 6. notes with concern that the Court found that some certification bodies' reports provided little analysis of the paying agencies' anti-fraud measures; calls on the Commission to require the certification bodies to provide further details in these cases;



	<p>7. acknowledges that Artificial intelligence and big data have potential in fighting fraud but Member States face challenges in seizing these opportunities; welcomes that the Commission has started promoting these technologies;</p> <p>8. calls on the Commission to promote the use of fraud-detection tools, such as Arachne, among paying agencies, in order to increase the number of Member States using them; calls on the Commission to also share with Member States best practices on the use of artificial intelligence and machine-learning to identify patterns indicating fraud;</p> <p>9. calls on the Commission to follow the Court's recommendations and to keep the CONT Committee updated on its implementation.'</p>
Related EP resolutions	<p>European Parliament resolution of 7 July 2021 on protection of the EU's financial interests - combatting fraud - annual report 2019, incl. noting 'that with regard to the common agricultural policy (CAP), the detections of irregularities were concentrated in a few Member States' (paragraph 29), and a call 'for the introduction of maximum amounts for the payments that one natural person can receive from the first and second pillar of the CAP and for cohesion funds' (paragraph 30). The resolution also calls on the Commission and the Member States 'to establish a harmonised or unified reporting system with timely and accurate data' (paragraph 83) (2020/2246(INI)).</p> <p>European Parliament resolution of 15 December 2021 on the impact of organised crime on own resources of the EU and on the misuse of EU funds, incl. on the 'the need for a specifically tailored fraud prevention system to prevent any misuse of EU agricultural funds' (paragraph 12) and 'the need to monitor agricultural paying agencies in the Member States' (paragraph 14) (2020/2221(INI)).</p> <p>European Parliament resolution of 24 March 2022 on MFF 2021-2027: fight against oligarch structures, protection of EU funds from fraud and conflict of interest, incl. on the 'potential misuse of common agricultural policy (CAP) funds' (paragraph 18) and a call for 'more transparency on the beneficiaries of CAP and European Structural and Investment Funds' (paragraph 42) (2020/2126(INI)).</p> <p>European Parliament resolution of 3 May 2022 on an EU action plan for organic agriculture, incl. on the 'certification and control mechanisms ... to prevent fraud in organic production and trade' (paragraph 41) and 'greater deployment of digital technologies' (paragraph 60) (2021/2239(INI)).</p>
Selected oral / written questions	<p>Conflict of interest and corruption affecting the protection of the EU's financial interests in the Member States, O-000041/2019, Question for oral answer to the Commission, Rule 136, Monika Hohlmeier (PPE) on behalf of the Committee on Budgetary Control. European Commission answer</p> <p>Fraud in Campania involving CAP funds, E-003414/2021, Question for written answer to the Commission, Rule 138, Piernicola Pedicini (Verts/ALE), Ignazio Corrao (Verts/ALE). European Commission answer</p> <p>Potential fraud involving EU funds at Slovakia's Ministry of Agriculture and Rural Development (MPRV SR), E-000236/2022, Question for written answer to the Commission, Rule 138, Tomáš Zdechovský (PPE).</p>



	<p>European Commission answer</p> <p>Cases of fraud involving the use of unauthorised fertilisers by certified organic farms in the EU, E-003825/2019, Question for written answer to the Commission, Rule 138, Martin Häusling (Verts/ALE).</p> <p>European Commission answer</p> <p>Request for information concerning the possible recovery of fraudulently obtained funds, E-001592/2020, Question for written answer to the Commission, Rule 138, Mario Furore (NI), Daniela Rondinelli (NI), Chiara Gemma (NI), Fabio Massimo Castaldo (NI), Dino Giarrusso (NI), Sabrina Pignedoli (NI).</p> <p>European Commission answer</p> <p>Rural mafia in Europe, E-002344/2019, Question for written answer to the Commission, Rule 138, Ignazio Corrao (NI).</p> <p>European Commission answer</p> <p>Fake tomato crops, subsidised to the detriment of real tomato growers, E-002195/2019, Question for written answer to the Commission, Rule 138, Daniel Buda (PPE).</p> <p>European Commission answer</p>
Member States in the scope of the audit	Survey in all 27 Member States, documentary reviews in France, Italy and Slovakia.
EU institutions in the scope of the audit	European Commission.
EC acceptance of ECA recommendations	The European Commission accepted both recommendations.
Answers of other EU institutions to ECA Special Report	-



Special report 16/2022 of 28 June 2022

Data in the Common Agricultural Policy – Unrealised potential of big data for policy evaluations

Strategic priority area	Increasing the EU's economic competitiveness for the benefit of all citizens
Report No / Title	Special report No 16/2022: Data in the Common Agricultural Policy: Unrealised potential of big data for policy evaluations Press release
Short summary of questions asked, findings and recommendations	<p>Audit questions:</p> <p>The audit assessed whether the Commission is making good use of data and analytics for Common Agricultural Policy (CAP) policy analysis. The questions asked were:</p> <ul style="list-style-type: none"> - how the Commission has used the available data for policy analysis in recent years; - whether the available data are sufficient; and - what the Commission is doing to address data gaps, including the use of big data. <p>Findings:</p> <p>The Court made the following observation:</p> <ol style="list-style-type: none"> The Commission holds large amounts of data for CAP design, monitoring and evaluation. The Commission uses conventional tools such as spreadsheets to analyse the data it collects from the Member States. Current data and tools do not deliver certain significant elements (e.g. details of the environmental practices applied, and off-farm income) that are needed for well-informed policymaking. The Commission has taken several legislative and other initiatives to make better use of existing data, but barriers to making the best use of collected data remain. Obstacles such as a lack of standardisation and limitations due to data aggregation reduce data availability and usability.



	<p>Recommendations:</p> <ol style="list-style-type: none"> 1. Establish a framework for using disaggregated data from Member States; and 2. make more use of and develop data sources to meet policy
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 28/09/2022 on ECA Special Report 16/2022: Data in the Common Agricultural Policy: Unrealised potential of big data for policy evaluations</p> <p>Rapporteur: Luke Ming Flanagan (GUE/NGL)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. Welcomes the Court's special report, its findings and the Commission's readiness to implement the recommendations; 2. Takes note of the large amount of data that the Commission collects and the progress in technology enabling the generation of big data; calls the Commission to better use the information by harmonising data systems and encourage comparability of data; 3. Notes with concern the Court's observation that the Commission (DG AGRI) mainly uses conventional tools for data analysis; highlights that the Court found that further automation is possible; 4. Calls for better use of administrative data on beneficiaries and the sharing of information between authorities managing and controlling the funds, takes note that the Commission is working on improving the functionality of Arachne system; calls the Commission to encourage the use of Arachne; 5. Notes with concern that the Court found that a lack of adequate data limits the evaluation of CAP performance; highlights that for example the Court found that a 2019 evaluation concluded that an overall assessment of the policy impact on biodiversity was not possible due to the absence of suitable monitoring data; is deeply concerned by the Court's conclusion that the Commission does not have enough evidence for its CAP policy needs assessment; 6. Also notes with concern that the Court found that the decentralised approach of IACS limits further integration and crosslinking of these data sources with other Commission data sources; is concerned that the Court found compatibility problems, a lack of interoperability between data systems confidentiality rules not allowing farm data to be linked from various data sources, and low granularity of other databases; calls on the Commission to deepen its efforts into a cohesive data integration; 7. Notes with appreciation the new framework and implementing act that will improve the collection of individual data; stresses the importance of common indicators and references and the use of advanced analytics to achieve a comprehensive information on the implementation of the CAP and its individual projects.'



Related EP resolutions	<p>European Parliament resolution of 23 June 2022 on Illegal logging in the EU, incl. a calls 'on the Member States to improve the quality and completeness of their forest monitoring systems' (paragraph 16), 'on the Commission and the Member States to frequently assess the available data based on both ground-based monitoring and remote-sensing technologies' (paragraph 21). The resolution also refers to 'the proposal for an EU-wide Forest Observation, Reporting and Data Collection framework' (paragraph 40) and 'calls on the Member States to make full use of the tools made available by the EU Satellite Centre to strengthen their capacities in countering illegal logging' (paragraph 43) (2022/2523(RSP)).</p> <p>European Parliament resolution of 3 May 2022 on an EU action plan for organic agriculture, incl. on the extension of 'the EU Market Observatories' analysis to organic products' and the 'potential of a common European agriculture data space to increase consumer knowledge and trust' (paragraphs 71-73) (2021/2239(INI)).</p> <p>European Parliament resolution of 8 October 2020 on the European Forest Strategy - The Way Forward, incl. a call 'on the Commission to consider the implementation of an EU-wide digital wood-traceability mechanism for data gathering, consistent transparency, ensuring a level playing field, and reducing uncompetitive behaviour and deliberate wrongful action in the wood trade' (paragraph 50) (2019/2157(INI)).</p> <p>European Parliament resolution of 25 March 2021 on European strategy for data, incl. 'the development of nine common European data spaces for industry (manufacturing), the Green Deal, mobility, health, finance, energy, agriculture, public administration and skills' (paragraph 31), 'the establishment of a common European agriculture data space' (paragraph 39) (2020/2217(INI)).</p>
Selected oral / written questions	<p>Request for clarification on the establishment of a 'Rural Observatory' within the Commission, E-003421/2021, Question for written answer to the Commission, Rule 138, Gianantonio Da Re (ID). European Commission answer</p> <p>Is organic food really more expensive once all externalities (impact on public health, the environment and the economy) have been taken into account?, E-003240/2021, Question for written answer to the Commission, Rule 138, Pierre Larrourou (S&D). European Commission answer</p> <p>Holding Member States accountable for meeting Farm to Fork Strategy targets, E-003396/2020, Question for written answer to the Commission, Rule 138, Mick Wallace (GUE/NGL). European Commission answer</p> <p>Artificial intelligence and new opportunities for farmers, E-003044/2020, Question for written answer to the Commission, Rule 138, Karlo Kessler (EPP). European Commission answer</p>



Member States in the scope of the audit	Survey in all 27 Member States, follow-up discussion with Belgium, Estonia, Germany, Ireland, the Netherlands, and Spain.
EU institutions in the scope of the audit	European Commission.
EC acceptance of ECA recommendations	The European Commission accepted both recommendations.
Answers of other EU institutions to ECA Special Report	-



Special report 17/2022 of 30 June 2022

External consultants at the European Commission – Scope for reform

Strategic priority area	Other areas
Report No / Title	Special report 17/2022: External consultants at the European Commission – Scope for reform Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>Services of external consultants financed by the EU budget and contracted by the European Commission between 2017 and 2019, and recorded by the Commission as consultancy, study, evaluation or research. The value of services produced between the timeframe was around 2,7 billion. Recent relevant information on the use of external consultants has also been considered when appropriate.</p> <p>The audit focused on whether the Commission:</p> <ul style="list-style-type: none"> a) had a framework governing the use of external consultants that defines the forms of support they can provide, and lays down rules to justify their use; b) had procured such contracts in a sound manner, and mitigated the potential risks involved in cooperating with suppliers; c) had managed and monitored external consultants' performance and has practices to assess the results; d) had reliable and accurate management information and reported on its use of external consultants. <p>Findings:</p> <p>1. The Commission's management of the use of external consultants does not ensure that it maximises value for money nor fully safeguards its interests. The auditors found significant gaps in the Commission's framework governing the use of external consultants. It did not contain guidance about the extent to which tasks could be outsourced, how external consultants' services are defined, and which capabilities and capacities should be kept in-house.</p>



	<p>2. However, for studies and evaluations, the Commission's framework provided clear guidance for justifying and documenting the use of external consultants. The Commission regularly used consultants to perform recurring activities. In many such cases, there was no evidence of a needs assessment having been carried out.</p> <p>3. The Commission followed the Financial Regulation and its own internal rules when it procured services from external consultants. The criteria the Commission used to select winning tenders were appropriate.</p> <p>4. Monitoring and management of important risks associated with its use of external consultants, such as the risks of supplier concentration and overdependence on a relatively small number of service providers. According to the auditors, the formal checks on conflicts of interest cannot ensure that all important risks are flagged and dealt with. Consequently, some significant risks associated with services provided by external consultants had not been sufficiently analysed at corporate level.</p> <p>5. The Commission managed individual contracts with external consultants well. However, it did not consistently assess the performance of external consultants and, apart from studies and evaluations, it did not share information about these assessments across its directorates-general. Service contracts rarely consider the transfer of knowledge from consultants, and the Commission does not systematically consider whether a transfer of skills is needed. The dissemination of the results of consultants' work was fragmented and focused at the level of the directorates-general; in some cases, the information was incomplete.</p> <p>6. The Commission's information systems did not provide accurate information on the volume and types of external consultants' services used. The Commission has recently started working on improvements. It does not systematically report information to the Parliament and the Council on its use of external consultants' services, and there is no corporate-level reporting.</p> <p>Recommendations:</p> <p>1. Further develop its framework governing the use of external consultants. The framework should:</p> <ul style="list-style-type: none"> a) define the different forms of support that external consultants can provide; b) include guidance on how to carry out needs assessments (including when to carry out cost-benefit analyses), including methods to assess the need to outsource work instead of using internal staff; c) provide criteria applicable to activities and processes that should remain within the Commission and not be outsourced. <p>2. Improve monitoring and mitigation of risks arising from using external consultants' services by:</p> <ul style="list-style-type: none"> a) periodically analysing the risks of concentration and overdependence at the level of directorates-general and the Commission;
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	<ul style="list-style-type: none"> b) clarifying the processes in place related to competitive advantages obtained by external providers with long-term EU experience; c) completing the guidance on avoidance of conflicts of interest by integrating risks not yet covered; d) ensuring that directorates-general identify and report critical risks, and that these risks are brought to the attention of the corporate management board, for it to coordinate and advise on the assessment and management of such risks. <p>3. Identify and make use of the value it obtains from external consultants' services in a consistent manner, by performing, where appropriate:</p> <ul style="list-style-type: none"> a) systematic post-completion assessments to learn lessons; b) systematic analysis of whether the transfer of knowledge from the consultants to Commission staff is needed; c) corporate-level arrangements to disseminate lessons learnt and results, and identify good practices of external consultants' assignments. <p>4. Improve reporting on the use of external consultants' services. Report regularly on its use of external consultants' services based on accurate and complete data and include information such as the volume and types of acquired services.</p>
<p>CONT Committee Working Document; Rapporteur</p>	<p><u>CONT Working Document of 13/07/20212</u> on Special report 17/2022: External consultants at the European Commission – Scope for reform</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Maria Grapini (S&D)</p> <p><i>'Recommendations by the rapporteur,</i></p> <ul style="list-style-type: none"> 1. Welcomes the Commissions position as regards the ECA' recommendations; 2. Notes that quantification continues to be a challenge; insists that quantification of costs and benefits should take account of the impact on different stakeholders; 3. Underlines that according to the EU's Joint Transparency Register , between 1999 and 2019, the number of consultancies active in EU affairs has quadrupled from 290 to close to 1200; 4. Points out that the continuous increase of the European Union's policy scope, degree of decision-making competences and the successive enlargement rounds has given rise to a high number of interest groups (IGs) competing for access to policy-makers and influence on policies; 5. Points out, moreover, that interest groups do not only attempt to influence European legislation by devising and executing their own strategies, or relying on their allies - almost 50% have also experience in hiring political consultants;



	<ol style="list-style-type: none"> 6. Considers that the Commission should pay particular attention to aspects of collaboration between IGs and consultancies; 7. Is concerned by the conclusion of the Court that the Commission's management of the use of external consultants does not ensure that it maximises value for money nor fully safeguards its interests; 8. Points out that expenditure on external consultants represents a very small proportion of total operational expenditure; 9. Considers that the Court's conclusions and recommendations indicate that there is a substantial scope for improvements of the Commission's framework governing the use of external consultants and calls on the Commission to implement without delay the Court's recommendations; 10. Asks the Commission to make a better evaluation of the necessity of using external consultants and to prioritise the capacity building and strengthening of its staff and its internal expertise; 11. Notes the Commission proposal for recast of the Financial Regulation and especially the new provisions aiming to allow EU institutions to compete with other actors in the market when contracting remunerated external experts; insists that the exceptional and duly justified cases when experts could be remunerated with more competitive fees should follow clearly established guidelines, which should be adopted before such cases are considered, and that certain limit should still be envisaged; 12. Calls on the Commission to take into account the recommendation of the Court of Auditors and to report systematically on the use of services provided by external consultants.'
Related EP resolutions	No EP resolutions during 9th legislature.
Selected oral / written questions	<p>McKinsey assignments for the Commission in 2020 and 2021, P-001521/2022 Priority question for written answer to the Commission, Rule 138, Michèle Rivasi (Verts/ALE) Commission answer</p> <p>Contracts between EU bodies and the management consultant firm McKinsey, E-001740/2021/rev.1 Question for written answer to the Commission, Rule 138, Roman Haider (ID), Georg Mayer (ID) Commission answer</p> <p>Special relationship between the EU and consultancy firms, E-005496/2021 Question for written answer to the Commission, Rule 138, Charlie Weimers (ECR) Commission answer</p>



	<p>External consultants to the Commission, E-001 185/2020 Question for written answer to the Commission, Rule 138, Roman Haider (ID), Georg Mayer (ID) Commission answer</p> <p>Consultancy contracts, P-004574/2020 Priority question for written answer to the Commission, Rule 138, Martin Schirdewan (GUE/NGL) Commission answer</p> <p>External consultancy firms, E-001518/2020 Question for written answer to the Commission, Rule 138, Moritz Körner (Renew) Commission answer</p> <p>Costs of consultancy services purchased from outside firms in 2018 and 2019, E-004010/2019 Question for written answer to the Commission, Rule 138, Lars Patrick Berg (ID) Commission answer</p> <p>Awarding of external consultancy contracts by the European Commission, E-002859-19 Question for written answer to the Commission, Rule 138, Markus Buchheit (ID) Commission answer</p>
Member States in the scope of the audit	-
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission accepted all four recommendations.
Reply of other EU institutions to ECA Special Report	-



Special report 19/2022 of 12 September 2022

EU COVID-19 vaccine procurement – Sufficient doses secured after initial challenges, but performance of the process not sufficiently assessed

Strategic priority area	EU response to COVID-19 and post-crisis recovery
Report No / Title	Special report 19/2022: EU COVID-19 vaccine procurement – Sufficient doses secured after initial challenges, but performance of the process not sufficiently assessed Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The special report assess the efficiency of the procurement of COVID-19 vaccines by the Commission and Member States up to the end of 2021. ECA examined whether:</p> <ul style="list-style-type: none"> • EU preparations for the procurement of COVID-19 vaccines were effective; • the negotiators of the EU were able to secure procurement objectives in the contracts signed with vaccine manufacturers; and • Commission addressed issues that might have had an impact on vaccine supply. <p>Findings:</p> <p>The auditors conclude that the tailor-made and centralised system for vaccine procurement succeeded in many ways, notably it created a diversified portfolio of vaccine candidates and a system to procure sufficient doses of COVID-19 vaccines. ECA also notes that the EU started procurement later than the UK and the US. Auditors find room for improvement in the handling of the severe supply disruptions occurred in the first half of 2021, which revealed that most contracts did not include specific provisions to address such situations. ECA points out that the vaccine procurement process has not been evaluated, which delays possibility drawn lessons from it for the future.</p>



	<p>1. The EU identified vaccines as a priority in the response to COVID-19 early on and managed to create a tailor-made procurement system for COVID-19 vaccines although it started procurement later than the UK and the US. ECA acknowledges that EU negotiators adopted a flexible approach to negotiations in the face of a high level of uncertainty.</p> <p>2. ECA points out that the negotiations secured a diversified vaccine portfolio for Member States. However, it highlights that major elements were agreed in preliminary negotiations before the actual tender process. It also underlines that although the Commission achieved a diversified vaccine portfolio, EU is mainly dependent on one supplier for 2022-2023.</p> <p>3. In its report ECA informs that it did not receive any information on the preliminary negotiations for the EU's biggest contract, even upon request. It also notes that the European Ombudsman opened a case (16 September 2021) on the separate matter of the European Commission's refusal to grant public access to text messages exchanged between the Commission President and the CEO of Pfizer at the time of the preliminary negotiations and found in its report (26 January 2022) that the way the Commission dealt with this request constituted maladministration.</p> <p>4. The Commission supported contract implementation by resolving various difficulties between companies and Member States, but had limited leverage to overcome supply challenges in the first half of 2021.</p> <p>5. The Commission has not evaluated or benchmarked its procurement of COVID-19 vaccines.</p> <p>Recommendations:</p> <p>'1 – Create pandemic procurement guidelines on the basis of lessons learnt</p> <p>Once the Emergency Framework Regulation and the revised Financial Regulation have been adopted, after consulting Member State authorities and relevant stakeholders, and benchmarking with other procurement systems to identify good practices, the Commission should produce pandemic procurement guidelines and/or lessons learnt for future negotiating teams.</p> <p>2- Stress-test the EU's medical countermeasures procurement approach</p> <p>The Commission should, in order to be in line with best practices and contribute to the review of the Council Regulation on an emergency framework for medical countermeasures:</p> <ul style="list-style-type: none"> • carry out a risk assessment of the EU's procurement approach and propose appropriate measures; • run exercises to test all parts of its updated pandemic procurement framework, including information and intelligence gathering, to identify any weaknesses and areas for improvement and publish the results.'
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CONT Committee Working Document; Rapporteur	<p>CONT Working Document of 24/10/2022 on Special report 19/2022: on Special report 19/2022: EU COVID-19 vaccine procurement – Sufficient doses secured after initial challenges, but performance of the process not sufficiently assessed</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Petri Sarvamaa</p> <p><i>'Recommendations by the rapporteur,</i></p> <ol style="list-style-type: none"> 1. Welcomes the Commission's actions in the face of an unprecedented crisis. Considers it important that the Commission continues to have effective tools to respond to crises such as the pandemic and to act in the common interest of the Member States; 2. More attention should be paid to the risk of vaccine supply shortages. In the future, the Commission should ensure that experts in logistic and supply chain take part in the steering committee. The Commission and other authorities should also pay maximum attention to ensuring that EU orders for deliveries are not delayed because of other contracts. 3. In future joint procurement of vaccines, attention should be paid to and policies should be devised to enhance transparency in all stages of negotiations and to avoid any possible conflict of interest. All necessary steps should be taken to ensure that all relevant provisions of the treaties as well as of the regulation on public access to documents are properly implemented. 4. The Commission should also in future keep a strong focus on the cost of purchasing vaccines. Promoting transparency in procurement also contributes to the efficient use of taxpayers' funds, but above all the trust of citizens in the EU institutions. 5. In future, strong and adequate involvement of the European Parliament should be ensured.'
Related EP resolutions	<p>European Parliament resolution of 17 September 2020 on the shortage of medicines – how to address an emerging problem (paragraphs 1, 114, 62, 115) (2020/2071(INI)).</p> <p>European Parliament resolution of 16 February 2022 on the annual report on the activities of the European Ombudsman in 2020 (paragraphs N, O, P, Z, 8 and 9) (2021/2167(INI)).</p> <p>European Parliament resolution of 21 October 2021 on EU transparency in the development, purchase and distribution of COVID-19 vaccines (2021/2678(RSP)).</p>
Selected oral / written questions	<p>Suspension or modification of contracts for the purchase of unused vaccines, P-001472/2022/rev.1 Priority question for written answer to the Commission, Rule 138, Victor Negrescu (S&D)</p> <p>Commission answer</p>



	<p><u>Openness and transparency in COVID-19 vaccine contracts</u>, P-005537/2021 Priority question for written answer to the Commission, Rule 138, Samira Rafaela (Renew) <u>Commission answer</u></p> <p><u>Emergency authorisation and procurement of Sputnik V</u>, P-001557/2021 Priority question for written answer to the Commission, Rule 138, Brice Hortefeux (PPE) <u>Commission answer</u></p> <p><u>Transparency in the procurement and supply of COVID-19 vaccines and vaccination</u>, P-001479/2021 Priority question for written answer to the Commission, rule 138, Milan Brglez (S&D), Tanja Fajon (S&D) <u>Commission answer</u></p> <p><u>Vaccination for COVID-19</u>, P-000823/2021 Priority question for written answer to the Commission, rule 138, Tomas Tobé (PPE) <u>Commission answer</u></p> <p><u>Negotiations and procurement contracts for SARS-Cov-19 virus vaccines developed and under development</u>, P-000063/2021 Priority question for written answer to the Commission, Rule 138, Andreas Glück (Renew) <u>Commission answer</u></p> <p><u>EU mandate to procure vaccines against the SARS-CoV-19 virus</u>, P-000053/2021 Priority question for written answer to the Commission, Rule 138, Nicola Beer (Renew) <u>Commission answer</u></p> <p><u>Vaccine procurement in relation to COVID-19</u>, P-000039/2021 Priority question for written answer to the Commission, Rule 138, Christel Schaldemose (S&D) <u>Commission answer</u></p> <p><u>Distribution of COVID-19 vaccines and the vaccination procedure in the Member States</u>, P-000047/2021 Priority question for written answer to the Commission, Rule 138, Vilija Blinkevičiūtė (S&D) <u>Commission answer</u></p> <p><u>The Commission's joint procurement of the vaccine against COVID-19 – financing, distribution and branding</u>, P-006404/2020 Priority question for written answer to the Commission, Rule 138, Vlad Gheorghe (Renew), Vlad-Marius Botoș (Renew) <u>Commission answer</u></p>
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	<p>EU transparency in the development, purchase and distribution of COVID-19 vaccines, question for oral answer O-000046/2021 to the Commission, rule 136, Dolors Montserrat on behalf of the Committee on Petitions</p> <p>Commission answer in plenary</p> <p>Transparency of contracts for COVID-19 vaccines, priority question for written answer P-006641/2020 to the Commission, rule 138</p> <p>Rasmus Andresen (Verts/ALE), David Cormand (Verts/ALE), Daniel Freund (Verts/ALE), Damian Boeselager (Verts/ALE), Tatjana Ždanoka (Verts/ALE), Marc Botenga (GUE/NGL), Tanja Fajon (S&D), Sara Cerdas (S&D), Kim Van Sparrentak (Verts/ALE), Anna Cavazzini (Verts/ALE), Mounir Satouri (Verts/ALE), Eric Andrieu (S&D), Patrick Breyer (Verts/ALE), Sylvie Guillaume (S&D), Damien Carême (Verts/ALE), Carmen Avram (S&D), Karima Delli (Verts/ALE), Petar Vitanov (S&D), Yannick Jadot (Verts/ALE), Saskia Bricmont (Verts/ALE), Robert Hajšel (S&D), Dimitrios Papadimoulis (GUE/NGL), Alfred Sant (S&D), Eugen Jurzyca (ECR), Petros Kokkalis (GUE/NGL), Sven Giegold (Verts/ALE), Ciarán Cuffe (Verts/ALE), Miroslav Číž (S&D), Monika Vana (Verts/ALE), Günther Sidl (S&D), Giorgos Georgiou (GUE/NGL), Andreas Schieder (S&D), Monika Beňová (S&D), Hannes Heide (S&D), Henrike Hahn (Verts/ALE), Sarah Wiener (Verts/ALE), Caroline Roose (Verts/ALE), Elisabetta Gualmini (S&D), Salima Yenbou (Verts/ALE), Alessandra Moretti (S&D), Frédérique Ries (Renew), Viola Von Cramon-Taubadel (Verts/ALE), Bronis Ropé (Verts/ALE), Martin Häusling (Verts/ALE), Ville Niinistö (Verts/ALE), Thomas Waitz (Verts/ALE), Martin Hojsík (Renew), Marie Toussaint (Verts/ALE), Konstantinos Arvanitis (GUE/NGL), Manuel Bompard (GUE/NGL), José Gusmão (GUE/NGL), Alexis Georgoulis (GUE/NGL), Eugenia Rodríguez Palop (GUE/NGL), Leila Chaibi (GUE/NGL), Manon Aubry (GUE/NGL), Kateřina Konečná (GUE/NGL), Jutta Paulus (Verts/ALE), Michèle Rivasi (Verts/ALE), Biljana Borzan (S&D), Claude Gruffat (Verts/ALE), Aurore Lalucq (S&D), Gwendoline Delbos-Corfield (Verts/ALE), François Alfonsi (Verts/ALE)</p> <p>Commission answer</p> <p>Limits on the supply of COVID-19 vaccine doses, question for written answer E-000447/2021 to the Commission, rule 138</p> <p>Patrizia Toia (S&D), Brando Benifei (S&D), Elisabetta Gualmini (S&D), Pietro Bartolo (S&D), Paolo De Castro (S&D), Giuseppe Ferrandino (S&D), Pierfrancesco Majorino (S&D), Alessandra Moretti (S&D), Pina Picierno (S&D), Giuliano Pisapia (S&D), Franco Roberti (S&D), Massimiliano Smeriglio (S&D), Andrea Cozzolino (S&D), Caterina Chinnici (S&D), Irene Tinagli (S&D), Simona Bonafè (S&D)</p> <p>Commission answer</p>
Member States in the scope of the audit	EU Member States, EU27
EU institutions in the scope of the audit	European Commission



EC acceptance of ECA recommendations	The European Commission accepts the ECA recommendations.
Replies of other EU institutions to ECA Special Report	-



Special report 21/2022 of 8 September 2022

The Commission's assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain

Strategic priority area	EU response to COVID-19 and post-crisis recovery
Report No / Title	Special report 21/2022: The Commission's assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The audit focused primarily on the Commission's assessment work, but also highlighted the risks and challenges that might affect the implementation of RRP. It examined the appropriateness of the Commission's assessment of the RRP by assessing whether:</p> <ul style="list-style-type: none"> the Commission's internal procedures were clear and were applied, guidance to the Member States was sufficient and followed, and support for the Member States was effective; the Commission's assessment ensured that: <ul style="list-style-type: none"> the RRP contribute adequately to the six pillars and to effectively addressing all or a significant subset of challenges identified in the CSRs; the measures in the RRP comply with the key conditions stipulated in the RRF Regulation (green and digital, DNSH, costs); the milestones and targets are clear and realistic; the proposed monitoring and control arrangements are appropriate. <p>Findings:</p>



	<p>The audit concludes that the Commission's assessment of the recovery and resilience plans was overall appropriate given the complexity of the process and the time constraints. However, the audit identified a number of weaknesses in the process and risks for the successful implementation of the Recovery and Resilience Facility.</p> <p>The Commission's assessment was based on comprehensive internal guidelines and checklists but assessors used them not systematically or uniformly for the qualitative assessment. The key documents supporting the Commission's final assessment were available but not always easily traceable. The Commission provided support to the Member States when they drafted the recovery and resilience plans and issued guidance documents. However, a more active role of the Commission in promoting exchange of good practice between Member States would have facilitated the process.</p> <p>Regarding the policy objectives of the Recovery and Resilience Facility, the audit concludes that the Commission's assessment verified that the recovery and resilience plans are likely to contribute to all six pillars and thereby the policy areas relevant to the Facility, but the extent varies and the impact remains to be seen in practice. Some important aspects of the country specific recommendations remained unaddressed across the Member States, in particular those of 2019, representing recurrent structural changes.</p> <p>As for the compliance with key conditions of the Facility, the Commission's assessment led to the result that none of the measures in our audit sample is likely to do significant harm to the environment. However, measures to mitigate the environmental impact have not been systematically included in form of a milestone or target in the recovery and resilience plans, and measures non-compliant with the 'do no significant harm' principle may be financed outside the Facility. The Commission's assessment of the estimated costs reflected a lack of information for certain measures. The disbursement profiles were a result of negotiations rather than a reflection of the underlying costs. It also verified that the sampled measures contributed to the green and digital transition, where relevant.</p> <p>The Commission's assessment improved the quality of the milestones and targets, but some of them lacked clarity or did not cover all key stages of implementation of a measure. The audit also noted that the milestones and targets are generally limited to measure output rather than impact and that the approach in setting milestones and targets was not always harmonized across Member States.</p> <p>The Commission's assessment of the monitoring and control arrangements proposed by Member States correctly identified gaps and deficiencies requiring additional measures. However, the assessment was to some extent based on the description of systems which were yet to be set up. The audit also notes that some Member States decided not to use the Commission's data-mining and risk scoring tool, which may both decrease its overall usefulness and increase the risk of non-detection of fraud and double-funding in the Member State concerned.</p> <p>Recommendations:</p> <p>1. Improve assessment procedures and documentation. The Commission should:</p>
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	<ul style="list-style-type: none"> a) further improve the procedure in future assessments to ensure all steps of the process are followed and qualitative parts of the assessment are fully considered; b) ensure that the documentation of the final assessment and the reasons leading to it are well documented and key documents easily traceable to increase the transparency and efficiency of the process. <p>2. Promote exchange of good practices amongst Member States. To promote the exchange of good practices amongst Member States during the implementation of the recovery and resilience plans, the Commission should proactively facilitate exchanges of views between Member States' authorities on matters of common concern.</p> <p>3. Follow-up on the contribution of the implemented measures to the country-specific recommendations. During the implementation of the recovery and resilience plans, the Commission should:</p> <ul style="list-style-type: none"> a) align the progress reporting on the Recovery and Resilience Facility with the reporting in the context of the European Semester to ensure that all country-specific recommendations, including those not directly addressed in the recovery and resilience plans, are adequately followed-up; b) in the existing European Semester reporting framework, provide information on the extent to which the Recovery and Resilience Facility is contributing to the implementation of country-specific recommendations. <p>4. Improve transparency and monitoring of the 'do no significant harm' principle. The Commission should:</p> <ul style="list-style-type: none"> a) ask Member States to provide, whenever relevant, a quantitative estimate of the environmental impact of measures for future self-assessments of the 'do no significant harm' principle and if provided, take this into account in the assessment; b) include mitigating measures in milestones and targets, where they are considered relevant for the positive assessment of the measure with regard to the 'do no significant harm' principle, and check the fulfilment of the conditions included in these milestones and targets during the implementation. <p>5. Ensure clear verification mechanisms of milestones and targets and their adequate definition. The Commission should:</p> <ul style="list-style-type: none"> a) include clear verification mechanisms in the operational arrangement for milestones and targets to allow for an unambiguous assessment of their fulfilment; b) ensure that milestones and targets are adequately defined, in particular that they are sufficiently clear, reflect key stages of implementation and are defined consistently across Member States, while respecting the specificities of each recovery and resilience plan. <p>6. Verify compliance with the specific milestones for monitoring and control and encourage the use of Commission's data-mining and risk scoring tool. The Commission should:</p>
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	<ul style="list-style-type: none"> a) closely scrutinise the satisfactory fulfilment and timely implementation of the specific milestones related to monitoring and control systems; b) encourage all Member States to use the Commission's data-mining and risk scoring tool.
CONT Committee Working Document; Rapporteur	<p>CONT Working Document on Special report 21/2022: The Commission's assessment of national recovery and resilience plans – Overall appropriate but implementation risks remain</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Sándor Rónai</p> <p><i>The working document was not available by the cut-off date for this study (7 December 2022).</i></p>
Related EP resolutions	<p>European Parliament resolution of 23 June 2022 on Implementation of the Recovery and Resilience Facility (paragraphs 13, 19, 26, 35, 36, 58, 59, 66, 69, 77) (2021/2251(INI)).</p> <p>European Parliament resolution of 20 May 2021 on the right of information of the Parliament regarding the ongoing assessment of the national recovery and resilience plans (paragraphs 3, 4, 6, 10) (2021/2703(RSP)).</p> <p>European Parliament resolution of 9 June 2022 on the rule of law and the potential approval of the Polish national Recovery Plan (RRF) (paragraph 1) (2022/2703(RSP)).</p> <p>European Parliament resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans (paragraphs 2, 4-8, 10, 13-15, 23, 24, 27, 42, 48) (2021/2738(RSP)).</p>
Selected oral / written Questions	<p>No decision from the Commission on approval of the Polish NRRP, and political pressure by EPP President Donald Tusk, P-004676/2021 Priority question for written answer to the Commission, Rule 138, Kosma Złotowski (ECR) Commission answer</p> <p>National recovery plans and the Commission's assessment, E-001839/2021 Question for written answer to the Commission, Rule 138, Marek Belka (S&D) Commission answer</p>



	<p>Eligibility of projects such as the electrification of the Como-Lecco railway line for support from the Recovery Fund, P-001850/2021 Priority question for written answer to the Commission, Rule 138, Eleonora Evi (Verts/ALE) Commission answer</p> <p>Respecting the partnership principle in national recovery and resilience plans and ensuring good governance of spending, P-002187/2021 Priority question for written answer to the Commission, Rule 138, Katalin Cseh (Renew) Commission answer</p> <p>Assessment of Spain's recovery, resilience and transformation plan, E-004012/2021 Question for written answer to the Commission, Rule 138, Dolors Montserrat (PPE), Isabel Benjumea Benjumea (PPE) Commission answer</p> <p>Recovery Fund: benchmarks for the assessment of Member States' national plans, E-005062/2020 Question for written answer to the Commission, Rule 138, Gianantonio Da Re (ID) Commission answer</p>
Member States in the scope of the audit	Croatia, France, Germany, Greece, Italy, Spain
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission accepted recommendations 1, 2, 3, 4a, 5 and 6. The Commission partially accepts sub-recommendation 4b.
Replies of other EU institutions to ECA Special Report	-



Special report 22/2022 of 09/11/2022

EU support to coal regions: Limited focus on socio-economic and energy transition

Strategic priority area	Climate change, environment and natural resources
Report No / Title	Special report 22/2022: EU support to coal regions - Limited focus on socio-economic and energy transition Press release
Short summary of scope, audit questions, findings and recommendations	<p>Audit questions:</p> <p>The audit report focusses on EU funds available for socio-economic and energy transition in regions where the coal industry has been in decline. It covers a sample of seven regions in five EU Member States. It contributes to the cost-effective implementation of the Just Transition Fund (JTF) by analysing the use of EU funds for the period of 2014-2020 (European Social Fund, the European Regional Development Fund and the Cohesion Fund) and some other actions supporting coal regions.</p> <p>The special report examines following questions:</p> <ul style="list-style-type: none"> • Did laid-off workers in coal-related industries receive appropriate training and assistance? • Had Member States together with the Commission identified socio-economic development needs and allocated funding accordingly? • Had greenhouse gas emissions from thermal coal decreased in line with the fall in EU thermal coal production? <p>Findings:</p> <p>ECA audit assessed whether EU support in 2014-2020 had contributed effectively to the socio-economic and energy transition in the seven coal regions selected to the scope of the audit. They represent regions where the coal industry has been in decline. ECA found that labour market demand bolstered employment prospects for the laid-off coal workers, but noted that data was insufficient to assess how they benefited from EU-funded training. The training and assistance activities offered to laid-off workers were assessed to be sufficient. Nevertheless, ECA concluded that the number of jobs created directly in the regions in the scope of the audit through investments under the ERDF was relatively low</p>



	<p>ECA observed that Member States used EU funds for territorial cohesion without focusing specifically on the transition of coal region, since most transition strategies were developed only recently. ERDF and CF support was available, but its impact on energy transition and jobs was assessed to be rather limited.</p> <p>ECA highlighted in its findings the fact that CO₂ emissions from coal combustion decreased, but noted that during the time of the audit domestic coal was sometimes replaced by imports or by other fossil fuels. Albeit good progress in green transition, coal remained a significant source of greenhouse gas emissions in some Member States. In addition, ECA draw attention to methane emissions from closed or abandoned coal mines, which have been somewhat overlooked.</p> <p>ECA concluded that EU support to coal regions had a limited focus and impact on job creation and energy transition.</p> <p>Recommendations:</p> <p>Recommendation 1 - Check that the Just Transition Fund is used effectively and efficiently to alleviate the socio-economic impact of the transition to climate-neutrality in coal and carbon-intensive regions</p> <p>When approving, monitoring and reporting on the implementation of Territorial Just Transition Plans and Programmes, ECA recommends the Commission to check that Member States have:</p> <ul style="list-style-type: none"> • specified the planned measures and their timeframe for transition away from coal and carbon-intensive in line with EU climate targets; • ensured programme resources do not exceed financial needs aligned with the pace of the planned transition; and • complementarity and coordination between EU and national sources of funding. <p>Recommendation 2 - Share good practice for measuring and managing methane emissions</p> <p>In the context of the 2021 proposal for a Regulation on methane emissions reduction in the energy sector, the Commission should gather and share examples of good practice in Member States in terms of measuring and managing methane emissions from closed or abandoned coal mines</p>
<p>CONT Committee Working Document; Rapporteur</p>	<p>CONT Working Document of 10 November 2022 on Special report 22/2022: EU support to coal regions - limited focus on socio-economic and energy transition</p> <p>Committee on Budgetary Control</p> <p>Rapporteur: Marian Jean Marinescu</p>



	<p>Recommendations: The Rapporteur:</p> <ul style="list-style-type: none"> • acknowledges that a successful « just transition » is a complex procedure; believes, however that, if done right, it can have a net benefit on coal regions in terms of employment , the economy and the environment; • considers that if not carefully managed through Just Transition policies and processes, economic changes could result in increased social inequality, worker disillusionment, strikes or civil unrest and reduced productivity, as well as less competitive business, sectors and markets; • recalls that impacts go beyond employment numbers, as the redundancies of coal employees will also affect sub-suppliers, as well as the tax revenues in the respective regions, the social security and health insurance systems; • stresses that it is important to consider which jobs would be suitable for former hard coal miners, given their skill sets and salary expectations; • calls on the Commission to ensure that plans set out a detailed framework of support for all categories of workers affected directly and indirectly by the transition to a green economy; • calls for a strong and planned cooperation amongst the EU, nation and local governments, as that will be key to ensure the success of the process; • insists on the importance of consultation between the various parties to ensure that the inevitable challenges are anticipated and well-managed, without discrimination - for example, to determine which workers will be relocated to a new town or made redundant, and under what conditions; • calls, therefore, on the Commission to, when approving Territorial Just Transition Plans, verify that the 'Partnership Principle' has been respected; • underlines that investments should accelerate the transition to a sustainable and diversified local economy, support future-proof and quality jobs provide social support for coal communities and municipalities; • is of the opinion that Member States and regions need guidance and accompanying to achieve a just transition and welcomes in this aspect the establishing by the Commission of the Just Transition Platform; • considers that it would be important to share and publicise draft and final plans both for the sake of transparency and enhanced trust and to facilitate learning between the regions, provide valuable information to investors as well as improve the potential for engagement of all partners in the development of plans; • emphasises the importance of making use of all available national and EU funds to implement the TJTPs, and calls on the Commission to ensure consistency between these plans and other EU funds, e.g. the Recovery and Resilience Facility.'
Related EP resolutions	<p>European Parliament resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans(paragraph 25) (2021/2738(RSP))</p>



	<p>European Parliament resolution of 17 December 2020 on a strong social Europe for Just Transitions (paragraph 11) (2020/2084(INI))</p> <p>European Parliament resolution of 13 November 2020 on the Sustainable Europe Investment Plan - How to finance the Green Deal (paragraphs 27-31) (2020/2058(INI))</p> <p>European Parliament legislative resolution of 19 May 2021 on the proposal for a Council decision amending Decision 2008/376/EC on the adoption of the Research Programme of the Research Fund for Coal and Steel and on the multiannual technical guidelines for this programme (COM(2020)0320 – C9-0214/2020 – 2020/0141(NLE))</p> <p>European Parliament resolution of 21 October 2021 on an EU strategy to reduce methane emissions (paragraphs 25, 28, 29) (2021/2006(INI)).</p>
Selected oral / written questions (9th legislature)	<p>Possible replacement of national budgetary support with money from the Just Transition Fund, Priority question for written answer to the Commission P-002121/2021, rule 138, Cornelia Ernst (The Left), Martina Michels (The Left) Commission answer</p> <p>Just transition fund for mining regions in Europe Question for written answer E-004237/2019/rev.1 to the Commission, rule 138 Ibán García Del Blanco (S&D) Commission answer</p> <p>National 2030 energy and climate plans in the context of the European Green Deal Priority question for written answer P-004463/2019 to the Council, rule 138 Łukasz Kohut (S&D) Commission answer</p> <p>Proposal for a regulation establishing the Just Transition Fund Question for written answer E-000574/2020 to the Commission, rule 138 José Manuel Fernandes (PPE), Paulo Rangel (PPE), Lídia Pereira (PPE), Álvaro Amaro (PPE), Cláudia Monteiro de Aguiar (PPE) Commission answer</p> <p>Setting up and correctly targeting assistance from the Just Transition Fund for workers at power plants and mines in the Konin-Turek area of Poland Question for written answer E-004409/2021 to the Commission, rule 138 Leszek Miller (S&D) Commission answer</p>



	<p>Just Transition Fund – protecting workers in the mining and steel industries Question for written answer E-000054/2020 to the Commission, rule 138 Beata Szydło (ECR) Commission answer</p> <p>Funding from the Just Transition Fund for the Konin lignite mining region Question for written answer E-002517/2022 to the Commission, rule 138 Anna Zalewska (ECR) Commission answer</p> <p>Annex D, Country Report Italy 2020 – Key actions of the Just Transition Fund 2021-2027 – amendment Priority question for written answer P-001211/2020 to the Commission, rule 138 Andrea Caroppo (ID) Commission answer</p> <p>New mining concessions influencing the allocation of funding under the Just Transition Fund Question for written answer E-003368/2021 to the Commission, rule 138 Łukasz Kohut (S&D) Commission answer</p>
Member States in the scope of the audit	Czechia, Germany, Spain, Netherlands, Poland
EU institutions in the scope of the audit	European Commission
EC acceptance of ECA recommendations	The European Commission accepts recommendations 1 and 2 . On recommendation 2 'The content of the future Regulation depends on the outcome of the legislative procedure and is the result of a decision made by the EU Legislator with respect to the proposal made by the Commission.'
Replies of other EU institutions to ECA Special Report	-



This publication seeks to assist the Members of the European Parliament's Committee on Budgetary Control (CONT) in their work related to the 2021 discharge procedure, scrutinising how the general budget of the European Union is spent. It is based on a sample comprising 17 special reports by the European Court of Auditors (ECA), which have been presented during CONT committee meetings over the past 12 months (December 2021 to November 2022), and for which the committee secretariat prepared working documents. This analysis provides a general overview of the ECA's mandate and the emerging role of performance auditing. The main part of this study is a section of selected tables regarding each ECA special report. The tables seek to gather published information to provide a concise and useful summary.

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