Annual Activity Report
2024

Directorate-General
Neighbourhood and
Enlargement
Negotiations

Contents

DG NEAR IN BRIEF

The **mission** of the Directorate-General for Neighbourhood and Enlargement Negotiations (hereinafter DG NEAR ([1]) was to take forward the EU's neighbourhood and enlargement policies. It had 1645 **staff members** ([2]), of whom one third were located in headquarters, in Brussels, and two thirds in the EU Delegations/Offices in the partner countries.

DG NEAR was responsible for coordinating the implementation of the EU's **enlargement policy** and **European Neighbourhood Policy** (ENP). Under the ENP, DG NEAR supported political and economic reforms with the aim of creating a space of stability, security and prosperity.

In the enlargement area, DG NEAR assisted those countries with a perspective of joining the EU in meeting the criteria defined by the Treaty on European Union and the European Council. It closely monitored the progress of enlargement countries and supported accession negotiations. It managed the bilateral relations of the Union with these countries, frontloading reforms on rule of law, economic governance and strengthening democratic institutions, including through public administration reform.

DG NEAR managed most of the Union's financial and technical assistance to the neighbourhood (**European Neighbourhood Instrument** – ENI) ([3]) and enlargement (**Instrument for Pre-Accession Assistance** – IPA) ([4]) countries, amounting to EUR 28 billion in 2014-2020. Under the 2021-2027 Multiannual Financial Framework (MFF), IPA III and the neighbourhood part of the **Neighbourhood, Development and International Cooperation Instrument** (NDICI) ([5]) amount to some EUR 33 billion. In 2024, DG NEAR also led work on the implementation of the **Ukraine Facility (2024 – 2027),** the EUR 50 billion multiannual financing instrument providing **bilateral assistance for Ukraine,** and the EUR 6 billion **Reform and Growth Facility for the Western Balkans (2024 – 2027).**

DG NEAR was responsible for implementing part of the **European Fund for Sustainable Development Plus** (EFSD+, 2021-27) including the assessment, approval and implementation follow-up of blended finance operations and guarantees. This has significantly reinforced the capacity of the EU to support socio-economic development in the neighbourhood and enlargement countries. DG NEAR's institution-building instruments – **Technical Assistance and Information Exchange (TAIEX)** ([6]) and **Twinning** ([7]) – strategically supported the implementation of the Commission's priorities in DG NEAR partner countries and beyond.

([1]) As of 1 February 2025, DG NEAR has been replaced by Directorate-General for Enlargement and Eastern Neighbourhood (DG ENEST) and Directorate-General for the Middle East, North Africa and the Gulf (DG MENA).
([2]) As of 1 December 2024, excluding external providers, trainees and interims.
([3]) OJ L 77, 15.3.2014.
([4]) OJ L 330, 20.9.2021.
([5]) OJ L 209, 14.6.2021.
([6]) Technical Assistance and Information Exchange. TAIEX Website – https://ec.europa.eu/taiex
([7]) Twinning is a European Union instrument for institutional cooperation between Public Administrations of EU Member States and of beneficiary or partner countries. Twinning Website – https://ec.europa.eu/twinning

EXECUTIVE SUMMARY

This annual activity report is a management report of the Director-General of DG NEAR to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ([8]).

A. Key results and progress towards achieving the Commission's general objectives and DG NEAR's specific objectives

General objective 4: A Stronger Europe in the World	
Specific Objective 4.1	The Western Balkans, Ukraine, Moldova, and Georgia are brought closer to the EU based on a credible, merit-based accession perspective and application of the revised enlargement methodology
Specific Objective 4.2	Economic development in the Western Balkans is strengthened and regional cooperation and neighbourly relations are improved
Specific Objective 4.3	A sustainable basis for improved relations with Türkiye is ensured
Specific Objective 4.4	Take the Eastern Partnership to the next level
Specific Objective 4.5	Stability, resilience, economic development and regional integration are reinforced through our cooperation and policy dialogue in the Southern Neighbourhood
Specific Objective 4.6	Ukraine's short-term recovery, and medium-term reconstruction and modernization are supported
General objective 1: A European Green Deal	
Specific Objective 1.1	The implementation of the external dimension of the European Green Deal is supported in partner countries
General objective 3: An economy that Works for People	
Specific Objective 3.3	Inclusive and sustainable economic growth, better employment and increased connectivity are supported in partner countries
General objective 2: A Europe fit for the digital age	
Specific Objective 2.1	Increased take-up of digital opportunities in partner countries
General objective 5: Promoting our European Way of Life	
Specific Objective 5.1	Effective migration management with partner countries is in place

A stronger Europe in the world (general objective 4)

Concerning the **Western Balkans,** accession negotiations with **Montenegro** entered a decisive phase, with the closure of three negotiating chapters upon the country's meeting the negotiating benchmarks in the rule of law area. Negotiations continued with **Serbia** and there was an unprecedented momentum in talks with **Albania**, with two clusters of negotiating chapters opened in the last quarter of 2024. *Acquis* screening was completed with **North Macedonia**, and the EU is fully prepared to open accession negotiations on the Fundamentals cluster, once the country fulfils the conditions stipulated in the Council Conclusions. In March 2024, the European Council decided to open accession negotiations

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([8]) Article 17 (1) of the Treaty on European Union.

NEAR_AAR_2024

with **Bosnia and Herzegovina**. The Commission will prepare an opinion on **Kosovo**'s[*] membership application as soon as requested to do so by the Council.

The annual report on **Türkiye**, adopted on 30 October 2024, noted good progress on economic and monetary policy. However, there was no progress on the rule of law and protection of fundamental rights and serious concerns remain in these areas.

In 2024, Russia's war of aggression against **Ukraine** continued to have a significant impact on the **Eastern Neighbourhood** region as a whole. The Eastern Partnership policy, together with the EU enlargement agenda, guide the EU's relations with the Eastern Neighbourhood.

The first intergovernmental conference marking the formal launch of the accession negotiations with **Ukraine** took place in June 2024.

In June 2024, accession negotiations were also opened with **Moldova** and the first screening report presenting the country's alignment with the fundamentals cluster of the EU *Acquis* was submitted to the Council. **Georgia's** EU path has been jeopardised due to backsliding on the steps set out in the Commission's recommendation for candidate status, de facto leading to a halt of the accession process.

Cooperation with **Armenia** saw a new impetus in 2024, with negotiations starting on a new EU-Armenia Partnership Agenda, underpinned by a EUR 270 million Resilience and Growth Plan which DG NEAR started to roll out. A Visa liberalisation dialogue was launched in September. Engagement with **Azerbaijan** focused on pursuing a positive cooperation agenda in the areas of mutual interest, including on Mine Action with a Team Europe initiative launched in May and in the context of the COP-29 held in Baku in November. A peace deal between **Armenia** and **Azerbaijan** failed to materialise despite significant effort by the EU and its partners throughout 2024.

Support for civil society, human rights and independent media in **Belarus** and **Russia** continued. A series of political and cultural events showcasing support to the People of Belarus, the "Belarus days", were organised jointly by the EU institutions in December.

In the **Southern Neighbourhood**, in the context of ongoing conflict and instability in the Middle East, the EU mobilised resources to respond to the situation and signed comprehensive and strategic partnerships with Egypt and Tunisia. In parallel, the EU continued rolling out the **Economic and Investment Plan** of the Joint Communication on a Renewed partnership with the Southern Neighbourhood ([9]).

A European Green Deal (general objective 1)

The green transition continued to be promoted in policy dialogues with partner countries, as well as bilateral and regional/multi-country projects and investments. In the **Western Balkans and Türkiye** (IPA III), the climate financing contribution in 2024 was 23.36%, exceeding its target of 18%.

(*) This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ opinion on the Kosovo Declaration of Independence.
([9]) JOIN (2021) 2 of 9/02 2021.

In the **Eastern and Southern Neighbourhoods**, DG NEAR achieved some progress on climate financing, reaching a cumulative contribution of 14.9% by the end of 2024 for the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE) Neighbourhood window (2021-2024). However, further efforts are required to meet the 30% climate financing target. DG NEAR was well represented at the climate COP in Baku, Azerbaijan, where it showcased relevant EU support for global climate action under the Paris Agreement.

An economy that works for people (general objective 3)

In 2024, DG NEAR continued the implementation of the three **Economic and Investment Plans** [10], which contribute to the EU's Global Gateway strategy [11]. Since their launch in 2021, more than EUR 57 billion of expected investments have been mobilised (figures as of mid-November 2024).

In 2024, DG NEAR began implementation of the **Growth Plan for the Western Balkans,** with the aim of bringing the region closer to the EU through frontloading some of the benefits and obligations of EU membership, boosting economic growth and accelerating socioeconomic convergence. Reform agendas were approved for five of the six beneficiaries, and the first investments under the plan were submitted for approval.

DG NEAR also prepared a **Growth Plan for Moldova**, which was adopted by the Commission and submitted to the co-legislators.

The new **Ukraine Facility** was deployed in March 2024 to provide EUR 50 billion of financial support for Ukraine over the 2024-2027 period. The Facility caters both for short-term State and recovery needs and medium-term reconstruction and modernisation of Ukraine linked with EU accession.

The Commission co-chairs the **Ukraine Donor Platform**, established in January 2023. So far, the Platform has brought together 23 permanent and temporary members and observers and 7 participants, including international financial institutions and organisations. The secretariat is shared between the EU (hosted at DG NEAR) and Ukraine. Thanks to the work of the Platform, the Government of Ukraine's immediate financing needs in 2023 and 2024 were met.

A Europe fit for the digital age (general objective 2)

DG NEAR continued to work towards increasing the take-up of digital opportunities in the enlargement and neighbourhood countries, including by facilitating the reduction of roaming charges, by investing in digital infrastructure, and by further strengthening the institutional capacities. A particular focus was given to e-governance and data protection, cybersecurity and supporting the development of digital skills and high-tech entrepreneurship. In order to increase the capacities of EU Delegations to support partner countries in the digital transformation, tailored digital training modules were developed and subsequently delivered to the Delegations in Albania and Moldova in 2024.

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[10] Economic and Investment Plan for the Western Balkans; Economic and Investment Plan for the Eastern Neighbourhood; Economic and Investment Plan for the Southern Neighbourhood
[11] https://international-partnerships.ec.europa.eu/policies/global-gateway/global-gateway-overview_en

Promoting our European way of life (general objective 5)

DG NEAR continued to play a pivotal role in supporting effective migration management in partner countries and adapted its actions to new and ongoing challenges, driven by geopolitical, socio-economic, and environmental factors. Conflicts in Israel, Lebanon, and Sudan, coupled with the ongoing repercussions of Russia's war of aggression against Ukraine and regional economic downturns, contributed to irregular migration towards Europe. The EU's migration policy rapidly evolved with the adoption of the New Pact on Migration and Asylum on 11 June 2024.

B. Key performance indicators

The four key performance indicators (KPIs) presented in the following tables mirror those set in DG NEAR 2020-2024 Strategic Plan. The first KPI relates to the Enlargement Policy, the second to the European Neighbourhood Policy, the third KPI shows the number of direct jobs supported/sustained by the EU in the enlargement and neighbourhood partner countries, and the fourth KPI provides the estimated risk at closure – residual error rate.

KPI 1: Degree of readiness of Western Balkans on EU approximation and acquis		
Explanation: This indicator shows where the enlargement countries stand in terms of their alignment with the EU *acquis* across all chapters and EU related reforms. It is given as the sum of Western Balkan beneficiaries. It is measured on a scale from 1 to 5. **Source of data:** Annual Enlargement reports, European Commission		
Baseline [12] **(2019)**	**Interim Milestone** **(2022)**	**Target** **(2024)**
2.49	Increase	Increase
Latest known results (2024): 2.65		

Performance evolution: The value for this indicator increased thanks to improvement in the state of preparedness in North Macedonia (three policy areas), Albania (four areas), Montenegro (four policy areas), Kosovo (five policy areas and Serbia (five policy areas). Indicators for all other policy areas remained the same.

KPI 2: Number of partnership priorities, Association agendas, or equivalent documents, which are revised, adopted or agreed with Eastern and Southern Neighbourhood partners
Explanation: The indicator monitors the number of key bilateral policy documents (Partnership priorities, Association Agendas, or equivalent documents) revised and adopted during the period. Since the indicator measures the evolution during 2020-2024 period, the base is set at 0. It does not imply that no action was taken in the past.
Eastern Neighbourhood partners [13]   **Source of data**: EU Results Framework

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[12] The baseline provided in the Strategic Plan included Western Balkans and Türkiye (the latter is not in the title of the indicator); therefore, the baseline is corrected from 2.6 to 2.49 for Western Balkans only. The methodology of calculation of the indicator is explained in Annex 2.

[13] The EU's relations with its eastern neighbours are guided by the Global Strategy, the revised Eastern Partnership (EaP) policy and – since the decision of the European Council in June to grant Ukraine, Moldova and Georgia a European perspective and Ukraine and Moldova EU candidate status – the EU's enlargement policy.

Baseline (beginning 2020)	Interim Milestone (2022)	Target (2024)
0	4	5

Latest known results (2024): 5

Armenia: Partnership Priorities (adopted in 2018) remain in force and guide cooperation.
The Comprehensive and Enhanced Partnership Agreement entered into force in March 2021. Negotiations on a new EU-Armenia Partnership Agenda with a view to strengthening relations started in 2023.
Azerbaijan: Partnership Priorities were extended in August 2021 until 2024. Negotiations on a new framework agreement are ongoing.
Georgia: The Association Agenda covering the period 2021-2027 (last updated in 2022) remains valid.
Moldova: The EU-Moldova Association Agenda for 2021-2027 adopted on 22 August 2022 remains valid.
Ukraine: The Association Agenda (last update in 2015) remains valid.

Southern Neighbourhood partners
Source of data: European Commission

Baseline (2020)	Interim Milestone (2022)	Target (2024)
8	8	8

Latest known results (2024): 8
Association Agreements are in force with 8 of the 10 southern partners (excluding Libya and Syria). New Partnership Priorities for the period of 2021-2027 were adopted with Jordan and Egypt, following the Association Councils held in summer 2022. For the remaining countries, the previous Partnership Priorities, valid until 2021, were extended (except Morocco, for procedural reasons), and new ones are being negotiated. EU agreed texts were transmitted to Tunisia, Morocco and Lebanon, and the EU is waiting for the reply of these partners. Work is still ongoing for Algeria. Regarding Palestine (*) and Israel, the current political situation halted negotiations, so the current Action Plans are extended until January 2025. For Syria and Libya, no Joint Documents are under consideration, and programming is done under EU Special Measures.

Performance evolution: In the **Eastern Neighbourhood**, the first Intergovernmental Conference for Moldova and the first Intergovernmental Conference for Ukraine were held on 25 June and led to the opening of accession negotiations followed by the start of the screening process. Explanatory meetings on the EU *acquis* for both Moldova and Ukraine, held between February and May, were fully supported by TAIEX as were the 51 screening meetings organised from July onwards. The developments in Georgia which led de facto to a halt in the accession process, were exacerbated by the decision of the Georgian government in November to not proceed with the enlargement process until the end of 2028. In the **Southern Neighbourhood,** in March, the EU and Egypt agreed on a comprehensive and strategic partnership covering political relations, macroeconomic stability, sustainable investment and trade and in June 2024, Tunisia and the EU signed a strategic partnership specific on energy. The European Union and Jordan held the fifteenth meeting of their Association Council on 15 July 2024 in Brussels, in which they reviewed their increasingly dynamic and multifaceted partnership and started working on a Comprehensive and Strategic Partnership (signed in January 2025).

(*) This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

KPI 3: Number of direct jobs supported/sustained by the EU		
Explanation: The number of jobs supported through EU Programmes **Source of data:** EU results Framework, IPA Performance Framework		
Baseline (2018)	**Interim Milestone** **(2022)**	**Target** **(2024)**
IPA: 2 388 ([14])	Increase	Increase
Latest known results (2024) ([15])**:** Neighbourhood East: 601 100 Neighbourhood South: 426 967 Enlargement: 2 259 109		

Performance evolution: The number of jobs supported through EU programmes continued to increase in 2024 despite unfavourable external factors (political instability, COVID-19 socio-economic impact, energy crisis, etc.).

KPI 4: Estimated risk at closure (residual error rate)		
Explanation: The estimated risk at closure is based on the results of the Residual Error Rate (RER) study, which provides a conservative estimation of the residual errors not detected by the internal control system, in order to conclude on its effectiveness. **Source of data:** DG NEAR annual activity report		
Baseline **(2019)**	**Interim Milestone** **(2022)**	**Target** **(2024)**
0.53%	< 2% of relevant expenditure	< 2% of relevant expenditure
Latest known results (2024): 2024: estimated risk at closure: 0.44%. Global RER rate DG NEAR: 0.74%. In 2024, the target for this KPI was achieved, as the estimated risk at closure of DG NEAR stayed below the 2% materiality threshold.		

Performance evolution: Overall, this KPI shows a consistent trend since 2016: DG NEAR's estimated risk at closure has remained below the materiality threshold of 2% for the whole period.

C. Key conclusions on internal control and financial management

In line with the Commission's Internal Control Framework DG NEAR has assessed its internal control systems during the reporting year and has concluded that it is partially effective, as internal control principles 10 ([16]) and 12 ([17]) need major improvement which could have an impact on the assurance. Section 2.3 provides further details.

([14]) The corresponding baseline figure for ENI is 38 808 jobs supported during the whole period 2013-2018.
([15]) Values are cumulative. For neighbourhood 2014 to 2022. For enlargement, 2018 to 2022.
([16]) ICP 10 – The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
([17]) ICP 12 – The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.

In addition, DG NEAR has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Section 2 provides further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the identified internal control deficiencies described in section 2.3. Relevant measures and reinforcements are being implemented, as explained in section 2. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance albeit qualified by a **reservation** concerning external restrictions to control financial programmes in Libya, Syria and Ukraine (non-quantified reservation).

D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the Director-General of DG NEAR and the Commissioner on management matters, the main elements of this report and assurance declaration including the reservations envisaged have been brought to the attention of Commissioner Vàrhelyi responsible for neighbourhood and enlargement negotiation until 30 November 2024 and Commissioner Kos, responsible for enlargement and Eastern neighbourhood since 1 December 2024.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT

1.1 General objective 4: A stronger Europe in the world

Specific objective 4.1: The Western Balkans, Ukraine, Moldova, and Georgia are brought closer to the EU based on a credible, merit- based accession perspective and application of the revised enlargement methodology

The enlargement process entered a new phase in 2024. Following the December 2023 European Council decision, negotiations with **Ukraine and Moldova** were opened on 25 June 2024, and the Commission started bilateral screening meetings with both countries.

The first ever joint meeting of the **Ukraine** government and the European Commission College took place in February 2024 and was a clear testimony of the shared determination to enhance Ukraine's integration with the EU. The first intergovernmental conference marking the formal launch of the accession negotiations with Ukraine was held in June 2024, and bilateral screening meetings started in July.

Moldova continued its efforts to advance on its EU integration path with the opening of accession negotiations on 25 June and the start of the screening process in July. At the same time the country coped with the unprecedented challenges resulting from Russia's war of aggression against Ukraine and intensified hybrid actions from Russia and its proxies seeking to destabilise the country. Following a referendum in October 2024, Moldova officially enshrined EU accession in its Constitution.

Upon Council decision recognising that **Montenegro** had met the interim benchmarks in rule of law, the intergovernmental conference of 26 June 2024 set the closing benchmarks for this area and paved the way to provisionally closing three negotiating chapters at the intergovernmental conference of 16 December 2024 – for the first time in a number of years in EU enlargement process.

The EU also continued negotiations with **Serbia**, with the Commission concluding on technical readiness to open the cluster of competitiveness-related negotiating chapters and submitting negotiating positions for two chapters to the Council.

In the last quarter of 2024, two clusters of negotiating chapters - fundamentals and external relations – were opened with **Albania**, marking a significant progress in the country's accession process.

Following the completion of screening with **North Macedonia** at the end of 2023, the country's authorities continued working on the fulfilment of their benchmarks for an immediate start of accession negotiations.

In March 2024, the European Council decided to open accession negotiations with **Bosnia**

and Herzegovina. The Commission was invited to prepare the negotiating framework with a view to its adoption by the Council the moment the country takes all relevant steps set out in the Commission's recommendation of 12 October 2022. The Commission will continue to support Bosnia and Herzegovina in adopting reforms to take all relevant steps and will present the negotiating framework in Council in due time.

The developments in **Georgia** since the granting of candidate status in December 2023 have *de facto* halted the accession process. The European Council at its meeting in December 2024 and recalling its conclusions from June and October, expressed its serious concern regarding developments in Georgia. Furthermore, the Georgian government announced in November 2024 they would not proceed with the enlargement process and to reject EU budgetary grants until the end of 2028.

EU support to **Kosovo**'s EU aspirations continued, however the EU has been implementing reversible measures vis-à-vis Kosovo following tensions in the north of Kosovo in 2023. In its December 2024 conclusions on enlargement, the Council noted that the EU will gradually lift these measures in parallel with further steps by Kosovo to de-escalate the tensions.

In October 2024, the Commission adopted its **2024 Enlargement package** ([18]), which included ten country reports focusing on fundamental reforms and emphasising the importance of rule of law-related reforms as well as common foreign and security policy alignment in the enlargement process, given the current geopolitical context.

The implementation of the **Growth Plan for the Western Balkans** is well underway. The related EUR 6 bn **Reform and Growth Facility** entered into force on 25 May 2024. The reform agendas of Albania, Kosovo, Montenegro, North Macedonia and Serbia were approved by the Commission in October 2024, with pre-financing payments expected in the first half of 2025. Bosnia and Herzegovina had not submitted a final internally agreed Reform Agenda by the end of 2024.

The Growth Plan also foresees **gradual integration**, i.e. opening up of specific areas of the EU Single Market to the partners, upon alignment with the EU *acquis*. In November 2024 Montenegro and Albania joined the Single Euro Payment Area, with others set to join in 2025. Various EU initiatives in the digital and innovation domain were extended to the Western Balkans, and progress was made on the EU-Western Balkans Green Lanes (border crossings) and conformity assessment and accreditation agreements.

The Commission continued to play an important political role in top level relations between the EU and the region, particularly in the **EU-Western Balkans Summit** in Brussels on 18 December 2024 and in the **Berlin Process Summit** on 14 October 2024, as well as a series of meetings of Western Balkans leaders dedicated specifically to the implementation of the Growth Plan, three hosted by the region (Skopje in January, Tirana in February and Kotor in May) and one hosted by President von der Leyen (Brussels in September).

Communication priorities for audiences in the Western Balkans included the Berlin Process Summit, the annual Enlargement Package and the EU-Western Balkans Summit in

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([18]) COM(2024)690 of 30 October, 2024 Communication on Enlargement Policy.

NEAR_AAR_2024

December. In addition, communication focused on the Growth Plan for the Western Balkans and the Western Balkans Facility, the Economic and Investment Plan, and enlargement process via variety of communication activities and products. The **EU regional strategic communication programme for the Western Balkans**, *WeBalkans,* organised successful integrated campaigns 'Culture connects' and the second edition of the 'Made of us' influencers' campaign (with more than 1,27 million engagements, notably from young people). The number of followers on *WeBalkans* social media increased to more than 43 000. The network of **Young European Ambassadors (YEAs)** from across the region was further strengthened and currently stands at 240. *WeBalkans* programme organized – for the first time – face-to-face survey in all Western Balkans partners, providing insights into public perceptions of the EU.

The College of Europe embarks on the Western Balkans:

In 2024, **the College of Europe opened a new campus in Tirana**, with over 30 students enrolled for a Master's programme on European Transformation and Integration. The campus strengthens EU-Western Balkans collaboration, promoting mutual understanding and preparing future leaders to drive the region's integration with the EU. The EU support totals EUR 2.6 million, covering operational costs and scholarships for 15 Western Balkan students over three years. Additionally, the European Commission and the College of Europe have launched the first Diplomatic Programme for Enlargement Countries. The inaugural cohort of junior diplomats will start studies in Bruges in February 2025.

Specific objective 4.2: Economic development in the Western Balkans is strengthened and regional cooperation and neighbourly relations are improved

DG NEAR continued to support regional cooperation and good neighbourly relations in the Western Balkans focusing primarily on the **connectivity of infrastructures, economies and people**. The initiatives of the EUR 9 billion Economic and Investment Plan (EIP) and the Green Agenda for the Western Balkans ([19]), are key vehicles for the implementation of these ambitions. The plan foresees development of transport and energy infrastructure,

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([19]) COM(2020)641 of 6 October 2020, Economic and Investment Plan for the Western Balkans.

regional digital, innovation and green agendas, as well as initiatives aimed at developing the private sector and building human capital. The Commission continued the implementation of the EIP, which at the end of 2024 had unlocked EUR 17.1 billion in total investments. In 2024, the Commission adopted seven new connectivity projects under the Western Balkans Investment Framework (WBIF) directly contributing to the EIP, with a total investment value close to EUR 1 billion, in addition to the 61 projects adopted in 2021-23 and 21 EFSD+ loan guarantees, promoting development of private sector and its green and digital transition.

The launch of the Growth Plan for the Western Balkans at the end of 2023 also marked a new incentive for regional cooperation. A new four-year Action Plan for the implementation of the **Common Regional Market (CRM)** initiative was adopted by the Western Balkans Leaders in October 2024, foreseeing further integration of the region in terms of the four freedoms of movement fashioned after those in the EU. The leaders also adopted a new agreement on access to study across the region.

Significant progress was also made in the framework of the Central European Free Trade Agreement (CEFTA), with a compromise solution agreed by the parties, which enabled the unblocking of the decision-making process in the organisation after an 18-month long standstill. As a result, ten decisions and agreements which were ready at technical level were finally adopted in October 2024, marking significant progress in the implementation of various strands of the CRM.

Continuous efforts were made to encourage the implementation in good faith by all parties of existing agreements, including the Prespa Agreement between North Macedonia and Greece and the Treaty on Good Neighbourly Relations between North Macedonia and Bulgaria.

As regards the EU-facilitated Belgrade-Pristina dialogue, the situation remained tense even though there had been some progress in the normalisation of relations. There were disagreements about the implementation of the Ohrid Agreements and further escalations in the north of Kosovo. The EU continues to urge both Kosovo and Serbia to immediately and unconditionally de-escalate the situation and return to the process of normalisation of relations.

Specific objective 4.3: A sustainable basis for improved relations with Türkiye is ensured

The annual enlargement report on **Türkiye**, adopted on 30 October 2024, noted good progress on economic and monetary policy. However, there was no progress on the rule of law and protection of fundamental rights and serious concerns remain in these areas.

Following the April 2024 strategic guidance of the European Council, relations with Türkiye were marked by a gradual re-engagement. Three high level dialogues took place in 2024, including the newly established High-Level Dialogue on Trade. The Council's Conclusions on Enlargement of December 2024 endorsed the reinstatement of the High-Level Dialogue on Economy, as well as the invitation to the European Investment Bank to examine the conditions for a gradual re-engagement of its operations in priority areas.

Türkiye sustained its outstanding efforts to host millions of refugees from Syria and other countries. EU refugee support committed to Türkiye to date has reached almost EUR 11 billion (EUR 9.4 billion contracted and EUR 8 billion disbursed), including the EUR 6 billion provided under the **Facility for Refugees in Turkey**.

Through this assistance, approximately 1.45 million refugees in Türkiye continue to receive basic needs support, while over 800 000 refugee children benefit from educational support. Healthcare and protection services are being delivered to millions of refugees and host communities. Furthermore, EUR 878 million was provided to strengthen Türkiye's migration policies and border management along its eastern and southeastern border (out of the total EUR 11 billion).

Successful cooperation with the Turkish authorities, coordinated by the Presidency for Migration Management, resulted in the full commitment of the EUR 1 billion refugee package in 2024 to support priority areas, including education, basic needs, municipal infrastructure, health, social cohesion, as well as migration management.

With **IPA III funds**, the EU promotes common EU-Türkiye interests with a policy-driven approach focusing on Union priorities. In 2021–2024, the bilateral funding reached close to EUR 1 billion. It consisted of the Annual Action Plans for Türkiye, support through the Civil Society Facility and Media Programme, IPARD and cross-border cooperation programmes. Under IPA III, the EU has significantly reduced financial support to Türkiye compared to the IPA II period, in view of backsliding on reforms as evidenced in the Türkiye enlargement reports. In 2024, DG NEAR launched the multiannual programming exercise for 2025–2027 to allow for continuous funding in strategic sectors.

The last Operational Board meeting on the EFSD+ took place on 18 December 2024. The EFSD+ budget line for Türkiye – under the **Turkey Investment Platform** – has so far set aside EUR 200 million of provisioning for budgetary guarantees to support (i) European Investment Bank (EIB) dedicated EFSD+ guarantees and (ii) EFSD+ open architecture guarantees.

Specific objective 4.4: Take the Eastern Partnership to the next level

The **Eastern Partnership** (EaP) policy continued to deliver tangible results, positively impacting citizen's lives. Complementarity with EU enlargement policy was prioritised and reflected in regional assistance which contributes to strengthening resilience across the EaP. It also builds on the progress already achieved under the **Economic and Investment Plan** (EIP) which since 2021 has unlocked EUR 13.9 billion of investments in the EaP region.

The governance pillar continued to provide support across a wide range of sectors through the implementation of financial assistance. In particular, support was provided to conflict affected communities, human rights defenders and pro-democracy actors to assist them with shrinking civic space, as well as for inclusive societies across five priority areas – education, culture, youth, health and social economy.

Cooperation with **Armenia** on its ambitious reform agenda achieved a new level in 2024. Negotiations started on new EU Partnership Agenda, underpinned by a EUR 270 million

Resilience and Growth Plan, announced by President von der Leyen in April 2024. The launch of the visa liberalisation dialogue in September 2024 represented another significant milestone in EU-Armenia relations. Support for the emergency needs of the displaced population continued to be provided.

Negotiations on a new **EU-Azerbaijan** comprehensive agreement to replace the expired Partnership Priorities are ongoing. The Financing Agreement for the Annual Action Programme for 2023 was not signed by the government before the end of 2024. Engagement nevertheless focused on areas of mutual interest, including renewable energy, transport connectivity, and mine action. COP29 in Baku in November provided an additional opportunity for stronger cooperation.

No engagement with the **Belarusian** authorities takes place. The EU continued to provide support to the citizens of Belarus inside and outside of the country for civil society, human rights, independent media and education, as well as for mobility. A series of political and cultural events showcasing support to the People of Belarus, the "Belarus days", were organized jointly by the EU institutions in December.

Fifteen sanctions packages had been adopted by the EU against **Russia** to add to previous measures taken following the annexation of Crimea and the non-implementation of the Minsk agreements. Support for civil society organisations (CSO), human rights and independent media is continuing.

Actions taken by the **Georgian** authorities in the autumn 2024 run counter to EU values and principles, which has de facto led to the halting of the accession process. These actions included the adoption of the laws on "Transparency of foreign influence" and on "Family values and protection of minors", backsliding on the steps in the Commission's recommendation for candidate status and with increasing acts of intimidation, threats and physical assaults. The EU mobilised additional support to CSOs while assistance directly benefiting the Georgian authorities was cancelled or withheld.

Moldova coped with intensified hybrid actions seeking to destabilise the country, demonstrating its resilience. A Moldova Growth Plan has been proposed to accelerate socio-economic and fundamental reforms, enhance access to the EU single market and increase financial assistance through a dedicated Reform and Growth Facility. Towards the end of the year, it became clear that the situation with energy supply was becoming critical and that support would be needed by the Moldovan authorities to deal with the evolving situation.

In total, the financing decisions adopted for the programmes in the six Neighbourhood East partner countries, excluding bilateral funding for Ukraine, amounted to EUR 474 million (the funds allocated for Georgia were not committed and were carried over to 2025).

Russia's war of aggression against **Ukraine** continued to cause unprecedented human suffering and destruction of physical infrastructure. DG NEAR stepped up its engagement with Ukraine including political dialogue and financial support. The **Ukraine Facility** was deployed in March 2024.

In 2024, **EU Neighbours East communication programme** ran a total of 30 campaigns, including the **#ShapeYourFuture with the EUinfluencer** campaign, the largest to date.

The use of social media was enhanced through strategic partnerships with **68 leading media and popular bloggers,** amplifying the reach to 24 million people through traditional and online media and another 30 million through social media channels (double the year before). The digital presence was bolstered by significant website traffic, which saw almost 2.8 million page views (up from 1 million the year before) from almost 690,000 users. Finally, the Young European Ambassadors (YEAs) programme continued to promote the EU to their peers and beyond, with **583 active YEAs** undertaking almost 300 new activities and reaching over 13 500 individuals face-to-face.

Specific objective 4.5: Stability, resilience, economic development and regional integration are reinforced through our cooperation and policy dialogue in the Southern Neighbourhood

In the Southern Neighbourhood, the **Israel-Hamas war** and its spillover effects added to the protracted fragilities and increased the level of uncertainty regarding political, social and economic stability in the region. In the Middle East, the EU mobilised resources to respond to this situation, providing Emergency Financing to the **Palestinian Authority**, while at the same time agreeing with the Palestinian Authority on a Comprehensive package addressing the critical budgetary and fiscal situation. During 2024, the EU remained committed to support Palestinian refugees via UNRWA, having paid EUR 92 million into the Programme budget through 3 tranches, while having closely monitored the implementation of the recommendations of the Independent Review Group report as well as the EU's audit to enhance neutrality, accountability and strengthen control and oversight.

In April, the European Commission proposed for **Jordan** a Macro-Financial Assistance worth up to EUR 500 million and started in the second half of 2024 to work on a Comprehensive and Strategic Partnership Agreement (signed in January 2025), while for **Lebanon**, the President of the European Commission announced in May a EUR 1 billion financial assistance package. As regards **Israel** an additional EUR 10 million allocation to Yad Vashem allowed to emphasise the EU's support to fight antisemitism.

The VIII Brussels Conference on Supporting the future of **Syria** and the region raised a total amount of EUR 7.5 billion of pledges, including EUR 2.12 billion from the EU and its Member States for 2024 and 2025. At the end of 2024, Syria's political landscape witnessed a dramatic shift, culminating in the fall of Assad's regime. Following the fall of the regime, a "temporary government" was established, led by Hayat Tahrir al-Sham (HTS). The new leadership has been focusing on securing legitimacy both domestically and internationally, as it grapples with the daunting task of stabilizing the country. Security remains a critical concern following the regime's collapse. While the 2024 special measure for Syria was still adopted in line with the 2018 Council Conclusions, the special measures for **Lebanon** (2024-2025) and **Jordan** (2024) were adopted to continue supporting hosting countries for the benefit of refugees, vulnerable hosting communities and population in Syria, while also contributing to create the condition for safe, dignified and voluntary return.

In March, the EU and **Egypt** agreed on a comprehensive and strategic partnership covering political relations, macroeconomic stability, sustainable investment and trade, followed in June by an EU-Egypt Investment Conference gathering over 1000 companies. The EU-**Tunisia** comprehensive agreement (signed in 2023) was being implemented, for instance with the EU-Tunisia investment conference held in June 2024, during which a strategic partnership specific on energy, including renewable, was signed. In June, the first EU-**Jordan** Business Forum took place in Amman to enhance trade relations and investment climate. In addition, two association committees were held with Egypt (January) and Jordan (July).

In 2024, NEAR continued rolling out the **Economic and Investment Plan** of the Joint Communication on a Renewed partnership with the Southern Neighbourhood (February 2021). Since 2021, the EU has unlocked an estimated EUR 26.6 billion of investments through, *inter alia*, blending grants to concessional loans in the clean energy, water and sanitation, education, and digital sectors. The Social Entrepreneurship Fund was signed in 2024, to facilitate access to finance for innovative and social enterprises.

Regional cooperation and policy dialogue in the Southern Neighbourhood continued to support socio-economic development and regional integration. The region is one of the least integrated in the world, and progress in this respect remains fragile. DG NEAR continued to support the Union for the Mediterranean (UfM) and the Anna Lindh Foundation. The regional Team Europe initiative "Jobs through trade and investment in the Southern Neighbourhood" gained further momentum with a UfM Trade and Investment Forum in Morocco in November 2024. The Commission joined forces with five Member States, the EIB, European Bank for Reconstruction and development, and the European Training Foundation, to boost economic development and employment in the region, collectively mobilising up to EUR 2.9 billion. This led to the establishment of the first ever regional impact fund, jointly with Germany/KfW-Development Bank. In terms of regional cooperation, new initiatives on green economy, women economic empowerment and youth engagement were launched, and programmes on culture, security, digital connectivity, job creation through sustainable trade, e-commerce and social entrepreneurship were prepared.

In 2024, the **EU Neighbours South regional communication programme for the Southern Neighbourhood region** resumed its two major campaigns (on hold since October 2023): Eyes on Earth on environment, and TANDEM Media Awards – the latter culminating in the Connect Summit for young influencers and a press trip for students in journalism and early career journalists. EU Neighbours South continued to see significant growth on social media, with a followers' growth rate of **5,7%**, reaching a total of **434,200 followers** with over **20,000** impressions.

In response to the war in the Middle East, the EU Neighbours South continued to reinforce the message of the EU's solidarity, underscore its dedication to empowering and supporting the region's youth, and showcase the tangible benefits derived from EU-funded initiatives. Intensive communication activities promoted the Syria conference, including a culture week featuring Syrian artists.

TAIEX and Twinning

DG NEAR's institution-building tools, TAIEX and Twinning, continued to strategically support the implementation of the Commission priorities in partner countries, in a Team Europe approach. In total 513 TAIEX events were organised for DG NEAR partner countries including to support the EU accession process, the fight against corruption, improvement of public procurement and commitment to de-oligarchisation. Two TAIEX high level events on the European integration process took place in Belgrade in June 2024 and in Moldova in November 2024 with the participation of Chief negotiators or equivalent from Albania, Bosnia and Herzegovina, Moldova, Montenegro, North Macedonia, Serbia and Ukraine.

DG NEAR operated four Service Level Agreements (SLAs) with other Commission services (DGs INTPA, REGIO, ENV, and REFORM) that make TAIEX and Twinning available to EU partners in the rest of the world. A total of 388 TAIEX events were organised under the SLAs, giving a grand total of 901 TAIEX events in 2024.

In 2024, 82 Twinning projects were ongoing and 34 new ones signed to help modernise public administrations. Twinning was also mobilised to support the enlargement process (for the Moldovan Parliament and for the Moldova Competition Council).

Specific objective 4.6: Ukraine's short-term recovery and medium-term reconstruction and modernisation are supported

The new **Ukraine Facility** was deployed in March 2024, as an innovative single instrument combining non-repayable support and highly concessional loans aimed to support Ukraine's macro-financial stability, mobilise investments for recovery and reconstruction, and leverage key reforms in line with Ukraine's path towards EU membership. With a very intense **roll-out phase** – both on the EU and Ukraine side – the Facility achieved major results during 2024.

The first result was the release of **exceptional bridge financing** in March-April 2024, against policy conditions set out in a dedicated Memorandum of Understanding and linked to important reforms in the fight against corruption, money laundering and sound financial management, among others.

In parallel, in March Ukraine submitted its official **Ukraine Plan**, that paved the way for regular payments conditioned to the reform and investment agenda of Ukraine until 2027. The Plan is meant as an overall strategic document, fully owned by Ukraine and anchored in Ukraine's enlargement path, to which all donors and partners can contribute. The Commission submitted a proposal for Council implementing decision on the approval of the assessment of the Ukraine Plan – which was adopted in April. The full legal framework for disbursements against the Plan was completed by July. It includes a new **EU-Ukraine Framework Agreement** dedicated to the implementation of the Ukraine Facility, and the establishment of an independent **Audit Board**. By end-year, EUR 16.1 billion in grants and loans were disbursed against positive assessment of the fulfilment of 23 steps of the Ukraine Plan (including via bridge financing).

The new **Ukraine Investment Framework** (UIF) was established in April, endowed with a

NEAR_AAR_2024

dedicated **Ukraine Guarantee** of EUR 7.8 billion. In June 2024, the EU signed the first EUR 1.4 billion of new guarantee and grant agreements to attract private sector investments to support Ukraine's recovery. This package aims to unlock EUR 6 billion in investments benefiting private companies, municipalities, and state-owned enterprises in Ukraine.

A new **Technical Cooperation Facility** (TCF) was set up to channel project-based assistance to support Ukraine's progressive alignment to the EU acquis with a view to future EU membership, as well as the implementation of the Ukraine Plan, while strengthening the country's resilience and capacity to respond to the impacts generated by Russia's war of aggression – including with urgent repairs of energy infrastructure. The Facility financed the subsidy for the interest rate charges due by Ukraine in 2024 in relation to the loans of the exceptional macro-financial assistance of 2022. This created a fiscal space of around EUR 195 million in Ukraine's state budget.

Alongside the new Ukraine Facility, the EU continued to deliver traditional project-based assistance in key sectors such as the fight against corruption (EU Anti-Corruption Initiative – EUACI), justice reforms (Pravo Justice), public administration reform (EU4PAR), decentralization and regional development (U-LEAD with Europe). EU funding contributed also to recovery, reconstruction and rehabilitation efforts, including for internally displaced persons (IDPs), host communities, liberated cities, and to active engagement of civil society.

1.2. General objective 1: A European Green Deal

Specific objective 1.1: The implementation of the external dimension of the European Green Deal is supported in partner countries

DG NEAR supported the green transition in partner countries by further strengthening institutional capacities, with a particular focus on supporting investments in renewable energy, transmission grids, energy efficiency of households and businesses.

Under IPA III, DG NEAR continued to implement the **Green Agenda for the Western Balkans** and to support **Türkiye's** green transition. Under the WBIF, more than half of the 59 flagship investments contribute to the implementation of the Green Agenda, with a focus on decarbonisation, including the energy support package on energy efficiency and deployment of renewable energy. Overall, IPA III continued to exceed its target of 18% of climate financing contribution, at 23.36% for actions adopted in 2024 (translating to a cumulative total of 25.74% for the 2021-2024 period).

DG NEAR achieved some progress on climate financing under the NDICI-GE Neighbourhood window, reaching close to 15% (cumulatively for 2021-2024) by the end of the year. However, substantial efforts are required to meet the 30% climate financing target set by the NDICI regulation. Supporting the **Eastern Neighbourhood** countries on the implementation of the Green Deal is one of the key goals for the EIP. Following the destruction of the Kakhovka Dam, the EU4 Improving Environmental Monitoring in the Black Sea (EMBLAS) programme conducted analysis and continued with the delivery of education and information campaigns to help preserve the Black Sea ecosystems. In September a new EU4Climate Resilience programme was launched to support climate adaptation

projects at municipal level. The EU4Environment "Green Economy" programme worked with SMEs to help them identify resource efficient measures and cleaner production.

DG NEAR is actively reflecting on the impact of EU policies and legislation on enlargement and neighbourhood countries. Having launched a detailed assessment in 2023 of the impact of the **Carbon Border Adjustment Mechanism (CBAM)** on selected NEAR partner countries and on the impact of carbon pricing and regional emission trading systems on Energy Community member countries, 16 such CBAM assessments were ongoing (in various phases) by the end of 2024.

DG NEAR contributed to the **Conference of the Parties (COP29)** [20] in Baku with 8 side events, showcasing the impact of its climate cooperation and climate adaptation investments in the region.

TAIEX contributed to the European Green Deal through several workshops, high-level multi-country workshops, expert missions, and study visits amongst other on energy efficiency in buildings, waste management and circular economy, Carbon Border Adjustment Mechanism (CBAM), nature protection, climate adaptation, water use, chemicals, and the INSPIRE Directive.

1.3. General objective 3: An economy that works for people

Specific objective 3.3: Inclusive and sustainable economic growth, better employment and increased connectivity are supported in partner countries

In 2024, DG NEAR continued to implement the **Economic and Investment Plans for the Western Balkans, Eastern Partnership and Southern Neighbourhood**, which had mobilised more than EUR 57 billion of expected investments by mid-November 2024. DG NEAR continued to be the largest Commission contributor to **Global Gateway** in terms of investments mobilised.

In the framework of the **European Fund for Sustainable Development Plus (EFSD+)**, DG NEAR negotiated and concluded eight additional guarantee agreements with a total coverage of more than EUR 1 billion. Six of these agreements had been signed by the end of 2024. In line with the 'policy first' approach, EU-supported investments are being targeted at key policy priorities, such as the green transition, energy security, the digital transformation and access to finance for SMEs.

Implementation of **previously signed EFSD+ guarantee agreements** continued: the European Investment Bank signed EUR 2.3 billion of loans in enlargement and neighbourhood regions in 2024 under the EFSD+ Investment Window 1 guarantee. Under the EFSD and the EFSD+ 'open architecture' guarantees, EUR 127 million of guarantee cover was used in 2024 for 24 operations in Egypt, Montenegro, Türkiye and other countries. In addition, EUR 23.5 million was made available for Technical Assistance in project preparation, implementation, capacity building and policy dialogue related to EFSD+ investment programmes. Implementation is also still ongoing for many projects financed

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[20] UN Climate Change Conference – United Arab Emirates.

under the EIB's earlier external lending mandates. In particular, the EIB disbursed EUR 247 million for continued implementation of selected projects in Ukraine, despite the ongoing war, contributing to early recovery and necessary repairs, including in the energy sector.

In 2024, DG NEAR began implementation of the new **Growth Plan for the Western Balkans**, with the aim of bringing the region closer to the EU through frontloading some of the benefits and obligations of EU membership, boosting economic growth and accelerating socio-economic convergence, with five Reform Agendas approved by the Commission by the end of the year. A similar plan is under adoption for Moldova, aiming to boost economic resilience and facilitate further convergence with the EU.

The new **Ukraine Facility** was deployed in March 2024 to provide EUR 50 billion of financial support for Ukraine over the 2024-2027 period. The Facility caters both for short-term State and recovery needs and medium-term reconstruction and modernisation of Ukraine linked with the EU accession. It will support the transition towards a green, digital and inclusive economy that is progressively aligned with EU rules and standards. In parallel, the DG signed five guarantee agreements under the **Ukraine Investment Framework** in 2024, with a total coverage of almost EUR 1 billion exclusively for Ukraine.

Private sector engagement

In 2024, DG NEAR continued to step up its **engagement with the private sector**. Following the successful 'Deep Dive' exchange with key international financial institutions (IFI) in September 2023, another such meeting took place in October 2024 which confirmed broad agreement with the strategic policy priorities established by the EU for the Western Balkans, Eastern Neighbourhood and Southern Neighbourhood for 2025 to 2027.

In parallel, DG NEAR organised **business fora** in Egypt, Moldova, Jordan and Tunisia. These events brought together decision makers from national governments and the EU as well as representatives of IFIs and the local and EU private sectors, fostering public-private dialogue to improve the business environment and promote investments and trade opportunities. Notable achievements include the signature of Memoranda of Understanding on Energy with both Tunisia and Jordan, and the conclusion of 29 agreements worth EUR 49 billion in Egypt.

Since the adoption of the **Economic and Investment Plan for the Western Balkans** in October 2020, more than EUR 17 billion of expected investments have been mobilised in areas such as sustainable transport, clean energy, and digital infrastructure. In the **Eastern Neighbourhood**, expected mobilised investments under the **Economic and Investment Plan** reached more than EUR 13 billion in 2024, focusing on improving SMEs' access to finance and fostering diversified economies. In the **Southern Neighbourhood,** the **Economic and Investment Plan** has mobilised more than EUR 26 billion of expected investments focusing largely on energy supply and governance. The development of a **Trans-Mediterranean Clean Tech Initiative** (T-MED) remained a priority, as highlighted in President von der Leyen's mission letter to Commissioner Šuica.

TAIEX contributed to building an economy that works for people by assisting Albania with expertise from Finland and Poland to align its roadmap for critical raw materials with the EU's Critical and Strategic Raw Materials framework. TAIEX conducted a series of expert

missions in Moldova to assess the country's accreditation and conformity assessment system, a crucial step in preparing for negotiations on an Agreement on Conformity Assessment and Acceptance (ACAA). A number of Twinning projects also contributed to the fostering of inclusive growth. An example of this was a Twinning project with Tunisia to provided support with the promotion of youth self-employment schemes.

EU4Business helps 67,000 SMEs in Eastern partner countries improve their competitiveness

As one of many examples, EU4Busines supported a diagnostic centre in Zaporizhzhia, Ukraine. The clinic faced significant challenges caused by the war, including damage of critical equipment. Through the EU4Business SME Competitiveness and Internationalisation programme, the centre secured a grant to replace its X-ray tube and settle its debts. This assistance not only restored operations but also retained highly skilled staff, enabling the clinic to continue serving a war-stricken population. Reflecting on the initiative's impact, Oleksandr Syrotkin, the company founder, said: "Every now and then, we find ourselves on the verge of giving up, especially during the periods when new challenges arrive daily. However, having a 'shoulder' we can lean on and get support from is a huge motivation booster, and we want to aim even higher. For us, the EU4Business initiative is that 'shoulder.' Today, the clinic exemplifies resilience and innovation, planning to expand its services for internally displaced persons, showing how EU4Business sustains hope for businesses in the region.

1.4. General objective 2: A Europe fit for the digital age

Specific objective 2.1: Increased take-up of digital opportunities in partner countries

DG NEAR worked towards increasing the take-up of digital opportunities in the enlargement and neighbourhood countries by further strengthening the institutional capacities, with a particular focus on e-governance and data protection, cybersecurity and supporting the development of digital skills and high-tech entrepreneurship.

In the **Western Balkans,** the Economic and Investment Plan and the work on the Common Regional Market continued to provide a reinforced framework for the digital transformation of the region. Since the launch of **'Roam Like At Home'**, in July 2021, work has progressed on a roadmap for lowering roaming charges between the Western Balkans and the EU. A comprehensive regional programme on cybersecurity – Cyber Balkans – has continued to provide assistance to the region in 2024, in addition to the ongoing regional programme on cybercrime with the Council of Europe.

In the **Eastern Neighbourhood,** a ground-breaking initiative was successfully piloted in Moldova to develop an artificial intelligence-assisted tool to help candidate countries accelerate regulatory approximation by saving time and resources. The use of the tool will

now be expanded to other enlargement countries. The joint statement signed between major European and Moldovan telecom operators entered into force on 1 January, resulting in the lowering of roaming charges for Moldovan and European citizens and businesses. A similar agreement between a number of European and Ukrainian operators was also renewed. Progress was made in the preparation of a Regional Roaming Agreement, which will contribute to reduce roaming prices across the region.

The second phase of the regional cybersecurity **"CybersecurityEast"** was launched in October 2024, stepping up DG NEAR's support on cybersecurity and cybercrime, focusing on three candidate countries. The second **EU-Ukraine Cyber Dialogue** took place in July, following the first successful edition in 2023. Moreover, Georgia became a signatory to the Second Additional Protocol of the Budapest Convention on Cybercrime, joining Armenia which signed in 2023, and Ukraine and Moldova, which signed in 2022.

In the **Southern Neighbourhood,** the Commission continued to work on the implementation of the MEDUSA project launched in 2022. Work continued on harmonisation of rules in the telecom sector (EMERG) and provided high quality access to the EU research and innovation network GEANT through the **EUMedConnect programmes** [21]. The regional cybercrime programme implemented by the Council of Europe - CyberSouth - was renewed for a three-year period, strengthening our overall support towards the adoption of the Budapest Convention and the Second Additional Protocol.

With the assistance of the **Digital Knowledge Hub** dedicated training modules on the digital transformation were developed in 2024, with in-person capacity building support delivered to the EU Delegations in Albania and Moldova. More such support missions will be rolled out in 2025. DG NEAR continued to engage actively in the **Digital for Development (D4D) Hub Neighbourhood window**, contributing to a stronger coordination of EU stakeholders in their engagement in digital in NEAR partner countries.

TAIEX contributed to the general objective of a Europe fit for the digital age with dedicated events on the broadband cost reduction regulation, Gigabit Infrastructure and a workshop on the Digital Service Act, which is a cornerstone of the EU's digital strategy. Ukraine and Moldova participated in country specific TAIEX workshops discussing the 5G toolbox and Radio Spectrum Policy. TAIEX also organised a series of visits for officials from the newly established Cyber Security Agency of Moldova, where operational and technical aspects were discussed. A **Twinning** project established in cooperation with DG INTPA, entitled Digital4Tanzania (D4T) actively contributed to the successful digital transformation of Tanzania, by supporting e-Government reform and connectivity.

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[21] EUMED CONNECT 3 I EU Neighbours

Supporting the Digital Services Act (DSA) in partner countries

The Digital Services Act (DSA) is a cornerstone of the EU's digital strategy to create a safe and trustworthy online environment where fundamental rights and freedoms are protected, and where the accountability of digital service providers is enhanced into EU law. In this context, TAIEX organised a workshop for regulatory offices and ministries from Albania, Bosnia and Herzegovina, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, Türkiye and Ukraine. EU Member States and the European Commission provided participants with comprehensive information on the development, implementation and enforcement of the DSA. Particular attention was given to the DSA's enforcement structure, including the setting-up a Digital Service Coordinators (DSC).

1.5. General objective 5: Promoting our European way of life

Specific objective 5.1: Effective migration management with partner countries is in place

In 2024, conflicts in Israel, Lebanon, and Sudan, coupled with the ongoing repercussions of Russia's war of aggression against Ukraine and regional economic downturns, contributed to irregular migration towards Europe. In terms of irregular arrivals to the EU, 2024 registered a substantial decrease (38%) compared to the previous year, with the highest percentual decreases in the Western Balkans and the Central Mediterranean routes.

In **North Africa,** despite the decrease in arrivals to Europe, Libya and Tunisia remained major countries of departure. In 2024, the EU managed to accelerate the delivery of equipment and capacity building programmes together with relevant trainings. Further progress was made in the area of voluntary returns with a total of 28 638 carried out in 2024 compared to around 13 085 in 2023. At the same time, the EU reinforced protection capacities and worked in strengthening labour migration governance in the region. With the progressive phasing out of the **EU Emergency Trust Fund for Africa,** migration actions are now being programmed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe). In terms of amounts for North Africa, DG NEAR committed approximately EUR 659 million between 2021-2023, whereas EUR 208 million were committed in 2024 [22] (EUR 53 million for protection, EUR 86 million for human rights-based migration governance and management, EUR 56 million for assisted

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[22] https://enlargement.ec.europa.eu/commission-implementing-decision-13112024-financing-annual-action-plan-2024-multi-country-migration_en

NEAR_AAR_2024

voluntary returns and sustainable reintegration, EUR 13 million for legal migration).

In the **Western Balkans**, a sharp decrease in irregular arrivals testifies to the effectiveness of EU action in the region, including through the implementation of the related EU Action Plan and coordinated policy measures. Since 2022, EU support has increasingly shifted from reception-focused assistance toward strengthening border management, combating migrant smuggling and human trafficking, and enhancing return mechanisms. The EUR 36 million regional action to fight migrant smuggling and human trafficking signed in 2023 already showed results in 2024 in terms of increased volume of investigations and prosecutions, and higher number of arrests. In terms of funding, along with a EUR 13 million regional return programme approved in March 2024, additional EUR 47 million was disbursed in bilateral funds with the aim of enhancing migration governance and management.

Building on funding allocated since 2021, additional EUR 1 billion were allocated in 2024 to **Türkiye** to support the country's effort to address basic needs of refugees and host communities, fund a new project on voluntary and dignified returns to Syria, counter migrant smuggling, and enhance migration management capacity and border management infrastructure on the country's borders. In the area of migration, projects continued focusing on airport security, Türkiye's integrated border management strategy and action plan, and the operationalisation of National Coordination and Risk Assessment Center (NACORAC).

In the Eastern Neighbourhood, the support to **Moldova** for transfers of vulnerable Ukrainians and third country nationals to EU countries and further strengthening the Moldovan police and border guards continued under the EUR 15 million project started in 2022 and extended until 2026. DG NEAR continued in 2024 to work on the enlargement process, including the alignment with the EU acquis on migration. Screening meetings with **Ukraine** and **Moldova** on cluster 1 were conducted, including screening of migration, asylum and visa policies, borders, fight against trafficking in human beings and other forms of organised crime under Chapter 24 of the EU acquis.

1.6. Assessment of the reliability of the performance information

Regarding the reliability of the performance information and respective programme results, the values for Global Europe Results Framework (GERF) ([23]), ELI Results Framework (EURF) ([24]), IPA Performance Framework (IPA PF) and IPA III Results Framework (IPA III RF) ([25]) are subject to two levels of quality checks and validations. Firstly, responsible services (all delegations and thematic or geographic units) formally review and approve the progress report including the values provided for the logframe indicators and ensure that these values are correctly encoded in the Operational Information System (OPSYS). Additionally,

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([23]) https://capacity4dev.europa.eu/resources/results-indicators/eu-rfi en
([24]) https://capacity4dev.europa.eu/resources/results-indicators/eu-rfi en
([25]) https://neighbourhood-enlargement.ec.europa.eu/commission-staff-working-document-instrument-pre-accession-assistance-ipa-iii-results-framework en

NEAR_AAR_2024

all values encoded for GERF, EURF, IPA PF and IPA III RF indicators are subject to central quality control (verification of the existence of valid sources of verification, standard consistency checks, and double counting corrections). If an issue with data quality (double counting, encoding errors, misinterpretation of methodology) is encountered at any of the two levels, it is addressed immediately and directly with the operational manager to ensure that the data is reliable. These controls are being carried out with a view to implement the criteria for a strengthened common control approach on the reliability of performance information on EU financial programmes and to detect possible significant weaknesses. No issues were identified.

Throughout 2024, DG NEAR continued to carry out a thorough analysis of its EU legal instruments. The only reporting obligations included in these legal instruments (concerning procurement, grants and indirect management contracts and agreements) are stemming from the strict application of the Financial Regulation. There will be continued review how these obligations are implemented with a view to ensuring they remain as targeted and simple as possible.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In Annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG NEAR. DG NEAR also prepared an annual report to the Directorate-General for International Partnerships (DG INTPA) on the cross sub-delegation of DG INTPA to DG NEAR for the management of the North of Africa window of the EU Emergency Trust Fund for Africa [26].

This section covers the control results and other relevant elements that support management's assurance.

2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

1.   Effectiveness The level of error found, based on the controls carried out.

2.   Efficiency The average time taken to inform or pay.

3.   Economy The proportionality between the costs of controls and the funds managed.

2.1.1. Overview of the budget and relevant control systems (RCS)

DG NEAR has categorised its portfolio and described five major relevant control systems (RCS) corresponding to methods of implementation [27]. The five RCS cover 87% of the overall payments and contributions and 97% of the payments [28].

The breakdown of the total payments and contributions processed in 2024 by DG NEAR is presented in the table below [29]:

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[26] Ares(2025)711007 of 30 January 2025.
[27] In general, an RCS is developed when the total amount contracted or paid represents at least 10% of the total DG's amount. The description of the five RCS is provided in Annex 6.
[28] 90% is obtained by comparing the payments for the 5 RCS (EUR 7 776 870 250) to the overall payments excluding contributions to CPF and to EU Trust Funds (EUR 8 596 903 378).
[29] The table does not include transactions under the technical code LIGA (Liquidity Fund for Guarantee Agreements) related to the financial guarantees from the External Lending Mandate (ELM). These transactions (paid from the Common Provisioning Fund – CPF – following guarantee calls) are already captured under the CPF provisioning (in the same or previous years). Accordingly, for the purpose of the AAR, the amounts corresponding to budgetary guarantees should be reported only on the side of the provisioning of the CPF rather than on that of the guarantee calls paid out of the CPF.

NEAR_AAR_2024

RCS	Relevant Control System	2024 payments and contributions (EUR)					
		EU Budget	%	TF MADAD	%	Total paid	%
1	Grants in Direct Management	1 400 259 884	16%	4 284 482	5%	1 404 544 366	16%
2	Procurement in Direct Management	285 454 369	3%	3 251 813	4%	288 706 182	3%
3	Budget Support and Loans in Direct Management	3 672 177 814	41%			3 672 177 814	41%
4	Indirect Management with Beneficiary/ Partner countries (IMBC)	111 136 508	1%			111 136 508	1%
5	Indirect Management with Entrusted Entities (IMEE)	2 225 933 824	25%	74 371 557	91%	2 300 305 381	26%
Other payments	PEGASE	234 500 000	3%			234 500 000	3%
	Other contracts/payments	40 901 815	0.5%			40 901 815	0.5%
	Administrative expenditure	4 333 158	0.05%			4 333 158	0.05%
Total payments		**7 974 697 371**	**90%**	**81 907 852**	**100.0%**	**8 056 605 223**	**90%**
Contributions	EU Trust Funds	87 000 000	1%			87 000 000	1%
	Common Provisioning Fund (CPF)	803 353 924	9%			803 353 924	9%
Total payments and contributions		**8 865 051 295**	**100%**	**81 907 852**	**100%**	**8 946 959 147**	**100%**
RCS coverage on payments and contributions			**87%**		**100%**		**87%**
RCS coverage on payments			**96%**		**100%**		**97%**

Since January 2021, the Common Provisioning Fund (CPF) manages the safety buffers (provisions) for budgetary guarantees and financial assistance programmes underpinned by the Union budget in one common portfolio. The provisions held in the CPF constitute the capital buffer for absorbing claims arising from project defaults or other losses experienced by implementing partners in respect of investment operations or from financial assistance loans supported by EU guarantees.

DG NEAR relies on the residual error rate (RER) study to identify residual errors not detected by the internal control system, and to conclude on its effectiveness. The RER study covered all types of payments made by DG NEAR, except administrative expenditure (representing 0.05% of the overall payments and contributions).

Information about non expenditure items (assets, liabilities and off balance) is provided in section 2.1.2.d.

The **five major relevant control systems** (RCS) are defined in terms of *methods of implementation.* As a general rule, a new RCS is developed when the total amount contracted or paid represents at least 10% of the total amount of the year for the DG. DG NEAR has also developed risk indices to better support this assessment by RCS, as recommended by ECA. Annex 6 provides more detail on the RCSs for budget implementation.

Under **Direct Management** ([30]), funds are channelled to the final recipients through contracts signed directly by the Commission as the contracting authority. Under Direct Management, the control environments are:

- Grants in Direct Management (RCS 1),

- Procurement in Direct Management (RCS 2) and

([30]) The Pegase mechanism to channel Direct Financial Support to the Palestinian institutions is implemented under a specific set of controls.

NEAR_AAR_2024

- Budget Support (RCS 3)

Under **Indirect Management,** the final recipient receives EU funds through a contract signed with an intermediary to whom the Commission has entrusted the tasks of selecting the final recipients and managing the resulting contracts (budget-implementation tasks). The recipient is either a country (Indirect Management with Beneficiary/partner Countries, IMBC) or an Entrusted Entity (Indirect Management Entrusted Entity, IMEE), such as an International Organisation or Member State Agency. The significant control environments identified are:

- IMBC (RCS 4) and

- IMEE (RCS 5).

In 2023 and 2024, DG NEAR reported a **global error rate** of 0.57% and 0.74% respectively, well below the materiality threshold of 2%. For this reason, its expenditure is assessed as low risk, except for the segment "grants" which is considered as medium risk.

DG NEAR's portfolio consists indeed of segments with a relatively low error rate (budget support and IMBC), and a segment historically characterised by an error rate slightly above 2% (grants in direct management). However, since 2021, the grant error rate is below 2%, thanks to enhanced ex ante controls and communication with grant beneficiaries to raise awareness on recurrent errors. Still, vigilance on the implementation of grants remains high, as they are more prone to errors than the other implementation modalities. Recurrent errors include expenditure outside the implementation period or not budgeted for the project; insufficient documentation to justify the reported costs; inclusion of ineligible taxes.

DG NEAR's error rates are based on the results of ex post controls on a representative sample of contracts closed in a done year, for which all controls have already taken place.

The errors on individual transactions, reported by the European Court of Auditors in its Annual report, refer to ongoing contracts, which are still subject to controls and corrections by the Commission. The European Court of Auditors did not calculate an error rate for DG NEAR's expenditure in the 2023 Statement of assurance.

2.1.2. Effectiveness of controls

a) Assessment of control results per RCS for expenditure
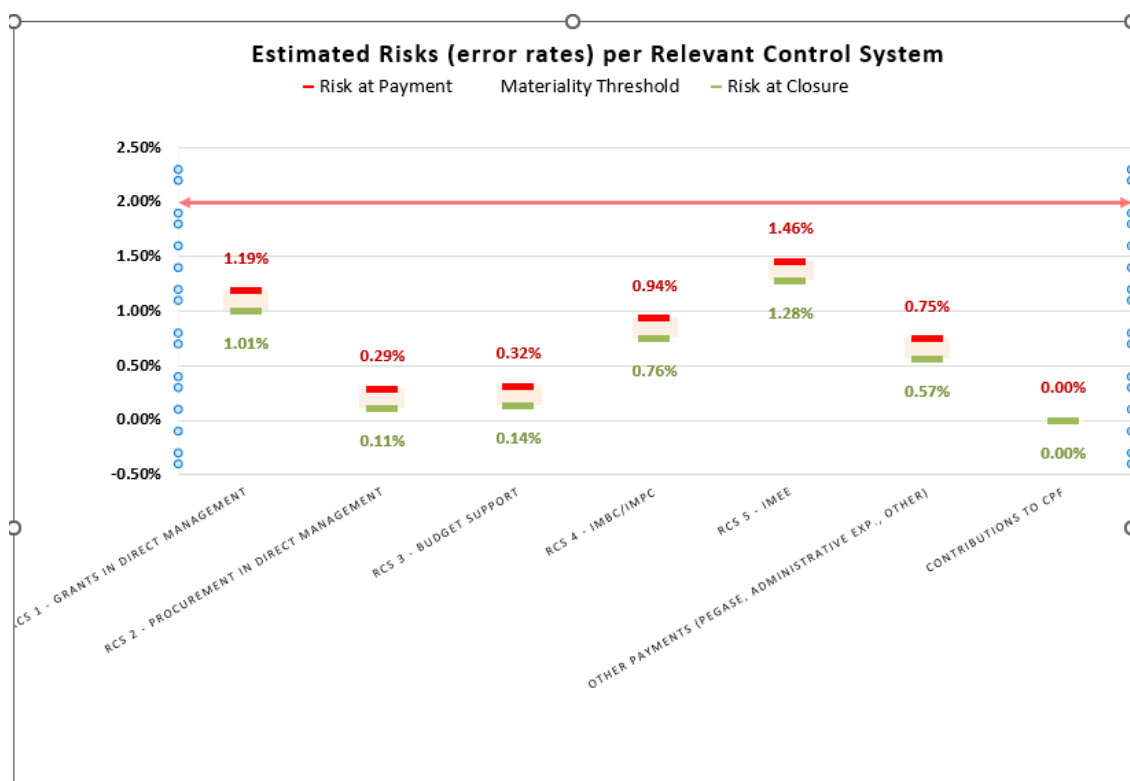
The **residual error rate (RER) study** allows for the evaluation of the effectiveness of the overall control framework. The RER indicator is designed to reveal residual errors not detected by the internal control system, and to conclude on its effectiveness. A residual error rate below the materiality threshold of 2% is a strong indicator that the controls put in place at all levels of the DG are effective. Moreover, besides the overall error rate, the RER study identifies the common types of error, thus contributing to preventing recurrent errors.

The RER study is an agreed upon procedure, which reports on factual findings. The RER study is not an audit providing an audit opinion. However, the DG reaches its own conclusions based on the auditor's report of factual findings.

The detailed procedures describing the work performed in the RER exercise are set out in the "Methodology and Instruction Manual". DG NEAR regularly updates the RER methodology, taking account of the recommendations by the Court of Auditors and the IAS, as well as lessons learned from previous years.

A notional indicative error rate for each RCS is calculated, based on the average of the last three years, to add information on risks in the various methods of implementation.

Moreover, as of 2019, following a high error rate in grants under direct management, the

number of grant transactions was increased ([31]) and more precise guidelines on checking second-level procurement were given to the RER contractor.

The main error rate includes all relevant control systems, except IMBC IPA (Indirect Management with Beneficiary countries under IPA). The grant error rate is calculated on the results of ex post controls on grants from the additional sample. In 2024, the grant error rate is equal to 1.50%, hence below materiality.

The residual error rate for the DG (global error rate), is **below materiality** (0.74%).

DG NEAR residual error rates in 2024	
Main	**0.79%**
IMBC IPA	**0.05%**
Grants	**1.50%**
Global (DG derived) error rate	**0.74%**

The RER study is based on a sample (drawn by monetary unit sampling) of a minimum of 516 intervals in a population of contracts closed in the period September 2023 to August 2024. The multiannual nature of DG NEAR's programmes is taken into account in this methodology, as the contracts closed during the period and considered for the monetary unit sampling were implemented over a period of several years.

From the 2024 RER population, 15 **"old contracts"** (4 grants and 11 supply contracts, overall contract value of EUR 9.8 million **were excluded** ([32]), in compliance with the strict criteria set in the RER methodology:

- contracts characterised by no operational activity in the **last eight years** and/or

- contracts on which no controls in the **last five years** were implemented.

In addition, from 2022 to 2023, DG NEAR suspended the RER ex post controls for contracts implemented in Ukraine, Russia and Belarus, due to the political situation and the subsequent impossibility to communicate with and obtain cooperation from the national authorities and the majority of beneficiaries in these countries. In 2024, DG NEAR decided to resume controls in Ukraine. Hence, the contracts previously excluded from the RER population related to **projects in Ukraine were re-introduced in the population** from which the sample for the 2024 RER study has been drawn ([33]). The situation did not change concerning Russia and Belarus. More information on the reasons for exclusion and analysis

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([31]) The number of grant transactions included in the global rate was increased in response to a recommendation issued by the ECA in its annual report for 2017. The purpose of the additional grant sample is to provide the Commission with corroborative information complementing the grant-related information provided by the main sample.

([32]) In its Annual report for 2021, the European Court of Auditors recommended DG NEAR to disclose the closed contracts not included in the RER population from which the sample is drawn.

([33]) The reservation covering the situation in Ukraine is maintained and a deficiency having a major impact on the internal control has been registered (see section 2.3).

NEAR_AAR_2024

of impact are provided in Annex 7.
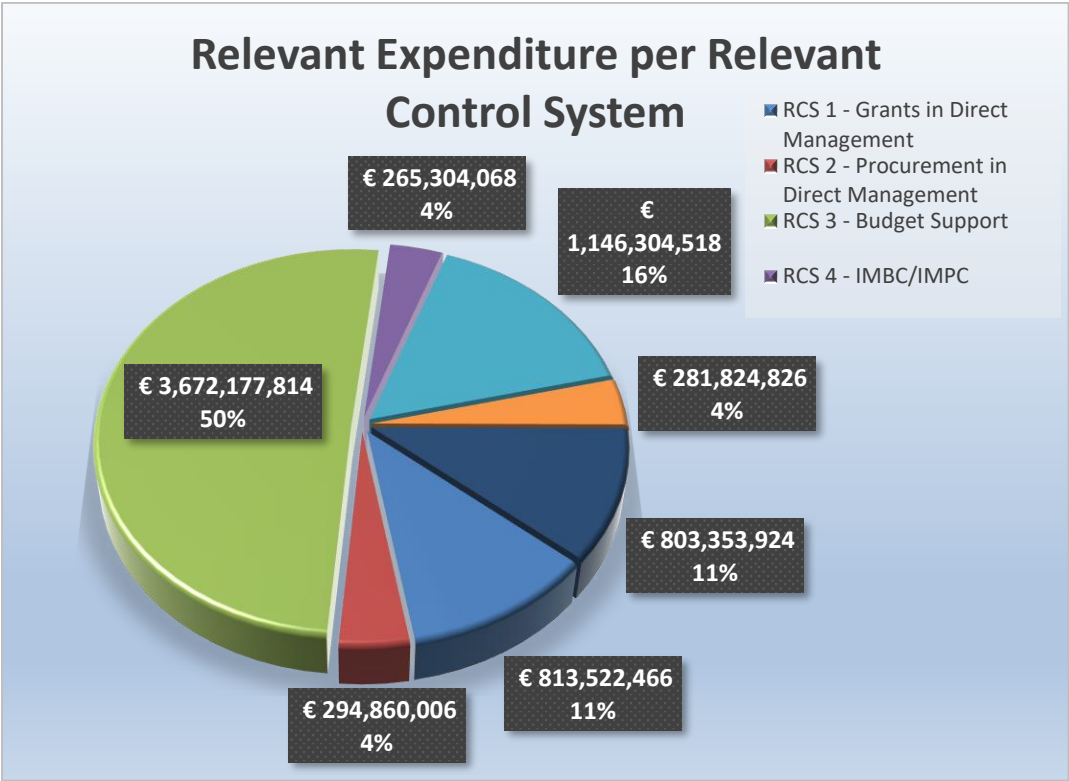
b) Estimation of the overall risk at payment and risk at closure

Based on all the above, DG NEAR presents in the following Table the evolution of the overall risks at payment and closure for the period 2021-2024.
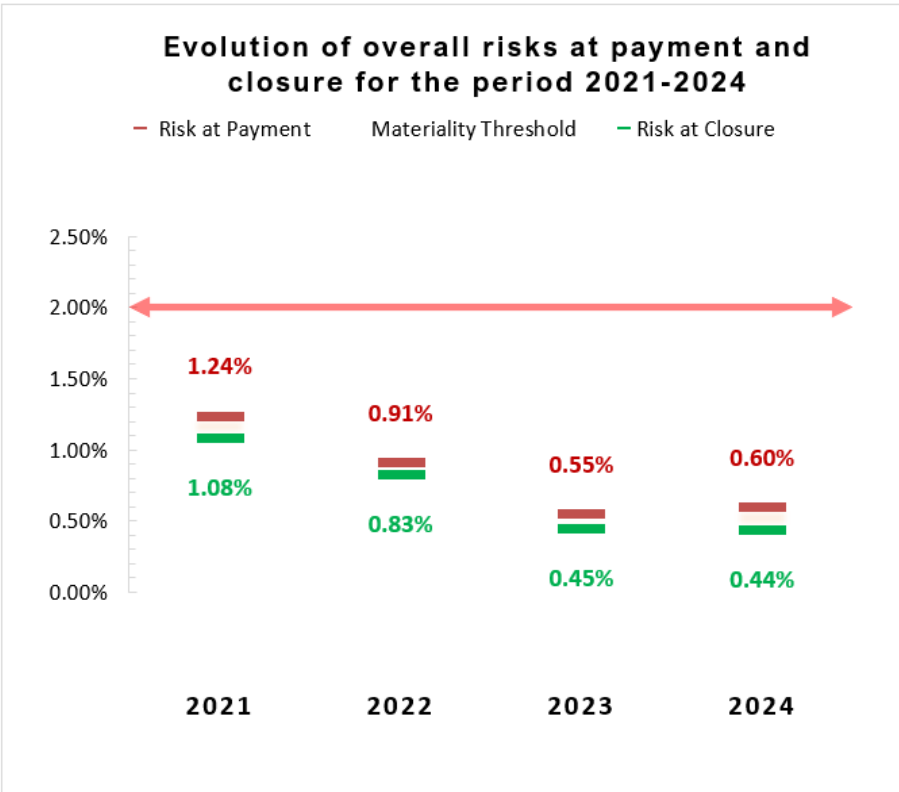
The estimated overall risk at payment for 2024 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

The estimated overall risk at payment for 2024 expenditure amounts to EUR 43.63 million (EUR 22.44 million in 2023 and EUR 46.99 million in 2022), representing 0.60% of the DG's total relevant expenditure for 2024 (increasing from 0.55% 2023, but decreasing compared to 0.91% in 2022). The estimated risk at payment for each RC5 is based on the average error rates (based on the last three years) per RCS from the main sample. Due to the nature of the underlying transactions, the *Contributions to CPF* are considered as not affected by risk of error.

This expenditure will subsequently be subject to ex post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2024 expenditure amount to EUR 11.65 million (EUR 4.14 million in 2023 and EUR 4.19 million in 2022).

The difference between those two amounts results in the estimated overall **risk at closure** ([34]) of EUR 31.98 million (higher than EUR 18.3 million in 2023, but lower than EUR 42.79 million in 2022), as estimate risk at closure in percentage decreased slightly (from 0.45% in 2023 to 0.44% in 2024).

DG NEAR mobilised significant resources over the reporting year for the implementation of controls, including the annual residual error rate study, to ensure accurate preparation and daily follow-up of controls with the implementing partners. In particular, this led to a better response rate for the documents to be provided for the RER study and thus, fewer errors due to non-provision of documents.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

c) Quantitative benefits of controls: Preventive and corrective measures

With its ex ante and ex post controls, DG NEAR has an effective mechanism in place for detecting and correcting errors, reaching in total EUR 86.3 million of corrections for 2024. Ex ante controls resulted to EUR 68.3 million and ex post controls resulted to EUR 18 million. More details are provided in Annex 3, table 8.

In 2023, these amounts were equal to EUR 45.23 million and EUR 7.36 million, respectively. The increase is consistent with the increase of payments.

d) Assessment of control results for non-expenditure items

([34]) This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

NEAR_AAR_2024

The financial assets of DG NEAR consist of the following elements:

- Pre-financing, long-term and short-term;

- Holdings in financial instruments, plus cash and cash equivalents associated with those financial instruments.

In order to protect the budget of the Union, DG NEAR procedures require the proper management of its pre-financing (pre-financing paid kept to the minimum possible, clearing completed regularly on the basis of the financial reports and audits or contractual benchmarks). In addition, DG NEAR requests and keeps in safe custody appropriate guarantees on pre-financing. Partner International Financial Institutions also submit annual reports on the financial instruments (including any associated cash holdings). Cash payments to these financial instruments reflect the minimum required for operational effectiveness.

The table below shows the value of assets, liabilities and off balance, in case they are above the established thresholds for being reported in the AAR. The other items from and off the Balance Sheet are presented in Annex 3.

Assets, Liabilities and Off Balance items		EU Budget	EU TF MADAD	TOTAL
ASSETS	Cash and cash equivalent	189,588,698 €	21,924,741 €	211,513,439 €
LIABILITIES	Non-Current Financial Liabilities	- 36,830,415 €	- 91,511,209 €	- 128,341,624 €
	Current Financial Liabilities	- 2,310,817,838 €	- €	- 2,310,817,838 €
OFF BALANCE	Contingent Liabilities	- 33,139,891,610 €	- €	- 33,139,891,610 €
	Other Significant Disclosures	- 62,543,244,904 €	- 18,431,496 €	- 62,561,676,400 €

An important control objective relates to the credit risk involved in the contingent liabilities created through budgetary guarantees agreements. The credit risk team (common unit NEAR/INTPA) independently assesses, before and during the lifetime of the guarantee agreements, the credit risk for the Commission related to each operation or portfolio of operations, so that the risk is kept to an acceptable level (more details are provided in section 6.2.2 of Annex 6).

e)   Fraud: prevention, detection, and correction

DG NEAR has developed and implemented its own **anti-fraud strategy (AFS)** since 2014, based on the methodology provided by OLAF. The strategy is updated on a regular basis, with the last update in March 2021([35]), following a fraud risk assessment. Throughout 2023, this fraud risk assessment was further refined with the aim of adopting a new Anti-Fraud Strategy. Its adoption was deferred to take into account the results of an ongoing IAS audit, which was initially scheduled for completion in November 2023 but was then postponed to 2024. The final audit report was only received in December 2024.

The implementation of the strategy is being monitored through the follow-up of **annual action plans** and reported to the Commissioner and to management at least twice a year.

([35]) DG NEAR Anti-Fraud Strategy covering the period for 2020-2024 (**Ares(2021)2141575**). A mid-term review of the Strategy was foreseen in 2023 but was put on hold waiting for the outcome of the IAS audit on the Strategy.

All relevant actions under the 2024 Action Plan have been implemented.

DG NEAR played a proactive role in shaping the revised **Commission anti-fraud strategy** Action Plan of 2023. The contributions included suggestions which were incorporated into the implementation of four key actions falling under DG NEAR's purview, focusing on reinforcing the protection of the financial interests of the European Union for actions implemented under indirect management and in the external relations area. DG NEAR also provided suggestions which influenced the development of nine actions falling under different themes within the overall Action Plan.

DG NEAR received 29 OLAF financial recommendations during the period 2020-2024. During the same period, 13 cases related to financial recommendations received between 2015 and 2019 were successfully closed. During the year 2024, NEAR has:

A.   fully implemented 3 financial recommendations,

B.   partially implemented 3 financial recommendations. Rectifications of the amount recommended by OLAF, particularly in order to reflect the actual EU contribution (instead of the total budget of the project), and insufficient or inadequate legal grounds to impose financial penalties or initiate recoveries (for example, because EU funds are not affected by the identified wrongdoings or the irregular amounts have already been declared ineligible), in line also with the decisions taken by the EDES (Early Detection and Exclusion System) panel or the Courts.

The implementation of 18 OLAF financial recommendations remains ongoing. For the ongoing cases, the delays are mostly due to enforcement of recoveries managed by the Legal Service (notably for entities in liquidation or bankruptcy) or to payments in instalments.

Addressing these challenges requires a multifaceted approach that considers the nuances of each case to enhance the effectiveness of recommendations and expedite their implementation.

Finally, other results achieved during the year thanks to the **anti-fraud measures** in place can be summarised as follows:

C.   100% of OLAF recommendations issued in 2024 have been assessed by the competent AOSDs within the deadline.

D.   The follow-up of recommendations stemming from 3 OLAF investigations have been finalised in 2024, as a result of the systematic follow-up and monitoring in place.

E.   In terms of fraud prevention, several awareness-raising initiatives (training, staff seminars, conferences, staff notes and reports, newsletters, factsheets, survey) have been organised in order to ensure reaching all staff. The Anti-Fraud Manual for NEAR staff was updated in June 2024 and shared widely with all NEAR Directorates and Delegations/Offices.

F.   As of December 2023, attendance of an anti-fraud training at least every three years is compulsory for all DG NEAR staff. As it is not possible to retrieve staff attendance directly from EU Learn (data privacy restrictions), Heads of Unit have been requested to confirm by 15 April 2024 to their Director and to the Anti-Fraud team whether all staff (in

HQ and Delegations/ Offices) have followed relevant anti-fraud trainings in the past three years and that newcomers had followed one within three months from their starting date. At the end of April 2024, around 64% of NEAR staff had attended an anti-fraud training in the last three years.

G.   Also, in 2024 three online fraud prevention trainings have been provided, in cooperation with OLAF, DG INTPA and FPI, as well as one ad hoc training on antifraud organised in Delegation Armenia.

On the basis of the available information, DG NEAR has reasonable assurance that the anti-fraud measures in place are effective overall.

2.1.3. Efficiency of controls

The Financial Regulation requires reporting on three efficiency indicators:

1.   **time-to-inform** (Art. 197.2 FR), which measures the average time taken to inform applicants of the outcome of the evaluation of their application (from the final date for submission of complete proposals); a maximum of six months should elapse;

2.   **time-to-grant** (Art 197.2 FR), which measures the average time taken to sign grant agreements or notify grant decisions (from the date of informing applicants that they have been successful); a maximum of three months should elapse;

3.   **time-to-pay** (Art 116.1 FR), as represented by the Commission standard "timely payments (%) indicator (the percentage of the amount paid on time – within the contractual payment deadline – on the overall amount paid), as reported also in the Financial Scorecard (Annex 4).

In addition, DG NEAR monitors 24 key performance indicators (KPIs) on an annual basis grouped around three objectives:

1.   Sound Financial Management and Efficient Use of EC Resources (KPI 1 to 13);

2.   Effectiveness of Internal Controls (KPI 14 to 19);

3.   Effectiveness of Audit systems (KPI 20 to 24).

These indicators represent an additional layer in the internal control structure of the DG, monitoring that the achievement of the general objectives is sound, efficient and effective. The KPIs are periodically reviewed and adapted, in agreement with DG INTPA. For each KPI, targets/benchmarks are set at the beginning of the year against which each entity managing funds within the DG (Delegation/Unit/Directorate) needs to deliver. The delivery by all entities contributes to the overall results of the DG and allows the detection of areas where follow up is required. For more details, see Annex 7.
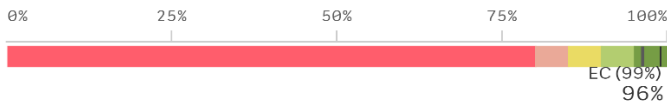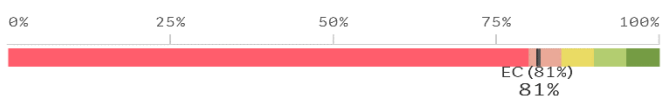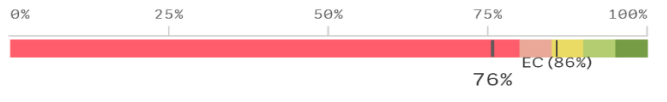
Time-to indicators – Results 2024

All three indicators are within the respective benchmarks.

The average **time-to-inform** in 2024 was 94.01 days, compared to 83.80 days in 2023. Although we can see slight deterioration of the result of this indicator, compared to the

NEAR_AAR_2024

previous year, it is still within the limit of six months. DG NEAR will closely monitor this indicator in the future.

The average **time-to-grant** in 2024 was 46.05 days, compared to 55.44 days in 2023 and below the benchmark of 3 months/90 days [36].

The **time-to-pay** results, as presented in the tables below, show that DG NEAR ensured efficient processing of payments within the legal deadlines.

Timely Payments NEAR – EU Budget	NEAR Score	EC Score
	96%	**99%**
Timely Payments NEAR – EU Regional Trust Fund in response to the Syrian Crisis	NEAR Score	EC Score
	81% [37]	**81%**
Timely Payments -EU Emergency Trust Fund for Africa – North Africa Window	NEAR Score	EC Score
	76% [38]	**86%**

Other efficiency indicators – Key Performance Indicator Results 2024

In 2024, 22 out of 24 KPIs have met the set targets corresponding to an overall success rate of 92%. This result shows that the global performance of DG NEAR increased in comparison with the previous year, with less underperforming KPIs out of the total number of benchmarked indicators. The KPIs results have improved in sound financial management,

[36] Please note that both the time-to-inform and time-to-grant indicators are calculated in case of published calls for proposals.

[37] 6 delayed payments have been recorded. 2 are the same transaction sourced from 2 different budget lines. Therefore, the correct result is 29 out of 34 invoices paid on time (with 5 delayed payments). For the 5 delayed payments, 4 payments received AOSD visa within the deadline and delayed from 1 to 4 days at the bank. One payment resulted in 11 days of delay due to the complexity of the analysis of the report and the supporting documents.

[38] The financial circuit centralised in HQ resulted in substantial delays in the analysis of files that went through a double operational analysis first at Delegation level and then in HQ. Moreover, a high turnover of staff in the HQ operational unit managing the Trust Fund NOA caused interruptions of business continuity. As a result, delays accumulated in processing the payments.

NEAR_AAR_2024

while those related to effectiveness of internal controls and audit systems have remained unchanged.

While the previously underperforming indicators KPI 8 (Timely decommitments) and KPI 9 (Reduction of old RAL) fully met the 2024 targets, the prevention of ineligible expenditure by ex-ante controls (KPI 17) has decreased from 1.38% in 2023 to 1.13% in 2024 but was still under the set target of a minimum of 2%. KPI 22 on reduction of old unclosed audits is the second KPI that did not meet the set benchmark of at least 50% in 2024 with the result of 47.62%. Greater effort will be made in DG NEAR to contract and to close old audits in a timely manner during the next reporting period. For the detailed KPI analysis see Annex 7.

All 11 Financial Scorecard indicators measured by DG BUDG are green and above 90% for DG NEAR in 2024 for budget operations (for details see Annex 4).

2.1.4. Economy of controls

In 2024, the **cost of controls** ([39]) in DG NEAR has been estimated at EUR 111.5 million (EUR 102.8 million in 2023). The estimation is based on spending on human resources dedicated to control activities, as well as on evaluation, monitoring and audit costs.

- **Human resource** spending on control is projected to be at EUR 100 million, including direct, indirect and overhead costs. The estimation is based on the number of officials, contract and local agents (across both headquarters and EU Delegations), on allocation keys for each unit and on the average standard staff costs. The results show an increase of around 9% compared to the previous year (EUR 91.4 million in 2023) largely due to the increase of the average standard staff costs, driven by salary adjustments and fluctuations in currency exchange rates.

- **Evaluation, monitoring and audit** costs have been estimated at EUR 11.5 million, reflecting a stable trend in respect of the previous year (EUR 11.4 million in 2023). This stability reflects consistent efforts to optimize resource allocation, ensure cost-effectiveness, and uphold robust oversight mechanisms while accommodating evolving operational needs and requirements.

The estimation does not include the costs incurred by partner countries' authorities related to implementation under Indirect Management with Beneficiary Countries authorities or by implementing partners under Indirect Management, such as the management fees allocated to entrusted entities (up to max 7% ([40])).

The cost of controls as a proportion of the total of 2024 payments is equal to 1.4%, lower than results of previous years, constantly below the target of 5% set in the management plan ([41]). The total cost of controls is assessed also in relation to the benefits of controls

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([39]) Control is defined as per Article 2 of the Financial Regulation.
([40]) The entrusted entities' cost of control has been estimated at around EUR 66.7 million, based on the management fees set in the agreements. These management fees include however other costs than control costs in the strict sense.
([41]) Because of the nature of the underlying transactions, the costs of controls related to Contributions to CPF and

NEAR_AAR_2024

(sound financial management as represented by a global residual error rate below 2%) and the financial benefits of controls (see previous section 2.1.2.a).

The table below provides the specific cost of controls related to the five relevant control systems (RCS) (^{42}) in absolute value and in proportion of the total payments. The cost of controls as a proportion of the value of the total payments is below 5% for all RCS.

	Relevant Control System (RCS)	Cost of control	
		MEUR	% Payments
RCS1	Grants in Direct Management	26.09	1.8%
RCS2	Procurement in Direct Management	11.20	3.8%
RCS3	Budget Support and Loans in Direct Management	36.64	0.9%
RCS4	Indirect Management with Beneficiary/ partner Countries	2.19	1.9%
RCS5	Indirect Management with Entrusted Entities	29.97	1.2%
-	Others not related to a RCS	5.37	3.6%
Total RCS		**111.46**	**1.4%**

Based on the above, the cost of controls is considered reasonable. The ratio is lower than in previous years (it was 2.3% in 2023), mainly due to two high-value payments under Budget support which have increased significantly the numerator.

2.1.5. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results, DG NEAR has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG NEAR monitors and builds upon the effectiveness of its control system, which ensures the prevention of errors to a large extent. The **residual error rates** (RER) and the derived DG NEAR global rate are below materiality.

In terms of **fraud** prevention, detection and correction, the **DG Anti-Fraud Strategy** has been adopted in March 2021 and its action plan has been so far successfully implemented.

In terms of **efficiency**, the time-to indicators and the KPIs show continuity and stability compared to last year. In 2024, **22 out of 24 KPIs reached the target**.

In terms of **economy**, the control strategy has a global percentage of cost of controls (1.4%), which is below the corporate ceiling (5%) and is stable over time.

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to Trust Funds are considered negligible or covered already by a specific RCS; therefore, in order also to keep a consistent approach with previous years and with the target in the management and strategic plans, contributions are not considered in the analysis (the cost of controls would be equal to 2% if compared to the overall payments and contributions).

(^{42}) More information on the calculation of the cost of controls per method of implementation is provided in Annex 7.

NEAR_AAR_2024

The control strategy is continuously reassessed through KPIs, RER and other elements, to enhance control on the riskiest transactions, while keeping a balance between the financial/reputational impact of errors and the cost of controls. One reservation is maintained in 2024: a **non-quantifiable reservation** due to external restrictions to control financial programmes in **Libya**, **Syria** and **Ukraine**.

For the other areas, the Authorising Officer by Delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

2.2. Audit observations and recommendations

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related to internal control and financial management – including the limited conclusion of the Internal Auditor on the state of internal control. Further details for IAS and ECA audits can be found in Annex 8.

Where an audit has detected weaknesses affecting any internal control principle or the department's assurance, a detailed analysis is provided further below in sections 2.3 and 2.4, accordingly.

European Court of Auditors (ECA)

Reported	Audit Title	Accepted Recommendation	State of play in 2024	Impact on the assurance for 2024
2024	Statement of Assurance (DAS)	4	⏳	✅
2024	Facility for Refugees in Turkey	4	⏳	✅
2021	Reducing Grand Corruption in Ukraine	7	⏳	✅

✅	Action plan implemented and closed by IAS or ECA / No impact on the assurance
⏳	Action plan implementation is ongoing or awaiting review from IAS or ECA

Internal Audit Service (IAS)

In its contribution to the 2024 Annual Activity Report process, the Internal Audit Service concluded that the internal control systems in place for the audited processes in DG NEAR are effective, except for the observations giving rise to the 'very important' recommendations as listed in the table below.

Reported	Audit Title	Accepted Recommendation	State of play in 2024	Impact on the assurance for 2024
2024	Allocation of Human Resources in EU Delegations	Very important: 2. Design and Implementation of the WLAD	⏳	🚩
2023	Intervention-level Evaluations	Very important: 11. Implementation of the evaluation process	⏳	🚩

⏳   **Action plan implementation is ongoing or awaiting review from IAS or ECA**

🚩   Impact on the assurance

During 2024, DG NEAR has ensured the coordination, quality control and follow-up of implementation of the recommendations of the ECA (European Court of Auditors), IAS (Internal Audit Service), EP (European Parliament) and Council.

Conclusion

In 2024, DG NEAR reported on the implementation of actions to address ECA/EP/Council recommendations and IAS recommendations largely according to schedule. All critical or very important recommendations addressed to DG NEAR from audits completed until the end of 2024 have been closed or are still within their targeted timelines, except one that has been only partially implemented (the second one in the table above, stemming from the IAS audit on intervention-level evaluations). More information about its implementation is provided in Annex 8.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards ([43]).

DG NEAR has adapted the Internal Control Framework to their specific characteristics and organisational structure. The internal control systems are suited to achieving DG NEAR's policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

DG NEAR has assessed its internal control system during the reporting year and has concluded that it is partially effective, as internal control principle 10 and 12 need major improvements, which could have a significant impact on the assurance.

([43]) The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

NEAR_AAR_2024

ICP 10 The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels

The **major** deficiency stems from the IAS very important recommendations issued in the framework of the following engagements:

- **External Investment Plan – EFSD guarantee** (2 out of 4 recommendations addressed to DG INTPA as leading service remain open);

- **Contractual expenditure verifications – CEV** (1 recommendation addressed to DG INTPA as leading service remains open);

- **Intervention-level evaluations** (1 recommendation remains open) and

- **Allocation of Human Resources in EU Delegations** (1 recommendation remains open).

The reports for the first two audits were issued in 2022 and the recommendations were addressed to DG INTPA, with DG NEAR (and FPI) associated. The adopted action plans are being implemented and followed-up under DG INTPA's lead. The final audit reports of the third and fourth audits were issued in January 2024 and in November 2024, respectively. The corresponding action plans will be implemented and followed up by DG NEAR and DG ENEST and MENA as of 01/02/2025 in cooperation with the associated services. Sections 2.1.2 and Annex 8 provide more details.

ICP 12 The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action

The **major** deficiency under this ICP stems from **external restrictions to control of financial programmes due to uncertainties and impacts created by geopolitical events**, most notably Russia's war of aggression against Ukraine, the Syrian civil war, the Libyan crisis, and more recently the conflict in the Middle East.

This deficiency is recurrent and inherent to the instable political situation in certain countries and regions where DG NEAR operates and is further exacerbated by the occurrence of natural disasters (notably in Syria and Libya). This heightens volatility, prevents from the full implementation of standard monitoring, evaluation and control activities without discontinuing urgent and essential delivery of financial assistance. In response to these challenges, DG NEAR remains committed to ensuring sound implementation to the extent possible by:

- vigilantly monitoring ground-level developments, and assessing their impact on the execution of control plans in the affected countries;

- swiftly responding to significant delays and disruptions, acting with agility to address emerging issues, for example by reorienting financial assistance;

- intensifying dialogue with partners, other donors and audit and control providers to foster collaboration and share insights;

- implementing proactive mitigating measures and conducting additional or alternative controls, taking into account operational and access constraints, for instance by

adopting hybrid or remote modality;

- resuming fully the controls that were affected or suspended once security arrangements permit a safe and secure environment.

In particular, restriction of access in **Ukraine**, **Libya** and **Syria** hampers the appropriate monitoring of EU-funded projects in these countries. Mitigating measures were put in place but do not fully mitigate the impact on the assurance of the corresponding expenditure. For example, remote or hybrid control methods have to complement or substitute field visits and on-the-spot checks (for example in the case of Result Oriented Monitoring – ROM – and Expenditure Verifications). Although in 2024, significant progress has been made in monitoring and oversight mechanisms, constantly faced significant constraints led to a reservation in the context of the 2024 AAR.

In terms of improvements or remedial measures, the Action Plan proposed in the 2023 AAR reservation has been followed and an updated version was drafted for the renewed reservation issued in the current report (see Annex 9). Without Commission presence on the ground, these measures will mitigate the systemic risks related to the operations, even if the countries remain active conflict zones.

Finally, the SG continuously monitors delivery on the Political Guidelines and annual Commission work programmes and prepares and supports timely political-level decisions when new circumstances change priorities which provided additional comprehensive corporate mitigating actions.

For all other aspects, there is reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and improvements of the measures in place are continuously sought. See annex 8 for more details.

2.4. Conclusions on the assurance

This section reviews the assessment of the elements from previous sub-sections 2.1., 2.2. and 2.3. and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

In general, the information in section 2.1 stems from the results of reviews by management and auditors. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the reported information and results in a comprehensive coverage of the budget delegated to the Director-General of DG NEAR, as the control instruments cover the entire budget expenditure managed by the DG. The EU Trust Funds (TFs) operate in the general system of internal control defined by the Commission, with the same rules and procedures developed by DG NEAR for the management and implementation of its operations.

DG NEAR has described **five major control environments** (Relevant Control Systems – RCS), covering 87% of the total payments and contributions and 97% of the payments.

The **residual error rates (RER)** are below materiality. Each RCS has been assessed as low

or moderate risk.

In terms of **fraud** prevention, detection and correction, the **DG Anti-Fraud Strategy** has been adopted in March 2021 and its action plan has been so far successfully implemented.

In terms of **controls' efficiency**, the time-to indicators and the KPIs show continuity and stability compared to last year.

In terms of **controls' economy**, the control strategy has a global percentage of cost of controls, which is well below the corporate ceiling (5%) and stable over time.

Continuous efforts have been made throughout 2024 to address past **internal (IAS) and external (ECA)** audit recommendations. Efforts to implement the remaining open IAS and ECA recommendations will continue in 2025.

The **internal control system** is effective, except regarding internal control principles 10 and 12, which need major improvement. Mitigating actions have been and will be put in place and where necessary a reservation was made.

Overall Conclusion

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation concerning external restrictions to control financial programmes in **Libya**, **Syria** and **Ukraine**.

Recapitulative Table

Reservation Title	Financial Impact (in m EUR)	Residual error rate 2024	Evolution	
	2023	2024		
External restrictions to control financial programmes in Libya, Syria and Ukraine	N/A	N/A	N/A	Maintained

2.5. Declaration of Assurance and reservations

I, the undersigned,

Director-General of DG NEAR,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ([44]).

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with

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([44]) True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

However, the following reservations should be noted: External restrictions to control financial programmes in Libya, Syria and Ukraine. More details are provided in Annex 9.

Brussels, 31 March 2025

"Signed"

Gert Jan Koopman

3.   MODERNISING THE ADMINISTRATION

3.1. Human resource management

As outlined in the objectives of the Management Plan 2024, DG NEAR's human resources management focused on managing its human resources with a view to ensure a competent and engaged workforce able to effectively deliver on the DG's objectives, in line with the political guidelines of President von der Leyen and in view of the new Commission which started on 1st December 2024. In this endeavour, DG NEAR continued to contribute to gender equality at all levels of management, including to the target set by HR in appointing one additional female manager before the end of 2024.

To help achieve these objectives, DG NEAR adopted a local HR strategy 2023-2025 in support of the Corporate HR Strategy. The four key priority areas identified in this strategy were as follows: (1) Working as one – Boosting leadership, coordination and collaboration, (2) A reinforced focus on working conditions in Delegations, (3) Enhanced and pro-active talent management, (4) An inclusive workplace and focus on well-being.

An action plan was developed to implement the local HR strategy features, 35 concrete actions of which 97% were already in progress or fully implemented as an inclusive process, with the collaboration of a broad set of staff at the end of 2024.

Based on the results of the latest staff survey and an in-depth analysis thereof, the DG started in 2024 a reflection on an update and adaptation of the Strategy. This work continued after the split of DG NEAR into DG MENA and DG ENEST in place since 1st February 2025.

3.1.1. Working as one – Leadership, coordination and collaboration

To further boost collaboration and information flows in and across teams, DG NEAR continued implementing a variety of meeting formats and Internal Communication actions such as knowledge-sharing sessions on topical issues, with close involvement of EU-Delegations.

Townhall meetings at Directorate level with all staff were organised to regularly update the staff on the DG strategic objectives, as well as extended Management Meetings and joint unit meetings.

3.1.2. A reinforced focus on working conditions in Delegations

DG NEAR aimed at further reinforcing the links between Headquarters and Delegations by enhancing mobility opportunities for contracts agents, notably to return to headquarters during their career. In this context, DG NEAR continued to contribute to the reflections in the European Commission Task Force on Careers for Contract Agents in Delegation all through 2024.

In parallel, an in-depth screening exercise to examine the skills and profiles as well as

NEAR_AAR_2024_final

future needs of staff both in Headquarters and Delegations was finalised in 2024 leading to recommendations to update and reprofile posts as appropriate and in line with the DG's mandate.

The DG also engaged in a strategic reflection on the Delegations' Network in its region and proposed ways forward to streamline and render the network more effective and better fit for purpose in view of the priorities of the Commission.

3.1.3. Enhanced and pro-active talent management

To support colleagues in their career development an annual tailor-made NEAR talent management programme was launched.

Also, to enable a better alignment between workforce and needs and support staff in managing their careers proactively by re- and upskilling, a training package, the 'future skills lab' was developed, focusing on priority areas for DG NEAR, such as Enlargement, Programming tools, financial instruments & budgetary guarantees, Migration and Energy.

Furthermore, a Contract Agent Strategy with an extensive Support Package for colleagues with limited contracts was published and a new learning and development plan was developed and implemented in 2024.

3.1.4. An inclusive workplace and focus on well-being

DG NEAR organised new well-being events and actions focusing both on mental and physical wellbeing.

3.2. Digital transformation and information management

DG NEAR made further progress in 2024 in the **implementation of corporate IT projects in collaboration** with DG INTPA ([45]), DIGIT and DG BUDG ([46]), the **modernization of its local applications** (e.g. TMS for the management of TAIEX events), and in the **implementation of the Commission's digital strategy** including data management, use of collaborative tools, digital way of working and IT security. DG NEAR also continued the implementation of the Commission's Data Protection Action Plan.

Implementation of corporate IT projects

In 2024 developments in this area focused on the preparations for the interoperability of the OPSYS ecosystem with SUMMA, the Commission's new corporate budgetary and accounting system. Testing of the solution was completed by the end of 2024. At the moment of the drafting of this report, the synchronization between SUMMA and the OPSYS ecosystem is still ongoing. The process took longer than expected due to the re-organization of DG NEAR into DG ENEST and DG MENA as of 1 February 2025.

([45]) On OPSYS.
([46]) On SUMMA.

Modernisation of local applications

DG NEAR did not develop new local information systems in 2024 but continued modernising existing local systems.

In collaboration with the Joint Research Centre (JRC), DG NEAR continued improving the statistical platform designed to gather quantitative and qualitative data on corruption and organised crime, for a structured assessment of the performance of the rule of law in enlargement countries. Two new countries, Ukraine and Moldova, were onboarded. The administrative agreement between NEAR and the JRC, was extended for 9 additional months, until end of March 2026.

For all DG NEAR's local information systems all GRC (Governance Risk and Compliance) priority controls were attested in the dedicated platform. In addition, in line with the EC Cloud Strategy, in collaboration with DIGIT, DG NEAR started the "cloudification" journey for its local information systems, an important step towards a green, resilient and secure infrastructure.

Implementation of the Commission's digital strategy for data management, collaborative tools, digital skills and IT security

With regard to **data management**, DG NEAR continued to participate in the Local Data Correspondents-network (LDC) and in DG INTPA Data Governance Board whose work continued to feed into that of the corporate Information Management Steering Board (IMSB) where the RELEX family is represented by DG INTPA.

DG NEAR data assets have been revised and meta-data kept up to date in the new corporate data catalogue (in line with the corporate data strategy to make relevant data available to the whole Commission). The sharing of information across the Commission (through Ares) has gradually improved with slightly over 10% of closed files fully shared and exceeding the target of 4% set for this year.

For what relates to **collaborative tools**, the use of Teams and SharePoint online has continued to increase. While reports on the number of users are not available (because of personal data protection-restrictions), the high uptake of trainings clearly points to the collective need to become more proficient on Teams. DG NEAR has negotiated actively with the EEAS to come to a much better result in terms of connectivity and interoperability of systems between the two institutions and for video-conferencing with Delegations. The roll-out of the MS Teams desktop client in delegations in 2024, was a clear step forward towards better communication and collaboration.

Concerning **digitalisation of DG NEAR way of working**, electronic signatures (Qualified Electronic Signature, QES) continued to be promoted. Consequently, their use has increased significantly. 87.5% of the authorising officers by sub-delegation in HQ have been provided with QES. The provision of QES certificates to colleagues in delegations by the EEAS, extended the number of use cases in which electronic signatures are used.

In order to foster a **digital culture** among staff, DG NEAR promoted trainings in the fields of digital skills cybersecurity and artificial intelligence. IT Security plans were revised and vulnerability assessments were conducted for most local systems.

With regard to particular priority actions identified under the Digital Strategy for 2024 in the Annual Management Plan 2024 the following has been accomplished:

- **Cyber-awareness of staff** was improved via the creation of a dedicated community and via initiatives such as the Cybersecurity Roadshow, organised in December with the assistance of DIGIT.

- **Data related to the Governance of the IT Portfolio**, were kept up to date in GOVIS2 to facilitate informed decision-making.

The totality of DG NEAR staff migrated to the **Welcome** domain by the end of 2024.

In 2024, DG NEAR continued the implementation of the **Commission's Data Protection Action Plan** (C (2018) 7432 final) as reviewed in 2020 (C (2020) 7625 final) ([47]).

A wide range of data protection trainings (general and specific) was made available to DG NEAR staff. In 2024, the DPC provided 2 information sessions on data protection awareness as part of the induction training on procedures with the participation of 148 staff (both in HQ and Delegations). In addition, the Director General requested that staff in each directorate/unit are instructed by their line manager to attend at least one awareness training activity on data protection (registered in EU-Learn). Line managers were also asked to report to the DPC on participation of their staff in data protection trainings. As part of NEAR awareness activities, the DPO was invited by the DG and provided in November 2024 a presentation on data protection to NEAR senior and middle management during the Extended Management Meeting.

These actions ensured that in 2024, 22,36% of NEAR staff followed a data protection awareness training recorded in EU Learn. Taking into account the percentages of staff having followed data protection awareness activities in the previous years, overall, 100% of NEAR staff ([48]) has been trained on data protection at the end of 2024 (reported to the number of staff and not to individuals, considering the high staff turnover in DG NEAR).

3.3. Sound environmental management

In line with its Strategic Plan 2020-2024, and the Communication on Greening of the Commission, DG NEAR contributed to the Commission's aim to be climate neutral by 2030, by following and implementing on a local level the corporate environmental and EMAS actions and promoting measures to reduce the environmental day-to-day impact of the administration.

In 2024, flexible working practices continued, with many staff balancing working from home with physical presence in the office, which, similarly to previous years, reduced DG NEAR's waste production in the office and emissions due to commute.

DG NEAR continued to monitor closely emissions from missions. New guidance for staff included reducing the number of colleagues going to the same mission, and the DG's office

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([47]) For details, see Annex 10.
([48]) These statistics focus on DG NEAR staff in headquarters as DG NEAR staff in Delegations is systematically trained by the EEAS.

NEAR_AAR_2024_final

has monitored this very closely.

DG NEAR also promoted corporate programmes to its staff such as "VELMOAI" or "EKIDEN", promoting zero-emission means of transport and, more generally, an attention to health at work.

Regarding the reduction of waste, the focus remained on facilitating paperless working by promoting the use of electronic signatures (Qualified Electronic Signatures QES) in administrative and contractual matters.

DG NEAR developed a guide on dealing with paper files, highlighting the EC Digital Strategy, with a particular focus on "digital by default", as well as explaining in detail how to correctly handle remaining paper files, and ensure environmentally conscious recycling. In addition to written and visual guides distributed to all staff, internal trainings were delivered, and personal support was provided to colleagues on these topics.

3.4. Examples of economy and efficiency

A new approach to programming of financial assistance in the European Neighbourhood and Enlargement Countries

In the delivery of financial assistance to its partner countries DG NEAR planned the assignment of majority of funds on a yearly basis at a country and regional level in a variety of sectors. In 2024, DG NEAR started reviewing this approach to bring greater efficiency and effectiveness into the delivery of its financial assistance as of 2025. This approach has been further developed with the reflections based on three main principles: policy first, integrated programming and results-based financing, with the aim to develop multiannual programming to ensure the necessary flexibility in budgetary execution.

DG NEAR worked mainly with result-based financing tools: under this financing modus an agreed set of results (e.g. implementation of reforms) triggered the release of funds to partner and beneficiary countries. The Ukraine Facility and the Reform and Growth Facility for the Western Balkans are examples of initiatives, which, since adopted, continue contributing to the implementation along this principle.

Measures to ensure efficient allocation of human resources

The main challenge of the DG is to ensure an efficient allocation of resources to address new needs, this required the setup of a system of dynamic quota management in 2023 which played a crucial role in 2024 in maximising the number of posts and decreasing the vacancy rate within the DG ([49]) while developing a DG NEAR HR strategy and starting the implementation of its key actions.

Furthermore, by optimising workforce allocation, the dynamic quota management system led to cost savings, improved employee retention, and enhanced resource utilisation, ultimately contributing to greater organisational effectiveness and efficiency.

([49]) On job quota for officials, this was managed successfully with vacancy rates dropping below 2%.