

# ECA: Digital Administration of EU Funds is Progressing Too Slowly

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## News

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ISSN: 1862-6947

<https://eucrim.eu>

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Bodies managing EU funds still face several challenges with the use of digital tools. Such shortcomings have an impact on the effective protection of the EU's financial interest. This is one of the main conclusions in a [report presented by the European Court of Auditors \(ECA\)](#) on 6 July 2023. The review report describes and analyses the current state of digitalisation in the management of EU funds as well as planned developments.

According to the ECA, digitalisation has the potential to make the audit of EU funds more efficient. However, because the multiple bodies managing EU funds use so many divergent IT systems, it is currently impossible to undertake large-scale testing. The ECA also states that modernising the Commission's financial management system is a big challenge, a "truly digitalised Commission" is still work in progress. Weaknesses in the digitalisation of managing EU funds include:

- Lack of a corporate system for the Commission's indirect management needs;
- Considerable differences between Member States as regards the use of IT in the shared management areas, in particular cohesion policy and rural development funding, which makes an efficient exchange of information difficult;
- Uneven uptake of electronic procurement across Member States;
- Multiple databases and portals containing information on transparency of contractors and beneficiaries of EU spending, which additionally varies by management mode and policy;
- Differences in data governance with some essential data still being unstructured or only available directly from managing authorities or beneficiaries, and thus unsuitable for digital audit and comprehensive analysis.

The ECA points out that it will be necessary to simplify the IT landscape still further in order to streamline the management of EU funds. Therefore, differences must be reduced and interoperability between IT systems and the data used by the many implementing bodies be improved.

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The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).



**Co-funded by  
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