European Parliament
2024-2029

TEXTS ADOPTED

P10_TA(2026)0122

Control, transparency and traceability of performance-based instruments

European Parliament resolution of 28 April 2026 on control, transparency and traceability of performance-based instruments (2025/2032(INI))

The European Parliament,

– having regard to Articles 311, 312, 319, 323 and 324 of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027[1] and to the joint declarations agreed between Parliament, the Council and the Commission in this context and the related unilateral declarations,

– having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union[2] (the Financial Regulation),

– having regard to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget[3] (the Rule of Law Conditionality Regulation),

– having regard to Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective

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1 OJ L 433 I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj.
2 OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj.
3 OJ L 433 I, 22.12.2020, p. 1, ELI: http://data.europa.eu/eli/reg/2020/2092/oj.

coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97[4],

– having regard to its resolution of 15 December 2022 on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges[5],

– having regard to its position of 27 February 2024 on the draft Council regulation amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027[6],

– having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources[7] (the IIA),

– having regard to its position of 16 December 2020 on the draft Council regulation laying down the multiannual financial framework for the years 2021 to 2027[8],

– having regard to the European Court of Auditors (ECA) annual report of 10 October 2024 on the implementation of the EU budget for the 2023 financial year, together with the institutions' replies,

– having regard to ECA special report 13/2024 of 2 September 2024 entitled 'Absorption of funds from the Recovery and Resilience Facility – Progressing with delays and risks remain regarding the completion of measures and therefore the achievement of RRF objectives', ECA special report 14/2024 of 11 September 2024 entitled 'Green transition – Unclear contribution from the Recovery and Resilience Facility', and ECA special report 22/2024 of 21 October 2024 entitled 'Double funding from the EU budget – Control systems lack essential elements to mitigate the increased risk resulting from the RRF model of financing not linked to costs',

– having regard to ECA review 03/2025 of 16 June 2025 entitled 'Opportunities for the post-2027 Multiannual Financial Framework',

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4 OJ L, 2024/1263, 30.4.2024, ELI: http://data.europa.eu/eli/reg/2024/1263/oj.
5 OJ C 177, 17.5.2023, p. 115.
6 OJ C, C/2024/6750, 26.11.2024, ELI: http://data.europa.eu/eli/C/2024/6750/oj.
7 OJ L 433 I, 22.12.2020, p. 28, ELI: http://data.europa.eu/eli/agree_interinstit/2020/1222/oj.
8 OJ C 445, 29.10.2021, p. 240.

ECA review 04/2025 of 19 June 2025 entitled ‘The Future of EU Cohesion Policy: Drawing lessons from the past’,

– having regard to its resolution of 7 May 2025 on a revamped long-term budget for the Union in a changing world, and to the opinion of the Committee of Budgetary Control for the Committee on Budgets on a revamped long-term budget for the Union in a changing world[9],

– having regard to the report of its Committee on Budgetary Control of 23 April 2025 on discharge in respect of the implementation of the general budget of the European Union for the financial year 2023, Section III – Commission, executive agencies and the ninth, tenth and eleventh European Development Funds,

– having regard to the Commission report of December 2023 entitled ‘Study supporting the mid-term Evaluation of the Recovery and Resilience Facility’,

– having regard to the 2024 annual report of the European Public Prosecutor’s Office (EPPO), published on 3 March 2025,

– having regard to the report of September 2024 by Mario Draghi entitled ‘The future of European competitiveness’ (the Draghi report),

– having regard to the opinion of the European Committee of the Regions of 8 October 2024 entitled ‘Mid-term review of the post-COVID European recovery plan (Recovery and Resilience Facility)’[10],

– having regard to the information published on the Recovery and Resilience Scoreboard (RRF Scoreboard),

– having regard to its in-house research, in-depth analysis and briefings related to the implementation of the RRF,

– having regard to the report of 17 April 2024 by Enrico Letta entitled ‘Much more than a market – speed, security, solidarity: empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens’ (the Letta report),

– having regard to the report of 20 February 2024 of the Commission’s High-Level Group on the Future of Cohesion Policy entitled ‘Forging a sustainable future together – Cohesion for a competitive and inclusive Europe’,

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9 Texts adopted, P10_TA(2025)0090.

10 OJ C, C/2024/7057, 4.12.2024, ELI: http://data.europa.eu/eli/C/2024/7057/oj.

– having regard to the Commission communication of 11 February 2025 entitled ‘The road to the next multiannual financial framework’ (COM(2025)0046),

– having regard to the Commission communication of 29 January 2025 entitled ‘A Competitiveness Compass for the EU’ (COM(2025)0030),

– having regard to the European Council conclusions of 20 March 2025, 6 March 2025 and 19 December 2024,

– having regard to the political guidelines for the 2024-2029 Commission term, presented by the President-elect of the Commission on 18 July 2024,

– having regard to the opinion of the European Committee of the Regions of 20 November 2024 entitled ‘EU budget and place-based policies: proposals for new design and delivery mechanisms in the MFF post-2027’[11],

– having regard to the Commission proposal of 16 July 2025 for a regulation of the European Parliament and of the Council establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities (COM(2025)0545),

– having regard to its resolution of 18 June 2025 on the implementation of the Recovery and Resilience Facility[12],

– having regard to the report of the Committee on Budgetary Control (A10-0074/2025),

– having regard to Rule 55 and Rule 148(2) of its Rules of Procedure,

– having regard to the report of the Committee on Budgetary Control (A10-0022/2026),

A. whereas the increasing number of political priorities in the EU is placing additional pressure on the EU budget, making the responsible use of available financial resources more critical than ever; whereas sound financial management, as defined in the Financial Regulation, requires that EU funds be implemented in accordance with the principles of economy, efficiency and effectiveness to ensure resources are used in a cost-effective manner, that objectives are achieved in due time, in the appropriate quantity and at the best price, and that the intended results and impacts are delivered; whereas this reinforces the imperative of vigilance in financial management to guarantee that expenditure

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[11] OJ C, C/2025/279, 24.1.2025, ELI: http://data.europa.eu/eli/C/2025/279/oj.

[12] Texts adopted, P10_TA(2025)0128.

yields a demonstrable return on investment in terms of economic growth, competitiveness, and the achievement of EU priorities;

B. whereas, if EU financing takes the form of support not linked to the reimbursement of eligible costs but to results, outputs or other performance indicators, payments depend on the achievement of predefined milestones or targets, which must be verified before any disbursement is made;

C. whereas this approach, by decoupling the disbursements from actual expenditures undermines access to actual cost data, thereby hampering the assessments of economy, efficiency and effectiveness; highlights that this data gap prevents the systematic identification of irregularities, fraud risks and double funding, while also weakening the EU’s capacity to implement early-warning mechanisms and data-driven risk assessments;

D. whereas the absence of expenditure verification increases the risk of inaccuracy in cost estimates, thereby undermining sound financial management, transparency and accountability; whereas the ECA has repeatedly warned of shortcomings in cost assessments, variability in national audit standards, and weaknesses in Commission oversight capacity;

E. whereas wide discretion in assessing whether milestones and targets have been fulfilled may lead to inconsistent treatment of Member States by the Commission, or to the premature release of funds before the conditions for disbursement are fully met;

F. whereas the ECA has identified weaknesses in the design of the Recovery and Resilience Facility’s control system, including over-reliance on national bodies, incomplete audit trails, systemic failures and risks of inconsistent application across Member States; notes that these weaknesses are further aggravated by the fragmentation and incompatibility of national data systems, which hinder interoperability, timely risk detection and the effective protection of personal data in audit and control operations;

G. whereas the control of performance-based instruments relies on the credibility of national monitoring mechanisms; whereas deficiencies in the rule of law amplify the risk to EU financial interests, as their protection is contingent on an independent judiciary and autonomous anti-fraud bodies;

H. whereas democratic accountability requires that Parliament’s role as legislator and budgetary and discharge authority be safeguarded, with strict accountability mechanisms and full transparency on the final recipients of Union funds, and whereas Member States and other national authorities should not be considered final recipients of Union funding;

Challenges affecting the transparency, accountability and effective control of performance-based instruments

1. Stresses that, as provided in the Financial Regulation, performance-based instruments must respect the principles of legality, regularity, economy, efficiency and effectiveness, and that simplification should never come at the expense of sound financial management and transparency; calls for risk-based and proportionate controls, and insists that indicators for performance-based instruments should capture tangible results and the EU’s added value rather than just predefined outputs; stresses that, when properly designed, such instruments can enhance the focus on results, reforms and competitiveness;

2. Notes that the Recovery and Resilience Facility (RRF) with its focus on disbursement based on the satisfactory fulfilment of milestones and targets is the first major performance-based instrument at EU level that is exclusively based on financing not linked to costs (FNLC); further notes that the RRF model has been replicated in other financial instruments such as the Ukraine Facility and the Western Balkans Facility; is concerned by the Commission’s proposals to use a similar model in the next multiannual financial framework (MFF) for most EU financing programmes including for Heading 1; notes that the RRF has, to a certain extent, incentivised some national investments and reforms;

3. Stresses the importance of drawing lessons from the critical weaknesses revealed by the centralised performance-based delivery model of the RRF, as acknowledged by the ECA and the Commission, including reduced accountability and limited EU-level oversight of compliance with rules and regulations; underlines that transparency regarding final recipients must be ensured through a uniform, interoperable EU-wide reporting system accessible to the Commission, the ECA, the EPPO and Parliament; highlights that the EU’s added value can be reinforced by increasing the number of cross-border projects and by ensuring adequate decision-making powers for subnational entities, in particular local and regional authorities, in the design and implementation of the facility;

4. Considers that, although the RRF is intended to be a performance-based instrument, its implementation often prioritises outputs over results; expresses its regret that the vaguely defined milestones and targets, primarily emphasising inputs and outputs rather than results, risk undermining the achievement of the RRF’s objectives; believes that future performance-based instruments should establish more specific key performance indicators, ensuring that investments align with the objectives of the instrument, and deliver a positive impact and clear added value for the EU; calls on the Commission to ensure that future performance-based instruments are harmonised across Member States, transparent in their design and stable over

time to foster consistency, accountability and long-term effectiveness;

5. Stresses that reliance on ex ante cost estimates without verification of actual expenditure risks creating a structural accountability gap, limiting the possibility of assessing value for money and thus undermining the principles of economy and efficiency; underlines the necessity of implementing risk- and materiality-based verification mechanisms with clearly defined thresholds for mandatory checks; calls on the Commission to systematically integrate data mining, cross-checking tools, and analytics into future performance-based instruments to detect irregularities and risks of corruption and conflicts of interest;

6. Is extremely concerned by the Commission’s proposals to make generalised use of FNLC in the next MFF, and underlines the importance of establishing adequate safeguards to ensure sound financial management in the implementation of Union funding; highlights the need to carefully assess such a significant shift towards the use of FNLC considering the shortcomings identified in previous or existing performance-based instruments, and stresses the necessity of conducting a comprehensive evaluation of the RRF;

7. Expresses concern regarding the EU’s growing debt burden and borrowing costs; notes that the ECA’s 2024 Annual Report estimates that outstanding EU borrowing could exceed EUR 900 billion by 2027, nearly ten times the 2020 level prior to the introduction of the NextGenerationEU (NGEU) recovery package; warns that rising borrowing costs pose a risk to future budgets and constrain fiscal space for new priorities;

8. Asserts that the generalised use of FNLC, while potentially reducing the administrative burden, increases the risk of irregularities, double funding and fraud, thereby reducing the transparency and traceability of EU funds; stresses that a lack of link to costs may lead to the financing of non-viable projects designed to meet milestones, rather than value for money; highlights Parliament’s scrutiny role in overseeing the implementation of the EU budget, particularly its authority to grant discharge; calls for robust governance in the next MFF designed to ensure Parliament can fully exercise its role as the discharge authority;

9. Takes note of the aspects related to the rule of law in the Commission proposal for the MFF for 2028-2034, and calls for a unified, coherent and comprehensive framework across all EU funding programmes under the umbrella of the Rule of Law Conditionality Regulation; calls, furthermore, for any application of FNLC to be fully compatible with the regulation;

10. Notes with concern that, at the end of 2024, the EPPO was handling 311 active cases related to the NGEU, all but four of which concerned the RRF, representing approximately 17 % of all active expenditure fraud investigations and an increase of around 51 % in NGEU-related cases compared to 2023; notes, furthermore, that the estimated damage to the EU’s financial interests amounts to EUR 2,8 billion, representing 30 % (compared with 25 % in 2023) of the total estimated damage resulting from all EU expenditure fraud; highlights that the reporting of cases by EU institutions remains low, thereby raising further concerns about the Commission’s ability to effectively oversee the implementation of the RRF; recalls that out of the 27 EU Member States, 24 currently participate in the EPPO;

11. Expresses its concern that performance-based instruments using FNLC focus more on system audits than on controls on actual expenditure incurred; warns that such system audits may not reveal underlying issues that can spill over and seriously undermine the sound financial management of the Union budget and the safeguarding of the financial interests of the Union; believes that even under the current financial architecture and model of implementation for EU funding, control systems of several Member States have shown systemic weaknesses, resulting in a failure to detect and prevent fraud, or other irregularities, such as in the OPEKEPE case in Greece or the cases involving rural development funds in Slovakia, as well as other recent cases in several Member States, demonstrating the need for stronger EU oversight; calls, therefore, on the Commission to take decisive corrective measures, strengthen audit and accreditation procedures, and ensure that similar systemic failures cannot recur, while respecting the principle of proportionality regarding reporting and documentation duties;

12. Notes with concern the absence in the legislation of performance-based instruments, such as the RRF, and in the Commission proposals for the MFF 2028-2034 of clear standards and thresholds for cases when national management and control systems are considered insufficient or unreliable, thereby leaving corrective measures or suspensions to discretionary judgement;

13. Underlines that the generalised use of FNLC requires the ECA and national audit authorities to significantly adapt their activities and move towards a different auditing approach; warns that such a shift, without ensuring the readiness of audit authorities, will pose significant challenges and could create a structural gap in the audit trail with serious consequences for both the sound financial management of the Union budget and the discharge procedure;

14. Regrets the incomplete audit trails observed by the ECA under the performance-based instruments, such as the RRF, which weaken traceability and limit the ability of Parliament and the ECA to exercise scrutiny;

15. Emphasises that heavy reliance on national authorities and external auditors, without strong safeguards and detailed Commission guidance, technical assistance and dedicated training on performance audit methodology, risks variability in the quality and independence of controls, thereby exposing the EU to reputational risk; underlines that supporting national audit authorities will contribute to improved quality and greater consistency;

16. Highlights that fund absorption or disbursements are not by definition an indicator of success; regrets that in the latest amendments of the national recovery and resilience plans, the focus on absorption has led to a reduction in the initially envisaged ambition, specifically in relation to reforms;

17. Recalls that audit bodies in Member States must comply with internationally accepted audit standards; warns that failure to do so undermines the reliability of their work and poses risks to the single audit approach; notes the ECA's repeated findings of certain national audit authorities' shortcomings in terms of scope, quality, documentation and reporting; stresses the need for a clear framework of responsibilities to guarantee quality and consistency;

18. Emphasises that fragmented IT and data systems across Member States increase the risk of errors, irregularities, double funding, delays and inconsistent reporting; recalls that, in order to ensure full traceability of EU funds, Parliament has repeatedly called for the establishment of a single, integrated and interoperable information and monitoring system, including a single data mining and risk-scoring tool, building on – but not limited to – existing tools and databases in the context of the recast of the Financial Regulation; regrets, however, the refusal of Member States to make the use of such a system compulsory from the beginning of the next MFF; welcomes the Commission's ongoing effort to develop such an interoperable system, building on the ARACHNE tool and urges all Member States to make full use of this system; stresses that the effectiveness of any new funding model depends on the reliability and consistency of the underlying data and monitoring tools; underscores the importance of designing an interoperable system that adheres to the General Data Protection Regulation (GDPR)[13]; underlines that such a system must deliver accurate, timely information, minimise false positives and operate reliably;

19. Stresses that shared management in the next MFF must involve regional and local authorities and stakeholders including in the case

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13 Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1, ELI: http://data.europa.eu/eli/reg/2016/679/oj).

of performance-based instruments, both in the design, decision-making and planning phase as well as in the implementation and delivery phase, through a multilevel governance approach, in order to ensure the added value for the EU of cross-border projects and to focus on measurable results rather than outputs;

20. Notes that combining grants and financial instruments in performance-based frameworks adds complexity and increases the risks of double funding, irregularities, fraud, over-compensation and weak accountability chains; stresses, in particular, that when financing is not linked to costs, the absence of cost verification further heightens the risk of overlaps between different funding streams and undermines assurance of sound financial management;

21. Points out that performance-based monitoring does not necessarily reduce administrative burdens, as weak verification systems may create hidden costs without enhancing assurance; calls on the Commission to streamline performance indicators, simplify reporting templates, eliminate redundant data requests and address the unnecessary complexity of payment requests; considers that any shift to the use of performance-based delivery models requires capacity building at the EU level and in Member States as the monitoring, control and audit needs in the case of performance-based delivery models differ from those of instruments based on the reimbursement of eligible costs;

22. Warns that, in the current geopolitical context and given the increased budgetary pressure, the growing use of performance-based instruments, without addressing the weaknesses identified in the RRF, including by strengthening parliamentary scrutiny, risks shifting institutional balances in favour of executive discretion and away from democratic accountability; insists that any governance model for performance-based instruments must involve Parliament and the Council on equal terms; rejects any proposal to upset the institutional balance and undermine Parliament's role as the budgetary and discharge authority;

Recommendations for strengthening control, transparency and accountability of performance-based instruments

23. Believes that the FNLC model for performance-based instruments should not be used as a generalised method of implementation or reimbursement between the Member States and beneficiaries, except for smaller beneficiaries implementing projects under certain financial thresholds, enabling a simplified system of delivery while maintaining a robust control framework; underlines, in particular, that large-scale and complex projects should remain cost-based, as their scope, duration and multilevel financing require detailed financial reporting and verifiable expenditure data to ensure proper monitoring and accountability; stresses the importance of

establishing a mechanism for recoveries in cases where significant deviations arise between ex ante cost estimates and ex post checks, particularly when projects are delivered below the initially estimated cost; stresses that such adjustments must reflect actual expenditures to ensure financial integrity, value for money and accountability; calls for the continued and expanded use of lump sums and simplified cost options, in particular for smaller or medium-scale investments, as effective and proportionate tools to reduce administrative burdens, increase accessibility for smaller beneficiaries, and maintain accountability and traceability in the use of Union funds;

24. Insists that a simplified budget must also result in a transparent budget; urges the Commission to provide public access to procedural information, including the cost estimation methodology, and to provide Parliament with access to the estimated costs of national and regional partnership plans (NRPPs);

25. Calls for a unified accountability system that enables the traceability of EU budget contributions to specific projects and their real final beneficiaries, including contractors and sub-contractors, as well as beneficial owners; emphasises the importance of ensuring the visibility of EU-funded projects for citizens; highlights the necessity of linking payments to the fulfilment of coherent, clearly defined milestones and targets to strengthen the alignment between reforms and investments; stresses the importance of introducing an ex post evaluation system based on the targets achieved by each instrument, as measured by their performance indicators;

26. Stresses that Union financing should be granted only for measures directly linked to concrete, verifiable projects that demonstrate tangible progress, measurable results, contribute to Union policy objectives, and can be effectively monitored and audited, subject to transparent reporting, including on value for money and visibility requirements;

27. Calls on the Commission to refrain from introducing complex or speculative cost estimation methodologies, which risk undermining transparency and comparability across Member States; urges instead the development and wider use of harmonised and verifiable simplified cost options that provide clarity, reduce administrative burdens and maintain an appropriate level of accountability;

28. Calls for unambiguous compliance criteria to determine when any performance-based instruments fulfil planned outputs or results, with uniform definitions across Member States;

29. Calls for periodic assessments of real costs incurred in the implementation of performance-based instruments against the cost estimates of Member States in order to prevent discrepancies;

believes that such assessments should automatically trigger controls and audits in cases where there are significant differences between real and estimated costs;

30. Insists that any use of the FNLC model must require a correlation between the payment applications and the fulfilment of milestones and targets on the one hand and the implementation of concrete projects on the other hand; stresses that without such correlation, the traceability of Union funding is severely compromised;

31. Calls for the establishment of a single, integrated, interoperable information and monitoring system, including a single data mining and risk-scoring tool; demands that the use of this new interoperable system must be a precondition for accessing Union funding in the next MFF; demands that the Commission create publicly accessible dashboards, allowing citizens to assess the value generated by EU funding; calls on the Commission to deploy advanced data analytics and AI tools to enhance performance tracking, evaluation and reporting, alleviate manual workload and streamline reporting processes, and prevent double funding and other risks to protect the EU's financial interests;

32. Demands that the Commission establish and publish clear thresholds for corrective measures, including severity levels, to guarantee equal treatment and consistent enforcement;

33. Insists that the fulfilment of milestones and targets must be assessed by the Commission, taking into account the data provided by Member States, and must follow a transparent and standardised methodology, with documented scoring and substantiated justification for any deviations above the legal threshold; calls for all assessment files to be made available to Parliament and the ECA;

34. Demands greater transparency in the implementation of performance-based instruments, requiring the timely publication of all Commission assessments, national reports, audit summaries and recovery actions, in formats that are accessible, comparable, verifiable and user friendly, ensuring that Parliament, the ECA and citizens can scrutinise the use of Union funds; stresses that access to information should follow a cascade approach, ensuring full and unrestricted real-time access for the ECA, a guaranteed and unrestricted right for Parliament to pose questions and request information, and appropriate, transparent access for citizens in line with the rulings of the Court of Justice of the European Union; recalls that all transparency measures must comply with data protection requirements under the GDPR and other relevant Union legislation; emphasises that the publicly available data must accurately reflect the actual implementation and progress of projects, rather than planned commitments or disbursements made solely for the fulfilment of milestones and targets under national

plans, thereby providing a genuine picture of results achieved on the ground;

35. Stresses that all Commission databases and information systems used for the collection, exchange and monitoring of data between the Commission and the Member States must be accessible to the ECA; underlines that the ECA should have direct and prompt access to the original data as recorded in the system, without prior modification, aggregation or editing by national authorities or Commission services; emphasises that such access is essential to ensure the independence, reliability and effectiveness of audits and to uphold transparency and accountability in the implementation of the Union budget;

36. Calls for enhanced reporting of performance-based instruments to include project-level data similar to that of the Cohesion Policy, providing the geographical distribution of funding and interventions at subnational level;

37. Calls for improved audit trails by requiring systematic documentation of verification steps and ensuring that records are complete, accessible and auditable at both EU and national levels;

38. Demands that the Commission put in place robust safeguards to ensure consistent, independent and high-quality audit work across all Member States, including through detailed methodological guidance, sustainable technical assistance wherever audit authorities show persistent weaknesses, and dedicated training on performance audit standards; insists that reliance on national authorities and external auditors must be conditional on compliance with these safeguards to prevent variability in control quality; calls on Member States to establish safeguards to ensure the independence of national audit authorities from the political and administrative bodies responsible for fund management;

39. Calls for the introduction of predictive analytic tools powered by AI as well as machine learning capabilities that would enable auditors to conduct real-time risk assessments, identify anomalies more effectively and perform value-for-money audits and targeted reviews in cases of consistent insufficiencies identified by the ECA; stresses the importance of leveraging automated data-mining tools and AI to identify anomalies while avoiding additional reporting obligations on compliant beneficiaries; recalls that such AI technologies must be utilised in full compliance with EU data protection rules and supported by comprehensive training for national audit authorities;

40. Requests that the Commission strengthen safeguards for financial instruments, including stricter management fee ceilings, transparent rules for direct awards, and controls to prevent double funding and breaches of State aid rules; demands that the management fee

ceilings, in particular for direct awards to fund managers for equity or quasi-equity products should not erode the value for money of Union support, especially where the volume of operations is modest;

41. Reiterates the need to enhance transparency by expanding the RRF Scoreboard model to all performance-based instruments, to improve the timeliness and comparability of national reporting, and ensure public access, traceability and accountability; urges the Commission to ensure full interoperability of EU and national data systems, to reduce manual inputs, improve data quality and enable real-time traceability down to the level of final beneficiaries; calls, in this context, on the Commission to ensure that data on the real, final recipients of performance-based instrument funding, including contractors and sub-contractors, is available in real-time to audit and discharge authorities as well as to the EPPO and the European Anti-Fraud Office;

42. Insists that Parliament's prerogatives as legislator, budgetary authority and discharge authority must be fully respected, and that it be granted access to all necessary data to exercise its functions;

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43. Instructs its President to forward this resolution to the Council and the Commission.