



2024/2250

10.10.2024

RESOLUTION (EU) 2024/2250 OF THE EUROPEAN PARLIAMENT

of 11 April 2024

with observations forming an integral part of the decision on discharge in respect of the implementation of the budget of the ninth, tenth and eleventh European Development Funds for the financial year 2022

THE EUROPEAN PARLIAMENT,

- having regard to its decision on discharge in respect of the implementation of the budget of the ninth, tenth and eleventh European Development Funds for the financial year 2022,
- having regard to European Court of Auditors Special Report No 35/2018,
- having regard to Rule 99 and the third indent of Rule 100 of, and Annex V to, its Rules of Procedure,
- having regard to the opinion of the Committee on Development,
- having regard to the report of the Committee on Budgetary Control (A9-0110/2024),
- A. whereas Union development cooperation, as referred to in Articles 208 to 211 of the Treaty on the functioning of the European Union, operates in a global context, defined by United Nations 2030 Agenda for Sustainable Development ('Agenda 2030') and its Sustainable Development Goals (SDGs);
- B. whereas the Union has cooperative relations with a large number of developing countries, the main objective being to promote economic, social and environmental development, with the primary aim of reducing and eradicating poverty in the long term by providing beneficiary countries with development aid and technical assistance;
- C. whereas, from 1959 and until 2020, the European Development Funds (EDFs) provided development cooperation aid to the African, Caribbean and Pacific (ACP) countries and overseas countries and territories (OCTs); whereas the framework governing the Union's relation with the ACP countries and OCTs was a partnership agreement signed in Cotonou ('the Cotonou Agreement') on 23 June 2000 for a period of 20 years, later temporarily extended; whereas the Samoa Agreement was signed on 15 November 2023;
- D. whereas the eleventh EDF has reached its final stage as its sunset clause came into effect on 31 December 2020; whereas, however, specific contracts for existing financing agreements will still be signed until 31 December 2023, and the implementation of the ongoing projects funded by the EDF will continue until their final completion;
- E. whereas, for the 2021-2027 MFF, development cooperation aid to ACP countries is integrated in the Neighbourhood, Development and International Cooperation Instrument – Global Europe ('NDICI-Global Europe') and development cooperation aid into the OCTs is incorporated into the Decision on the Overseas Association, including Greenland;
- F. whereas the ninth, tenth and eleventh EDFs were not incorporated into the Union general budget and continue to be implemented and reported on separately until their closure;
- G. whereas the EDFs are managed almost entirely by the Commission's Directorate-General for International Partnerships (DG INTPA) with a small proportion (5 %) of the 2022 EDF expenditure being managed by the Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO);
- H. whereas development cooperation is evolving from a more traditional donor-recipient model towards a stronger emphasis on mutual interests, covering not only social sectors but also sustainable investment, trade, and the development of high value-added economic sectors, and on international partnerships to tackle global challenges; whereas according the TFEU 'Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty';
- I. whereas by means of a Team Europe approach, the Union works together with the Member States in the field, with local beneficiaries and with the other donors to bring a tangible impact and transformation change in the partner countries;

Budget implementation

1. Notes that, in 2022, the financial implementation for the 10th and 11th EDF (individual commitments: EUR 853 million and payments EUR 2 386 million) was marked by the Council Decision (EU) 2022/1223⁽¹⁾ to reuse EUR 600 million of de-committed funds from the 10th and 11th EDF;
2. Notes the Council's decision which allocated EUR 600 million from de-committed projects under the 10th and 11th EDFs for the purpose of financing actions addressing the food security crisis and economic shock in African, Caribbean and Pacific (ACP) countries following Russia's war of aggression against Ukraine; believes that in view of the exceptionally dire food security situation in ACP countries, those funds need to be complemented with appropriate measures to enhance food autonomy of local communities;
3. Notes that in 2022, the implementation of the EDF contributed to improvements in water and sanitation, access to electricity, access to legal aid, food security and nutrition, environmental protection, climate change mitigation strategies and natural ecosystems, health, education, and entrepreneurship/employability;
4. Observes that the EDF represents 33,2 % of the portfolio of DG INTPA in terms of payments in 2022, which amounted to EUR 2 452 million (i.e. 98,08 % of the annual target); notes that European Investment Bank (EIB) payments amounted to EUR 461 million; observes that, since the sunset clause of the eleventh EDF elapsed on 31 December 2020, there were no new commitments in 2022, with the exception of commitments of the funds stemming from the reuse of the 10th & 11th EDF reserve under Decision (EU) 2022/1223, regarding the special measures for the Union response to the food security crisis and economic shock in African, Caribbean and Pacific (ACP) countries; notes that EIB payments concerning the ACP Investment Facility amounted to EUR 400 million;
5. Stresses the importance of Team Europe approach for the effectiveness and visibility of Union assistance and welcomes the initiative of the Commission to deepen coordination with Member States and make the most of their existing expertise in partner countries, ensuring a stronger Europe in the world; notes the regional Team Europe Initiatives on the Western Mediterranean migration route, where its management group includes representatives from both DG NEAR and DG INTPA ensuring coherence of action and optimal use of financial resources;
6. Points out that 60 % of the contracts have been closed under the eleventh EDF, and that the Commission should complete the closing of the 9th EDF in 2024; notes the progress in the closing of the 10th EDF with 95,2 % of the contracts closed;
7. Notes the efforts of DG INTPA to reduce old pre-financing with a target of 40 % and old unspent commitments with a target of 35 %; notes that DG INTPA exceeded the target by reducing the EDF's old pre-financing by 54,31 % and by 52,51 % for both the EDF's old unspent commitments and across its entire area of responsibility; notes that on unspent commitments it achieved the target of 35 % for the EDFs with 36,83 %;
8. Notes, however, that, according to the report of the Court of Auditors ('the Court'), the DG INTPA's KPI on reducing old pre-financing does not take into consideration the number of years for which each pre-financing transaction has remained open, therefore the Court considers that achievement of this KPI did not reflect the difficulties it had encountered in clearing older pre-financing transactions, some of which had been open for up to 12 years; notes the Commission's reply that as to the ageing of open invoices and pre-financings that have remained uncleared for up to 12 years, the majority of these old pre-financings are linked to litigation cases; calls on the Commission to continue to report to Parliament on these litigation cases, as already done subsequent to Parliament's recommendation No 2015/PAR/0463; notes furthermore that, in order to reduce the old pre-financing and to address the ageing of invoices, the Commission has already put in place annual controls, with 93 % of the EDF payments made in due time in 2022, is using a Portfolio Management Dashboard (updated in October 2023) allowing staff to monitor the ageing of pre-financing and to follow up on long overdue invoices, and is taking additional actions, including ad hoc campaigns, seminars and guidelines;
9. Notes that DG INTPA achieved its target of having not more than 13 % of old expired contracts for the EDF; notes that it achieved a score of 10,56 % for the EDF and 8,39 % for the Union general budget;
10. Points out that the amount of outstanding commitments of the EDFs reached 12,6 % or EUR 8 250 million in 2022;

⁽¹⁾ Council Decision (EU) 2022/1223 of 12 July 2022 concerning the allocation of funds de-committed from projects under the 10th and 11th European Development Funds for the purpose of financing actions addressing the food security crisis and economic shock in African, Caribbean and Pacific (ACP) countries following Russia's war of aggression against Ukraine (OJ L 188, 15.7.2022, p. 147).

Impact of the activities in the financial statements

11. Notes that pre-financing experienced a decrease of EUR 239 million largely as a result of fewer advances paid out due to the decrease in the number of contracts signed (EUR 2 118 million in 2021 compared to EUR 853 million in 2022), and that, consequently, cash and cash equivalents increased by EUR 34 million as a result of the decrease in pre-financing and other payments;
12. Notes an increase of EUR 123 million of accrued charges as a result of the increase in the number of open contracts at the end of the year for which no cost claims were validated by year-end and thus expenses had to be estimated;
13. Notes, furthermore, the overall decrease in operating expenses of EUR 74 million mainly as a result of the winding down of the Trust Funds which resulted in a decrease in the contributions needed to cover their expenses, and that the expenses relating to emergency aid increased as decommitted funds from the 10th and 11th EDF were reused to combat the negative effects of the war in Ukraine;
14. Underlines, that as regards the impact of the United Kingdom's withdrawal from the Union, the Court concluded that there is no financial impact to report on the 2022 EDF accounts and that the EDF accounts as at 31 December 2022 correctly reflect the state of the withdrawal process at that date;

Reliability of the accounts

15. Notes that the budget of the 9th EDF (2000-2007) was only EUR 13,8 billion, and that the 10th EDF (2008-2013) nearly doubled to EUR 22,7 billion, and that the 11th EDF provides a high amount of EUR 30,5 billion, of which EUR 29,1 billion has been allocated to the ACP countries and EUR 0,4 billion to the OCTs, with EUR 1 billion for administrative costs;
16. Notes the Commission's announcement to close the 8th EDF made in October 2021; points out that, in the annual accounts of the EDF for the financial year 2022, the Commission indicated that all 8th EDF activities had been completed and that all contracts and financial decisions had been closed in the EDF accounts and the remaining open recovery orders had been transferred to the 9th EDF; notes, however, that financial information on the 8th EDF still appeared in the accounts, and some 8th EDF balances were still open in 2022; notes that the operational closure of the 8th EDF took place as foreseen in 2021 and that the full accounting closure of the 8th EDF is pending due to ongoing recovery orders;
17. Notes the fact that the Court, in its annual report on the activities funded by the ninth, tenth and eleventh EDFs for the financial year of 2022, concludes that the accounts for the financial year ending 31 December 2022 present 'fairly, in all material respects', the EDFs' financial position, the results of their operations, their cash flows and the changes in their net assets for the year then ended, in accordance with the provisions of Council Regulation (EU) 2018/1877 ^(*) ('EDF Financial Regulation') and the accounting standards for the public service;

Legality and regularity of the transactions underlying the accounts

18. Notes the Court's opinion, according to which the revenue underlying the accounts for the year ended 31 December 2022 is legal and regular in all material respects;
19. Notes that the implementation of the European Development Funds (EDFs) concerns countries that are facing aggravating impacts of climate change, biodiversity loss and food insecurity and are weakened by the consequence of the COVID pandemic, Russia's unjustified and unprovoked war of aggression in Ukraine, as well as rising debt, new and forgotten humanitarian crises and conflicts, generating growing inequality and poverty; insists, therefore, that the remaining projects under the EDFs should focus on advancing the implementation of the Sustainable Development Goals; reiterates that security, mutually beneficial partnerships and international cooperation are fundamental conditions for the world to make progress on the SDGs towards 2030 and beyond;
20. Reiterates its concern over the many possible reasons for the succession of adverse opinions of the Court on the legality and regularity of expenditure due to the fact that the expenditure accepted in the accounts for the year ended 31 December 2022 is materially affected by error; notes at the same time that the context in which the implementation of the EDF takes place is risky, complex and fast-evolving, with a remarkable diversity in terms of geographical dispersion, implementing entities and partner countries and of assistance delivery methods;

^(*) Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323 (OJ L 307, 3.12.2018, p. 1).

21. Notes that to audit the regularity of transactions, the Court examined a sample of 140 transactions, representing the full range of spending from the EDF; notes, furthermore, that this comprised 27 transactions related to the Emergency Trust Fund for Africa, 98 transactions authorised by 20 EU delegations ^(*1*) and 15 payments approved by Commission headquarters;
22. Notes with concern that, out of the 140 transactions examined, 57 (40,7 %) contained errors, compared to 54 (38,8 %) in 2021 for the same number of transactions; stresses, moreover, that the Court quantified 48 errors (43 in 2021), on the basis of which it estimated the level of error for the financial year 2022 to be 7,1 % (4,6 % in 2021);
23. Notes with concern that by typology of errors the estimated level of errors in the financial year 2022 related to expenditure not incurred was 51 % (14,9 % in 2021), to ineligible expenditure was 24 % (38,6 % in 2021), to serious failure to respect public procurement rules was 16 % (14,6 % in 2021), to absence of essential supporting documents was 7 % (23,3 % in 2021) and related to other types of errors was 2 % (8,6 % in 2021); notes the Commission's reply that most errors that could have been avoided are relevant to excess clearing (expenditure not incurred), which is due to insufficient financial reporting provided by implementing partners in indirect management and does not affect the implementation of the projects;
24. Notes the Commission's reply that in 2022 approximately 50 % of the summed errors are due to excess clearing, a practice where expenditure not incurred is included in the accounts as expenditure incurred, and are therefore temporary, since they will no longer exist after the final clearings; notes furthermore the actions taken by the Commission to allow for easier identification of incurred expenditure and calls on the Commission to refer to the discharge authority on the effects of these actions;
25. Notes that in 2022 DG INTPA's *ex ante* controls have prevented the payment of a total amount of EUR 167,94 million of ineligible expenditure, representing 2,91 % of the total invoiced amount and above the benchmark set by DG INTPA for this indicator (2 %) and above the result of 2021 (2,62 %); encourages the Commission to further improve the control systems;
26. Is concerned that Benin's EDF national authorising officer awarded a contract to a consultancy company to strengthen civil society involvement in the country, in serious breach of the public procurement rules; notes with concern that according to the Commission, the Evaluation Committee used its 'discretionary power' to apply a calculation method which was not sufficiently documented in the procedure; notes the actions taken by the Commission to address the weaknesses identified in this Delegation and to avoid similar problems in other Delegations; notes that the level of error in the EU Delegation in Benin accounted for approximately 30 % of the total error and that if it were not included, the total error would have been approximately 4,7 % instead of 7,1 %; recalls that transparency and accountability are essential for NGOs, which are called upon to act in full compliance with Union financial rules and values, especially in the management of Union funds, and stresses that NGOs should be supported in their control and monitoring systems, especially those operating in third countries; reminds that NGOs are submitted to the same level of control and investigations as any other recipient of Union funds;
27. Notes with concern that the estimated level of error systematically surpasses the materiality threshold (2 %); notes with concern that, compared to the financial year of 2021, the increase in the estimated level of error is of 2,5 % compared to the increase of 0,8 % between the financial years 2020 and 2021;
28. Notes that, in 2022, 333 Recovery Orders were issued by the Commission on 293 contracts for a total amount of EUR 62,92 million;

Transparency and effectiveness of the monitoring and assurance systems

29. Notes the Court's observation that in 2022 the Commission and its implementing partners committed more errors in transactions relating to programme estimates and grants and to contribution and delegation agreements with beneficiary countries, international organisations and member state agencies than they did with other forms of support (such as those covering works, supply and service contracts); notes, in addition, that out of the 99 transactions of this type examined by the Court, 46 contained quantifiable errors, which accounted for 86 % of the estimated level of error; notes that DG INTPA is currently reviewing its control strategy, including reporting requirements, and exploring potential remedial measures; asks the Commission to inform the discharge authority about its revised control strategy;

^(*1*) Benin, Botswana, Burkina Faso, Djibouti, Ethiopia, Fiji, Gabon, São Tomé and Príncipe, Guinea-Bissau, Haiti, Côte d'Ivoire, Liberia, Madagascar, Malawi, Nigeria, Tanzania, The Gambia, Togo, Uganda and Zimbabwe.

30. Notes that, according to the Court's report, in 23 cases of quantifiable error and five cases of non-quantifiable error the Commission had sufficient information to prevent, or to detect and correct the error before accepting the expenditure; notes, moreover, that, according to the Court's assessment, had the Commission made proper use of all the information at its disposal, the estimated level of error would have been 5,5 percentage points lower, compared to 2,4 percentage points lower in 2021; notes the Commission's reply that most errors that could have been avoided are due to insufficient financial reporting provided by implementing partners in indirect management; notes the Commission's commitment to review its control strategy, including reporting requirements and calls on the Commission to refer on the remedial measures taken;
31. Notes that, according to the Court's report, 22 transactions containing quantifiable errors, contributing 2,3 percentage points to the estimated level of error, were subject to an audit or expenditure verification; notes, furthermore, that DG INTPA's control system is based on *ex ante* checks, and that the information provided in the audit/verification reports describing the work actually done did not allow the Court to assess whether the errors could have been detected and corrected during these *ex ante* checks, as the reports do not cover 100 % of the reported expenditure, nor do they give sufficient detail to confirm whether the items where the Court identified errors had been part of the *ex ante* checks; notes in this regard that the Commission is regularly updating the terms of reference for the expenditure verifications, in order to increase the completeness and clarity of reporting; calls on the Commission to refer to the discharge authority about the improvements achieved;
32. Underlines that the Court identified two spending areas where transactions are less prone to errors due to specific payment conditions: (a) budget support; and (b) multi-donor projects implemented by international organisations and subject to the 'notional approach'; notes that, in 2022, the Court audited two budget support transactions and eight 'notional approach' projects managed by international organisations;
33. Highlights the role of local implementing partners and the need to ensure their support and capacity building; notes that with the phasing out of EDF projects, local know-how on dealing with Union funds should be maintained, with a view to using them for projects under the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe instrument underlines that Union projects should be subject to evaluation, monitoring and reporting in order to determine their effectiveness and avoid unintended negative impacts;
34. Is concerned that, as in previous years, some international organisations provided only limited access to documents (e.g. in read-only format), which hindered the planning, execution and quality control of ECA audit and led to delays; notes that control issues were discussed with UN entities and the World Bank on several occasions, including in the context of joint technical reference group meetings and the EU-UN FAFA working group, and that Joint Technical Groups were set up to discuss regularly audit and control issues; notes furthermore that the Commission is working with the concerned International Organisations and has intensified communication with them on ECA's access to documents; encourages the Commission to increase these efforts;
35. Notes that DG INTPA's eleventh residual error rate (RER) study, carried out by an external contractor on its behalf in 2022, estimated the overall RER to be below the 2 % materiality threshold set by the Commission for the seventh year in a row: 1,15 % (1,14 % in 2021);
36. Stresses that, according to Court's assessment, the RER study does not constitute an assurance engagement or an audit and is based on the RER methodology and manual provided by DG INTPA; notes that DG INTPA clarifies that the RER study is meant to be a key indicator for the estimated financial impact of residual errors, i.e., it measures the proper functioning of the internal control system and thus, demonstrates the Commission's corrective capacity; stresses that, as in previous years, the Court has found limitations in the study; notes that the Court, by reviewing the calculation method used in the 2022 RER study, considered that the RER was underestimated and that the Court's calculation yielded an RER of 1,35 %; notes, furthermore, the Court's opinion, as in previous years, that the RER methodology allows the contractor to rely entirely on the results of DG INTPA's management checks, and that placing reliance on the work of other auditors is contrary to the purpose of an RER study;
37. Notes that, from 2018, DG INTPA significantly reduced the scope of reservations (i.e., the share of expenditure covered by them) in the annual activity reports (AARs) and that, similarly, the 2022 AAR does not include any reservations; notes that the Court finds the lack of reservations in the 2022 AAR unjustified and considers that it results partly from the limitations of the RER study; notes the Commission's reply that the absence of reservations is justified by the correct implementation of the RER methodology and instructions by its central services;
38. Notes that DG INTPA estimates the overall amount at risk at payment to be EUR 83,3 million (1,4 % of 2022 expenditure) and the overall amount at risk at closure to be EUR 71,7 million; notes, furthermore, that, the amount at risk at payment, DG INTPA estimates that EUR 11,6 million (19 %) will be corrected by its checks in subsequent years (this amount is known as the 'corrective capacity');

39. Notes that DG INTPA's 2022 Action Plan addressing identified control weaknesses and high risks include the improvement of the follow up of ECA/RER findings and that new versions of the RER manual and methodology were adopted in September 2022 to address issues raised in the previous Court's observations; notes the Commission's reply that the amended rules avoid overreliance on previous control work, as it is now required that instances of reliance on prior control work should be monitored in the light of historical averages; notes furthermore that the Commission has fully implemented ECA's recommendation from 2020 annual report to establish obligations for the RER study contractor to report to the Commission any suspected fraud against the Union budget during its work; regrets, however, that the Commission does not accept the recommendation, included in the 2022 Court's annual report, to improve the RER methodology and verify its proper application as it sees no necessity to change the methodology used for the RER study for the extrapolation of high-value items;

Fraud prevention, detection and correction

40. Notes that, since 2014, DG INTPA has developed and implemented its own anti-fraud strategy on the basis of the methodology provided by the European Anti-Fraud Office (OLAF) and that the strategy has been updated three times since its entry into force; notes that DG INTPA decided to postpone the mid-term assessment of its anti-fraud strategy (initially planned in 2022) due to several ongoing auditing and updating exercises led by the IAS, ECA and OLAF; notes, moreover, that DG INTPA implemented 90 % of the accompanying action plan, and that all actions have been implemented within the deadlines announced, apart from exploring with OLAF the possibility of circulating anonymised examples of fraud cases within the Commission internal network, which was implemented in 2023;
41. Notes that DG INTPA also contributed to the Commission anti-fraud strategy and followed up to OLAF's financial recommendations issued in 2018-2022 resulting in the closure of only 24 % of financial recommendations and the follow-up of 76 % of financial recommendations; welcomes, the results achieved during 2022, such as the entry into force of new internal guidelines on the handling of fraud-related information, reinforced appointing system of DG INTPA's anti-fraud network, launch of external awareness actions towards DG INTPA's implementing partners and beneficiaries, continued update of all internal webpages, manuals and databases, and annual note to all staff on professional ethics standards, fraud prevention and detection, and rules for disclosure of information;
42. Notes that, at the end of 2022, DG INTPA was aware of 24 ongoing investigations, and was informed by OLAF of the closure of 6 investigations with financial and/or administrative recommendations, 7 without recommendation, and the transfer of 2 cases to the European Public Prosecutor's Office; notes that DG INTPA systematically transmitted all cases of suspected fraud or irregularity to OLAF and followed closely all financial recommendations notified by OLAF;
43. Notes that the first priority objective of DG INTPA's anti-fraud strategy 2021-2024 is to increase internal and external awareness on fraud-related issues, including through training opportunities; regrets however that the Court ECA found a lack of fraud prevention training in their mission to four delegations (staff had not received training in fraud prevention training in the past 5 years);
44. Welcomes the fact that DG INTPA has optimised the use of the Early Detection and Exclusion System as a fraud-sanctioning tool and enhanced the anti-fraud measures related to budget support;

Union budget support

45. Notes that the budget support payments made under EDF in 2022 amounted to EUR 105,2 million;
46. Notes, for the sake of comparison, that Ukraine came out as the third budget support portfolio in 2022, with nearly EUR 800 million of ongoing operations;
47. Highlights that, in the past 3 years, EU budget support has provided payments of EUR 6 billion overall – EUR 3 billion in 2020, EUR 1,2 billion in 2021 and EUR 1,8 billion in 2022; notes, furthermore, that budget support accounted for 15 % of the European Commission's payments within the framework of the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe), the Instrument for Pre-accession Assistance (IPA III), the decision on the overseas association including Greenland (DOAG) or under predecessor instruments;
48. Notes that in 2022, the European neighbourhood became the largest recipient of budget support (38 %), followed by sub-Saharan Africa (24 %), Asia (18 %), the western Balkans (8 %), Latin America (6 %), the Caribbean (2 %), overseas countries/territories (2 %) and the Pacific region (2 %), and that by contract type, sector reform performance contracts (SRPCs) outweigh state- and resilience-building contracts (SRBCs) and SDG contracts (SDG-Cs), with 74 % of the portfolio in value compared to 24,5 % and 1,5 % respectively;

49. Recalls that the Court's regularity audit (*) cannot cover what happens beyond the moment the Commission pays budget support to the recipient country, since these funds then merge with that country's own budget resources;
50. Notes that, in 2022, the largest recipients of EDF payments were Mozambique, Sudan and Democratic Republic of Congo, while the sectors with the highest funding were government and civil society, agriculture, energy and social infrastructures and services; notes that the implementation of the EDF concerns countries that are facing aggravating impacts of climate change, biodiversity loss and food insecurity and are weakened by rising debt, new and forgotten humanitarian crises and conflicts, generating growing inequality and poverty; calls for the EDF to be conditional when there is evidence of human rights violations and to be checked against corruption and tax evasion;
51. Calls for stronger coordination between the Commission, the EEAS and the EU delegations to facilitate discussions and cooperation with relevant local actors on the ground in order to identify the projects that best meet development effectiveness objectives;
52. Notes that local, non-governmental actors are well placed partners to deliver Union assistance for people in need, notably in remote areas; highlights that a strengthened Union engagement with these organisations could accelerate efficiency of development cooperation;

Follow-up to the 2021 discharge

53. Notes from the Commission follow-up report to the 2021 discharge that the digitalisation of controls in external action is ongoing, with the view to adopt the corporate practices and tools and that the upcoming transition to the corporate eAudit will facilitate a more systematic and integrated monitoring of findings from audits and verifications facilitating thus a more holistic follow-up process;
54. Notes that joint trainings with UN staff have resumed in 2023, and the Commission has agreed with the UN to set up Joint Technical Groups to discuss regularly audit and control issues and that the Commission will continue to take action to find practical and long-term solutions to these issues;
55. Notes that in 2022, DG INTPA assessed the systemic findings in expenditure verifications of actions implemented by 20 globally operating International Organisations whose audit task management is centralised and that it shared its findings, as well as proposed mitigating measures, with relevant HQ and Delegation staff in January 2023;
56. Notes that the Commission and its partner institutions (including development financial institutions and development agencies) actively engage with local private sector organisations to discuss challenges and opportunities to increase access to finance through financial instruments such as blended finance operations, and that policy dialogue is held in partnerships with partner countries through the EU delegations and National Investment Forums; stresses the importance of private sector mobilisation for closing the development financing gap and achieving the SDGs;
57. Welcomes the Global Gateway strategy as a concerted Union response to global challenges; is of the opinion that in times of new geostrategic challenges, Union foreign and security policy and development cooperation actors must coordinate better in order to increase the Union's presence and visibility worldwide by means of hard and soft infrastructure investment that creates national value in partner countries through cooperation with the private sector and development financing institutions, in line with the SDGs;
58. Recalls that global crises have generated and expanded inequalities both within and between countries, undermining social cohesion and, in this context, welcomes the development of an Inequality Marker (I-Marker) to create a sound reporting and benchmarking system on the contribution of all interventions to reducing inequalities;
59. Echoes the recommendations to the Commission made by the Court:
 - (a) to check that accounting balances for closed EDFs are cleared in a timely manner;
 - (b) to ensure that pre-financing and invoices are cleared in a timely manner in the annual accounts;
 - (c) to take measures to improve EU delegations' controls systems for the clearing of pre-financing;
 - (d) to reiterate the obligation to comply with VAT rules and carry out appropriate checks;
 - (e) to strengthen *ex ante* controls before accepting expenditure;
 - (f) to improve the RER methodology and verify its proper application.

(*) ECA Special Report No 25/2019: Data quality in budget support: weaknesses in some indicators and in the verification of the payment for variable tranches.