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ANNEXES 5 to 11

## **ANNEXES**

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### **REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS**

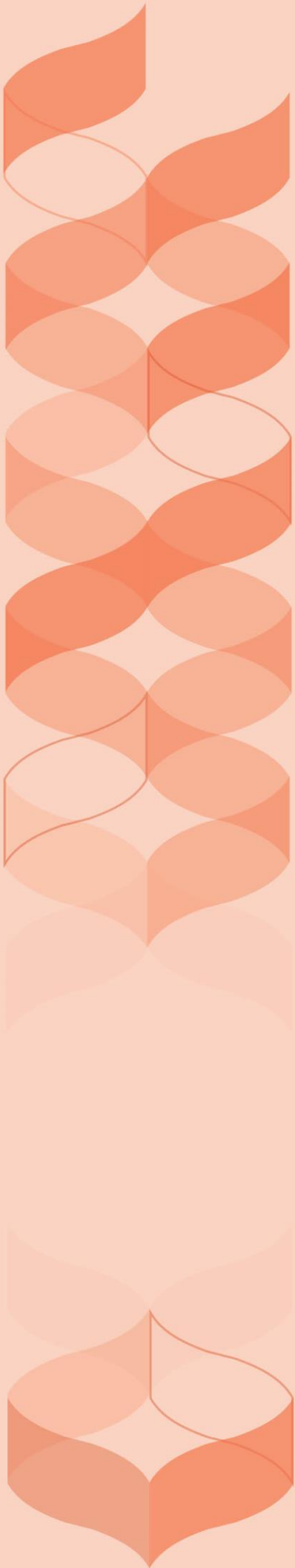
**Annual Management and Performance Report for the EU Budget - 2024 financial year**



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## Annex 5 – Multiannual control cycle and control results

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## Annex 5 – Multiannual control cycle and control results

This annex describes the preventive and corrective measures taken by the European Commission and the EU Member States for expenditure under shared management, to protect the EU budget from illegal or irregular expenditure. More specifically, the annex presents:

- **Section 5.1:** the preventive and corrective measures to protect the EU budget and related concepts;
- **Section 5.2:** the risk at payment/closure reported in the 2024 annual activity reports, which measure the effectiveness of the controls;
- **Section 5.3:** the reservations qualifying the assurance provided by the authorising officers by delegation;
- **Section 5.4:** the quantification of the preventive and corrective measures implemented in 2024.

## 5.1. Preventive and corrective measures to protect the EU budget and related concepts

The Commission has put in place multiannual control strategies to ensure the sound financial management of EU funds (see figure below). These control strategies aim to prevent errors before payments are made and, when errors cannot be avoided, to correct them after the payments and until the closure of the programmes. Therefore, for cost-based expenditure, the control results are reported at two points in the programme cycle through the estimated **risk at payment** and the estimated **risk at closure**.



For performance-based expenditure in shared management (i.e. expenditure under the new common agricultural policy strategic plans), the control strategies have the same aim, with a focus on the proper functioning of the systems put in place in the Member States. It is no longer possible to determine a risk at payment and at closure; instead the Commission will group the expenditure in three categories of risk – low, medium and high – as a result of its qualitative assessment of the systems in place, based on its own system audits and those carried out by the national audit authorities. The share of low-risk expenditure will be used as the indicator for the level of protection of the EU budget. Systems audits are neither *ex ante* nor *ex post* controls but they may result in both preventive measures and corrective measures. These types of audits are not new but, for performance-based expenditure, the Commission is focusing on them.

### Main features of the Commission's control strategies





## CONTROLS

 <b>Preventive measures</b> <i>Ex ante controls / systems audits</i>	 <b>Corrective measures</b> <i>Ex post controls / systems audits</i>
<b>Simplification of programmes</b> (based on lessons learnt from previous programmes)	<b>Ex post verifications</b> (e.g. audits of cost statements, system and compliance audits, on-the-spot checks)
<b>Prevention of double funding</b> (e.g. each beneficiary cannot receive more than one grant for the same expenditure)	<b>Fraud investigations</b> (e.g. fraud cases pursued by the European Anti-Fraud Office)
<b>Ex ante assessments and checks</b> (e.g. desk reviews, compliance checks, authorisation of payments)	<b>Financial recoveries and corrections</b>
<b>Funding suspensions and corrections</b> (e.g. recovery of unused pre-financing, rejection of costs claimed, financial corrections and deductions made by Member States)	
<b>Fraud proofing</b> (e.g. European Anti-Fraud Office review of programmes)	
<b>Awareness-raising measures</b>	
<b>Measures taken to address systems deficiencies</b>	

Source: European Commission.

### 5.1.1. Preventive measures

Preventive measures take place before the Commission makes payments. They result from *ex ante* controls (mostly desk reviews) carried out by the Member States and entrusted entities before submitting expenditure/annual accounts to the Commission, and by the Commission itself before accepting and reimbursing expenditure, clearing pre-financing (i.e. transferring its ownership to the beneficiary) and making interim/final payments. In accordance with Article 74(5) of the Financial Regulation, all financial operations are subject to controls before payment, under all management modes <sup>(1)</sup>.

In shared management, the amounts corrected at the Member State level may be reused under certain circumstances, which serves as an incentive for Member States to carry out the necessary verifications and audits and correct irregular expenditure before submitting their cost claims to the Commission.

<sup>(1)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj> (Financial Regulation).

Regarding measures to address systems deficiencies in the Member States, they will mostly result from systems audits that are neither *ex ante* nor *ex post* controls. It is expected that they will have an incidence before future payments take place; therefore they are considered as preventive measures.

### 5.1.2. Corrective measures

Corrective measures take place after the Commission has made the payment or accepted the expenditure. In accordance with Article 74(6) of the Financial Regulation, they result from *ex post* controls typically performed on-site, on a sample basis, and are either statistically representative or based on a risk assessment. The errors found may lead to financial corrections <sup>(2)</sup> implemented by the Commission during the same or subsequent years, by way of recoveries or offsetting from final recipients under direct and indirect management, or from the Member States under shared management.

In shared management, the Commission also performs system audits of Member States' systems and/or the work of their audit bodies. Deficiencies identified in the systems put in place at the national level will lead to net financial corrections. This will also be the case for the new common agricultural policy delivery model (see Section 5.4).

The Commission improves its processes and internal control systems on a continual basis by addressing detected weaknesses. For shared and indirect management, the Member States and implementing partners are mainly responsible for improving their management and control systems. The root causes of errors are taken into account when preparing future (simplified) legislation and when (re)designing controls to further reduce the level of error in the next generation of funding programmes.

The **quantification** of the preventive and corrective measures implemented as a result of Member States' and EU controls during the 2024 reporting year is presented in Section 5.4 of this annex.

### 5.1.3. Concepts used for compliance / cost-based assurance model

#### Risk at payment

The risk at payment quantifies the errors that remain after applying preventive controls and processing payments <sup>(3)</sup> but before applying corrective measures. These errors are typically detected by Commission departments through *ex post* audits and assessments of the results of audits carried out by Member State authorities for shared management. Measurement at this stage enables the Commission to correct the errors, to take additional preventive measures (e.g. additional guidance for Member States, entrusted entities or beneficiaries) and to assess the effectiveness of the *ex ante* controls and adapt them, if necessary. For segments of expenditure that are performance-based – like a share of the common agricultural policy – the detected error rate / risk at payment is replaced by output and result indicators that visually materialise in the level of risk identified as low, medium and high.

Each Commission department – except DG Agriculture and Rural Development, and DG Economic and Financial Affairs for the Recovery and Resilience Facility – estimates its **detected error rates** per programme or other payment segment. Some departments may use different terminology in their annual activity reports to reflect

<sup>(2)</sup> Such corrections are not sanctions and do not include penalties and fines.

<sup>(3)</sup> Or equivalent, such as after the expenditure is accepted (i.e. registered in the Commission's accounting system) or after the pre-financing is cleared.

the specificity of their internal control system <sup>(4)</sup>. Nevertheless, the departments use a consistent methodology to assess the risk of error in their financial operations, based on an institutional framework.

For low-risk expenditure, where there are indications that the error rate might be close to zero (e.g. administrative expenditure or operating subsidies for agencies), some Commission departments use a conservative error rate of 0.5%.

The Commission calculates the actual financial impact of the errors on the EU budget. This is obtained by aggregating the financial impact of errors determined per programme or segment of expenditure at the level of the department, the policy area and the Commission. This results in the overall risk at payment as a value, which is the sum of all the amounts of risk at payment, and as a percentage, which is the overall weighted average of the risk at payment.

### Estimated future corrections

A detected error is corrected either via a recovery or by offsetting against future payments. As both detection and remedy may not be immediate, corrections resulting from *ex post* controls rarely take place within the same financial year as the payment. As a result, the risk at payment may provide an incomplete picture, as errors can still be corrected during subsequent years, up to the closure of the programme.

Therefore, Commission departments estimate the percentage of future corrections for the compliance-based assurance model expenditure that could still be implemented until the closure of the programme. These are conservative and forward-looking estimates of the corrections that will be implemented in subsequent years. They are based on the average of corrections implemented during the last seven years, adjusted to exclude exceptional recoveries, taking into account the incidence of the implementation of new programmes (simpler rules leading to fewer corrections) and possible trends (decrease or increase in the last few years).

For programmes with no set closure point (e.g. the European Agricultural Guarantee Fund) and for some multiannual programmes for which corrections are still possible after the end of the programmes (e.g. the European structural and investment funds, including the European Agricultural Fund for Rural Development), all possible corrections are considered for this estimate.

The future corrections can never be fully equal to the risk at payment, because some errors, although deserving of attention, do not always result from undue payments and, therefore, do not always give rise to financial corrections or recovery orders: when the risk at payment is based on a statistical estimation, it cannot lead to corrections (no flat-rate correction may be applied to all beneficiaries, only a correction where an error has been found). In addition, for the cohesion policy funds, only programmes with residual total error rates above 2% are subject to corrections to reach at least the 2% threshold, and not all the cases used to determine the upper value of the range of the risk at payment (i.e. the worst-case scenario) materialise after the contradictory procedure of the audit/control is finalised.

Estimated future corrections must not be confused with the actual corrective measures implemented during 2024 (detailed in Section 5.4). The estimated future corrections relate to the corrections that will happen in the future until the closure, whereas the corrections implemented correspond to the recovery orders, withdrawals by Member States and net financial corrections implemented in 2024.

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<sup>(4)</sup> For example, 'adjusted error rates' is used by DG Agriculture and Rural Development and 'residual total error rates' is used by DG Employment, Social Affairs and Inclusion, DG Maritime Affairs and Fisheries and DG Regional and Urban Policy.

## Risk at closure

This risk is estimated at programme closure, meaning when all *ex post* controls are completed, all corrections are applied and no further action may legally be taken <sup>(5)</sup> <sup>(6)</sup>. The risk at closure is obtained by deducting the estimated future corrections from the risk at payment, as a value and as a percentage. These amounts and percentages represent the most up-to-date estimations of the outcome expected by the closure of each programme. As such, the risk at closure is more representative of the real risk to the expenditure than the risk at payment.

Similar to the risk at payment, the results per programme or segment are aggregated to provide – at the level of the department, the policy area and the Commission – the overall risk at closure as a value, which is the sum of all the amounts of risk at closure, and as a percentage, which is the overall weighted average of the risk at closure.

### 5.1.4. A bottom-up approach that fits the Commission's management context for all assurance models

To be able to provide bottom-up management assurance and to identify and address issues in specific areas, **the Commission calculates the error rates for cost-based expenditure (per programme or other relevant segment of expenditure) and groups performance-based expenditure in three categories of risk – low, medium and high – down to the level of paying agencies** and within the paying agencies, to the level of interventions they are managing. Moreover, with the risk at closure, the Commission's methodology takes into account the multiannual nature of the spending programmes. In this sense, the Commission's approach differs from that of the European Court of Auditors, as it comes from a management perspective and provides more detailed information. Even if these approaches can lead to differences between the Court of Auditors' error rate and the Commission's risk at payment, there is a convergence regarding key concepts and the riskiest areas or types of expenditure (i.e. cohesion, research, some types of interventions in natural resources and environment). Efforts were initiated in 2024, with common workshops organised for the beginning of 2025, to further enhance the mutual understanding of the respective institutions' approaches and methodologies.

The risk at payment, used under the cost-based assurance model, is conceptually closer to the Court of Auditors' 'estimated level of error' <sup>(7)</sup>. In the last two years (2022 and 2023), the main differences in the error rates determined by the Court of Auditors and the risk at payment determined by the Commission concern the cohesion policy programmes. For the programmes related to international relations, the Court did not determine a specific error rate until 2023, but it considers that this expenditure is high risk. The Court of Auditors will determine an error rate for this policy area starting with the 2024 expenditure.

In general, the main differences with the Court of Auditors may be explained by: differences in approach and methodology; divergences in interpreting rules and regulations, including national rules; timing differences between the Commission's checks and the Court of Auditors' audits (in particular in the external relations area); and differences in the error rates applied for procedural errors in procurements.

<sup>(5)</sup> In the case of the common agricultural policy, the term 'estimated final amount at risk' is used instead, to better reflect the fact that there is no set closure point for European Agricultural Guarantee Fund measures.

<sup>(6)</sup> For cohesion policy funds, after the final assessment of legality and regularity of the programmes.

<sup>(7)</sup> European Court of Auditors, Annual report on the implementation of the EU budget for the 2023 financial year, Publications Office of the European Union, Luxembourg, 2024, paragraph 1.31, [https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023_EN.pdf).

The ‘materiality threshold’ set, in most cases, at 2% of the relevant expenditure <sup>(8)</sup> is also in line with the Court of Auditors’ methodology <sup>(9)</sup>.

A recent study commissioned by the Committee on Budgetary Control of the European Parliament presents a comparison of the Commission’s risk at payment and closure and the Court of Auditors’ estimated level of error, focusing on cohesion funds <sup>(10)</sup>. The study makes a balanced and factual assessment of respective methodologies, and the reasons why they lead to different outcomes in the reporting of error rates reported by both institutions, notably for cohesion. It reflects the work performed by both institutions fairly but also the respective expectations their roles entail and the usefulness of the two approaches. It states that both the Commission and the Court of Auditors use state-of-the-art methodologies, based on international audit standards, which means that each methodology satisfies each institution’s needs and expectations. The study concludes that the error rate and risk at payment are not directly comparable.

## 5.2. Risk at payment/closure reported in the 2024 annual activity reports

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The risk at payment and risk at closure – the compliance-based delivery model – are determined against the **relevant expenditure** of the year, in line with the approach of the Court of Auditors.

### 5.2.1. Relevant expenditure

The amount of the Commission’s relevant expenditure is established in line with the Court of Auditors’ scope of transactions reviewed <sup>(11)</sup>. It corresponds to the payments made, minus new pre-financing paid (still owned by the Commission) and retentions made, plus pre-financing cleared (ownership transferred to the beneficiaries) and retention released, during the financial year under reporting. In this approach, pre-financing and retentions <sup>(12)</sup> are only taken into account when the final recipient of EU funds has provided evidence of their use and the Commission (or another body managing EU funds) has accepted the final use of the funds (by clearing the pre-financing or releasing the amount retained), because this is where errors of legality or regularity may occur. Therefore, the risks at payment and at closure are determined against this amount.

In addition to the funds managed under the budget of the EU, for which the Commission is responsible <sup>(13)</sup>, expenditure made under the **European Development Fund** and that related to the **four EU trust funds is added, since the Commission manages them as well**.

- **European Development Fund.** Until 2020, this budget was separate from the EU budget, and it is currently co-managed by five departments. In Table A, the corresponding European Development Fund expenditure is included in the policy areas and the departments concerned (DG Education, Youth, Sport

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<sup>(8)</sup> The only exceptions are: (i) 1% for revenue, which is stricter than the Court of Auditors, in view of the very large amounts; and (ii) the range of 2–5% for the Horizon 2020 programme (see details in Volume II, Annex II, Section 2.1.2 of this report).

<sup>(9)</sup> European Court of Auditors, Annual report on the implementation of the EU budget for the 2023 financial year, Publications Office of the European Union, Luxembourg, 2024, Annex 1.1, paragraph 36, [https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023_EN.pdf).

<sup>(10)</sup> European Parliament: Directorate-General for Budgetary Affairs, Rampton, J. and Stedtnitz, C., *Error Rates Compared – Methodologies underpinning the European Commission’s risk at payment/closure and the European Court of Auditors’ estimated level of error*, 2025, <https://data.europa.eu/doi/10.2861/2664152>.

<sup>(11)</sup> European Court of Auditors, Annual report on the implementation of the EU budget for the 2023 financial year, Publications Office of the European Union, Luxembourg, 2024, Annex 1.1, paragraph 19, [https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023_EN.pdf).

<sup>(12)</sup> For cohesion funds.

<sup>(13)</sup> Since the funds under the Resilience and Recovery Facility do not come from the EU budget, the corresponding payments are presented separately in Volume II, Annex 3.

and Culture, DG International Partnerships, DG European Civil Protection and Humanitarian Aid Operations and the European Education and Culture Executive Agency).

- **EU trust funds.** These are the EU Trust Fund for the Central African Republic, the EU Regional Trust Fund in Response to the Syrian Crisis, the EU Emergency Trust Fund for Africa and the EU Trust Fund for Colombia (see Volume III, Annex 11). In Table A, this expenditure is included in the external relations policy area. A transparent and complete coverage of the relevant trust fund(s) is provided in the annual activity reports of DG Neighbourhood and Enlargement Negotiations, and DG International Partnerships, based on the reports from the trust fund managers. They make a distinction between their accountability (i) for the contributions from the EU budget and/or the European Development Fund paid into the trust funds and (ii) for the transactions made from the trust funds, i.e. with the funds collected from the EU budget, the European Development Fund and other donors, as a trust fund manager.

For the 2024 relevant expenditure per policy area of the EU budget, please see Table A below.

## 5.2.2. Overview of the Commission's risk at payment and at closure

Table A presents an overview of the Commission's risk at payment/closure by policy area. The splitting of the budget into these headings does not fully correspond to the budget as allocated to the 51 managing Commission departments, and thus as accounted for in their annual activity reports. For the purpose of this report, each department is allocated entirely to only one of the seven policy areas, except for DG Defence Industry and Space.

**Table A – Risk at payment/closure by policy area for the whole Commission in 2024 (million EUR)**

Policy area	2024				2023			
	Relevant Expenditure (million EUR) (*)	Estimated risk at payment (in percent)	Estimated future corrections (in percent)	Estimated risk at closure (in percent)	Relevant Expenditure (million EUR) (**)	Estimated risk at payment (in percent) (***)	Estimated future corrections (in percent)	Estimated risk at closure (in percent)
<b>1. Single market, innovation and digital</b>	24 240.3	1.6%	0.4%	1.2%	19 082.7	1.4%	0.4%	1.0%
<b>2. Cohesion, resilience and values</b>	61 973.7	2.9%	1.2%	1.7%	67 291.7	2.6%	1.4%	1.2%
<b>3. Natural resources and environment</b>	57 373.0	N/A	N/A	N/A	58 306.0	1.8%	1.3%	0.5%
<b>4. Migration and border management</b>	3 507.5	1.3%	0.1%	1.2%	3 045.9	1.1%	0.1%	1.0%
<b>5. Security and defence</b>	318.7	0.5%	0.0%	0.5%	136.7	0.5%	0.0%	0.5%

Policy area	2024				2023			
	Relevant Expenditure (million EUR) (*)	Estimated risk at payment (in percent)	Estimated future corrections (in percent)	Estimated risk at closure (in percent)	Relevant Expenditure (million EUR) (**)	Estimated risk at payment (in percent) (***)	Estimated future corrections (in percent)	Estimated risk at closure (in percent)
<b>6. Neighbourhood and the world</b>	19 999.4	0.8%	0.1%	0.7%	14 243.9	0.8%	0.1%	0.7%
<b>7. European public administration</b>	11 625.3	0.5%	0.0%	0.5%	8 860.7	0.5%	0.0%	0.5%
<b>Grand total (****)</b>	179 037.8	N/A	N/A	N/A	170 967.7	1.9%	1.1%	0.9%

NB: Due to the rounding of figures to the nearest million EUR, some financial data in the table above may appear not to add up.

Source: European Commission annual activity reports.

(\*) For the heading natural resources and environment, the amount includes the performance-based expenditure.

(\*\*) For the heading natural resources and environment and the Commission grand total, the amount includes the performance-based expenditure, EUR 200 million.

(\*\*\*) For the heading natural resources and environment and for the whole Commission, the calculation of the risk at payment does not include performance-based expenditure.

(\*\*\*\*) For 2024, not risk at payment and risk at closure are determined for the heading natural resources and environment and for the whole Commission.

## Cohesion

The two cohesion-related departments determine a range of values:

- the lower value corresponds to the departments' risk at payment for the 2024 relevant expenditure based on their confirmed residual total error rate for the 2022/2023 accounting year;
- the upper value corresponds to a worst-case scenario (i.e. maximum risk), taking into account possible additional risks in parts of expenditure not reviewed under EU audits that indicate the possibility for higher error rates for some programmes.

**Table B – Risk at payment for cohesion policy funds in 2024**

		Relevant expenditure (EUR million)	Lower value	Upper value
<b>DG Employment, Social Affairs and Inclusion</b>	Entire directorate-general	18 955.57	2.16%	2.82%
	European Social Fund, youth employment initiative, Fund for European Aid to the Most Deprived – 2014-2020	15 697.97	2.23%	3.02%
	European Social Fund, youth employment initiative, Fund for European Aid to the Most Deprived – other periods (2000-2006, 2007-2013, 2021-2027)	2 940.90	2.00%	2.01%
	European Social Fund, youth employment initiative, Fund for European Aid to the Most Deprived – Total	18 638.87	2.20%	2.86%
<b>DG Regional and Urban Policy</b>	Entire directorate-general	37 603.46	2.30%	3.29%
	European Regional Development Fund and Cohesion Fund – 2014-2020	30 289.49	2.49%	3.58%
	European Regional Development Fund and Cohesion Fund – Other periods (2000-2006, 2007-2013, 2021-2027)	5 885.32	1.91%	2.62%
	European Regional Development Fund and Cohesion Fund – Total	36 174.81	2.39%	3.42%
<b>Total</b>	<b>Two directorates-general cumulated</b>	<b>56 559.03</b>	<b>2.26%</b>	<b>3.13%</b>
	<b>Cohesion policy funds altogether</b>	<b>54 813.68</b>	<b>2.33%</b>	<b>3.23%</b>

Source: European Commission annual activity reports.

### 5.3. Reservations reported in the 2024 annual activity reports

Each authorising officer by delegation signs a declaration of assurance in the annual activity report. If necessary, the declaration of assurance may be qualified by one or more reservations, which ensure transparency concerning any challenges or weaknesses encountered and their potential financial impact. Reservations preserve the principle of sound financial management by being a tool to address weaknesses and prevent them in future through the development of action plans to mitigate risks and to strengthen control systems.

To conclude on their assurance, at the end of each financial year, the authorising officers by delegation perform a detailed analysis for each segment of expenditure of their portfolio and determine the **residual error rate** for each programme. This residual error rate is based on the detected error rate but takes into account any corrections made until the end of the reporting year. It is a snapshot of the level of error still affecting the 2024 expenditure at year-end. Where this residual error rate is above the materiality threshold of 2%, the authorising officers duly qualify their declarations of assurance with a reservation. This is in line with the materiality threshold used by the Court of Auditors to form their opinion <sup>(14)</sup>. A reservation may or may not have a quantifiable financial impact <sup>(15)</sup>. The authorising officers may also issue a reservation in

<sup>(14)</sup> European Court of Auditors, Annual report on the implementation of the EU budget for the 2023 financial year, Publications Office of the European Union, Luxembourg, 2024, Chapter 1, Annex 1.1, paragraph 36, [https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/AR-2023/AR-2023_EN.pdf).

<sup>(15)</sup> Reservations are non-quantified when the financial impact is zero, when it is not possible to assess the financial impact accurately or when the consequences are only reputational.



other situations, such as significant weaknesses in the management of funds or an event creating reputational damage to their department and/or the entire Commission.

### 5.3.1. 2024 reservations

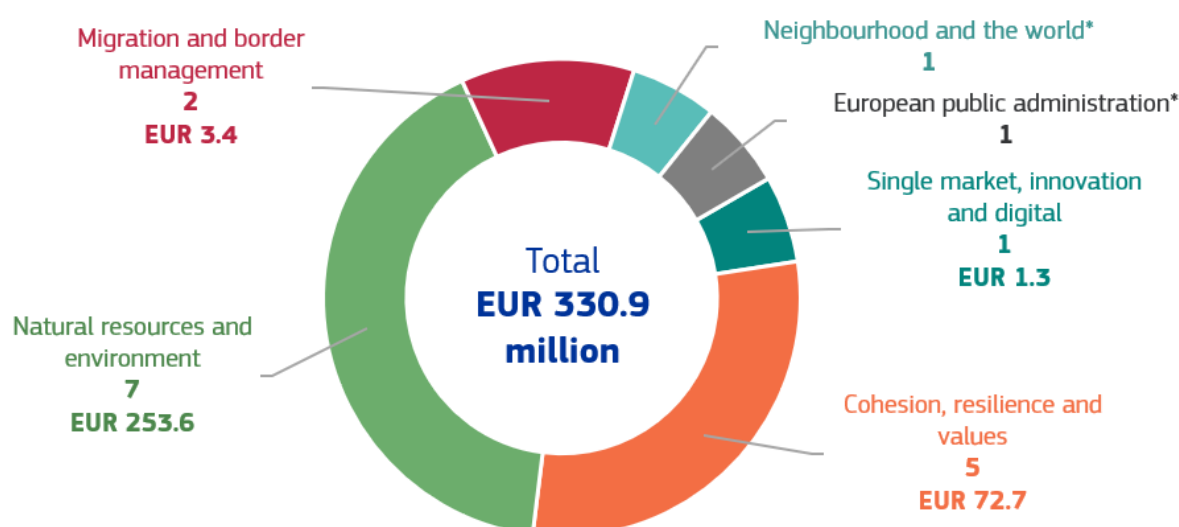
**For the 2024 reporting year, all 51 authorising officers by delegation declared in their annual activity reports that they had reasonable assurance** <sup>(16)</sup>. The majority of the 40 authorising officers by delegation, issued unqualified declarations of assurance, while 11 qualified their declarations with a total of 18 reservations. These reservations concerned the expenditure side of the budget and related to a programme or a specific segment of expenditure affected by a weakness (see figure below). In all these cases, the authorising officers by delegation adopted action plans to address the underlying weaknesses and mitigate the resulting risks. The situation regarding reservations can be summarised as follows.

- **Fourteen reservations are recurrent** from previous year(s), of which six are entirely or partially non-quantified. Most of the recurrent reservations concern programmes under shared management, with weaknesses identified at the level of individual Member State, paying agency or programme, that vary every year and rarely persist due to the action plans in place. The root causes of the material level of error can be partially mitigated but not fully eradicated.
- **Three reservations are new** but not quantified, concerning programmes of the 2021-2027 multiannual financial framework. One reservation is related to the European Social Fund Plus, with deficiencies identified at the level of the key elements of the management and control systems of one Member State. The other two relate to the new assurance model of the common agricultural policy, where the Commission has identified potential serious deficiencies in the functioning of the governance systems of certain Member States.
- **One more reservation is new** concerning the Recovery and Resilience Facility. It was issued after identifying cases of conflict of interest in one Member State. Since the Member State has not ensured yet proper compliance with the applicable Union and national law, the corresponding expenditure is considered high risk and a reservation has been issued.

In accordance with the *de minimis* rule, a financial quantified reservation is deemed not to be substantial and will not be issued <sup>(17)</sup> for residual error rates above 2% if the financial impact is less than EUR 5 million and the related segment represents less than 5% of the department's total payments. In 2024, nine cases with a residual error rate above 2% were found not to exceed the two thresholds of the *de minimis* rule, and therefore were deemed as not substantial for issuing a financial quantified reservation. The total financial impact amounted to EUR 8.6 million, a slight increase compared with 2023 at EUR 6.4 million.

<sup>(16)</sup> European Commission: Directorate-General for Communication, 'Annual activity reports', European Commission website, [https://commission.europa.eu/strategy-and-policy/strategy-documents/annual-activity-reports\\_en](https://commission.europa.eu/strategy-and-policy/strategy-documents/annual-activity-reports_en).

<sup>(17)</sup> Without prejudice to issuing a reservation for reputational reasons, if applicable.

**Number of reservations and financial impact by policy area in 2024 <sup>(18)</sup> (million EUR)**

(\*) Non-quantified reservation.

Source: European Commission annual activity reports.

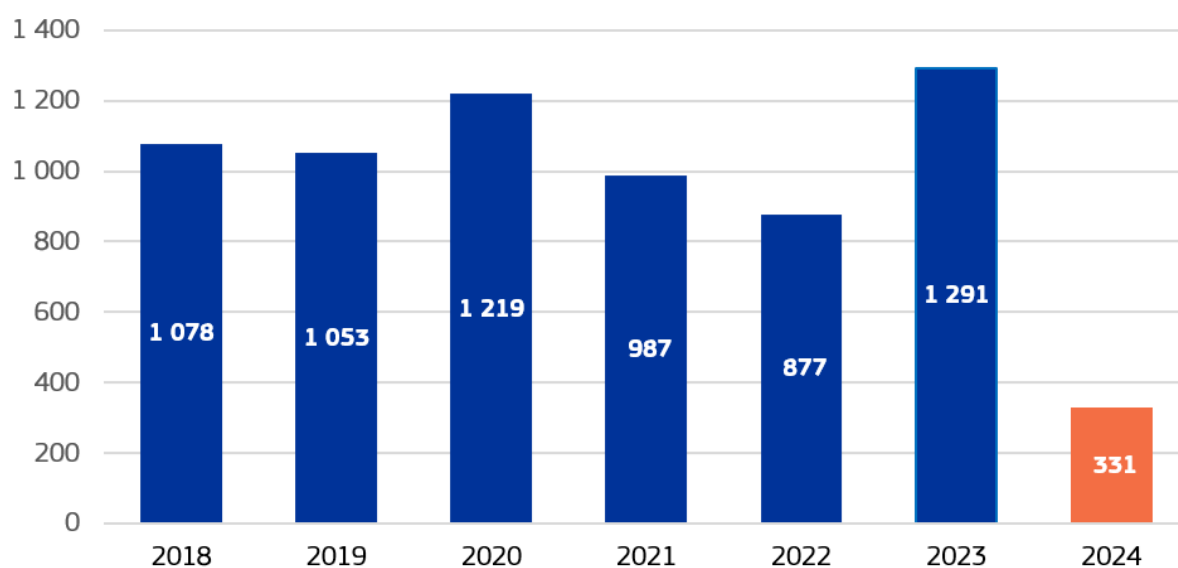
### 5.3.2. Financial impact of reservations

The financial impact of reservations is obtained by multiplying the relevant programme or segment expenditure by the residual error rate. The total financial impact from all reservations was EUR 330.9 million for 2024, representing 0.2% of the total expenditure. This is much lower compared with 2023 (EUR 1 290.6 million) and is attributed to the lower financial impact in two policy areas.

- Cohesion, resilience and values: fewer programmes are under reservation due to the limited number of assurance packages received. This is because Member States were granted an additional year to submit the final assurance packages for the 2014-2020 programming period. In addition, very few assurance packages have been received for the 2021-2027 programming period, as the implementation cycle is still at the beginning.
- Natural resources and environment: no quantification for reservations under the new assurance model.

The composition and evolution of the financial impact over the years are presented in the following figure and Table C. The financial impact of the reservation for the Recovery and Resilience Facility is not included as the Facility is not part of the EU Budget.

<sup>(18)</sup> Excluding the reservation issued for the Recovery and Resilience Facility.

**Financial impact of quantified reservations for 2018-2024 <sup>(19)</sup> (million EUR)**

Source: European Commission annual activity reports.

<sup>(19)</sup> Excluding the reservation issued for the Recovery and Resilience Facility.

**Table C – Financial impact of the quantified reservations in 2024 by heading <sup>(20)</sup> (million EUR)**

Policy area	Payments in 2024	Relevant expenditure in 2024	Financial impact of the reservations	
			in 2024	in 2023
Single market, innovation and digital	29 488.5	24 240.3	<b>1.3</b>	0
Cohesion, resilience and values	64 137.7	61 973.7	<b>72.7</b>	584.5
Natural resources and environment (*)	57 621.2	57 373.0	<b>253.6</b>	705.3
Migration and border management	3 809.0	3 507.5	<b>3.4</b>	0.8
Security and defence	993.8	318.7	<b>0</b>	0
Neighbourhood and the world	19 573.1	19 999.4	<b>0</b>	0
European public administration	11 626.0	11 625.3	<b>0</b>	0
<b>Total</b>	<b>187 249.3</b>	<b>179 037.8</b>	<b>330.9</b>	1 290.6
<b>2021-2027 programmes</b>			<b>6.0</b>	0.6
<b>2014-2020 programmes</b>			<b>324.9</b>	1 290.0

(\*) With segments of expenditure that are performance-based.

Source: European Commission annual activity reports.

The tables below present the details concerning the reservations for 2024:

- Table D presents the 17 reservations for 2024 affecting the expenditure, divided according to the 2021-2027 and 2014-2020 programme periods;
- Table E presents the reservation for 2024 affecting the Recovery and Resilience Facility;
- Table F presents all the cases where the *de minimis* rule applied.

<sup>(20)</sup> Excluding the reservation issued for the Recovery and Resilience Facility.

## 5.3.3. Full list of reservations

**Table D – 2024 list of reservations (million EUR)**

Policy areas	Description of reservation	Department	Impact on legality and regularity	Financial impact
<b>Programmes of the 2021-2027 multiannual financial framework</b>				
<b>Cohesion, resilience and values</b>	European Regional Development Fund / Cohesion Fund / Just Transition Fund (1 programme in 1 Member State)	DG Employment, Social Affairs and Inclusion	Reservation issued in 2024 Non-quantified	—
	European Regional Development Fund / Cohesion Fund / Just Transition Fund (7 programmes in 5 Member States)	DG Regional and Urban Policy	Quantified	3.1
<b>Natural resources and environment</b>	Common agricultural policy strategic plans – European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (expenditure under the integrated administration and control system) (10 reservations for 9 Member States)	DG Agriculture and Rural Development	Reservation issued in 2024 Non-quantified	—
	Common agricultural policy strategic plans – European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (expenditure without the integrated administration and control system) (6 reservations for 5 Member States)	DG Agriculture and Rural Development	Reservation issued in 2024 Non-quantified	—
<b>Migration and border management</b>	Management and control systems for the Border Management and Visa Policy Instrument (1 Member State) Management and control systems for the Border	DG Migration and Home Affairs	Non-quantified	

	Management and Visa Policy Instrument, Asylum, Migration and Integration Fund and Internal Security Fund (2 Member States)		Quantified	3.0
<b>European public administration</b>	Reputational reservation for the issues encountered when implementing the new selection procedures and competitions for EU staff	European Personnel Selection Office	Non-quantified	—
<b>Total</b>	<b>6 reservations</b>	<b>5 departments</b>		<b>6.0</b>
<b>Programmes of the 2014-2020 multiannual financial framework</b>				
<b>Single market, innovation and digital</b>	Promotion of agricultural products programme – direct management: multi-beneficiary grants scheme <sup>(21)</sup>	European Research Executive Agency	Quantified	1.3
<b>Cohesion, resilience and values</b>	European Social Fund / Youth Employment Initiative / Fund for European Aid to the Most Deprived (8 programmes in 7 Member States)	DG Employment, Social Affairs and Inclusion	Quantified	26.3
	Citizens, equality, rights and values programme / justice programme – direct grants	DG Justice and Consumers	Quantified	2.1
	European Regional Development Fund / Cohesion Fund (21 programmes in 9 Member States and the United Kingdom)	DG Regional and Urban Policy	Quantified	41.3
<b>Natural resources and environment</b>	European Agricultural Guarantee Fund – market measures (6 reservations for 4 Member States)	DG Agriculture and Rural Development	Quantified	14.9
	European Agricultural Guarantee Fund – direct payments (1 reservation for 1 Member State)	DG Agriculture and Rural Development	Quantified	28.8

<sup>(21)</sup> The concerned programme is funded by EAGF, which is currently under Budget Heading 3 – Natural resources and environment. However, it is reported under Heading 1 – Single market, innovation and digital, for consistency with previous reports.

	European Agricultural Fund for Rural Development (12 reservations for 10 Member States)	DG Agriculture and Rural Development	Quantified	209.8
	EU emissions trading system registry – security weakness	DG Climate Action	Non-quantified	—
	European Maritime and Fisheries Fund (1 Member State)	DG Maritime Affairs and Fisheries	Non-quantified	—
<b>Migration and border management</b>	Management and control systems for the Asylum, Migration and Integration Fund (4 Member States)	DG Migration and Home Affairs	Non-quantified (6 Member States)	0.4
	Management and control systems for the Internal Security Fund (7 Member States and 1 Schengen-associated Country)		Quantified (1 Member State and 1 Schengen-associated country)	
<b>Neighbourhood and the world</b>	External restrictions to control financial programmes in Libya, Syria and Ukraine	DG Neighbourhood and Enlargement negotiations	Non-quantified	—
<b>Total</b>	<b>11 reservations</b>	<b>9 departments</b>	<b>—</b>	<b>324.9</b>
<b>Total for 2024</b>	<b>17 reservations</b>	<b>10 departments</b>	<b>—</b>	<b>330.9</b>

Source: European Commission annual activity reports.

**Table E – 2024 list of reservations for the Recovery and Resilience Facility (million EUR)**

Policy areas	Description of reservation	Department	Impact on legality and regularity	Financial impact
<b>Recovery and Resilience Facility</b>	Cases of conflict of interest (1 reservation for 1 Member State)	DG Economic and Financial Affairs	Reservation issued in 2024 Quantified	17.5
<b>Total for 2024</b>	<b>1 reservation</b>	<b>1 department</b>	—	<b>17.5</b>

Source: European Commission annual activity reports.



**Table F – Application of the *de minimis* rule – reservations not issued during 2024 (million EUR)**

Policy area	Description of reservation	Department	Impact on legality and regularity	Financial impact in 2024
<b>Single market, innovation and digital</b>	Pilot projects and preparatory actions	DG Communications Networks, Content and Technology	Quantified	0.68
	Seventh framework programme	DG Communications Networks, Content and Technology	Quantified	0.00 <sup>(22)</sup>
	Programme for the competitiveness of small and medium-sized enterprises, 2014-2020 grants segment	European Innovation Council and SMEs Executive Agency	Quantified	0.71
	Consumer programme, 2014-2020 grants segment	European Innovation Council and SMEs Executive Agency	Quantified	0.01
	Connecting Europe Facility, telecom sector – digital service infrastructure	European Health and Digital Executive Agency	Quantified	1.44
	Third health programme	European Health and Digital Executive Agency	Quantified	1.09
	Indirect management with partner countries – programme estimates	DG for International Partnerships	Quantified	1.44
	Seventh framework programme	European Research Executive Agency	Quantified	0.03
<b>Natural resources and environment</b>	Instrument for Pre-accession Assistance Rural Development Programmes – indirect management	DG Agriculture and Rural Development	Quantified	3.24
<b>Total for 2024</b>	<b>9 reservations</b>	<b>6 departments</b>	<b>—</b>	<b>8.6</b>

Source: European Commission annual activity reports.

<sup>(22)</sup> The financial impact amounts to EUR 998.85.

## 5.4. Preventive and corrective measures implemented in 2024

This subsection presents the preventive and corrective measures implemented in 2024, which mainly relate to expenditure from previous years. They result from both the Commission and the Member States' audits and controls.

Under shared management, the Member States are primarily responsible for identifying any amounts unduly paid and recovering them from beneficiaries. Controls carried out by Member States represent an essential layer of control in the activities to protect the EU budget. These controls lead to corrections implemented by the Member States before and after they submit their payment claims or annual accounts to the Commission. As such, they are a key component of the preventive and corrective mechanisms. The Commission can apply preventive measures and/or financial corrections due to: irregularities or serious deficiencies identified but not corrected by Member State authorities; its own verifications and audits; investigations by the European Anti-Fraud Office; and audits by the Court of Auditors.

Table G provides a complete overview of all the preventive and corrective measures implemented in 2024 by the Commission and the Member States to protect the EU budget, irrespective of the year in which the initial expenditure was made <sup>(23)</sup>.

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<sup>(23)</sup> In general, for corrective measures, corrections implemented are used as booked in the accounting system of the Commission.

**For agriculture** this includes financial corrections applied by the Commission and Member States' recoveries reported to and booked into the Commission's accounting system – a financial correction is implemented when: (i) it is recorded in the Commission's accounts; (ii) it is deducted from the amounts declared by the Member State in an interim, final payment claim or annual accounts; and (iii) the commitment appropriations corresponding to the financial correction amount have been cancelled.

For the Member States' recoveries, corrections are implemented when the Member States have issued the recovery orders (or equivalent) to the final beneficiaries and reported them accordingly to the Commission (DG Agriculture and Rural Development) in the updated 'debtors ledger' of year  $n$  (usually in February  $n + 1$ ).

**For cohesion**, the situation differs depending on the programming periods in question and not all data come from the Commission's accounting system.

- **Pre-2014 programmes.** In case no financial transaction will take place at the closure of the programme, a correction is implemented by the Commission when it has been applied and included in the pre-closure/closure letter accepted by the Member State.
- **Post-2014 programmes.** All corrections are implemented by Member States. The amounts are obtained from the assurance packages submitted to the Commission.

**Table G – Overview of the preventive and corrective measures resulting from the controls of the Commission and of the Member States, amounts implemented in 2024 (million EUR)**

Multiannual financial framework heading	Preventive			Relevant expenditure	Corrective			% of relevant expenditure	Preventive and corrective total
	Member State controls	EU controls	Total		Member State controls	EU controls	Total		
	(a)	(b)	(c) = (a) + (b)		(c)	(f)	(g) = (c) + (f)		
<b>1. Single market, innovation and digital</b>	—	244.7	244.7	24 240.3	—	103.8	103.8	0.43%	348.5
<b>2. Cohesion, resilience and values</b>	564.9	15.0	579.9	61 973.7	220.4	228.3	448.7	0.72%	1 028.6
<b>3. Natural resources and environment</b>	176.8	1.6	178.4	57 373.0	419.5	472.0	891.4	1.55%	1 069.8
<b>4. Migration and border management</b>	27.3	17.2	44.4	3 507.5	—	1.1	1.1	0.03%	45.5
<b>5. Security and defence</b>	—	7.2	7.2	318.7	—	0.3	0.3	0.09%	7.5
<b>6. Neighbourhood and the world</b>	—	125.5	125.5	19 999.4	—	27.6	27.6	0.14%	153.1
<b>7. European public administration</b>	—	4.3	4.3	11 625.3	—	1.6	1.6	0.01%	5.9
<b>Total</b>	<b>768.9</b>	<b>415.5</b>	<b>1 184.4</b>	<b>179 037.8</b>	<b>639.9</b>	<b>834.7</b>	<b>1 474.5</b>	<b>0.82% <sup>(24)</sup></b>	<b>2 658.9</b>

(a) For shared management, details for each Member State are provided in the annual activity reports of DG Employment, Social Affairs and Inclusion, DG Agriculture and Rural Development, DG Maritime Affairs and Fisheries, DG Regional and Urban Policy and DG Migration and Home Affairs.

(d) Relevant expenditure including performance-based expenditure for natural resources and environment.

(f) The total of **EUR 834.7 million** of corrective EU controls is composed of: (i) the amounts booked in the Commission's accounting system, including recovery orders issued by the Commission in **all headings** and the financial corrections in the **agriculture sector**; and (ii) for **cohesion**, amounts decided and agreed following the Commission's audits (and the follow-up of European Anti-Fraud Office investigations and Court of Auditors audits) implemented directly by the Member States (**EUR 70 million**), with the remainder of the cohesion corrections, relating to the previous programming period, implemented by the Commission (**EUR 158.3 million**).

An overview of amounts recommended for recovery and prevention from undue spending following the European Anti-Fraud Office's investigative activities can be found in Section 1.5 of Volume II.

NB: Due to the rounding of figures to the nearest million EUR, some financial data in the table above may appear not to add up.

Source: European Commission annual activity reports.

#### 5.4.1. Cohesion, resilience and values

Under this heading, the **preventive measures** (EUR 580 million) implemented in 2024 mostly relate to the cohesion policy funds for the 2021-2027 programming period; they are lower than in 2023 (EUR 1 644 million) because the preventive measures for the last year of the 2014-2020 programming period were very limited and reported as corrective measures <sup>(25)</sup> and because there is still a limited amount of payments that has been made, and thus preventive measures taken, for the 2021-2027 programming period.

**The corrective measures** implemented in 2024 (**EUR 449 million**) **decreased** compared to 2023 (EUR 727 million), which is explained by the limited number of final assurance packages for 2014-2020 submitted by the Member States to the Commission by 1 March 2025, following the 'strategic technologies

<sup>(24)</sup> This is in line with the overall estimated future corrections for 2023, in the range of 0.7% to 1.1%.

<sup>(25)</sup> For the last accounting year, the corrections cannot be classified as preventive or corrective, as this distinction cannot be made in the final accounts (no further action is possible after the submission of the final accounts in the next payment applications or subsequent accounts).

for Europe platform' amendments to the [Common Provisions Regulation](#), which extended the submission period until 15 February 2026. A significant part of this amount, **EUR 281 million**, is related to the **2014-2020 programming period cohesion policy funds** and corresponds to withdrawals and recoveries deducted in the 2022-2023 annual accounts, out of which **EUR 211 million** <sup>(26)</sup> is attributed to Member State audits and controls **and EUR 70 million corresponds to the results of the audits of the Commission**, along with the follow-up of European Anti-Fraud Office investigations and Court of Auditors audits. Other corrections might be linked to the Commission's work, such as additional extrapolated corrections to bring the residual error rate below the materiality threshold following Commission and Court of Auditors audit work. However, as most of these corrections overlap with the ones implemented following the audits of the Court of Auditors, Commission, and Member States, the Commission conservatively only reports this minimum amount. Furthermore, a total of EUR 8 million corrective measures were implemented in relation to the 2021-2027 programming period.

In addition to systematic controls of all operations by management authorities, there is also a wide coverage of the expenditure through the audit operations carried out by the national audit authorities, around 14% of the expenditure declared in 2024. The Commission relies on all this work and takes it into account to plan its own risk-based audits.

For 2007-2013 and previous programming periods, the Commission applied **corrective measures of EUR 154 million**, which is comparable to EUR 126 million in 2023.

So far, the Commission has not implemented net financial corrections for cases where Member States have not appropriately addressed serious deficiencies before submitting their annual accounts due to restrictive conditions set by the co-legislators, which were not met. This limits in practice the application of net financial corrections. The regulation for the 2021-2027 programming period brought simplifications in this area.

## 5.4.2. Natural resources and environment

The **corrective measures** applied in 2024 amounted to **EUR 891 million**, which is an increase compared to 2023 at EUR 667 million. Most of these corrections, **EUR 860 million, concerned agriculture and rural development**. In this area, **Member States' controls** resulted in **EUR 412 million** in corrective measures <sup>(27)</sup>, whereas the **Commission's net financial corrections implemented amounted to EUR 448 million**. This is an increase compared to 2023 (EUR 235 million) but is **in line with the previous three years' annual net financial corrections average** (EUR 429 million). Net financial corrections are characteristic of the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development, as they are applied after a procedure in which the duration may vary, creating the variation in the amounts between years. The net financial corrections implemented (and decided) in 2024 still fully correspond to expenditure under the 2014-2022 common agricultural policy legal basis, as **no conformity procedure related to the 2023-2027 common agricultural policy expenditure was finalised in 2024**.

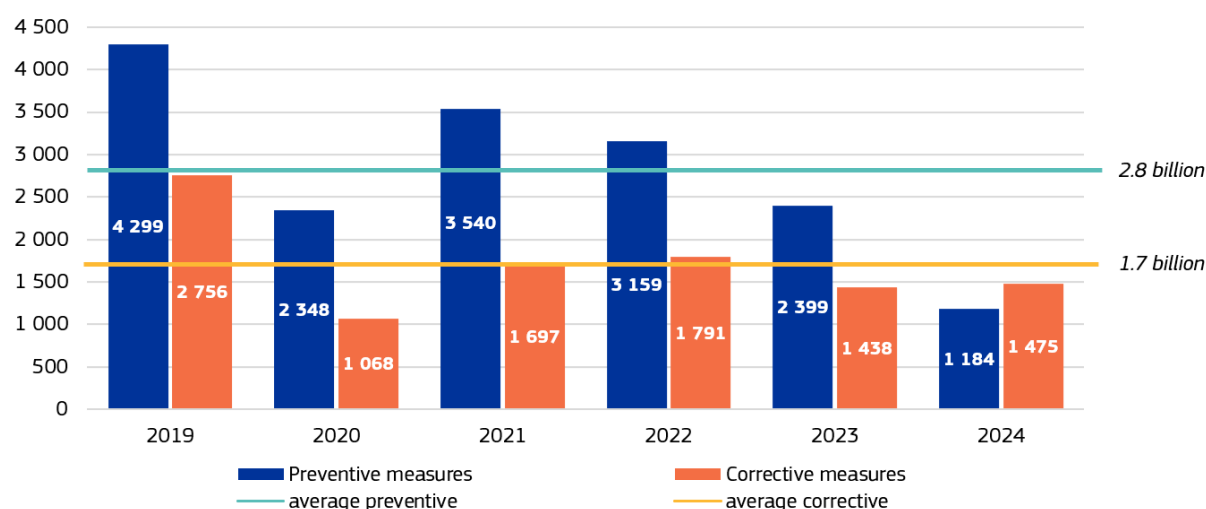
<sup>(26)</sup> This amount includes the corrections made to ensure a risk at closure below 2% for all programmes.

<sup>(27)</sup> Out of the EUR 412 million: EUR 235 million was penalties/reductions imposed on final beneficiaries by the Member States, recovered and reimbursed to the EU budget, and EUR 177 million was penalties/reductions applied by the Member States, recovered and reused as regular expenditure to other final beneficiaries without reimbursement to the EU budget.

The remaining EUR 31 million of the correction measures applied in 2024 concerned maritime affairs and fisheries, where Member States' controls resulted in EUR 7 million in corrective measures, whereas the Commission's net financial corrections amounted to EUR 24 million <sup>(28)</sup>.

#### 5.4.4. Multiannual overview

##### Preventive and corrective measures implemented for 2019-2024 (million EUR)



Source: European Commission 2019-2024 annual activity reports and annual management and performance reports.

**For 2019-2024, the preventive and corrective measures amounted to EUR 27.2 billion.** The highest amounts of preventive and corrective measures are under heading 2 (cohesion, resilience, and values) and heading 3 (natural resources and environment), which is consistent with the high level of expenditure under these headings.

**Preventive measures amounted to EUR 16.9 billion** for the period, which substantiates the important role of the Member States in protecting the EU budget through their controls before the Commission accepts and reimburses expenditure. The decrease between 2023 and 2024 is mainly explained by the situation in cohesion, see Section 5.4.1.

**Corrective measures amounted to EUR 10.2 billion** for the period. The evolution over time of corrective measures in shared management is to be interpreted, considering the significant backlog in their implementation, in accordance with the applicable legislation. Especially for cohesion policy funds, significant corrective measures were applied during the first years analysed. These corrections still referred mostly to expenditure declared in previous programming periods (for which the risk at payment determined at the Commission level was significantly higher), while corrective measures applied for the 2014-2020 programming period have increased, in line with the maturity of the expenditure implementation.

<sup>(28)</sup> Net financial corrections and recoveries related to the European Fisheries Fund 2007-2013 amounting to EUR 30.5 million were implemented by DG Maritime Affairs and Fisheries in 2024 regarding six Member States, out of which EUR 23.8 million were implemented by recovery orders ( EUR 0.3 million resulting from Member States' work), EUR 0.2 million by decommitment and EUR 6.5 million by recoveries at closure resulting from Member States' work.

### 5.4.5. Net financial corrections implemented by the Commission in 2024

The following table presents the types of net financial corrections applied by the Commission as corrective measures in shared management in 2024.

**Table H – 2024 net financial corrections implemented by the Commission (corrective measures in shared management) (million EUR)**

Multiannual financial framework heading/fund	Net financial corrections						
	2014-2020 multiannual financial framework and previous frameworks			2021-2027 multiannual financial framework			Total net financial corrections
	Recovery order	Decommitment	Total	Recovery order	Decommitment	Total	
	(a)	(b)	(c) = (a) + (b)	(d)	(c)	(f) = (d) + (c)	
<b>2. Cohesion, resilience and values (*)</b>	<b>25.5</b>	<b>36.4</b>	<b>61.9</b>	—	—	—	<b>61.9</b>
European Regional Development Fund and Cohesion Fund	25.5	22.7	48.2	—	—	—	48.2
European Social Fund / youth employment initiative and Fund for European Aid to the Most Deprived	—	13.7	13.7	—	—	—	13.7
<b>3. Natural resources and environment</b>	<b>252.2</b>	<b>0.2</b>	<b>252.4</b>	<b>219.0</b>	<b>-</b>	<b>219.0</b>	<b>471.5</b>
European Agricultural Guarantee Fund	138.8	—	138.8	170.4	—	170.4	309.3
European Agricultural Fund for Rural Development	89.8	—	89.8	48.6	—	48.6	138.5
European Maritime and Fisheries Fund / European Fisheries Fund / Financial Instrument for Fisheries Guidance	23.5	0.2	23.8	—	—	—	23.8
<b>4. Migration and border management</b>	<b>0.3</b>	<b>—</b>	<b>0.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>0.3</b>
<b>Total</b>	<b>278.0</b>	<b>36.7</b>	<b>314.7</b>	<b>219.0</b>	<b>—</b>	<b>219.0</b>	<b>533.7</b>
European Globalisation Fund (special instruments)	—	—	—	—	—	—	—
<b>Total, including special instruments</b>	<b>278.0</b>	<b>36.7</b>	<b>314.7</b>	<b>219.0</b>	<b>—</b>	<b>219.0</b>	<b>533.7</b>

(\*) For cohesion funds, all the amounts presented in the table above concern **net financial corrections applied in respect of pre-2014 programmes**.

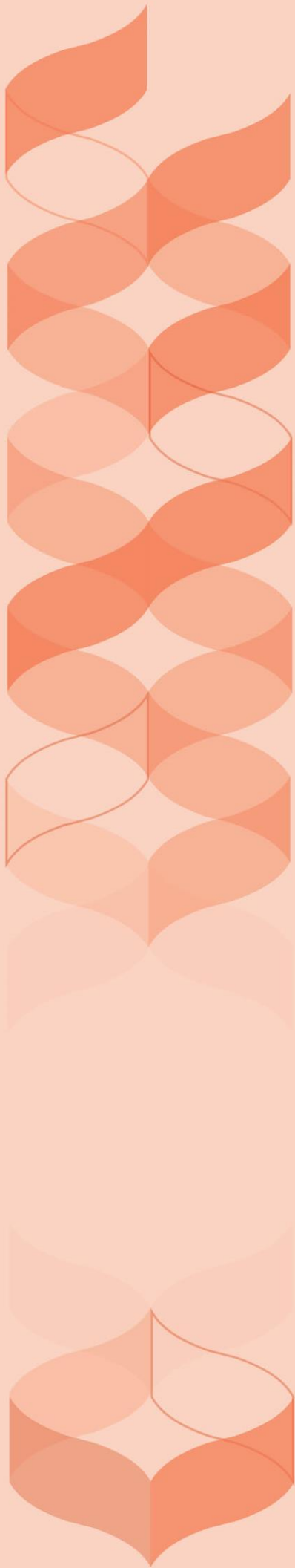
During the 2000-2006 and 2007-2013 programming periods, the applicable legislation allowed Member States to replace irregular expenditure with new expenditure if they took the necessary corrective action and applied the related financial corrections (confirmed financial corrections). However, if the Member States did not have such additional expenditure to declare, the financial corrections became (at least in part) net corrections.

Net financial corrections also originate from Commission decisions ('decided' financial corrections), which always had a direct and net impact on the Member State, as it was not possible to reuse the corrected amount for other eligible operations and the Member States had to return the financial corrections amounts to the EU budget.

In both cases of net financial corrections, the operational programmes' envelopes were reduced and the Member States had to pay the amounts back to the EU budget (**implementation by recovery order issued by the Commission** – column a) and/or at closure they received a lower overall funding envelope (**implementation by decommitment** – column b).

NB: Due to the rounding of figures to the nearest million EUR, some financial data in the table above may appear not to add up.

Source: European Commission.



## Annex 6 – Assurance provided by the Internal Audit Service

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# Annex 6 – Assurance provided by the Internal Audit Service

The work of the Internal Audit Service, its audit findings and recommendations, and the results of the oversight provided by the Audit Progress Committee contribute to the overall assurance-building process at the European Commission level. For the 2024 reporting year, the Internal Audit Service produced an annual internal audit report, in line with Article 118(4) of the Financial Regulation <sup>(29)</sup>, which (1) summarised the performance audits completed in 2023; (2) presented the overall conclusion on financial management for the year 2024; (3) recalled the contribution of the Internal Audit Service to the annual activity reporting of the Commission's directorates-general and the executive agencies; and (4) reported on progress in implementing its audit recommendations.

## 6.1. Financial management: internal auditor's overall conclusion

Based on:

- the work done by the Internal Audit Service covering the years 2022-2024, the principal findings and recommendations of which are summarised in its reports and annexes submitted under Article 118(4) of the Financial Regulation issued in parallel to the annual overall conclusion,
- reviews of the related accountability reports provided by management and the assurances given by management in their annual activity reports and annexed declarations of assurance,
- information presented in the draft Annual Management and Performance Report for the EU Budget – financial year 2024 (Volume II, Annexes 2 and 3, and Volume III, Annex 5), the Annual Management and Performance Report for the EU Budget – financial year 2023 (Volume II, Annexes 2 and 3, and Volume III, Annex 5), and the Annual Management and Performance Report for the EU Budget – financial year 2022 (Annexes 2 and 3 in Volume II, and Annex 5 in Volume III), as part of the integrated set of financial and accountability reports (Article 253 of the Financial Regulation <sup>(30)</sup>),
- information from other sources, the European Court of Auditors' reports,

and taking into account that:

- management has adopted plans which the Internal Audit Service considers are adequate to address the residual risks identified by auditors, and to implement the accepted recommendations made by the Internal Audit Service, and
- the implementation of these plans is monitored through reports by management and through follow-up audits by the Internal Audit Service.

**the internal auditor considers that in 2024 the Commission put into place governance, risk management and internal control procedures which, taken as a whole, are adequate to give reasonable assurance over the achievement of its financial objectives, with the exception of**

<sup>(29)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

<sup>(30)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast), OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

**those areas of financial management over which authorising officers by delegation have expressed reservations in their declaration of assurance.**

Without further qualifying the overall conclusion for 2024, the internal auditor draws the attention of the Commission to the need to respond to the high cross-cutting risks for the institution and the EU budget by building on the lessons learned from managing its financial resources in a challenging context.

This is linked in particular to the complexity of (innovative) funding mechanisms and related challenges for their implementation. The Commission, being ultimately responsible for ensuring the legality and regularity of expenditure and sound financial management, will therefore need to continue taking actions to mitigate the new high risks identified.

As the Commission is embarking on an ambitious reshape of the EU budget, aimed at making it simpler, more focused and more impactful, **the traditional governance, control and assurance framework needs to be adapted** to remain relevant for innovative, complex funding and new delivery models, including performance-based approaches.

To remain effective, the assurance and control framework in the next multi-annual financial framework must be **proportional** to the associated risks. The level and intensity of controls should be adjusted to the delivery model of the future instrument(s), to avoid duplication of controls and audits, and to reduce the administrative burden.

The assurance and control strategy should be **embedded from the onset**, developed in parallel with policy design and implementation planning, thus ensuring both the effective and efficient delivery of programmes, as well as supporting broader financial management and governance objectives.

It is essential to **retain the appropriate level of controls** throughout the programme lifecycle, especially if late implementation of funds creates pressure. To ensure the continuous and reliable implementation of the new control and assurance strategies, the necessary human resources should be defined and allocated from the onset until the closure, in both capacity and skills.

## 6.2. Performance: results of audits by the Internal Audit Service

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Through its audit work, the Internal Audit Service adds value to the effective and efficient implementation of risk management, control and governance processes, EU policies, programmes and actions, efficient and economical management of resources, legal and regular spending of the EU budget and compliance with the legal frameworks by the audited entities. In this way, the Internal Audit Service contributes to providing value for money for citizens and thus to increasing public confidence in the European Union and enhancing its image.

### 6.2.1. Financial processes

Providing reassurance to the College and the directorates-general and services on the efficient and effective implementation of the internal controls as regards financial management remains one of the priorities of the Internal Audit Service.

Four audits did not reveal critical or very important weaknesses in the control systems, namely: (1) the audit on anti-fraud strategies in the external action family; (2) the audit on Horizon 2020 grant management phase IV in the European Research Council Executive Agency; (3) the audit on the performance of the management of experts for proposal evaluation in the Education and Culture Executive Agency; and (4) the audit on procurement in DG Interpretation.

DG Agriculture and Rural Development had made progress in its preparedness to design the assurance building model under the new Common Agricultural Policy strategic plans. However, some elements still needed to be developed to ensure that the control framework put in place is sufficiently robust to provide assurance that the Common Agricultural Policy expenditure under the new delivery model is implemented in line with the Common Agricultural Policy legal framework..

Overall, DG Regional and Urban Policy, DG Employment, Social Affairs and Inclusion and DG Maritime Affairs and Fisheries have designed adequate assurance building processes for the funds implemented under shared management to mitigate the key risks and address the main new elements introduced by the 2021-2027 programming period legislation. Nevertheless, the DGs' single audit strategy will need to be updated as certain elements were not sufficiently clear or have not been sufficiently developed at this stage of the programming period. DG Regional and Urban Policy also implements the EU Solidarity Fund under shared and indirect management. The DG has put in place control processes for managing the Fund but there is a need for further improvement concerning its design and effective management.

DG Economic and Financial Affairs adequately designed and efficiently and effectively implemented governance processes for the preparation phase of macrofinancial assistance operations. However, further improvement is needed in the design and efficient and effective implementation of the risk management and control processes as well as in marking and protecting sensitive non-classified information.

In indirect management, the audit on controls over the financial management of the civilian Common Security and Defence Policy missions, implemented by the Service for Foreign Policy Instruments, found that while the Service has designed and implemented a control framework tailored to the specificities of the missions, further improvement is needed regarding its design which affect its effective implementation.

Although DG International Partnerships has put in place a control system encompassing guidance, templates, checklists and training to support the implementation of the grant and procurement award processes under indirect management with partner countries, and the performance of the related *ex ante* controls by the EU Delegations, their design needs to be further improved to ensure compliance with the rules and their effective and efficient implementation.

Although DG Research and Innovation has made huge investments to design an adequate and innovative Horizon Europe control strategy to ensure the legal and regular implementation, as well as the sound financial management of the programme, further improvement is needed to key components of the control strategy to fully achieve the long-term objective of having a level of error below the materiality threshold of 2% for Horizon Europe.

Although the Climate, Infrastructure and Environment Executive Agency has designed and put in place adequate controls for the Horizon Europe grant management processes, there is a need for further improvement related to the management of conflicts of interest and of the evaluation processes which may impair the effectiveness and efficiency of implementation.

The audit on assurance building for expenditure under direct management in DG Maritime Affairs and Fisheries found that although the DG had adequately designed and implemented its assurance building processes as regards expenditure under direct management, there is a need for further improvement in the design and financial implementation of the sustainable fisheries partnership agreements.

## 6.2.2. Support processes

Furthermore, the Internal Audit Service continued to provide reassurance to the College and the directorates-general and services on the efficient and effective implementation of the internal controls for the administrative processes that support the functioning of the Commission (human resources, IT, etc.).

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## **Human resource management**

The Internal Audit Service performed three audits to assess various aspects of human resource management in the Commission.

The audit on the assessment of human resources needs in the Commission at corporate level concluded that the existing processes for assessing human resource needs in the legislative and budgetary contexts have made progress, but requires key improvements. Two key issues have been identified on: (1) the support from the central services for the assessment of human resource needs at local/department level; and (2) the quality checks on human resource needs by the central services.

The multi-entity audit on human resource allocation in EU Delegations concluded that the Commission's process for allocating human resources in EU Delegations complied with the rules, but there is a need to improve its design and effective and efficient implementation to achieve the objective of providing a global view of EU Delegation's workload.

An audit on human resource management in DG Financial Stability, Financial Services and Capital Markets Union concluded that although the department has put in place an adequate internal system to manage its human resources, there is a need for further improvement as regards the design of the department's human resource strategic framework that may affect its effective and efficient implementation.

## **IT management**

The multi-DG audit on IT security risk management covering both the corporate and local levels, found that although the Commission has designed an adequate IT security risk management framework and processes, in compliance with the Commission's IT security framework, there is a need to further improve the effective and efficient implementation of processes in the following areas: (1) the IT security risk management methodology and related tools; (2) the risk acceptance criteria; (3) the monitoring and reporting of the risk assessment results; and (4) the completeness and accuracy of IT security information. Areas for improvements were identified both at the level of the Commission and at the decentralised level.

A limited review of SUMMA, in preparation of 'going live' focused on the controls put in place by DG Budget to mitigate the main risks regarding the transition of the Commission's central accounting, budget and treasury system. Very important areas for further improvement remained at the time of the limited review. Furthermore, additional areas for improvement, potentially having an impact on the subsequent efficient and effective use of the system in practice, were identified.

## **Other support processes**

The audit on the IT financing framework concluded that the DG Digital Services has made efforts to design and implement an adequate control framework for the management of the baseline IT services and of the charge-back processes. However, despite the fact that the current IT financing framework has brought some positive elements, there is a need for further improvement in its design regarding the concept of baseline IT services and the adequacy of the current IT financing framework to deliver sustainable corporate IT services going forward.

The Internal Audit Service audit on the protection of personal data in the Paymaster Office concluded that the control system put in place by the Office for the key business processes handling personal data is not adequately designed and effectively implemented to ensure compliance with the relevant legal base. While the Internal Audit Service takes note of important steps taken by the Office in 2024 (after the end of the audit fieldwork) to address key shortcomings, significant progress still needs to be made in (1) accountability, roles and responsibilities; (2) arrangements in case of joint processing, international transfers of personal data and service level agreements, (3) compliance with data protection principles and (4) IT controls to ensure the integrity, confidentiality and availability of personal data.

### 6.2.3. Operational and policy processes

Financial and support processes are usually drivers for operational and policy processes. The audit on the Single Market Programme yielded positive results, with no critical or very important weaknesses identified.

In the audit on the EU emission trading system, the processes for the management of the EU emission trading system auctions are functioning well, but there is a need for further improvement in the design and effective implementation of DG Climate Action's other processes for the implementation and monitoring of the EU emission trading system. For the nuclear decommissioning and waste management programme, there is a need for further improvement in the governance, management and control systems to ensure the sustainable, efficient and effective implementation of the programme across all the nuclear sites of the Joint Research Centre.

## 6.2.4. Information security and technology

In view of increased information security concerns, legal obligations, Member States' expectations, new user requirements and a corporate approach to information management, the Commission adopted (i) in 2018, a digital strategy aiming to bring new innovative digital solutions to support its policies and activities, and (ii) in 2022, a proposal for a regulation on information security, which proposes common information security rules for all EU institutions and agencies.

The Commission is exposed to high inherent information security risks, including the risk to the confidentiality of information. In this context, the audit on the protection of confidentiality of information was conducted on the three key stakeholders responsible for information security at the corporate level – the Secretariat-General, DG Human Resources and Security and DG Digital Services. The Commission has progressed in establishing an adequate corporate framework and effective corporate controls, including effective risk management, for protecting the confidentiality of information. However, significant measures are still required at the corporate level, to more effectively support the Commission services in their responsibility to protect the confidentiality of information. These relate to external service providers, information technology controls and the process for managing information security incidents.

The 'Case management rationalisation' project is the flagship of the Commission's information systems rationalisation exercise in the case management area. Based on its audit work, the Internal Audit Service concluded that, although DG Competition has made progress in designing and implementing governance and internal control processes for the project, there is a need for further improvement as regards the way in which certain information technology security controls have been designed, applied or documented.

The EU emissions trading system is a cornerstone of the EU's policy to combat climate change as a key tool for reducing greenhouse gas emissions cost-effectively. The Internal Audit Service conducted a limited review of the security plan and associated security measures of the system, which is managed by the DG Climate Action. While the security processes of the system have gradually become more mature, further improvement is required in the design of the 2022 information technology security plan for the system and the governance framework for its implementation.

## Internal Audit Service limited conclusions

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The Internal Audit Service issued limited conclusions on the state of internal control to all directorates-general and services <sup>(31)</sup> in February 2024. These limited conclusions contributed to the 2023 annual activity reports of the directorates-general and services concerned. They drew on the audit work carried out in the last five years and covered all open recommendations issued by the Internal Audit Service. The Internal Audit Service's conclusions on the state of internal control in the directorates-general are limited to the management and control systems that were audited in the past five years.

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<sup>(31)</sup> No audits were carried out for the advisory service IDEA – Inspire, Debate, Engage and Accelerate Action during the 2019-2023 period, as no high risks were identified, and therefore no limited conclusion was provided.

## Follow-up of previous Internal Audit Service recommendations

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The Internal Audit Service's follow-up work on its previous recommendations confirmed that, overall, these are being implemented satisfactorily by the Commission's directorates-general, services and executive agencies and that the control systems in the audited departments are improving.

Over the 2020-2024 period, 65% (i.e. 544 out of 831) of the (partially) accepted recommendations <sup>(32)</sup> made by the Internal Audit Service to the Commission departments were assessed by the auditees as implemented, while 35% (287 recommendations) were still in progress (stemming notably from recently completed audits for which the action plans are ongoing) at the cut-off date of 31 January 2025. Out of these 287 recommendations in progress, none are rated as critical and 99 are rated as very important. A further 71 recommendations that are still in progress are overdue and only 6 (very important) are long overdue (i.e. still open more than six months after the original implementation date), representing 0.7% of the total number of (partially) accepted recommendations of the past five years. There are no very important long overdue recommendations issued before 2020.

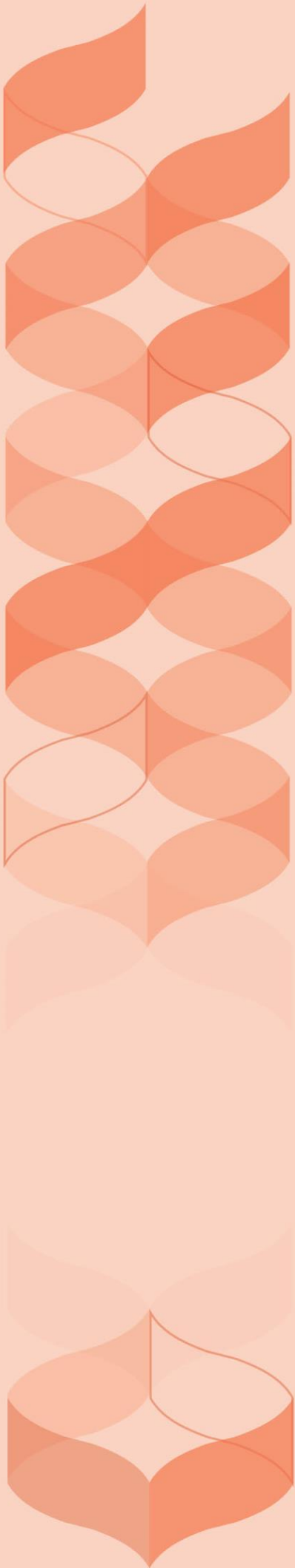
Once management reports that the recommendations have been completed, the Internal Audit Service will conduct follow-up audits to assess the effectiveness of their implementation. The Internal Audit Service concluded that 95% of the recommendations followed up in 2020-2024 had been adequately and effectively implemented by the auditees.

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<sup>(32)</sup> Out of 795 recommendations issued in 2019-2023, 789 recommendations were fully accepted, 2 were partially accepted and 4 were rejected.







## Annex 7 – Summary of the work and conclusions of the Audit Progress Committee

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## Annex 7 – Summary of the work and conclusions of the Audit Progress Committee

The Audit Progress Committee held four <sup>(33)</sup> rounds of meetings between June 2024 and May 2025, despite the time required for the appointment of new internal members to the Audit Progress Committee following the transition period between the two Commission mandates. The committee's work was structured around the four key objectives set out in the 2024 and 2025 work programmes. During this reporting period, the committee also considered a number of other issues.

The reporting period continued to be affected by the consequences of the **succession of unprecedented challenges** impacting the EU since 2020. At various occasions, the Audit Progress Committee took stock of the potential impact of these events on the internal audit work and capacity, and was informed about the risks on performance, control, audit and assurance-building aspects of the implementation of the EU budget. This occurred especially when considering the internal and external audit planning for 2024 and 2025, the list of critical risks identified by management for 2025 and the Internal Auditor's overall conclusion on financial management for 2024.

The majority of the committee's work between June 2024 and May 2025 related to the four main objectives of its annual work programme: (i) considering the **audit planning**; (ii) analysing **audit reports** and other relevant communications to identify potentially significant risks, including where appropriate in a thematic manner; (iii) monitoring the **follow-up to significant residual risks** identified by internal or external audit work including where appropriate in a thematic manner; and (iv) Ensuring the **independence** of the Internal Auditor and monitoring the **quality** of internal audit work.

The Audit Progress Committee took note of the update from the Internal Auditor on the content of the upcoming **Audit Strategy 2025-2029** and welcomed the results of the risk assessment performed by the Internal Audit Service in the last quarter of 2024 as well as its new approach. It further welcomed the **audit plan for 2025** and the important reassurances provided by the Internal Auditor that this audit plan will provide **sufficient coverage for delivering the overall conclusion** on the Commission's financial management as well as the limited conclusions on internal control. The committee also welcomed the **broad convergence between the results of the risk assessments** performed by management and by the Internal Audit Service.

The committee took note of the **draft annual internal audit report and the draft overall conclusion for 2024**, which was only qualified by the reservations set out by the Directors-General in their annual activity reports. It welcomed the reassurance provided by the Internal Auditor that the risks identified through the audit work were properly reported by the Commission services and, where appropriate, the subject of reservations. The committee took note of the emphasis of matter raised by the Internal Auditor, which does not qualify the overall opinion, but require the attention of the College and the authorising officers by delegation. This concerned the need to respond to the high cross-cutting risks for the institution and the EU budget, which have emerged due to the increasingly complex environment in which the Commission operates, by building on the lessons learned from managing its financial resources in a challenging context. The Committee took note of the state of play of the preparation of the 2024 annual management and performance report as presented by the Secretariat-General and the Directorate-General for Budget,

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<sup>(33)</sup> 115th, 116th, 117th and 118th rounds of the Audit Progress Committee between June 2024 and May 2025. Each round comprised up to three meetings of the Preparatory Group to prepare the committee meeting.

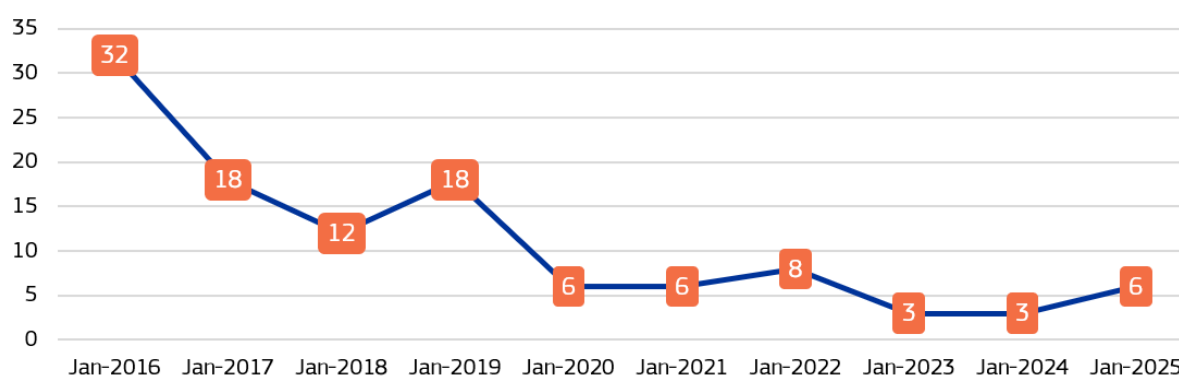
highlighting the key challenges faced by the Commission and welcomed the reassuring messages from the central services on the reported achievements in internal control and financial management.

During the reporting period, the committee examined audit reports on an individual or thematic basis according to the seriousness or significance of the findings. It examined 17 final audit reports from the Internal Audit Service in the presence of the auditees. The committee held discussions on important topics such as data protection, HR and IT security, especially relevant in the current cybersecurity environment.

During the reporting period, the committee monitored the effective implementation of internal audit recommendations by reviewing and discussing the quarterly reports on long-overdue recommendations. Almost all 'very important' recommendations <sup>(34)</sup> issued by the Internal Audit Service and discussed during the reporting period were accepted by the auditees and management established action plans to address the risks identified. Overall, **the situation for the implementation of the recommendations was very satisfactory.**

The rate of the Internal Auditor's recommendations issued between 2020 and 2024 that were found to have been effectively implemented in an Internal Audit Service follow-up audit was 95%. Based on the information provided by the Internal Audit Service, overall, the number of 'very important' audit recommendations that are more than six months overdue has fallen considerably over recent years, as shown in the chart below.

#### Number of critical and very important Internal Audit Service recommendations overdue for more than six months

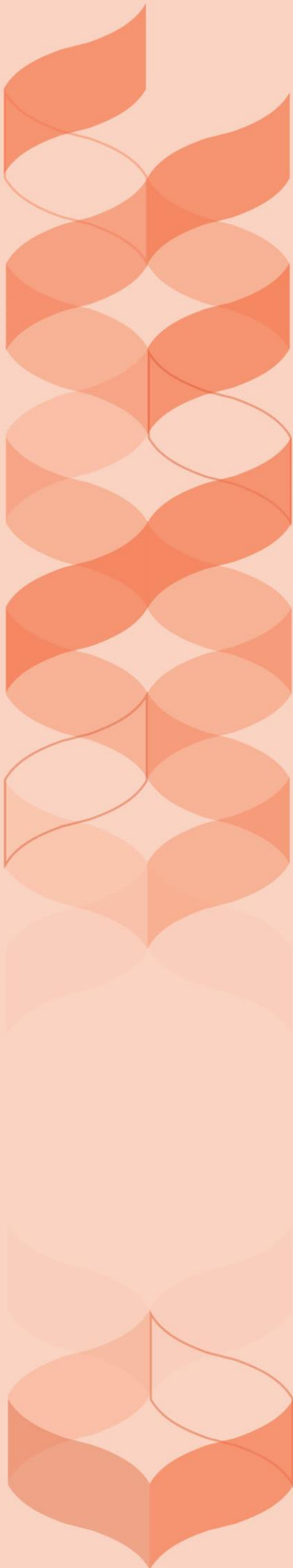


Source: European Commission.

During the reporting period, the Audit Progress Committee also continued its exchanges with the Court of Auditors and held discussion with the court on its 2025 annual work programme. It also continued to scrutinise the state of play of implementation of the Court's recommendations, which remained high and therefore satisfactory along with the Commission's follow-up to the Court's 17th consecutive clean opinion on the reliability of the consolidated EU accounts.

The Audit Progress Committee remains an effective player in the Commission's governance structures and continues to play an important role in enhancing governance, organisational performance and accountability across the entire organisation.

<sup>(34)</sup> Two 'very important' recommendations were partially accepted by the relevant services.



## Annex 8 – Compliance with payment time limits

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## Annex 8 – Compliance with payment time limits

The **statutory time limits** for payments are laid down in the Financial Regulation on the financial rules applicable to the general budget of the EU <sup>(35)</sup>. There are also some exceptionally applied time limits, which are detailed in sector-specific regulations.

Article 116 of the Financial Regulation provides that payments to creditors must be made within the deadlines of 30, 60 or 90 days, depending on how demanding and complex it is to test the deliverables against the contractual obligations. Most of the payments have to be executed within 30 days; this represents a global average of 86% of the total annual payments in the last five years (2020 to 2024) and a global average of 85% of the total annual payments under the current multiannual financial framework (2021 to 2024). For contracts and grant agreements for which payment depends on the approval of a report or a certificate, the time limit for the purposes of the payment periods is no longer automatically suspended until the report or certificate in question has been approved.

The period of two months remains valid for payments under Article 93 of the Common Provisions Regulation <sup>(36)</sup> laying down the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Compliance with payment time limits has been reported by the services in their annual activity reports since 2007. In accordance with the applicable rules, the payment times reported in this annex have been calculated based on the data available in the Commission's corporate accounting system, ABAC, as follows.

For payments relating to contracts and grant agreements signed before 2013, the time limits specified in the 2007 Financial Regulation are applied:

- where the payment is contingent upon the approval of a report, the time from approval of the report until payment;
- where no report is required, the time from reception of the payment request until payment.

For payments relating to contracts and grant agreements signed as from 2013, the time limits specified in the 2018 Financial Regulation are applied:

- where no report is required and where the payment is contingent upon the approval of a report, the time from reception of the payment request until payment.

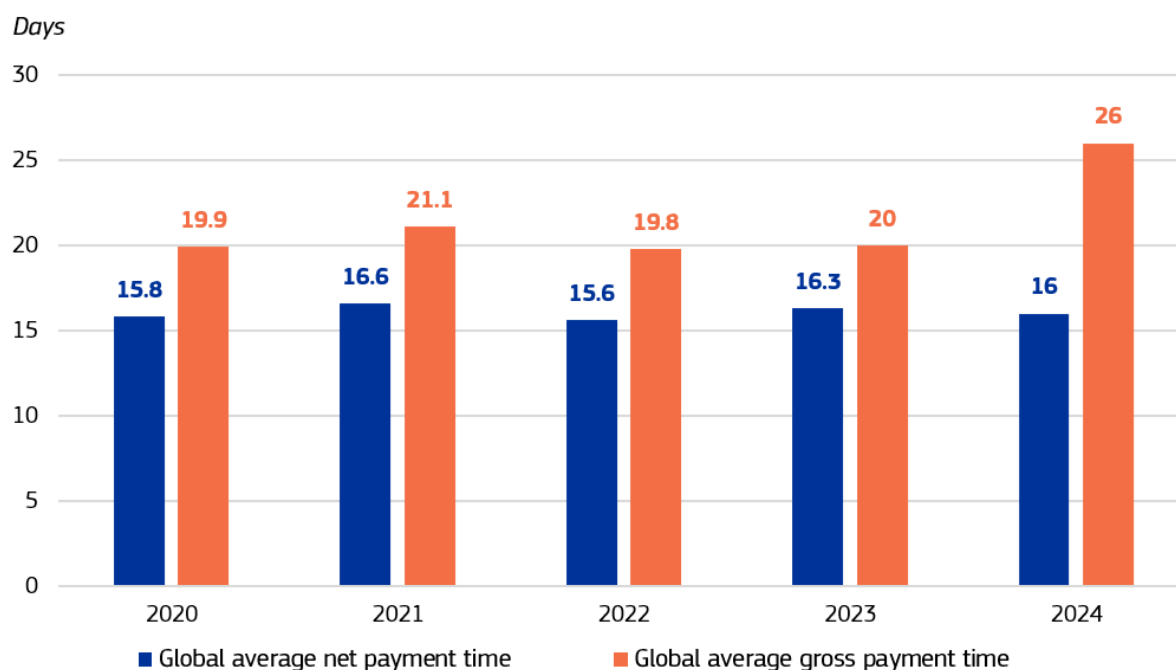
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<sup>(35)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

<sup>(36)</sup> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, OJ L 231, 30.6.2021, p. 159, ELI: <http://data.europa.eu/eli/reg/2021/1060/oj>.

**The Commission's global average payment time** is monitored by the Accounting Officer. It evolved as follows in the last five monitored years.

### Global average payment time in days

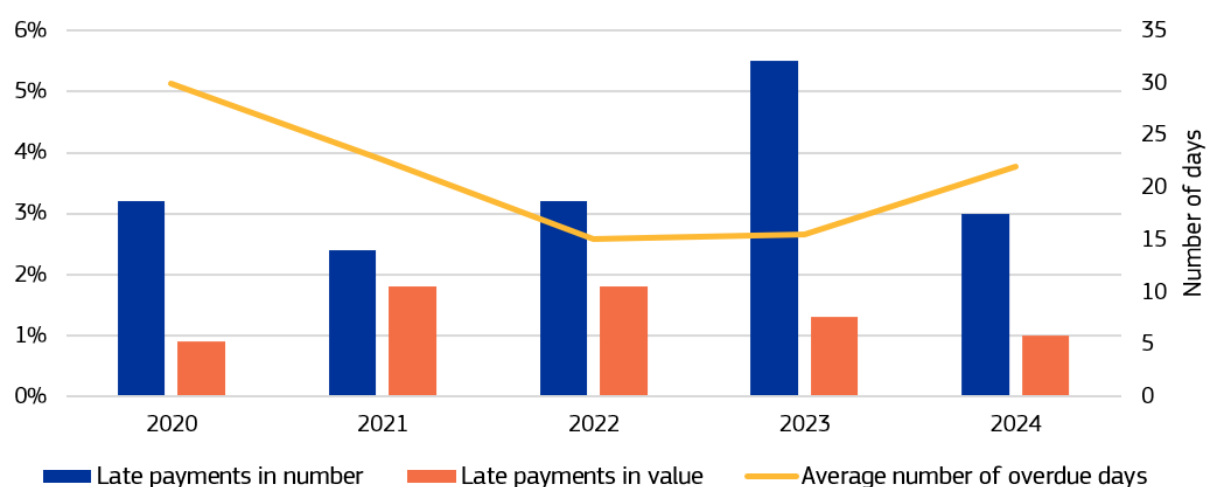


Source: European Commission.

The data shows that the global average net payment time of the Commission services, i.e. including the time of suspensions, and the global average gross payment time, i.e. excluding the time of suspensions, was below 30 days in the last five years for all time limits combined. The average payment time with and without suspensions improved in comparison with the previous year. Services are encouraged to continue their efforts in this regard and to implement follow-up measures whenever payment time challenges are identified.

The table below illustrates the evolution of '**late payments**', i.e. payments made after expiry of the statutory time limit in recent years for all payments combined.

### Evolution of late payments (2020-2024)



Source: European Commission.



Even though the share of late payments in numbers increased compared to the previous year, it decreased when looking at the values. An overall improvement in late payment results, taking 2019 as a basis year, is believed to be linked to the more stringent requirements associated with the Financial Regulation and regular monitoring. Another reason is the sufficient availability of payment appropriations.

Concerning the **interest paid for late payments** <sup>(37)</sup>, the **total amount paid by the Commission in 2024 increased compared to the previous four years**.

	2020	2021	2022	2023	2024
Interest paid for late payments (in EUR)	341 495	235 456	164 535	327 473	480 924

Source: European Commission.

In general, the **causes of late payments** include the complexities of evaluating the supporting documents that are a prerequisite for all payments. This is particularly onerous when the supporting documents are reports of a technical nature that sometimes have to be assessed by external experts. Other causes are associated with difficulties in coordinating the financial and operational checks of payment requests, issues with the management of payment suspensions and a temporary lack of payment appropriations.

The 2009 communication establishing Commission internal payment targets provided a clear incentive to services to reduce their payment times. Despite the results achieved, there is scope for decreasing payment times even more. When setting up action plans in this area, services should focus on further reducing late payments from their current levels of 5.5% of payments in terms of their number and 1.3% in terms of their value. **The aim is to meet the statutory payment time for every payment.**

The table below shows the number of suspensions of payments over the last five years.

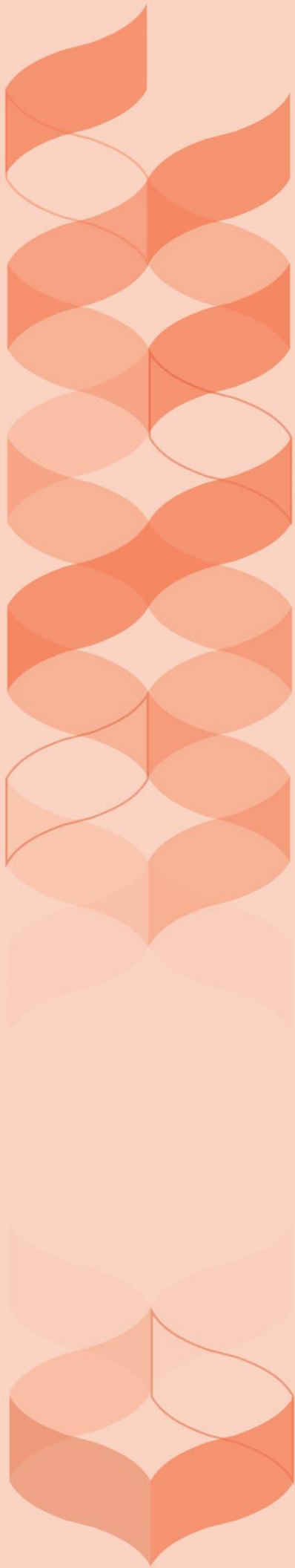
	2020	2021	2022	2023	2024
<b>Total number of suspensions</b>	<b>22 095</b>	<b>20 552</b>	<b>23 856</b>	<b>23 015</b>	<b>21 908</b>

Source: European Commission.

Suspensions are a tool that allows the responsible authorising officer to withhold the execution of a payment temporarily because the amount is not due, because of the absence of appropriate supporting documentation or because there are doubts about the eligibility of the expenditure concerned. It is a basic tool that helps the authorising officer in the payment process avoid irregular or erroneous payments, and is fundamental in ensuring sound financial management and protecting the EU's financial interest.

<sup>(37)</sup> In other words, no longer conditional upon the presentation of a request for payment (with the exception of amounts below EUR 200).





## Annex 9 – Summary of waivers of recoveries of established amounts receivable

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## Annex 9 – Summary of waivers of recoveries of established amounts receivable

In accordance with Article 101(5) of the Financial Regulation <sup>(38)</sup>, the Commission reports to the budgetary authority each year on the waivers it has granted in an annex to the summary of the annual activity reports. The table below shows the total value and the number of waivers above and below EUR 60 000 in 2024. The individual annual activity reports of the Commission's departments provide more details on the individual waivers above EUR 60 000.

EU budget area	Total value of waivers	Waivers above EUR 60 000		Waivers below EUR 60 000	
		in number	in value (EUR)	in number	in value (EUR)
<b>Legal Service</b>	34 704			1	34 704
<b>DG Communication</b>	76			1	76
<b>DG Human Resources and Security</b>	14 702			3	14 702
<b>DG Digital Services</b>	25 082			1	25 082
<b>DG Internal Market, Industry, Entrepreneurship and SMEs</b>	57 747			1	57 747
<b>DG Competition</b>	18 023 383	5	18 023 383		
<b>DG Employment, Social Affairs and Inclusion</b>	97 021	1	97 021		
<b>DG Mobility and Transport</b>	394 968	2	354 516	3	40 452
<b>DG Energy</b>	4 454 613	4	4 454 613		
<b>DG Environment</b>	8 241			1	8 241
<b>DG Research and Innovation</b>	3 722 242	7	3 543 087	9	179 155
<b>DG Communications Networks, Content and Technology</b>	130 301	1	87 549	4	42 752
<b>Joint Research Centre</b>	729			1	729

<sup>(38)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

EU budget area	Total value of waivers	Waivers above EUR 60 000		Waivers below EUR 60 000	
		in number	in value (EUR)	in number	in value (EUR)
DG Maritime Affairs and Fisheries	1 067			1	1 067
DG Education, Youth, Sport and Culture	18 667			1	18 667
DG Migration and Home Affairs	810			1	810
DG Neighbourhood and Enlargement Negotiations	3 040 441	14	2 539 700	14	500 741
DG International Partnerships	5 832 286	18	5 335 770	20	496 516
Service for Foreign Policy Instruments	51 339			2	51 339
Office for the Administration and Payment of Individual Entitlements	1 850			3	1 850
Office for Infrastructure and Logistics in Brussels	217			1	217
European Innovation Council and SMEs Executive Agency	2 581 751	5	2 563 611	1	18 140
European Education and Culture Executive Agency	2 398 082	6	2 132 259	10	265 823
European Climate, Infrastructure and Environment Executive Agency	7 890 428	8	7 852 563	2	37 866
European Research Council Executive Agency	1 592			1	1 592
European Research Executive Agency	1 475 961	4	1 204 401	10	271 560
European Commission total	<b>50 258 300</b>	<b>75</b>	<b>48 188 474</b>	<b>92</b>	<b>2 069 826</b>
European Development Fund	3 742 027	7	3 540 545	8	201 482
Mutual Insurance Mechanism	30 924 176	101	29 661 360	45	1 262 817

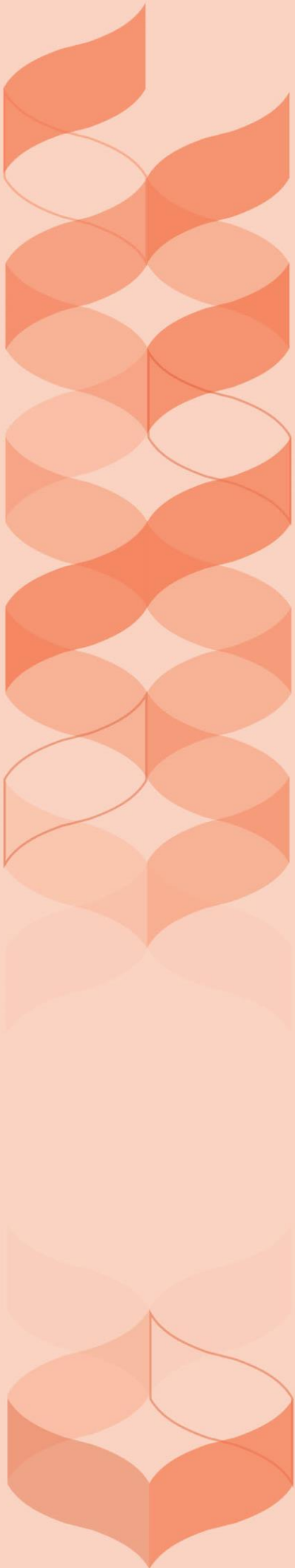
EU budget area	Total value of waivers	Waivers above EUR 60 000		Waivers below EUR 60 000	
		in number	in value (EUR)	in number	in value (EUR)
<b>Total</b>	<b>84 924 503</b>	<b>183</b>	<b>81 390 378</b>	<b>145</b>	<b>3 534 124</b>

Source: European Commission.

The increase in the total value of waivers issued by the European Commission from EUR 21.6 million in 2023 to EUR 50.3 million at the end 2024 is mainly due to an enhanced corporate strategy for the management of the Commission's debtors, which offers the possibility of adopting one waiver decision for a number of cases (known as a 'combined waiver decision'), enabling the time needed to adopt individual decisions for single files to be reduced and streamlining the respective administrative procedures by combining them into a single action.







## Annex 10 – Report on negotiated procedures

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# Annex 10 – Report on negotiated procedures

This annex presents the overall results of negotiated procedures recorded during the year under reporting, together with the analysis of the justifications and corrective measures taken to reduce the use of negotiated procedures when alternatives could be available.

## 10.1. Legal basis

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**Article 74(10) of the Financial Regulation** <sup>(39)</sup> requires authorising officers by delegation to record contracts concluded under negotiated procedures. Furthermore, the European Commission is required to annex a report on negotiated procedures to the summary of the annual activity reports referred to in Article 74(9) of the Financial Regulation.

## 10.2. Methodology

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A distinction is made between the 48 departments <sup>(40)</sup> that normally do not provide external aid and those three departments (DG International Partnerships, DG Neighbourhood and Enlargement Negotiations <sup>(41)</sup> and the Service for Foreign Policy Instruments – ‘external relations’ departments) that conclude procurement contracts in the area of external relations or award contracts on their own account but outside of the European Union <sup>(42)</sup>.

These three departments have special characteristics as regards data collection (decentralised services, etc.), the total number of contracts concluded and the thresholds to be applied for the recording of negotiated procedures (EUR 20 000), along with the possibility of having recourse to negotiated procedures within the framework of the Rapid Reaction Mechanism (extreme urgency). For these reasons, a separate approach has been used for procurement contracts awarded by these three departments, and the number of their negotiated procedures is compared to each other instead of being compared with the other 48 departments.

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<sup>(39)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

<sup>(40)</sup> Directorate-General or Executive Agency

<sup>(41)</sup> Now split into the Directorate-General Middle East, North Africa and Gulf and the Directorate-General Enlargement and Eastern Neighbourhood

<sup>(42)</sup> They have a different legal basis; see Articles 179 and 181 of the Financial Regulation.

## 10.3. Overall results of negotiated procedures recorded

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### 10.3.1. The 48 departments, excluding ‘external relations’

Concerning the 48 departments, excluding ‘external relations’ departments, there were 85 negotiated procedures with a total value of EUR 458.2 million processed out of a total of 613 procurement procedures (negotiated, restricted or open) for contracts over EUR 60 000, with a total value of EUR 6.4 billion.

For the Commission, the average proportion of negotiated procedures in 2024 in relation to all procedures amounted to **13.9%** in number (13.4% in 2023) and **7.1%** in value (6.4% in 2023). There were slight increases compared to 2023, of 0.5 and 0.7 percentage points respectively.

An authorising department shall report to the institution if the proportion of negotiated procedures awarded in relation to the number of the contracts increases significantly in relation to earlier years or if that proportion is ‘distinctly higher’ than the average recorded for the institution <sup>(43)</sup>. Thus, the reference threshold for 2024 was calculated at **20.8%** (20.1% in 2023).

In total for the reporting year, 24 departments did not use negotiated procedures. For those that did, the above proportion was considered ‘distinctly higher’ for 11 departments: four departments exceeded only the reference threshold, three departments only increased their number of negotiated procedures by more than 10 percentage points in proportion when compared to last year and four departments exceeded both thresholds. It should be noted that, among these 11 departments, six concluded between one and three negotiated procedures, and the low total number of procedures conducted (below or equal to nine) makes their average high. Consequently, their respective results are not considered to be significant.

### 10.3.2. The ‘external relations’ departments

Concerning the ‘external relations’ departments, there were 108 negotiated procedures for a total value of contracts of EUR 243.9 million processed out of a total of 280 procedures for contracts over EUR 20 000, with a total value of about EUR 624.9 million.

For the three ‘external relations’ departments, the average proportion of negotiated procedures in relation to all procedures amounted to **38.6%** in number (35.4% in 2023) and **39.0%** in value (15.1% in 2023). Compared with the previous year, these departments registered an increase of 3.2 percentage points in terms of the number of negotiated procedures in relation to all procedures and 23.9 percentage points in terms of relative value.

An authorising service shall report to the institution if the proportion of negotiated procedures awarded in relation to the number of the contracts increases significantly in relation to earlier years or if that proportion is ‘distinctly higher’ than the average recorded for the Institution <sup>(44)</sup>. Thus, the reference threshold for 2024 was calculated at **57.9%** (53.1% in 2023). None of the three departments exceeded it.

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<sup>(43)</sup> The average proportion for the Commission of the number of negotiated procedures in relation to the total number of contracts they awarded in 2024 was 13.9% for all departments (excluding the three ‘external relations’ departments). The proportion of a department is considered ‘distinctly higher’ when it deviates by more than 50% upwards from the Commission’s average. In relation to earlier years, it is considered significant an increase of at least 10 percentage points in the proportion of negotiated procedures compared to the proportion of the previous year.

<sup>(44)</sup> The average proportion for the three ‘external relations’ departments of the number of negotiated procedures in relation to the total number of contracts they awarded in 2024 was 39.4%. The proportion of a department is

## 10.4. Analysis of the justifications and corrective measures

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The total number of negotiated procedures (including 'external relations' departments) in 2024 compared to 2023 decreased slightly at 193 (from 200 in 2023); The total number of procurement procedures decreased even more at 893 from 960 in 2023.

The following categories of justifications for the use of a negotiated procedure were presented by the departments exceeding the thresholds.

- **Short-notice requests or unforeseen events beyond the Commission's control.** This occurs when the Commission may not have sufficient expertise and resources to address detailed technical questions in-house at short notice.
- **Similar services/works as provided for in the initial tender specifications.** Some services in charge of large interinstitutional procurement procedures realised during the implementation of the contract (most likely during framework contract procedures) that the needs initially envisaged did not often match the consumption trend during the execution of the contract. Faster consumption of the contract, often coupled with the unusually high inflation prices observed due to the energy crisis following Russia's unjustified war of aggression against Ukraine, rendered necessary an increase in the amount awarded. Therefore, the leading service needed to start a negotiated procedure on behalf of all institutions to increase the ceiling of the framework contract in question.
- **Objective situations of the economic activity sector.** This occurs when the number of operators may be very limited or in a monopoly situation (due to specific technical expertise/reasons; exclusivity rights; highly specialised markets, where competition is limited to very few economic operators or is even completely absent; limited choice of financial software for trading systems and of rating agencies; etc.). Monopoly situations may relate to the technical compatibility requirements of previous purchases of scientific equipment, for example maintenance and upgrades that the Commission cannot give to any organisation other than the original equipment contractor, which holds the intellectual property rights. Situations of technical captivity may also arise, especially in the information technology domain (absence of competition for technical reasons and/or because of the protection of exclusive rights related to the purchase of proprietary licences or the maintenance and continuity of existing applications, i.e. upgrades).
- **Unsuccessful open or restricted procedures.** These led to a negotiated procedure, as described by several services.
- **Additional services.** These were not included in the initial contract but became necessary due to extreme urgency brought about by unforeseen circumstances.

Regularly available measures were proposed or implemented by the budget department and other departments concerned to reduce the use of negotiated procedures when other alternatives were available, including the following.

- **Improved programming** of procurement procedures.
- **Improving the system of needs evaluation.** The Commission's central services will continue their active communication and consultation policy with the other Commission departments, institutions, agencies and other bodies along the following axes:
  - permanent exchange of information via regular meetings with user services and agencies in appropriate forums;

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considered 'distinctly higher' when it deviates by more than 50% upwards from the Commission's average. In relation to earlier years, it is considered significant an increase of at least 10 percentage points in the proportion of negotiated procedures compared to the proportion of the previous year.

- ad hoc detailed surveys prior to the initiation of (interinstitutional) procurement procedures for the evaluation of needs;
- better estimation of the needs of interinstitutional framework contracts and better monitoring with semester consumption reports from user services or agencies;
- **Training and improved interservice communication.** The Commission's central services provide regular practical training sessions on procurement and community of practice sessions.
- **Presenting alternative approaches such as open-source solutions.**
- **Ex post analysis and review** of launched exceptional negotiated procedures by public procurement advisory groups of the services, before the signature of the contract.
- Regular updating of **standard corporate model documents and guidance documents** on procurement.
- Rolling out the **corporate eProcurement solution** process from end to end for all Commission departments.
- **Encoding the budgetary ceiling of the framework contracts** to ensure closer monitoring and to help prevent the depletion of the budgetary ceiling too quickly after the signature of the contract and the need to resort to negotiated procedures for ceiling increases.

## 10.5. Lists of procedures by department

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The tables below present the negotiated procedures and the summary of procedures by department and legal basis (relevant section of the former Financial Regulation (Regulation (EU, Euratom) 2018/1046)), as recorded in the corporate financial and accounting information systems of the Commission.

- Table I presents the negotiated procedures (internal > EUR 60 000) of the 48 departments, excluding 'external relations'.
- Table J presents the negotiated procedures > EUR 20 000 of the 'external relations' departments.
- Table K presents the summary of procedures (internal > EUR 60 000 and external > EUR 20 000).

**Table I – Negotiated procedures (internal > EUR 60 000) of the 48 departments, excluding ‘external relations’**

By department and legal basis	In number	In value (EUR)
<b>Secretariat-General</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>Legal Service</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Communication</b>	<b>11</b>	<b>96 180 311.3</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	70 000.0
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	3	90 400 000.0
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	124 011.3
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	6	5 586 300.0
<b>IDEA – Inspire, Debate, Engage and Accelerate Action</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Budget</b>	<b>1</b>	<b>525 000.0</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	1	525 000.0
<b>DG Human Resources and Security</b>	<b>6</b>	<b>61 445 400.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	2	50 564 000.0
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	101 400.0
Annex 1 – 11.1(a) – Follow-up open/restricted/competitive procedure with negotiation where contract notice is published and no (or no suitable) tenders / requests were submitted	2	10 630 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	150 000.0
<b>DG Digital Services</b>	<b>1</b>	<b>94 296 500.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	94 296 500.0
<b>Internal Audit Service</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Anti-Fraud Office</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Economic and Financial Affairs</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—

By department and legal basis	In number	In value (EUR)
<b>DG Internal Market, Industry, Entrepreneurship and SMEs</b>	<b>1</b>	<b>191 000.0</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	1	191 000.0
<b>DG Defence Industry and Space</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Competition</b>	<b>2</b>	<b>12 322 465.0</b>
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	12 000 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	322 465.0
<b>DG Employment, Social Affairs and Inclusion</b>	<b>1</b>	<b>10 000 000.0</b>
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	10 000 000.0
<b>DG Agriculture and Rural Development</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Mobility and Transport</b>	<b>3</b>	<b>11 949 900.0</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	2	11 250 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	699 900.0
<b>DG Energy</b>	<b>4</b>	<b>13 200 000.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	300 000.0
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	2	8 900 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	4 000 000.0
<b>DG Environment</b>	<b>2</b>	<b>4 000 000.0</b>
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	2	4 000 000.0
<b>DG Climate Action</b>	<b>3</b>	<b>2 514 355.1</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	200 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	2	2 314 355.1
<b>DG Research and Innovation</b>	<b>1</b>	<b>500 000.0</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	1	500 000.0
<b>DG Communications Networks, Content and Technology</b>	<b>2</b>	<b>370 000.0</b>



By department and legal basis	In number	In value (EUR)
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	100 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	270 000.0
<b>Joint Research Centre</b>	<b>25</b>	<b>16 643 743.8</b>
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	400 000.0
Annex 1 – 11.1(a) – Follow-up open/restricted/competitive procedure with negotiation where contract notice is published and no (or no suitable) tenders / requests were submitted	2	659 782.7
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	22	15 583 961.1
<b>DG Maritime Affairs and Fisheries</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Financial Stability, Financial Services and Capital Markets Union</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Regional and Urban Policy</b>	<b>2</b>	<b>382 393.4</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	2	382 393.4
<b>DG Structural Reform Support</b>	<b>3</b>	<b>5 343 800.0</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	2	3 968 800.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	1 375 000.0
<b>DG Taxation and Customs Union</b>	<b>1</b>	<b>17 124 750.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	17 124 750.0
<b>DG Education, Youth, Sport and Culture</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Health and Food Safety</b>	<b>2</b>	<b>11 379 477.3</b>
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	1	10 000 000.0
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	1 379 477.3
<b>Health Emergency Preparedness and Response Authority</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Migration and Home Affairs</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—

By department and legal basis	In number	In value (EUR)
<b>DG Justice and Consumers</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Trade and Economic Security</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG European Civil Protection and Humanitarian Aid Operations (ECHO)</b>	<b>1</b>	<b>600 000.0</b>
Annex 1 – 11.1(a) – Follow-up open/restricted/competitive procedure with negotiation where contract notice is published and no (or no suitable) tenders / requests were submitted	1	600 000.0
<b>Eurostat</b>	<b>1</b>	<b>407 385.0</b>
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	407 385.0
<b>DG Interpretation</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Translation</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>Publications Office</b>	<b>1</b>	<b>6 000 000.0</b>
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	6 000 000.0
<b>Office for the Administration and Payment of Individual Entitlements</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>Office for Infrastructure and Logistics in Brussels</b>	<b>5</b>	<b>11 792 955.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	760 955.0
Annex 1 – 11.1(a) – Follow-up of an open/restricted procedure where no (or no suitable) tenders / requests to participate have been submitted	1	650 000.0
Annex 1 – 11.1(a) – Follow-up open/restricted/competitive procedure with negotiation where contract notice is published and no (or no suitable) tenders / requests were submitted	2	10 252 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	1	130 000.0
<b>Office for Infrastructure and Logistics in Luxembourg</b>	<b>4</b>	<b>998 200.0</b>
Annex 1 – 11.1(a) – Follow-up open/restricted/competitive procedure with negotiation where contract notice is published and no (or no suitable) tenders / requests were submitted	2	725 000.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	2	273 200.0
<b>European Personnel Selection Office</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—

By department and legal basis	In number	In value (EUR)
<b>European Innovation Council and SMEs Executive Agency</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Education and Culture Executive Agency</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Climate, Infrastructure and Environment Executive Agency</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Research Council Executive Agency</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Research Executive Agency</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>European Health and Digital Executive Agency</b>	<b>2</b>	<b>80 000 000.0</b>
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	2	80 000 000.0
<b>Total</b>	<b>85</b>	<b>458 167 635.8</b>

Source: European Commission.

**Table J – Negotiated procedures > EUR 20 000 of the ‘external relations’ departments**

By department and legal basis	In number	In value (EUR)
<b>DG Neighbourhood and Enlargement Negotiations</b>	<b>47</b>	<b>113 860 951.5</b>
<b>External procedures &gt; EUR 20 000</b>	<b>47</b>	<b>113 860 951.5</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	11	12 191 446.0
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	17	49 269 006.1
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	6	27 021 069.1
Annex 1 – 11.1(f) (i) – Supplies of additional deliveries	1	300 000.0
Annex 1 – 39.1(a) – Services entrusted to public-sector bodies or non-profit institutions or organisations	5	6 823 138.0
Annex 1 – 39.1(b) – Tender procedure unsuccessful	7	18 256 292.3
<b>DG International Partnerships</b>	<b>46</b>	<b>84 636 034.5</b>
<b>External procedures &gt; EUR 20 000</b>	<b>45</b>	<b>84 436 034.5</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	6	6 223 668.1
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	12	54 703 812.6
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	8	7 125 416.4
Annex 1 – 39.1(c) – Early termination of existing contract	1	180 000.0
Annex 1 – 39.1(a) – Services entrusted to public-sector bodies or non-profit institutions or organisations	13	12 359 649.4
Annex 1 – 39.1(b) – Tender procedure unsuccessful	5	3 843 488.1
<b>Internal procedures &gt; EUR 60 000</b>	<b>1</b>	<b>200 000.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	1	200 000.0
<b>Service for Foreign Policy Instruments</b>	<b>15</b>	<b>45 419 767.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>15</b>	<b>45 419 767.0</b>
Annex 1 – 11.1(c) – Extreme urgency caused by unforeseeable events not attributable to the contracting authority	2	2 310 000.0
Annex 1 – 11.1(e) – New services/works consisting in the repetition of similar services/works	6	17 360 947.0
Annex 1 – 11.1(b) – Artistic/technical reasons or exclusive rights or technical monopoly / captive market	2	7 158 820.0
Annex 1 – 39.1(a) – Services entrusted to public-sector bodies or non-profit institutions or organisations	5	18 590 000.0
<b>Total</b>	<b>108</b>	<b>243 916 753.1</b>

Source: European Commission.

**Table K – Summary of procedures (internal > EUR 60 000 and external > EUR 20 000)**

By department and legal basis	In number	In value (EUR)
<b>Secretariat-General</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>Legal Service</b>	<b>2</b>	<b>2 842 390.4</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>2</b>	<b>2 842 390.4</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	2 842 390.4
<b>DG Communication</b>	<b>73</b>	<b>684 514 125.6</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>73</b>	<b>684 514 125.6</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	29	3 841 638.4
Negotiated procedure without prior publication (Annex 1 – 11.1)	13	105 715 327.2
Open procedure (Article 164(1)(a))	24	561 597 160.0
Restricted procedure based on a call for expressions of interest – Preselection of candidates (Annex 1 – 13.3(a))	1	120 000.0
Restricted procedure with dynamic purchasing system (Article 164(1)(b))	3	10 140 000.0
Restricted procedure without dynamic purchasing system (Article 164(1)(b))	3	3 100 000.0
<b>IDEA – Inspire, Debate, Engage and Accelerate Action</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Budget</b>	<b>5</b>	<b>32 762 000.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>5</b>	<b>32 762 000.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	3	2 525 000.0
Open procedure (Article 164(1)(a))	2	30 237 000.0
<b>DG Human Resources and Security</b>	<b>19</b>	<b>390 463 832.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>19</b>	<b>390 463 832.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	4	338 000.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	6	61 445 400.0
Open procedure (Article 164(1)(a))	8	304 923 432.0
Restricted procedure without dynamic purchasing system (Article 164(1)(b))	1	23 757 000.0
<b>DG Digital Services</b>	<b>18</b>	<b>1 692 846 255.3</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>18</b>	<b>1 692 846 255.3</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	94 296 500.0
Open procedure (Article 164(1)(a))	2	73 352 533.8
Restricted procedure with dynamic purchasing system (Article 164(1)(b))	15	1 525 197 221.6
<b>Internal Audit Service</b>	<b>0</b>	<b>—</b>

By department and legal basis	In number	In value (EUR)
No procedure awarded	0	—
<b>European Anti-Fraud Office</b>	<b>3</b>	<b>27 480 000.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>3</b>	<b>27 480 000.0</b>
Open procedure (Article 164(1)(a))	3	27 480 000.0
<b>DG Economic and Financial Affairs</b>	<b>4</b>	<b>1 515 580.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>4</b>	<b>1 515 580.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	2	165 580.0
Open procedure (Article 164(1)(a))	2	1 350 000.0
<b>DG Internal Market, Industry, Entrepreneurship and SMEs</b>	<b>15</b>	<b>21 692 200.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>15</b>	<b>21 692 200.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	6	704 000.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	191 000.0
Open procedure (Article 164(1)(a))	8	20 797 200.0
<b>DG Defence Industry and Space</b>	<b>10</b>	<b>1 446 591 104.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>10</b>	<b>1 446 591 104.0</b>
<b>Competitive dialogue – Concession contract (Annex 1 – 12.1(c))</b>	<b>1</b>	<b>1 385 000 000.0</b>
Open procedure (Article 164(1)(a))	9	61 591 104.0
<b>DG Competition</b>	<b>5</b>	<b>19 072 465.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>5</b>	<b>19 072 465.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	12 322 465.0
Open procedure (Article 164(1)(a))	3	6 750 000.0
<b>DG Employment, Social Affairs and Inclusion</b>	<b>14</b>	<b>16 221 473.6</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>14</b>	<b>16 221 473.6</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	4	387 596.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	10 000 000.0
Open procedure (Article 164(1)(a))	9	5 833 877.6
<b>DG Agriculture and Rural Development</b>	<b>3</b>	<b>25 050 000.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>3</b>	<b>25 050 000.0</b>
Open procedure (Article 164(1)(a))	3	25 050 000.0
<b>DG Mobility and Transport</b>	<b>13</b>	<b>18 779 701.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>13</b>	<b>18 779 701.0</b>
Competitive procedure with negotiation (Annex 1 – 12.1)	1	148 000.0
Negotiated procedure middle-value contract (Annex 1 – 14.2)	3	358 175.0

By department and legal basis	In number	In value (EUR)
Negotiated procedure without prior publication (Annex 1 – 11.1)	4	14 749 900.0
Open procedure (Article 164(1)(a))	5	3 523 626.0
<b>DG Energy</b>	<b>17</b>	<b>59 993 243.5</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>17</b>	<b>59 993 243.5</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	2	200 138.5
Negotiated procedure without prior publication (Annex 1 – 11.1)	4	13 200 000.0
Open procedure (Article 164(1)(a))	11	46 593 105.0
<b>DG Environment</b>	<b>24</b>	<b>38 899 360.8</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>24</b>	<b>38 899 360.8</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	1	140 000.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	4 000 000.0
Open procedure (Article 164(1)(a))	20	33 766 134.0
Restricted procedure with dynamic purchasing system (Article 164(1)(b))	1	993 226.8
<b>DG Climate Action</b>	<b>15</b>	<b>33 285 494.6</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>1 999 999.0</b>
Restricted procedure – As provided for in Article 164(1)(b) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(a))	1	1 999 999.0
<b>Internal procedures &gt; EUR 60 000</b>	<b>14</b>	<b>31 285 495.6</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	3	2 514 355.1
Open procedure (Article 164(1)(a))	11	28 771 140.5
<b>DG Research and Innovation</b>	<b>8</b>	<b>239 530 034.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>8</b>	<b>239 530 034.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	500 000.0
Open procedure (Article 164(1)(a))	7	239 030 034.0
<b>DG Communications Networks, Content and Technology</b>	<b>17</b>	<b>18 956 783.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>17</b>	<b>18 956 783.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	3	418 239.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	370 000.0
Open procedure (Article 164(1)(a))	12	18 168 544.0
<b>Joint Research Centre</b>	<b>135</b>	<b>124 488 284.7</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>135</b>	<b>124 488 284.7</b>
Competitive procedure with negotiation (Annex 1 – 12.1)	6	4 057 699.0
Negotiated procedure middle-value contract (Annex 1 – 14.2)	37	5 057 988.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	25	16 643 743.8

By department and legal basis	In number	In value (EUR)
Open procedure (Article 164(1)(a))	60	78 335 209.9
Restricted procedure without dynamic purchasing system (Article 164(1)(b))	7	20 393 644.0
<b>DG Maritime Affairs and Fisheries</b>	<b>1</b>	<b>1 130 000.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>1</b>	<b>1 130 000.0</b>
Open procedure (Article 164(1)(a))	1	1 130 000.0
<b>DG Financial Stability, Financial Services and Capital Markets Union</b>	<b>4</b>	<b>1 705 175.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>4</b>	<b>1 705 175.0</b>
Open procedure (Article 164(1)(a))	4	1 705 175.0
<b>DG Regional and Urban Policy</b>	<b>20</b>	<b>15 058 918.9</b>
<b>External procedures &gt; EUR 20 000</b>	<b>2</b>	<b>1 565 773.3</b>
Open procedure – As provided for in Article 164(1)(a) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(b))	2	1 565 773.3
<b>Internal procedures &gt; EUR 60 000</b>	<b>18</b>	<b>13 493 145.6</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	5	519 150.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	382 393.4
Open procedure (164(1)(a))	11	12 591 602.3
<b>DG Structural Reform Support</b>	<b>9</b>	<b>8 330 835.3</b>
<b>External procedures &gt; EUR 20 000</b>	<b>8</b>	<b>8 150 835.3</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	3	5 343 800.0
Open procedure – As provided for in Article 164(1)(a) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(b))	3	2 322 869.3
Restricted procedure – As provided for in Article 164(1)(b) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(a))	1	398 400.0
Simplified procedure – Services/works < EUR 300 000 – Supplies < EUR 100 000. Legal services as in Annex 1 – 38.6. (Annex 1 – 38.1(d))	1	85 766.0
<b>Internal procedures &gt; EUR 60 000</b>	<b>1</b>	<b>180 000.0</b>
Open procedure (Article 164(1)(a))	1	180 000.0
<b>DG Taxation and Customs Union</b>	<b>3</b>	<b>48 079 500.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>3</b>	<b>48 079 500.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	17 124 750.0
Open procedure (Article 164(1)(a))	2	30 954 750.0
<b>DG Education, Youth, Sport and Culture</b>	<b>5</b>	<b>5 147 757.5</b>



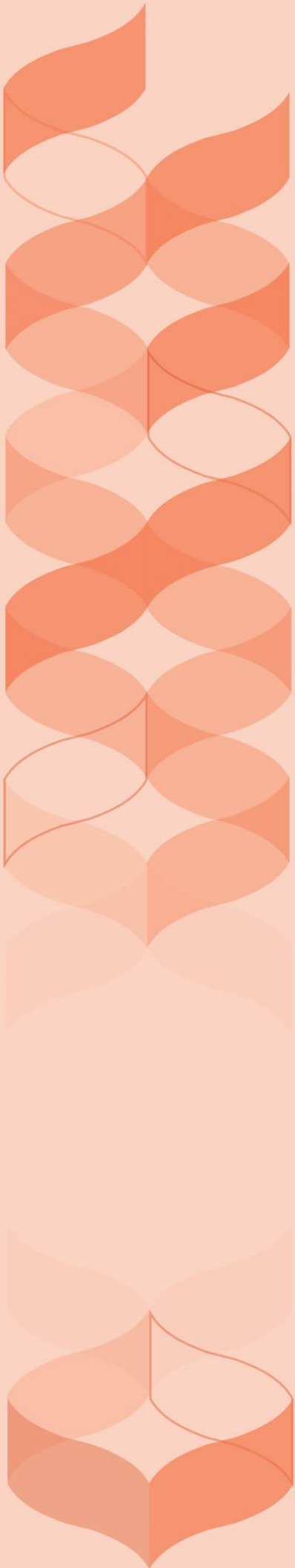
By department and legal basis	In number	In value (EUR)
<b>Internal procedures &gt; EUR 60 000</b>	<b>5</b>	<b>5 147 757.5</b>
Open procedure (Article 164 ((1)(a))	5	5 147 757.5
<b>DG Health and Food Safety</b>	<b>7</b>	<b>17 116 021.2</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>7</b>	<b>17 116 021.2</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	2	186 000.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	2	11 379 477.3
Open procedure (Article 164(1)(a))	3	5 550 543.9
<b>Health Emergency Preparedness and Response Authority</b>	<b>0</b>	<b>—</b>
No procedure awarded	0	—
<b>DG Migration and Home Affairs</b>	<b>7</b>	<b>134 400 000.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>7</b>	<b>134 400 000.0</b>
Open procedure (Article 164(1)(a))	7	134 400 000.0
<b>DG Justice and Consumers</b>	<b>4</b>	<b>63 739 968.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>4</b>	<b>63 739 968.0</b>
Open procedure (Article 164(1)(a))	4	63 739 968.0
<b>DG Trade and Economic Security</b>	<b>3</b>	<b>3 219 240.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>3</b>	<b>3 219 240.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	1	99 700.0
Open procedure (Article 164(1)(a))	2	3 119 540.0
<b>DG Neighbourhood and Enlargement Negotiations</b>	<b>121</b>	<b>246 925 009.9</b>
<b>External procedures &gt; EUR 20 000</b>	<b>121</b>	<b>246 925 009.9</b>
Competitive dialogue – Requires adaptation of a readily available solution (Annex 1 – 12.1(b)(i))	1	2 635 570.5
Local open procedure – Supplies between EUR 100 000 and 300 000 – Works between EUR 300 000 and 5 000 000 – (local) publication (Annex 1 – 38.1(c))	5	3 293 484.7
Negotiated procedure with single tender (Annex 1 – 39.1)	12	25 079 430.3
Negotiated procedure without prior publication (Annex 1 – 11.1)	35	88 781 521.3
Open procedure – As provided for in Article 164(1)(a) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(b))	15	31 240 381.8
Restricted procedure – As provided for in Article 164(1)(b) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(a))	35	91 862 004.0
Simplified procedure – Services/Works < EUR 300 000 – Supplies < EUR 100 000. Legal services as in Annex 1 – 38.6. (Annex 1 – 38.1(d))	18	4 032 617.3

By department and legal basis	In number	In value (EUR)
<b>DG International Partnerships</b>	<b>127</b>	<b>268 406 664.8</b>
<b>External procedures &gt; EUR 20 000</b>	<b>121</b>	<b>232 690 905.7</b>
(External action) Service – International restricted procedure with prior publication	1	22 991.0
Negotiated procedure with single tender (Annex 1 – 39.1)	19	16 383 137.4
Negotiated procedure without prior publication (Annex 1 – 11.1)	26	68 052 897.1
Open procedure – As provided for in Article 164(1)(a) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(b))	5	7 555 653.0
Procedure with single tender – Contracts with a value of up to EUR 20 000 (Annex 1 – 38.2 (d))	2	59 850.0
Restricted procedure – As provided for in Article 164(1)(b) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(a))	49	134 226 302.0
Restricted procedure with dynamic purchasing system (Article 164(1)(b))	1	1 584 000.0
Simplified procedure – Services/Works < EUR 300 000 – Supplies < EUR 100 000. Legal services as in Annex 1 – 38.6. (Annex 1 – 38.1(d))	18	4 806 075.1
<b>Internal procedures &gt; EUR 60 000</b>	<b>6</b>	<b>35 715 759.1</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	200 000.0
Open procedure (Article 164(1)(a))	2	28 023 560.0
Restricted procedure based on a call for expressions of interest – Preselection of candidates (Annex 1 – 13.3(a))	1	2 699 750.0
Restricted procedure with dynamic purchasing system (Article 164(1)(b))	1	708 449.1
Restricted procedure without dynamic purchasing system (Article 164(1)(b))	1	4 084 000.0
<b>DG European Civil Protection and Humanitarian Aid Operations (ECHO)</b>	<b>6</b>	<b>228 042 999.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>6</b>	<b>228 042 999.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	1	142 999.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	600 000.0
Open procedure (Article 164(1)(a))	4	227 300 000.0
<b>Eurostat</b>	<b>22</b>	<b>12 993 794.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>22</b>	<b>12 993 794.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	3	339 638.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	407 385.0
Open procedure (Article 164(1)(a))	18	12 246 771.0
<b>DG Interpretation</b>	<b>2</b>	<b>280 000 000.0</b>

By department and legal basis	In number	In value (EUR)
<b>Internal procedures &gt; EUR 60 000</b>	<b>2</b>	<b>280 000 000.0</b>
Open procedure (Article 164(1)(a))	2	280 000 000.0
<b>DG Translation</b>	<b>1</b>	<b>142 999.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>1</b>	<b>142 999.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	1	142 999.0
<b>Publications Office</b>	<b>9</b>	<b>90 117 363.2</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>9</b>	<b>90 117 363.2</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	6 000 000.0
Open procedure (Article 164(1)(a))	8	84 117 363.2
<b>Service for Foreign Policy Instruments</b>	<b>32</b>	<b>109 642 872.0</b>
<b>External procedures &gt; EUR 20 000</b>	<b>32</b>	<b>109 642 872.0</b>
Negotiated procedure with single tender (Annex 1 – 39.1)	5	18 590 000.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	10	26 829 767.0
Open procedure – As provided for in Article 164(1)(a) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(b))	1	4 935 500.0
Restricted procedure – As provided for in Article 164(1)(b) – Services/supplies as from EUR 300 000 – Works as from EUR 5 000 000 – publication (Annex 1 – 38.1(a))	16	59 287 605.0
<b>Office for the Administration and Payment of Individual Entitlements</b>	<b>1</b>	<b>1 133 951.6</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>1 133 951.6</b>
Competitive dialogue – Requires prior negotiations due to nature, complexity or legal/financial make-up of the contract (Annex 1 – 12.1(b)(iii))	1	1 133 951.6
<b>Office for Infrastructure and Logistics in Brussels</b>	<b>43</b>	<b>198 474 936.9</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>43</b>	<b>198 474 936.9</b>
Competitive procedure with negotiation (Annex 1 – 12.1)	1	494 400.0
Negotiated procedure middle-value contract (Annex 1 – 14.2)	20	4 176 310.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	6	19 019 755.0
Open procedure (Article 164(1)(a))	16	174 784 471.9
<b>Office for Infrastructure and Logistics in Luxembourg</b>	<b>13</b>	<b>61 605 106.0</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>585 106.0</b>
Local open procedure – Supplies between EUR 100 000 and 300 000 – Works between EUR 300 000 and 5 000 000 – (local) publication (Annex 1 – 38.1(c))	1	585 106.0
<b>Internal procedures &gt; EUR 60 000</b>	<b>12</b>	<b>61 020 000.0</b>
Competitive procedure with negotiation (Annex 1 – 12.1)	1	49 500 000.0

By department and legal basis	In number	In value (EUR)
Negotiated procedure middle-value contract (Annex 1 – 14.2)	3	244 300.0
Negotiated procedure without prior publication (Annex 1 – 11.1)	4	998 200.0
Open procedure (Article 164(1)(a))	4	10 277 500.0
<b>European Personnel Selection Office</b>	<b>2</b>	<b>63 159 200.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>2</b>	<b>63 159 200.0</b>
Open procedure (Article 164(1)(a))	2	63 159 200.0
<b>European Innovation Council and SMEs Executive Agency</b>	<b>14</b>	<b>28 125 641.3</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>14</b>	<b>28 125 641.3</b>
Open procedure (Article 164(1)(a))	14	28 125 641.3
<b>European Education and Culture Executive Agency</b>	<b>2</b>	<b>54 934 969.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>2</b>	<b>54 934 969.0</b>
Open procedure (Article 164(1)(a))	2	54 934 969.0
<b>European Climate, Infrastructure and Environment Executive Agency</b>	<b>16</b>	<b>33 596 824.8</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>22 940.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	22 940.0
<b>Internal procedures &gt; EUR 60 000</b>	<b>15</b>	<b>33 573 884.8</b>
Open procedure (Article 164(1)(a))	15	33 573 884.8
<b>European Research Council Executive Agency</b>	<b>1</b>	<b>84 900.0</b>
<b>Internal procedures &gt; EUR 60 000</b>	<b>1</b>	<b>84 900.0</b>
Negotiated procedure middle-value contract (Annex 1 – 14.2)	1	84 900.0
<b>European Research Executive Agency</b>	<b>1</b>	<b>65 750.0</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>65 750.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	65 750.0
<b>European Health and Digital Executive Agency</b>	<b>17</b>	<b>182 784 875.0</b>
<b>External procedures &gt; EUR 20 000</b>	<b>1</b>	<b>21 000.0</b>
Negotiated procedure without prior publication (Annex 1 – 11.1)	1	21 000.0
<b>Internal procedures &gt; EUR 60 000</b>	<b>16</b>	<b>182 763 875.0</b>
Competitive procedure with negotiation (Annex 1 – 12.1)	1	23 933 817.7
Open procedure (Article 164(1)(a))	15	158 830 057.4
<b>Total for the 48 departments, excluding 'external relations'</b>	<b>613</b>	<b>6 428 175 053.1</b>
<b>Total for the 'external relations' departments</b>	<b>280</b>	<b>624 974 546.6</b>
<b>Grand total</b>	<b>893</b>	<b>7 053 149 599.7</b>

Source: European Commission.



## Annex 11 – EU trust funds

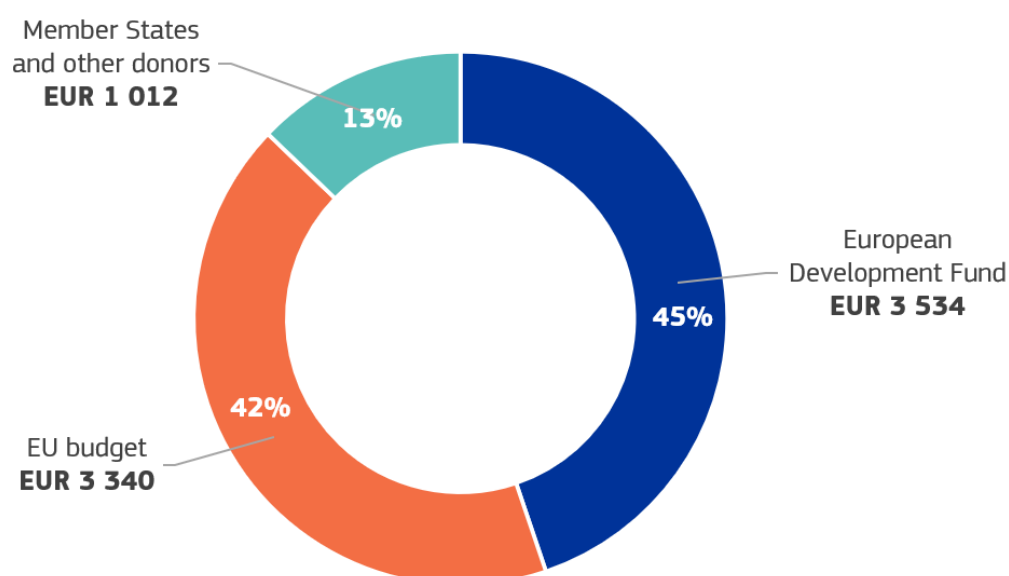
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## Annex 11 – EU trust funds

The European Commission, with several external donors, established four EU trust funds between 2014 and 2016. During their life cycle, up to the end of 2024, the four EU trust funds received approximately EUR 7.9 billion in contributions from the EU budget, the European Development Fund, EU Member States and other external donors.

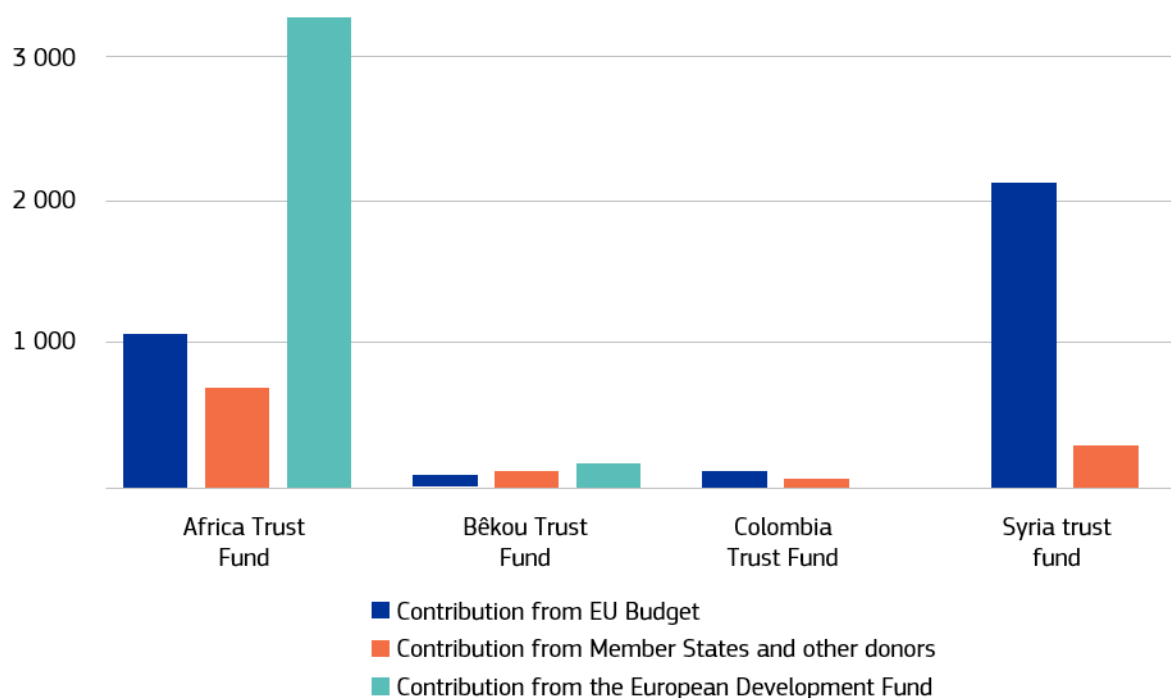
### Source of financing of EU trust funds (million EUR)



Source: European Commission.

### Cumulative amount made available for payments (million EUR)

The cumulative amount made available for payments for the four EU trust funds amounted at the end of 2024 to EUR 7.8 billion, of which 42.5% comes from contributions from the EU budget (for a total of EUR 3.3 billion) and 43.5% from the European Development Fund budget (for a total of EUR 3.4 billion).



Source: European Commission.

The EU trust funds' annual reports set out, in accordance with Article 258 of the Financial Regulation <sup>(45)</sup>, the activities they supported, their implementation and performance and their accounts. These reports are annexed to the annual activity reports of DG Neighbourhood and Enlargement Negotiations and DG International Partnerships, as follows.

<sup>(45)</sup> Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union, OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.



Established (year)	EU trust fund	Annual report annexed to DG's annual activity report
<b>2014</b>	<b>Bêkou Trust Fund</b> – EU Trust Fund for the Central African Republic	DG International Partnerships
<b>2014</b>	<b>EU Regional Trust Fund in Response to the Syrian Crisis</b>	DG Neighbourhood and Enlargement Negotiations
<b>2015</b>	<b>Africa Trust Fund</b> – European Union Emergency Trust Fund for stability and addressing root causes of irregular migration and displaced persons in Africa. This EU trust fund involves three regions: the Horn of Africa, the Sahel and Lake Chad, and the North of Africa (management cross-sub-delegated to DG Neighbourhood and Enlargement Negotiations)	DG International Partnerships
<b>2016</b>	<b>Colombia Trust Fund</b> – European Union Trust Fund for Colombia	DG International Partnerships

The constitutive act of the EU trust funds signed by the Commission and donors details the main features of each EU trust fund, including its specific objectives, the rules for its composition and the internal rules of its board, and the duration of the trust fund, which is always limited in time.

The EU trust funds were set up for an initial 60 months (five years), apart from the Colombia Trust Fund, which was set up for four years. Before their end date, they were all subject to a one-year extension that was adopted after consultation with the European Parliament and the European Council. This one-year extension allowed the EU trust funds to adapt their activities in order to address the challenges relating to COVID-19 in the countries within their scope. This also gave the EU trust funds the necessary time to adapt the ongoing initiatives to the new challenges and to finalise their contracting by the end of 2021. The implementation of the existing projects will, however, continue until 2025.

### 11.1. The Bêkou Trust Fund

The total contributions from external donors, the European Development Fund and the EU budget reached over EUR 310 million. France, Germany, Italy, the Netherlands and Switzerland have contributed to this EU trust fund. By 31 December 2024, the Bêkou Trust Fund had funded initiatives for a total value of EUR 308 million in commitments and contracted EUR 306 million in total, corresponding to an implementation rate of 98%.

The priority sectors that the trust fund supports include basic services, notably in health, agriculture development, the restoration of national and local administrations, economic recovery and reconciliation within the society of the Central African Republic.

## 11.2. The EU Regional Trust Fund in Response to the Syrian Crisis

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By the end of 2024, the contributions from the EU budget amounted to more than EUR 2.1 billion, while the contributions received from Member States and other donors amounted to EUR 262 million, including EUR 24.7 million from Türkiye. By 31 December 2023, the EU budget, 22 Member States and Türkiye had contributed to the trust fund, with total available contributions reaching more than EUR 2.3 billion.

Projects mainly focus on education, livelihoods and health, for which more than EUR 2.3 billion has been contracted to the trust fund's implementing partners on the ground. The benefiting region is the Middle East, mainly Iraq, Jordan, Lebanon and Türkiye.

These programmes support refugees and host communities with their needs for basic education and child protection, training and higher education, better access to healthcare, and improved water and wastewater infrastructure, along with support for projects promoting resilience, economic opportunities and social inclusion.

## 11.3. The Africa Trust Fund

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In total, the 27 EU Member States, along with Norway, Switzerland and the United Kingdom, had, by the end of 2024, contributed EUR 623 million to this EU trust fund. The contributions through EU instruments and the European Development Fund amount to EUR 4 440 million.

As of 31 December 2024, EUR 5 billion had been made available for commitments, of which nearly 100% was committed. The split was EUR 2 088 million (41%) for the Sahel and Lake Chad region, EUR 1 793 million (35%) for the Horn of Africa and EUR 882 million (17%) for the North of Africa region, along with EUR 295 million (6%) for regional and other programmes. Contracts have been signed with implementing partners for a total amount of more than EUR 5 billion.

The trust fund aims to foster stability and contribute to better migration management. In line with the EU's development-led approach to forced displacement, it also helps address the root causes of destabilisation, forced displacement and irregular migration by promoting economic and equal opportunities, security and development. The EU Trust Fund for Africa has addressed a comprehensive group of African countries crossed by the major migration routes.

## 11.4. The Colombia Trust Fund

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By the end of 2024, the contributions from the EU budget amounted to EUR 94 million, while the contributions from 21 Member States, along with a contribution by Chile, amounted to EUR 37 million.

The Colombia Trust Fund has a total amount of EUR 135 million available in commitment appropriations, out of which EUR 133.5 million was contracted.

The trust fund helps to support the implementation of the peace agreement in the early recovery and stabilisation phases of the post-conflict environment. The overall objectives are to help Colombia secure stable and lasting peace, to rebuild its social and economic fabric and to give new hope to the people of Colombia.