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PTOM 3
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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	EDF discharge procedure: financial year 2024 Council Recommendations on the discharge to be given to the Commission in respect of the implementation of operations under the 9th, 10th and 11th European Development Funds for the financial year 2024 - Adoption - Approval of a letter

1. Article 11(7) of the Internal Agreement applicable to the 11th European Development Fund (EDF) states that the discharge for the financial management of the EDF shall be given by the European Parliament on the recommendation of the Council, which shall act by the qualified majority laid down in Article 8(3) of the Internal Agreement (see OJ L 210, 6.8.2013, p.1)¹.
2. The ACP Working Party examined the Annual Report of the Court of Auditors on the European Development Funds for the financial year 2024, together with the Commission's replies to the Court's observations (see OJ C, C/2025/5409, 8.10.2025), in the presence of a representative of the Court of Auditors.

¹ A similar provision is included in the Internal Agreements governing the 9th and 10th EDFs.

3. At the end of its discussions, the Working Party agreed at its level on the comments in Annex I regarding its examination of the Court's report and on the text of the draft recommendations for a discharge.
 4. It is therefore suggested that, subject to confirmation by Coreper, the Council should:
 - endorse the comments by the Council on the Court of Auditors Annual Report on the activities funded by the 9th, 10th and 11th European Development Funds (EDFs) for the 2024 financial year, as set out in Annex I;
 - adopt the recommendations regarding the discharge to be given by the European Parliament to the Commission in respect of the implementation of operations under the 9th, 10th and 11th EDFs for the financial year 2024, as set out in Annexes II, III and IV;
 - arrange for the recommendations in Annexes II, III and IV, accompanied by the comments in Annex I, to be forwarded to the European Parliament and approve the draft letter in Annex V to that effect.
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Comments by the Council
on the annual report of the Court of Auditors¹
on the activities funded by the 9th, 10th and 11th
European Development Funds (EDFs) for the 2024 financial year

1. The Council welcomes the fact that, in the opinion of the European Court of Auditors (ECA), the EDFs' accounts for the 2024 financial year present fairly, in all material respects, their financial position as at 31 December 2024, the results of their operations, their cash flows and the changes in their net assets, in accordance with the provisions of the EDF Financial Regulation and with accounting rules based on internationally accepted accounting standards for the public sector.
2. The Council also welcomes the fact that, in the ECA's opinion the revenue underlying the accounts for 2024 is legal and regular in all material aspects.
3. The Council takes note of the ECA's conclusion that the EDF payment transactions underlying the accounts were materially affected by error.
4. The Council notes that, according to the ECA's report on EDF activities for the 2024 financial year, the estimated level of error has decreased by 2.4 percentage points compared with the error level estimated in 2023, and is 4.5 percentage points above the materiality threshold of 2%.
5. The Council is concerned that EDF payments underlying the accounts for the 2024 financial year remain materially affected by error, with the estimated level of error being 6.5%.

¹ OJ C, C/2024/5882, 9.10.2024.

6. The Council welcomes the fact that the relative share of the error types ‘expenditure not incurred’ was lower in 2024 than in 2023. However, it notes with concern that the relative share of the error category ‘ineligible expenditure’ increased considerably. The Council regrets that the error categories ‘ineligible expenditure’ and ‘absence of essential supporting documents’ account for 72% of the overall estimated level of error.
7. The Council takes note of the fact that 10 cases found showed non-compliance with legal and financial provisions even if with no direct financial impact on the EU budget, notably implementing partners’ non-compliance with EU visibility rules.
8. The Council remains concerned by the ECA’s finding that in a number of cases, the Commission had sufficient information to prevent, or detect and correct, the error before accepting the expenditure, and that should the Commission have used all of the information at its disposal, it could have lowered the estimated level of error by 2.2 percentage points. The Council calls on the Commission to make better use of the information at its disposal and step up its efforts to prevent, detect and correct errors.
9. The Council remains concerned that 42% of the examined transactions (15 out of 36) relating to contracts under indirect management with pillar-assessed organisations were affected by quantifiable errors, contributing 2.8 percentage points to the estimated level of error. The Council considers that further efforts are needed in order to ensure that the organisations concerned submit complete and accurate financial information.
10. The Council reiterates the importance of ensuring that the ECA has access to all documents needed for its work and regrets that, despite the efforts made by the Commission to improve the situation, difficulties still persist with some international organisations. The Council underlines the importance of implementing the ECA’s previous recommendations in this respect.

11. The Council welcomes the work undertaken by the Commission to enhance the quality of its own internal control system, in particular through the adoption of action plans and the continued implementation of the measures set out therein. It acknowledges the significant progress made in the implementation of the 2021, 2022 and 2023 action plans, and encourages the Commission to pursue its efforts to fully implement the remaining measures.
12. The Council appreciates the fact that, as in previous years, in 2024 the Commission adopted an action plan to address the weaknesses in the implementation of its internal control system.
13. The Council welcomes the fact that the 2024 RER study, carried out by an external contractor on the basis of a methodology provided by the Commission, estimated the rate of errors that evaded all management checks to be below the 2% materiality threshold for the ninth year in a row. It is, however, concerned by the ECA's recurring finding that the RER study has limitations that may contribute to the underestimation of the RER, welcomes the fact that measures have been taken to find a workable solution with the UN and takes note of Commission's decision to revise the RER methodology with effect from 2025.
14. The Council takes note of the absence of reservations on the regularity of underlying transactions for the sixth year in a row since the 2019 annual activity report (AAR), and of the Commission's efforts to improve its internal corrective capacity, including by performing targeted checks on recovery orders.
15. The Council takes note of the significant progress achieved in the implementation of the ECA's recommendations from 2020, 2021, 2022 and 2023, and encourages the Commission to take further action to address the issues identified by the ECA, including that concerning access to the documents of international organisations.

16. The Council welcomes the fact that the ECA also assessed the achievement of projects that were either completed or close to completion. It is concerned that in some cases infrastructure built under EU projects was not maintained after project completion and Commission did not systematically assess the state of project infrastructure before making final payments, nor did it follow up to ensure that such infrastructure remained in use. The Council calls on the Commission to do its utmost to ensure that EU funds are used effectively, and contribute to the achievement of project objectives.
17. The Council considers that improvements should be made in certain areas, and supports the ECA's recommendations that the Commission:
- a) strengthen controls to ensure that organisations implementing contracts, as well as their own implementing partners, comply with visibility rules (which the Commission has accepted),
 - b) strengthen checks related to lump sums or other costs declared under simplified costs options (which the Commission has accepted),
 - c) take steps to increase project durability so that any infrastructure built under the projects is preserved (which the Commission has accepted).
18. While noting the ECA's conclusions and recommendations, the Council also takes note of the Commission's replies.

Finally, the Council notes with satisfaction that the United Kingdom's withdrawal from the European Union had no financial impact on the 2024 EDF accounts, which correctly reflect the state of the withdrawal process as at 31 December 2024.

COUNCIL RECOMMENDATION

of ...

**concerning the discharge to be given to the Commission
in respect of the implementation of the operations
of the 9th European Development Fund (9th EDF)
for the financial year 2024**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000¹, as last amended,

Having regard to the Internal Agreement between Representatives of the Governments of the Member States, meeting within the Council, on the Financing and Administration of Community Aid under the Financial Protocol to the Partnership Agreement between the African, Caribbean and Pacific States and the European Community and its Member States signed in Cotonou (Benin) on 23 June 2000 and the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies² (the ‘Internal Agreement’) establishing, among other things, the 9th European Development Fund (the ‘9th EDF’), and in particular Article 32(3) thereof,

Having regard to the Financial Regulation of 27 March 2003 applicable to the 9th European Development Fund³, and in particular Articles 96 to 103 and Article 119 thereof,

¹ OJ L 317, 15.12.2000, p. 3.

² OJ L 317, 15.12.2000, p. 355.

³ OJ L 83, 1.4.2003, p. 1.

Whereas:

- (1) The Council has examined the revenue and expenditure account and the balance sheet relating to the operations of the 9th EDF as at 31 December 2024 and the annual report of the Court of Auditors on the activities funded by the 9th, 10th and 11th European Development Funds for the 2024 financial year⁴, together with the Commission's replies contained in that annual report.
- (2) Pursuant to the Internal Agreement, the discharge for the financial management of the 9th EDF is to be given to the Commission by the European Parliament on the recommendation of the Council.
- (3) The overall implementation by the Commission of the operations of the 9th EDF during the financial year 2024 has been satisfactory,

HEREBY RECOMMENDS that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 9th EDF for the financial year 2024.

Done at Brussels,

For the Council

The President

⁴ See the relevant communication in the Official Journal: OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

COUNCIL RECOMMENDATION

of ...

**concerning the discharge to be given to the Commission
in respect of the implementation of the operations
of the 10th European Development Fund (10th EDF)
for the financial year 2024**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000¹, as last amended,

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States, meeting within the Council, on the financing of Community aid under the multiannual financial framework for the period 2008 to 2013 in accordance with the ACP-EC Partnership Agreement and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the EC Treaty applies² (the ‘Internal Agreement’) establishing, among other things, the 10th European Development Fund (the ‘10th EDF’), and in particular Article 11(8) thereof,

Having regard to Council Regulation (EC) No 215/2008 of 18 February 2008 on the Financial Regulation applicable to the 10th European Development Fund³, and in particular Articles 142 to 144 thereof,

¹ OJ L 317, 15.12.2000, p. 3.

² OJ L 247, 9.9.2006, p. 32.

³ OJ L 78, 19.3.2008, p. 1.

Whereas:

- (1) The Council has examined the revenue and expenditure account and the balance sheet relating to the operations of the 10th EDF as at 31 December 2024 and the annual report of the Court of Auditors on the activities funded by the 9th, 10th and 11th European Development Funds for the 2024 financial year⁴, together with the Commission's replies contained in that annual report.
- (2) Pursuant to the Internal Agreement, the discharge for the financial management of the 10th EDF is to be given to the Commission by the European Parliament on the recommendation of the Council.
- (3) The overall implementation by the Commission of the operations of the 10th EDF during the financial year 2024 has been satisfactory,

HEREBY RECOMMENDS that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 10th EDF for the financial year 2024.

Done at Brussels,

For the Council

The President

⁴ See the relevant communication in the Official Journal: OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>

COUNCIL RECOMMENDATION

of ...

**concerning the discharge to be given to the Commission
in respect of the implementation of the operations
of the 11th European Development Fund (11th EDF)
for the financial year 2024**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States, of the other part, signed in Cotonou on 23 June 2000¹, as last amended,

Having regard to the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting within the Council, on the financing of European Union aid under the multiannual financial framework for the period 2014 to 2020, in accordance with the ACP-EU Partnership Agreement, and on the allocation of financial assistance for the Overseas Countries and Territories to which Part Four of the Treaty on the Functioning of the European Union applies² (the ‘Internal Agreement’) establishing, among other things, the 11th European Development Fund (the ‘11th EDF’), and in particular Article 11(7) thereof,

Having regard to Council Regulation (EU) 2018/1877 of 26 November 2018 on the financial regulation applicable to the 11th European Development Fund, and repealing Regulation (EU) 2015/323³, and in particular Articles 42 to 44 thereof,

¹ OJ L 317, 15.12.2000, p. 3.

² OJ L 210, 6.8.2013, p. 1.

³ OJ L 307, 3.12.2018, p. 1.

Whereas:

- (1) The Council has examined the revenue and expenditure account and the balance sheet relating to the operations of the 11th EDF as at 31 December 2024 and the annual report of the Court of Auditors on the activities funded by the 9th, 10th and 11th European Development Funds for the 2024 financial year⁴, together with the Commission's replies contained in that annual report.
- (2) Pursuant to the Internal Agreement, the discharge for the financial management of the 11th EDF is to be given to the Commission by the European Parliament on the recommendation of the Council.
- (3) The overall implementation by the Commission of the operations of the 11th EDF during the financial year 2024 has been satisfactory,

HEREBY RECOMMENDS that the European Parliament give the Commission a discharge in respect of the implementation of the operations of the 11th EDF for the financial year 2024.

Done at Brussels,

For the Council

The President

⁴ See the relevant communication in the Official Journal: OJ C, C/2025/5409, 8.10.2025, ELI: <http://data.europa.eu/eli/C/2025/5409/oj>.

DRAFT LETTER

To: President of the European Parliament

from: President of the Council

Madam President,

I am forwarding under separate cover the Council recommendations of 17 February 2026 on the discharge to be given to the Commission in respect of the implementation of operations under the 9th, 10th and 11th European Development Funds for the financial year 2024 accompanied by the comments of the Council¹ on the Court of Auditors Annual Report on the activities funded by the 9th, 10th and 11th European Development Funds (EDFs) for the 2024 financial year.

[Complimentary close].

¹ 5886/26 ACP 13 FIN 179 PTOM 3 PE-L 8.