



Council of the
European Union

Brussels, 28 June 2023
(OR. en)

10982/23

AGRI 356
AGRIFIN 73
FIN 676

'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: Special Report No 06/2023 from the European Court of Auditors entitled:
“Conflict of interest in EU cohesion and agricultural spending – Framework
in place but gaps in transparency and detection measures”
- Approval of draft Council conclusions

1. The Permanent Representatives Committee instructed the Working Party on Financial Agricultural Questions (WP AGRIFIN) to examine the above-mentioned Special Report in accordance with the rules laid down in the Council conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors (doc. 7515/00 + COR 1).
2. At its meeting on 4 May 2023, WP AGRIFIN discussed the above-mentioned Special Report as well as the Commission's replies to that report.
3. In the light of those discussions, the Presidency drew up draft conclusions (doc. 10019/23) and presented them at the AGRIFIN meeting on 16 June. A deadline for written comments was set on 21 June. No comments were received. The text in doc. 10019/23 is considered final.

4. In accordance with the Council conclusions of 8 May 2000, the Permanent Representatives Committee is hereby invited to suggest to the Council that it approve the draft Council conclusions as set out in the Annex to this note as an 'A' item at a forthcoming session.
-

Draft Council conclusions

European Court of Auditors on its Special Report 6/2023 entitled:

“Conflict of interest in EU cohesion and agricultural spending: Framework in place but gaps in transparency and detection measures”

THE COUNCIL OF THE EUROPEAN UNION

1. NOTES the Court's Special Report No 6/2023 entitled “Conflict of interest in EU cohesion and agricultural spending: Framework in place but gaps in transparency and detection measures”, which examined whether the Commission and the Member States put in place effective policies and procedures to address the conflict of interest issues in Common Agricultural Policy and Cohesion payments;
2. TAKES NOTE of the Court's recommendations to the Commission to improve the capacity to prevent, detect and report conflicts of interest and to promote transparency, which the Commission accepts;
3. EMPHASIZES that effective policies and clear rules on avoiding and managing conflicts of interest are an essential part of good governance and sound financial management;
4. UNDELINES that the fight against conflicts of interest is an element of the general management and protection system of EU funds and must be seen in the context of a broader framework along with the fight against fraud and corruption, public procurement procedures, support for whistle-blowers and transparency procedures;
5. WELCOMES the Commission's efforts since the last amendment of the Financial Regulation to promote a uniform interpretation and application of the rules, and to raise awareness among Member States, external partners, and any other relevant factors, in particular the guidance encompassing practical examples, suggestions and recommendations.

6. ACKNOWLEDGES the potential of data-mining tools and the need to seek modern technological solutions bringing added value to the systems in place in Member States; TAKES NOTE of the limitations in data collection; EMPHASISES the need to ensure proportionality to the expected results and to reduce administrative burden; and STRESSES that the protection of privacy must be assured;
 7. NOTES that, since the completion of this Special Report, there has been further work and improvements in the internal control systems and procedures of the Commission and Member States in line with the recommendations of the Court.
-