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IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities

{COM(2025) 545 final} - {SEC(2025) 590 final} - {SWD(2025) 591 final}

1. INTRODUCTION

Legal and political context

The true value of the EU budget lies in the tangible impact it delivers on the ground. Through performance budgeting[1], the EU ensures that every euro is spent effectively and efficiently, enabling European citizens to get better value for money. The performance framework of the EU budget is also key to ensure maximum transparency and accountability, providing budgetary authorities and citizens with a clear view of how the EU budget is being used and what results are achieved.

The implementation of the current and previous EU programmes, as demonstrated by relevant programme evaluations, has shown that the complexity of the funding architecture is the major factor hindering the impact of the EU budget. Currently, many programmes may finance the same activities, but without the same rules and conditions and there is insufficient flexibility to respond to unforeseen needs. This leads to inefficiencies and administrative burden for beneficiaries, Member States (MS) and the Commission. In addition, a difficult budgetary situation – with the start of NextGenerationEU repayments, the increasing number of EU priorities and the tight fiscal situation of MS – reinforces the need to reduce identified inefficiencies and administrative burden. The Political Guidelines acknowledge that '*our spending is spread over too many overlapping programmes – many of which fund the same things but with different requirements and difficulties to combine funding effectively'*. The Guidelines set out that the new long-term budget needs to be more focused, simpler, with fewer programmes and more impactful. In line with the Political Guidelines, the College adopted on 11 February 2025 the Communication '*The road to the next multiannual financial framework*', which states that *'the next long-term budget will have to address the complexities, weaknesses and rigidities that are currently present and maximise the impact of every euro it spends'*. The Communication also underlines that flexibility is key in guaranteeing the budget's ability to respond to a changing reality.

The post-2027 MFF will need to be fit for delivering on EU political priorities such as competitiveness, security and defence, migration, the green and digital transition, clean industry, and research and innovation, while also adapting to the evolving needs of the EU, upholding EU values and ensuring social fairness. The increasing number of policy priorities that the EU budget will have to address calls for maximising its impact and performance, in line with the highest standards of financial management. The post-2027 budget will therefore require a high-quality performance framework to develop its full potential, taking into account the lessons learned from the 2021-2027 MFF. This performance framework will need to be designed to strengthen the capacity to deliver against EU policy priorities, respond flexibly to new realities, ensure accountability, and allow the EU to communicate effectively with stakeholders and citizens about the EU budget and how it adds value to the lives of EU citizens.

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[1] Performance budgeting can be defined as the 'systematic use of performance information to inform budget decisions, either as a direct input to budget allocation decisions or as contextual information to inform budget planning' Tryggvadottir, Á. and I. Bambalaite (2024), 'OECD performance budgeting framework'

Performance framework of the EU budget

The performance framework of the budget is based on the Financial Regulation, which sets out a number of performance requirements for the EU budget, as well as programmes legal basis. It was further framed by the 2021 Communication from the Commission on the performance framework for the EU budget under the 2021-2027 MFF[2].

This impact assessment report focuses on the performance framework of the EU budget, which is based on three pillars:

1. **Programming** horizontal policy priorities such as gender equality and the green transition, across all EU budget programmes, at all stages of the EU budget decision and implementation process – preparation, design, implementation, monitoring and evaluation;
2. **Monitoring** of expenditures contributing to certain horizontal priorities of the EU budget, and their outputs and results, with evaluations assessing impact;
3. **Reporting** on the performance of the EU budget including its contribution to and impact on horizontal priorities: EU budget performance information is reported annually through relevant reports and dashboards of indicators. Information on funding opportunities – e.g. calls for proposals – is also displayed through relevant portals.

Performance in the 2021-2027 budget

Under the interinstitutional agreement (IIA) accompanying the 2021-2027 MFF[3], the European Parliament, the Council and the Commission committed to integrate horizontal priorities into the EU budget, including through spending targets for climate and biodiversity. The IIA commits in particular to:

- Spend at least 30% of all resources available under the 2021-2027 MFF and NextGenerationEU on addressing climate change;
- Support biodiversity with a view to working towards the ambition of providing 7.5 % in 2024 and 10 % in 2026 and in 2027 of annual spending;
- Develop a new gender equality expenditure tracking methodology and mainstreaming of that objective as a pilot as of 2023;
- Report annually on the implementation of the United Nations Sustainable Development Goals in all relevant programmes.

While the 2021-2027 MFF benefits from a more modern performance framework[4], there remains room for enhancement, notably in terms of simplification, consistency and better understanding of the results of the EU budget. The post-2027 MFF offers a key opportunity to address these challenges and maximise the impact of the EU budget, building upon the findings of the mid-term evaluations of programmes implemented since 2027.

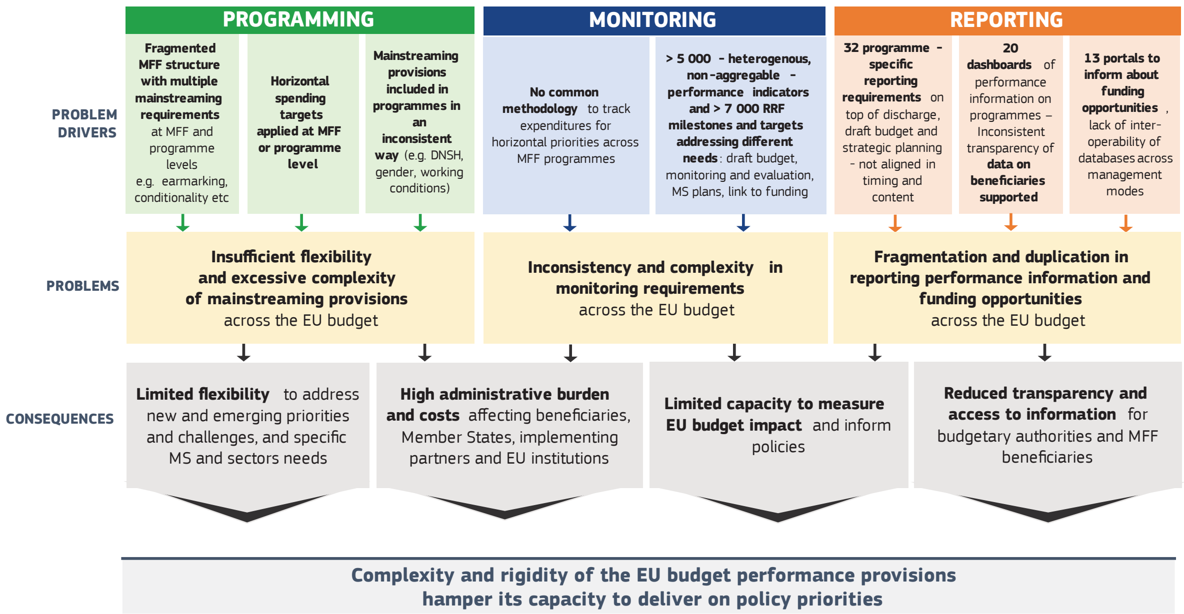
The post-2027 MFF will also need to be aligned with recent legal developments, including the 2024 Financial Regulation recast[5] – which includes new requirements on the principles

[2] SWD(2021) 133 final
[3] Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission, 2020 EUR-Lex - 32020Q1222(01) - EN - EUR-Lex
[4] Communication on the EU budget performance framework 2021-2027 - European Commission
[5] Regulation (EU, Euratom) 2024/2509, Regulation - EU, Euratom - 2024/2509 - EN - EUR-Lex

of DNSH, gender equality, performance indicators as well as transparency rules regarding beneficiaries of EU budget programmes. The impact assessment focuses therefore on the mainstreaming of the gender equality and DNSH principles because these are legal requirements. Other policy objectives (such as competitiveness and defence) will be supported through the steering mechanism of the post-2027 MFF, which will enable to identify and mainstream relevant priorities across programmes, and through the specific design of individual programmes such as the European Competitiveness Fund and the policy objectives of the National and Regional Partnership Plans Fund[6].

This impact assessment aims at defining the performance framework for all EU budget programmes post-2027, including for the purpose of monitoring and evaluation.

2. PROBLEM DEFINITION



Problem tree: problem drivers, problems and consequences

2.1. What are the problems and their drivers?

2.1.1. Problem 1: Insufficient flexibility and excessive complexity of mainstreaming provisions

The establishment of a modern performance framework across the EU budget has enhanced the clarity of programmes intervention logic and understanding of their results. Through a tracking methodology that accurately identifies green investments – applied consistently across Cohesion Funds and the Recovery and Resilience Facility (RRF) – and robust delivery mechanisms, spending objectives and tools – such as climate proofing of investments or environmental safeguards in the Common Agricultural Policy (CAP), the EU

[6] This impact assessment does not consider SDGs as a priority to be mainstreamed *per se* due to the fact that SDGs are by definition embracing multiple other priorities, and of a high-level nature.

budget has enhanced its capacity to achieve its climate ambitions. This enabled the EU budget to provide a significant contribution to implementing the Paris Agreement[7], the European Green Deal[8] and the European Climate Law[9].

However, the EU budget operates within a relatively fixed framework which can limit its ability to adapt to evolving policy priorities and emerging needs, given the long-term nature of the MFF. Some mainstreaming provisions of the 2021-2027 MFF have an impact on flexibility, making it more difficult to respond to complex economic and geopolitical issues, such as crises, pandemics, war and natural disasters, which demand a responsive and agile budgetary approach[10]. This weighs on the EU budget's ability to respond to pressing policy priorities while simultaneously advancing key long-term objectives, such as the green and digital transitions and gender equality.

The overlap of several programmes with similar policy scopes and different delivery models, and limitations to align the EU budget with cross-cutting priorities creates inefficiencies (cf. Annex 6). The biodiversity spending target and gender equality provisions of the IIA were not fully matched with the necessary mainstreaming requirements in spending programmes, leading to inconsistent approaches. As a result, while the climate target is on track to be achieved, current projections indicate that the 2026 and 2027 biodiversity ambition will be challenging to meet[11]. Divergences have also been observed in how the 'DNSH' principle has been applied across programmes.[12]

Problem driver 1: A fragmented MFF structure with multiple mainstreaming requirements at MFF and programme levels

The 2021-2027 budget features heterogeneous mainstreaming requirements at MFF and programme levels. Funding is scattered across several EU funds which rely upon a variety of mainstreaming provisions – defined through programme regulations – which are fixed for the whole MFF duration, such as programme-level spending targets, budget earmarking and ringfencing, enabling conditions and conditionality requirements. This may generate barriers when needing to reallocate funding to the mainstreaming of new priorities in the context of a complex and dynamic geopolitical and economic environment.

Similar actions are often supported through a variety of mainstreaming tools. For instance, energy efficiency investments are subject to different conditions under the European Regional Development Fund (ERDF), Just Transition Fund (JTF), InvestEU, and the Modernisation Fund. Likewise, renewable energy projects receive funding from multiple sources – InvestEU, ERDF, and Horizon Europe – each with its own requirements.

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[7] https://unfccc.int/sites/default/files/english_paris_agreement.pdf
[8] https://commission.europa.eu/document/daef3e5c-a456-4fbb-a067-8f1cbe8d9c78_en
[9] https://eur-lex.europa.eu/EN/legal-content/summary/european-climate-law.html
[10] EU Budget Policy Brief – Lessons for a Future-Proof EU Budget, 2140592d-a44b-4d93-a00b-4910e9b29584_en
[11] AMPR – Annex I – 3. Horizontal policy priorities in the EU, https://op.europa.eu/en/publication-detail/-/publication/7ebd8cea-2ebe-11ef-a61b-01aa75ed71a1/language-en
[12] JRC, The implementation of the 'DNSH' principle in selected EU instruments, 2023, https://publications.jrc.ec.europa.eu/repository/handle/JRC135691

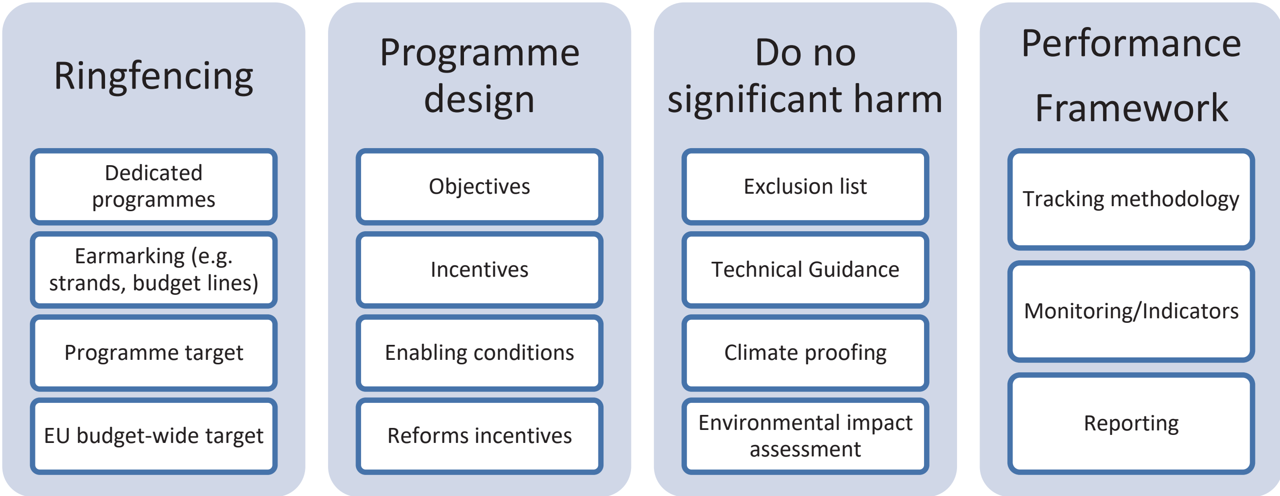

Figure: Green mainstreaming toolbox

Problem driver 2: Differences between spending targets applied at MFF and programme level

While being effective in raising general awareness vis-à-vis policy priorities, as well as contributing to agreed EU objectives and international commitments, horizontal spending targets – such as the climate and biodiversity targets of the 2021-2027 MFF – can hamper the responsiveness of the EU budget to address new needs and priorities. Spending targets have supported investment predictability and helped meet the EU climate and biodiversity objectives, while contributing to reinforcing industrial competitiveness, energy security and strategic independence. The climate and biodiversity targets have also helped the EU to meet its international obligations under the Paris Agreement and the Global Biodiversity Framework. However, setting a horizontal spending target limits the objectives that can be financed in the different programmes – which may have different priorities and less potential to contribute to spending targets set at the beginning of the MFF (e.g. Ukraine facility). Any spending target set at horizontal level can only work if there is a corresponding alignment of the policy objectives financed by the programmes. Some programmes such as LIFE and the EMFAF reached respectively 49% and 28% biodiversity contribution, exceeding the biodiversity spending target, focusing on nature restoration measures (for LIFE) and on protecting marine biodiversity and incentivising sustainable fishing (for EMFAF). However, the multiplicity of objectives to be mainstreamed – such as in the case of external action funds such as the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)[13] – may make it challenging to achieve programmes spending targets.

Problem driver 3: Heterogenous mainstreaming provisions included in programmes

Mainstreaming provisions – such as on DNSH, gender equality, climate, biodiversity – are included in MFF programmes in a heterogenous way[14]. While this enables to tailor requirements to the specificities of programmes, it generates complexities and burden for MS and project beneficiaries such as Small and Medium Enterprises (SMEs) and other businesses which have to deal with divergent requirements. As a result, beneficiaries face potential

[13] Regulation - 2021/947 - EN - EUR-Lex, Article 8.8 (list of objectives to be mainstreamed under NDICI)
[14] Full overview of the tools available in the swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf and in the Biodiversity tracking methodology for each programme 2021-2027

uncertainties and a lack of predictability, which may negatively impact the competitiveness of key sectors supported by EU funds, as highlighted by the evaluations[15] of a number of EU budget programmes, as also echoed by the results of the Open Public Consultation.

A number of addition structural reasons hinder mainstreaming, such as the diversity of management modes, the design and complexity of programmes governance structure, which can make it difficult to ensure consistent application of horizontal principles across all levels of policy and implementation. The differences between Member States and third countries in terms of legal frameworks and political priorities also present additional challenges. These are often compounded by limited administrative capacity in certain Member States and regions.

The DNSH principle has been applied in a number of EU programmes under the 2021-2027 period[16] but its application remains heterogenous[17]. The principle is mandatory only for some programmes and its application faces varying degrees of integration[18]. As a result, the same type of intervention is subject to different DNSH requirements depending on the rules applying under each programme, which can lead to consistency challenges and difficulties in channelling multiple sources of funding towards strategic investments[19]. The operationalisation of DNSH through varying technical guidances results in a parallel application of different sets of technical criteria for similar projects financed under different programmes. As shown by the evaluations of some programmes, implementing DNSH can generate administrative burden and may complicate access to funding[20]. MS considered that the application of the principle would have benefited from further guidance[21]. Some programmes take into account the proportionality principle e.g. through DNSH conditions (SCF[22], RRF) or through a monetary threshold (InvestEU). While several programmes use exclusion lists, including InvestEU, ERDF, such lists are not aligned, resulting in complexities for beneficiaries and limiting synergies between programmes. The inclusion of DNSH – where feasible and appropriate in accordance with the relevant sector-specific rules – in the recast Financial regulation requires a new approach to operationalise the principle across EU funds.

The biodiversity spending target is likely to be missed due to a lack of policy design tools and spending targets under sectorial regulations. Current programming suggests that the target is likely to be missed, with 7.3% of MFF funds dedicated to biodiversity in 2024, and 7.8% and 7.9% expected in 2026 and 2027 respectively. Biodiversity investments account for 2% of green transition investments under the RRF[23], and 6% under the cohesion policy funds. The Commission's pledge[24] to double external action support to biodiversity by 2027 – through NDICI-Global Europe and IPA III – is nonetheless on track to be achieved. Biodiversity finance is likely to continue to rely mostly upon public sources, notably on the MFF, to fulfil

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[15] Interim evaluation of the InvestEU programme, 2024 – Mid-term evaluation of the RRF, 2024

[16] Full overview by tool and by programme available in the climate mainstreaming architecture 2021-2027: swd_2022_225_climate_mainstreaming_architecture_2021-2027.pdf.

[17] Mainstreaming in the post-2027 Multiannual Financial Framework | Think Tank | European Parliament

[18] Bruegel study 'Greening the EU budget: why climate mainstreaming needs reform', 2025 – European Parliament 'Performance and mainstreaming framework for the EU budget – Empirical evidence, analysis and recommendations', 2024

[19] The implementation of the 'DNSH' principle in selected EU instruments, Joint Research Centre, 2023

[20] Interim evaluation of the InvestEU programme, 2024

[21] ECA special report 13/2024: Absorption of funds from the Recovery and Resilience Facility

[22] DNSH technical guidance to the SCF, 2025

[23] European Commission (2024), Recovery and Resilience Scoreboard

[24] 2021 State of the Union Address by President von der Leyen

the EU biodiversity commitments until the next decade, including in the context of the Kunming Montreal Global Biodiversity Framework.

Mainstreaming of gender equality into MFF programmes has seen progress but remains uneven across the EU budget. A number of programmes have achieved significant progress, such as NDICI–Global Europe[12] and through the Gender Action Plan III[13] which set a target requiring 85% of actions to have gender equality as a principal or significant objective and at least 5% of those actions to have gender equality as principal objective. Similarly, the Common Provisions Regulation (CPR) introduced gender equality as a thematic enabling condition, establishing it as a prerequisite for the effective implementation of EU funds' specific objective on gender balanced labour market participation. Horizon Europe and the European Social Fund also provide explicit gender equality objectives and legal provisions to achieve gender equality. Nonetheless, in 2023 only 11% of the EU budget is assessed as actively contributing to gender equality, including due to limited consideration of gender equality in the impact assessments and the design of some EU funds. Despite the positive trend in gender scores 1 and 2[25] between 2021-2023, in 2023 a substantial portion of the EU budget (69%) is assessed as not contributing to gender equality.

Figure: Gender mainstreaming toolbox

2.1.2. Problem 2: The inconsistency and complexity of monitoring requirements hamper the measurement of the EU budget contribution to policy priorities.

The monitoring requirements of the EU budget are inconsistent, which limits capacity to measure EU budget performance and inform policy making (cf. Annex 7). The monitoring of cross-cutting priorities – such as climate, biodiversity and gender equality – has improved but the current tracking system remains heterogeneous. The performance framework is also not fully equipped to measure progress of the EU budget's contribution to cross-cutting priorities through aggregable performance indicators. Monitoring provisions complexity generates administrative burden and costs affecting beneficiaries, MS, partner countries, implementing partners and EU institutions[26], as also echoed by the results of the Open Public Consultation.

[25] Score 2 tags interventions primarily aimed at improving gender equality; Score 1 tags interventions with significant but secondary gender equality objectives; Score 0 tags gender-neutral interventions; and Score 0* tags interventions with potential gender impact, but for which there is insufficient data available.
[26] 2024 European Parliament study 'Performance and mainstreaming framework for the EU budget: Empirical evidence, analysis and recommendations'

Problem driver 1:

The monitoring framework of the EU budget is based on different methodologies to track expenditures contributing to horizontal priorities across funds. Tracking methodologies differ between programmes i.e. expenditures allocated to a given intervention type – e.g. ecosystem restoration – are challenging to measure across MFF programmes because of a lack of harmonised intervention fields at MFF level. Tracking methodologies differ between policy priorities, such as under the CAP whereby different methodologies are used for climate and biodiversity[27]. This lack of consistency also hinders the potential to assess and compare budgetary performance between programmes and MS. Tracking methodologies were mostly developed after the start of the 2021-2027 period, reducing the potential of programming decisions to rely on ex-ante expenditure tracking. The European Court of Auditors (ECA) has made a number of recommendations[28] so as to reinforce the consistency of expenditure monitoring.

On gender equality, expenditure monitoring has significantly improved but continues to rely on a variety of approaches, and does not sufficiently enable to monitor the impacts of spending. The gender equality tracking methodology was introduced in 2022 – i.e. after the adoption of the basic acts of the 2021-2027 budget – which resulted in a variety of approaches across programmes. Some adopted specific tracking methods, such as the CPR tracking method, the RRF method based on flagging relevant measures, and the Common Foreign and Security Policy marker. In 2023, gender score 0* still represents 20% of the EU budget, showing a decreasing but structural limitation in data collection. The lack of gender-disaggregated data also remains a challenge, as a number of programmes do not collect or report indicators broken down by gender, which makes it challenging to evaluate the actual impact of gender-related investments and make informed decisions about future funding.

Problem driver 2:

There are more than 5 000 – heterogenous, non-aggregable – performance indicators and, under the RRF, around 7 000 milestones and targets, defined to address different needs such as assessing performance in the context of the draft budget, monitoring and evaluation of programmes and MS plans, and payments. Performance indicators are defined in programme regulations, in dedicated delegated acts as well as in staff working documents, work programmes and agreements with implementing partners. The CAP and Cohesion policy funds have developed systems using a limited and aggregable set of indicators, corresponding to around 360 indicators. In the CAP, the approach even prevents the collection of MS specific indicators. In cohesion policy, common indicators are used to set targets in national and regional programmes, with a subset of indicators defined for use in corporate reporting. The ESF+ uses a monitoring system with a limited set of common indicators and 38 indicators to monitor support in the area of material deprivation, as well as 3 934 additional programme-specific indicators as part of MS programmes. The RRF uses 14 – common – core performance indicators aimed at tracking progress towards the Facility's objectives and, as part of the performance-based feature of the instrument, 7 129 indicators used as milestones and

[27] The methodologies use different approaches e.g. direct payments are counted as 3% under the biodiversity methodology vs. 40% under the climate one. The climate methodology is less granular than the biodiversity methodology (Bruegel study 'Greening the EU budget: why climate mainstreaming needs reform', 2025).

[28] ECA Special report 14/2024 'Green transition – Unclear contribution from the Recovery and Resilience Facility', Report 09/2022 'Climate spending in the 2014-2020 EU budget Not as high as reported', Report 13/2020 'Biodiversity on farmland: CAP contribution has not halted the decline'

targets to measure progress towards the achievement of a reform or an investment, measuring outputs and results and triggering corresponding payments. Programmes using indicators to guide disbursement decisions are an exception, as the vast majority of funds use indicators for information gathering and monitoring purposes. Indicators are also used in the context of programmes evaluations[29], which sometimes lack adequate indicators and data to assess the progress and success of programmes at different stages of their intervention logic. The management of indicators datasets generates administrative burden for EU institutions and beneficiaries, as demonstrated by some programmes evaluations[30].

A number of programmes use similar yet slightly different indicators to report on similar outputs – e.g. regarding high-speed connectivity[31]. This fragmented approach results in a large number of non-aggregable indicators at EU budget level[32], which reduces possibilities to measure EU budget performance across programmes and to inform policies[33]. There are also significant question marks on the usefulness of a large number of indicators, which provide unclear added-value while generating significant administrative burden for MFF beneficiaries, MS, partner countries and EU institutions[34].

The balance between output, result and impact indicators has improved in the 2021-2027 programming period but is not optimal. All three types of indicators are essential to assess programme performance and follow a different timeline: output indicators provide insight into what the programme directly finances and its immediate activities (e.g. construction of an electrified railway); result indicators track the immediate effects of these outputs (e.g. number of people using the newly constructed railways); and impact indicators measure trends in the long-term objectives addressed by the intervention (e.g. greenhouse gas emissions avoided). A comprehensive monitoring framework covering the main policy areas and the most significant effects with results and impacts is crucial[35].

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[29] as per Article 34 of the Financial Regulation
[30] Mid-term evaluation of the RRF - European Commission and InvestEU programme – interim evaluation
[31] For instance, connectivity is measured in the RRF by '*additional dwellings with internet access provided via very high-capacity networks*', while CEF measures '*new connections to high capacity networks for socio-economic drivers and high quality connections foA recent European r local communities*', and InvestEU uses '*additional households, enterprises or public facilities that obtained access to high-speed internet*'.
[32] European Parliament study 'Performance and mainstreaming framework for the EU budget - Empirical evidence, analysis and recommendations', 2024
[33] Mainstreaming in the post-2027 Multiannual Financial Framework | Think Tank | European Parliament
[34] European Commission 2024, European Union's external financing instruments (2014-2020 and 2021-2027)
[35] 2025 Council recommendation on the discharge to be given to the Commission in respect of the implementation of the general budget of the European Union for the financial year 2023

Figure: Understanding the different types of performance indicators

Impact indicators are not designed in a manner that facilitates the measurement of long-term outcomes of programmes beyond their expiration. Visibility of programmes performance after their expiration needs to improve, particularly for measures funded across programming periods, such as large-scale infrastructure investments under CEF, research-funded projects, or ecosystem restoration. One of the challenges linked to measuring impacts is that benefits often accrue over longer periods than the MFF, for example in the case of infrastructure projects.

Programme evaluations have provided further information on the fitness for purpose of the existing framework to measure impacts. The interim evaluations of Erasmus+ and Creative Europe found that existing indicators are effective for monitoring outputs like participant numbers and projects funded, but less adequate for capturing long-term impacts, such as systemic educational reforms or cultural diversity, due to data quality issues and attribution challenges. Recommendations included simplifying indicator sets, enhancing qualitative metrics, and improving data collection to better assess performance and impact.

Significant additional data are collected by MS through administrative registers, either as beneficiary-level data under EU budget programmes or as administrative data collected under other legal bases. Such registers include national agencies registers or national statistical office databases. Such data – including information on e.g. location, gender, enterprise size – is a rich source of analysis and policy learning but is not available in a single structured framework and therefore remains insufficiently exploited in the context of performance monitoring.

2.1.3. Problem 3: The fragmentation and duplication in reporting performance information and funding opportunities across the EU budget leads to reduced transparency and high administrative burden.

The 2021-2027 performance framework improved reporting, focusing on four areas:

- **streamlining** – by merging the Programme Statements – Working document I of the Draft Budget and the Programme Performance Overview into a single, more focused document annexed to the Annual Management and Performance Report (AMPR);

- **integrating performance in the annual budgetary cycle** – publishing the draft annual budget proposal and the AMPR on the same day ensures that decisions on next year's budget can take into account the results achieved in the previous year.
- **providing financial information** – including on transfers, contributions from other countries and stakeholders, and decommitments – moving away from traditional budgetary presentation based on headings.
- **providing context and assessments** of how the programmes are performing.

Yet the sheer abundance of documents results in an overload of data, leading to confusion and potential inconsistencies (cf. Annex 8). The fragmentation and duplication of information generates administrative burden and reduced transparency for beneficiaries, MS budgetary authorities, implementing partners and EU institutions.

Problem driver 1:

Reporting requirements – in the context of the discharge, draft budget, strategic planning, and other programme-specific reports – are not aligned in timing and content. The reporting framework is fragmented, as it is set by fund-specific regulations in addition to the Financial Regulation. The Commission provides extensive reporting on the EU budget performance through the programme performance statements annexed to both the AMPR (discharge) and the Draft Budget, as well as 32 additional annual reports on specific funds. This high number of reports increases risks of inconsistencies and reduces transparency for other EU institutions and MS budgetary authorities[36]. Overall the reports prepared by the Commission are underused as input in steering budgetary decisions despite the significant resources that are employed in producing them.

TFEU Art. 318 requires the EC to submit an evaluation report on the Union's finances based on the results achieved.

Financial regulation: Art 41(3) - 'programme statements' (or other document) to be attached to the draft budget. Elements of the PS: a) which policies and objectives the programme contributes to; b) rationale for the intervention; c) progress in achieving the objectives, using indicators; d) justification of changes to appropriations; e) implementation rates

Art 74(9) – 'annual' activity report', financial and management information, including the results of controls

Art 253(1) – 'annual management and performance report', including the internal control& financial management part and the evaluation of the Union's finances based on the results achieved (reference to TFEU318)

LEGAL DEADLINES:

30 June: AMPR | 1 July: AARs | 1 September: draft budget

Problem driver 2:

The Commission reports performance information through over 20 different publicly available online dashboards[37]. Efforts have been made during the 2021–2027 period to

[36] 2024 European Parliament study 'Performance and mainstreaming framework for the EU budget: Empirical evidence, analysis and recommendations'

[37] including 4 dashboards published by DG BUDG: EU Financial Transparency System; EU Funded projects | EU Funding & Tenders Portal; EU Spending and Revenue 2021-2027; Programme Performance Statements

enhance transparency and harmonise data publication, such as for the CAP and Cohesion policy (AgriFood Data Portal, Cohesion Open Data Platform). However, as the organisation and management of data – as well as the type and granularity of data – are not standardised across funds, it is not possible to compile information at EU budget level[38]. Existing dashboards do not allow a centralised view of EU budget allocations nor results achieved by sector, such as transport or education, or by cross-cutting priority, such as climate action or gender equality[39][40]. While generating administrative burden, the current reporting system does not allow for an overview of all EU-funded projects within a specific territory – be it a city, region, or state.

The recast of the Financial regulation reinforces transparency requirements across the EU budget as from the next MFF, in particular by requiring to make available on a centralised website information on recipients of funds financed from the budget[41]. The regulation provides several details regarding the information to be published, the process of publishing, and the rules for processing data, including personal data. A number of EU funds under direct and indirect management publish such information through the Financial Transparency System. However, there is no comprehensive reporting of information on beneficiaries for programmes under shared management. While the process of obtaining the necessary information remains subject to sector-specific rules, information still has to be centralised through a single website as required by the Financial regulation.

Information about funding opportunities is scattered through a large number of portals due to a lack of interoperability of databases across EU funds. For example, information about EU funding opportunities for many programmes in direct and indirect management is made available under the Funding & Tender Portal[42]. Information is made available through several other portals, such as Access to EU Finance[43], the Enterprise Europe Network[44] and the EU Rural toolkit[45]. As a result, project promoters cannot easily gain an overview of funding opportunities available in their region or sector, as they must already be familiar with the specific funds that could support their projects in order to apply. This lack of visibility generates confusion, undermines transparency and reduces beneficiaries' ability – including local organizations and SMEs – to identify suitable funding sources and access financing under the EU budget. The fragmentation of portals also augments the likelihood for beneficiaries to apply and obtain funding from different EU sources for the same project. 72% of respondents to a Commission survey indicated that they would see value in a one-stop-shop combining EU and national funding[46].

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[38] Performance-based Programmes under the post-2027 MFF | Think Tank | European Parliament
[39] 2024 European Parliament study 'Performance and mainstreaming framework for the EU budget: Empirical evidence, analysis and recommendations'
[40] For example, it is not possible to obtain information as to how many beneficiaries obtained funding for education across all EU programmes, or how many kilometres of railways were built.
[41] Article 38 of the Financial regulation
[42] EU Funding & Tenders Portal
[43] https://youreurope.europa.eu/business/finance-funding/getting-funding/access-finance/search/
[44] https://een.ec.europa.eu/about-enterprise-europe-network/advice-support/access-eu-funding-programmes
[45] https://funding.rural-vision.europa.eu/finder?lng=en
[46] 2024 Commission STEP taskforce survey on 'Access to EU funding – users perspective'

2.2. How likely is the problem to persist?

The limited ability to aggregate information at the level of the MFF continues undermining the ability to assess the performance of the EU budget and support an informed-based EU budget implementation. The issue of inefficient and burdensome monitoring of performance is therefore likely to persist unless corrective action is taken.

As long as the performance framework remains defined by provisions scattered across various legal bases of different programmes, ensuring the coherence of these provisions, rules, and principles will remain a significant challenge. This issue was evident during the 2021–2027 period, when efforts to harmonise provisions across programmes achieved only limited success. Without a unified performance framework upfront, it would be challenging to steer the mainstreaming of horizontal priorities in the EU budget in a consistent way and to form a clear understanding of the EU budget's overall achievements. The current lack of consistency of performance provisions undermines beneficiaries' ability to effectively leverage the financing opportunities offered by the EU budget, in particular for sectors that can be supported by different EU budget programmes.

3. WHY SHOULD THE EU ACT?

3.1. Legal basis

The legal basis for acting in this area is Article 322(1) TFEU, which requires the adoption of regulations laying down the financial rules which determine the procedure to be adopted for establishing and implementing the budget and for presenting and auditing accounts.

In addition, the 2024 recast Financial Regulation requires the principles of DNSH and gender equality to be taken into account in the next generation of programmes in the post-2027 MFF, where feasible and appropriate in accordance with the relevant sector-specific rules. Article 38 of the Financial Regulation also foresees new requirements regarding the publication of information on EU budget recipients and operations, including through a centralised website. Article 33 of the Financial Regulation further requires appropriations to be used in accordance with the principle of sound financial management and thus respecting the principles of economy, efficiency, effectiveness, and focus on performance. It also requires performance indicators to be aggregable and comply with the RACER standard and, where applicable, be broken down by gender.

3.2. Subsidiarity: Necessity of EU action

The EU operates a trillion euro budget, holding the potential to drive significant impact both within the Union and globally, provided it is used and targeted efficiently, in line with political guidelines. It is essential to have a strong and effective performance framework in place in order to ensure that the EU budget delivers greater impact in priority areas and that its effects are measurable, transparent, and capable of driving continuous improvement through scrutiny and learning. EU action is more particularly necessary based on the following aspects:

- **Fulfilment of Treaty objectives:** EU action is justified on grounds of subsidiarity in line with Article 317 of the TFEU, which requires sound financial management. The TFEU also requires horizontal obligations such as the integration of environmental and climate action in EU policies and funding programmes. Article 8 of the TFEU also emphasises the need to promote equality between men and women.

- **International obligations on climate change and biodiversity:** a coherent performance framework supporting green mainstreaming is necessary at EU level based on its international obligations under e.g. the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity.

3.3. Subsidiarity: Added value of EU action

Designing a more efficient performance framework, including the integration of existing data sources in a coherent manner, necessarily entails the development of a horizontal approach at EU level so as to maximise the performance of investments contributing to EU priorities. Making use of the EU budget in favour of e.g. climate, biodiversity and gender equality has added value, especially for measures that cannot be adequately financed from national budgets or the private sector, because of the transboundary nature and scale of challenges, territorial cohesion, just transition needs or uneven levels of climate and environmental action and fiscal capacity.

4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

4.1. General objectives

The general objective of this initiative is to propose a simplified, coherent and flexible performance framework for the post-2027 MFF in order to maximise the EU budget capacity to deliver on policy priorities and effectively assess the performance of EU budget programmes, while ensuring alignment with the new requirements of the recast Financial Regulation.

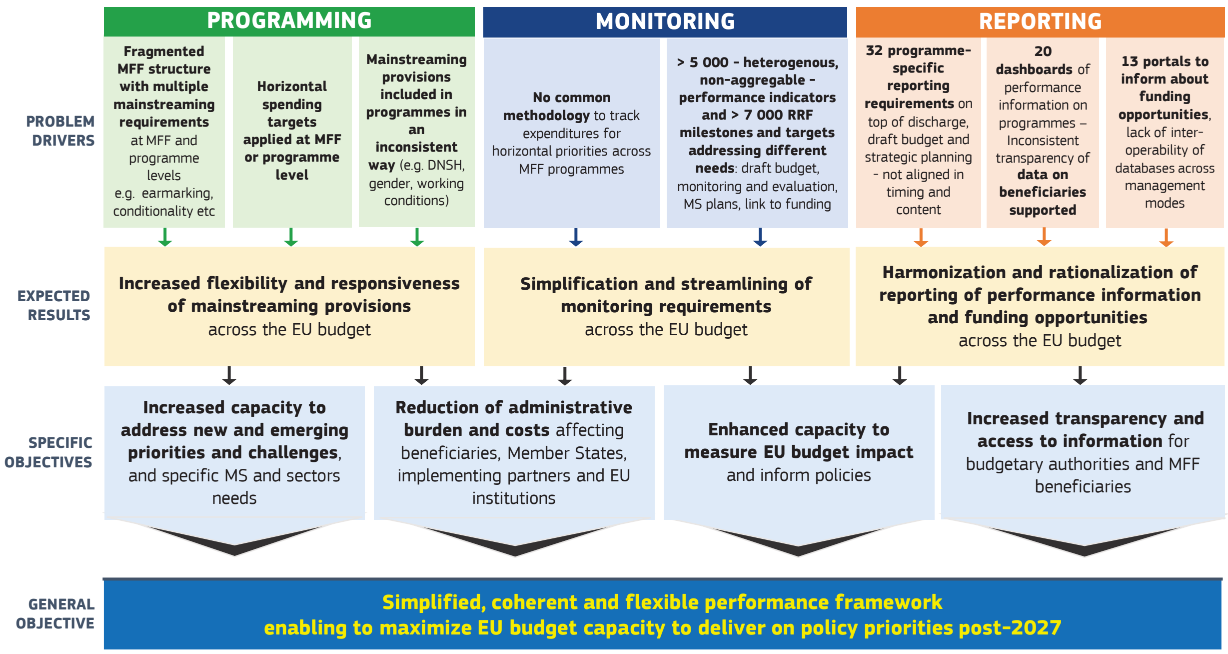
The initiative aims in particular at achieving:

- **Increased flexibility and responsiveness of mainstreaming provisions across the EU budget:** the initiative should aim at simplifying and harmonising the provisions enabling to mainstream horizontal policy priorities across Union programmes so as to ensure consistency across the EU budget.
- **Simplification and streamlining of monitoring requirements across the EU budget :** the initiative should enable to simplify and harmonise expenditure tracking across Union programmes, enabling to aggregate data across programmes and ultimately improving the monitoring of the EU budget performance. The initiative should also enable to streamline the system of performance indicators at MFF level, enabling to better assess performance, monitoring and evaluation, assessing implementation of MS plans, funding and payments.
- **Harmonisation and rationalisation of reporting performance information and funding opportunities across the EU budget:** the initiative should address the current fragmentation and duplication in reporting performance information and funding opportunities across the EU budget. The initiative should enable to harmonise reporting requirements, rationalise existing systems of dashboard providing performance information, and harmonise information on available funding opportunities and calls under the EU budget.

4.2. Specific objectives

This impact assessment aims at evaluating available policy options according to their ability to deliver on the following specific objectives:

1. Increased capacity to address current and future policy priorities, and specific MS and sectors needs;
2. Reduction of administrative burden and costs affecting EU budget beneficiaries, MS, partner countries, implementing partners and EU institutions by at least 25%;
3. Enhanced capacity to measure EU budget impact, and inform policies and programmes management;
4. Increased transparency and access to information for MS budgetary authorities and EU budget beneficiaries.



Objectives tree: problem drivers, general and specific objectives, expected results

5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

The draft impact assessment identifies three possible levels of harmonisation of performance provisions across the three problems identified:

Policy options	P. Programming and mainstreaming	M. Monitoring	R. Reporting
1	P1: Baseline – Programme-specific rules on DNSH and gender equality	M1: Baseline – Programme-specific rules for defining tracking methodologies and performance indicators	R1: Baseline – Programme-specific reporting requirements, dashboards and portals
2	P2: Activity-specific rules: harmonised provisions across programmes on DNSH and gender equality, with calibrated harmonisation	M2: Single methodology to track expenditures through intervention fields and a limited set of common mandatory performance indicators, with flexibility to	R2: Single performance report, single portal on performance information and funding opportunities, with differentiated operationalisation of the

	and differentiated operationalisation per management mode	adopt additional programme-specific performance indicators	single portal per management mode or sector
3	P3: Activity-specific rules: fully harmonised provisions on DNSH and gender equality	M3: Single methodology for the EU budget to track expenditures through intervention fields, and fully harmonised list of performance indicators across programmes (linked to intervention fields)	R3: Single performance report, single portal on performance information and funding opportunities, with fully harmonised operationalisation across management modes

5.1. What is the baseline from which options are assessed?

Under a baseline situation, the performance provisions set at programme level under the 2021-2027 period would continue regarding the three identified problems. The baseline does nonetheless not correspond to a 'no-policy-change' scenario, but to a dynamic baseline, as the performance framework of the EU budget will automatically need to undergo adaptations to reflect the new architecture of the post-2027 EU budget, which would entail fewer programmes. If many of the current numerous programmes are consolidated, such programmes will necessarily result in changes in terms of monitoring and reporting on performance. More details on the expected impacts of this baseline options are available under Annex 9.

Policy option P1: Programming/mainstreaming of horizontal priorities – Programme-specific rules on DNSH and gender equality:

Under this option, the mainstreaming of EU policy objectives – e.g. gender equality, climate and environment – into programming would follow a programme-based approach.

The requirement from the financial regulation to implement programmes and activities taking into account the principles of DNSH to the environment and gender equality, where feasible and appropriate and in accordance with sector-specific rules, would be fulfilled using a programme-based approach, as applied in the 2021-2027 period. Specific DNSH and gender equality requirements would be established for each EU budget programme, even if the architecture of the post-2027 MFF features a lower number of programmes than in the 2021-2027 period.

A specific DNSH guidance or set of requirements would be developed for each EU budget programme to allow for tailored implementation of the DNSH principle. As a result, a given intervention – i.e. category of activity – may be subject to different DNSH requirements depending on the rules applying under each programme.

Gender equality would be mainstreamed through provisions varying across programmes, such as enabling conditions and other programme-specific requirements.

Policy option M1: Monitoring of expenditures and indicators – Programme-specific rules for defining tracking methodologies and performance indicators:

This baseline policy option foresees maintaining a programme-based approach towards monitoring the performance of the EU budget.

Programme-specific methodologies would track expenditures contributing to EU policy objectives. Some programmes would use intervention fields to monitor expenditures, while other programmes would use different approaches, sometimes requiring a subjective assessment at project officer level for each intervention and priority.

Programme-specific performance indicators would be adopted e.g. through programmes legal acts. Programmes would apply different rules for identifying and reporting relevant expenditures, as well as different sets of performance indicators, therefore limiting the possibility to aggregate data and evaluate performance at EU budget level.

Policy option R1: Reporting of performance information – Programme-specific reporting requirements, dashboards and portals:

This baseline policy option foresees maintaining a programme-specific approach to the reporting of performance information across the EU budget.

Existing performance reporting requirements would be maintained, including heterogeneous requirements across programmes legal bases.

The multiple dashboards displaying performance information would be maintained. Transparency requirements regarding the collection, storage and publication of data on beneficiaries funded by the EU budget would continue to vary across management modes.

Portals informing beneficiaries on funding opportunities would continue through multiple entry points, with possible adjustments to reflect the architecture of the post-2027 budget.

5.2. Description of the policy options

The impact assessment assesses three combinations of measures i.e. P2+M2+R2, P2+M3+R2 and P3+M3+R3 against the baseline i.e. P1+M1+R1. This section focuses on the description of each individual policy option.

Programming/mainstreaming of horizontal priorities:

- **Policy option P2: Activity-specific rules – harmonised provisions across programmes on DNSH and gender equality, with calibrated harmonisation and differentiated operationalisation per management mode**

This option foresees operationalising the support for key horizontal policy objectives – such as gender equality – and implementing the DNSH principle through a harmonised activity-based approach.

Harmonised DNSH criteria would be set, following a single activity-based approach across the budget, contrary to the programme-based guidance in place in 2021-2027. Economic activities would be subject to harmonised DNSH requirements defined upfront by type of intervention, where feasible and appropriate and in accordance with sector-specific rules. Under this single system, MS, implementing partners, project promoters and other final recipients would have a clear understanding of the applicable DNSH requirements for each intervention type. While this option relies upon the adoption of a single DNSH guidance across programmes, it takes into account the proportionality principle as well as the specificities of programmes management modes (direct, indirect, shared), the type of support (e.g. grants, guarantees, loans) and the size of the project. The application of the principle would also be adapted to external action to take into account differences in the environmental and climate legislation of partner countries. The guidance defining DNSH conditions applying to each group of intervention fields could also consider a bespoke approach for example in the case of sensitive sectors (such as certain defence and security activities).

In line with the Financial Regulation, programmes and activities will need to be implemented taking into account the principle of gender equality, where feasible and appropriate and in accordance with sector-specific rules. Under this policy option, gender equality requirements would be set at EU budget level, supported by a single guidance and provisions tailored to management modes, enabling to support compliance by MS, partner countries and implementing partners with the gender equality requirements of the Financial Regulation. This option foresees mainstreaming gender equality into a number of programmes for which gender equality is assessed as specifically relevant and appropriate. Specific gender equality provisions would be included into the design of programmes, for example by requiring MS to demonstrate how their national plans contribute to gender equality or by including gender equality provisions in the evaluation procedure of calls for proposals for programmes under direct management. The single guidance would support the mainstreaming of gender equality during the programming and implementation phases of the funds in a consistent way.

In addition, EU budget expenditure promoting gender equality would be monitored through a single methodology applying a system of gender scores building on the 2021-2027 methodology as well as the OECD methodology. Performance indicators would be disaggregated by gender where relevant, in line with the Financial Regulation.

Under this policy option, the programming and mainstreaming of horizontal priorities across programmes would be done through harmonised provisions at EU budget level, but with differentiated operationalisation per management mode, tailored for example to:

- work programmes, calls, procurements or contracts under direct management;
- work programmes and agreements with implementing partners under indirect management;
- MS to make a DNSH and gender equality assessment under shared management;
- the approach for implementing the DNSH and gender equality principle would also be differentiated between internal and external action.

- **Policy option P3: Activity-specific rules: fully harmonised provisions on DNSH and gender equality**

Similar to policy option P2, this option foresees operationalising the support for key horizontal policy objectives – such as gender equality – and implementing the DNSH principle through a harmonised activity-based approach, where feasible and appropriate in accordance with the relevant sector-specific rules, supporting alignment with the new requirements of the recast Financial Regulation.

As under option P2, under this policy option harmonised gender equality requirements would be set at EU budget level.

This option foresees implementing DNSH through a single activity-based approach applying to the entire budget, similar to option P2. DNSH requirements would be defined upfront for each type of intervention, through a single DNSH guidance including technical criteria tailored to the nature of the activity. Unlike option P2, this option foresees a fully harmonised approach whereby DNSH technical criteria would apply uniformly to all intervention fields as well as to all management modes (direct, indirect, shared management), all internal and external action, and all types of support (grants, guarantees, loans).

Monitoring of performance:

- **Policy option M2: Single methodology to track expenditures and a limited set of common mandatory indicators, with flexibility to adopt additional programme-specific performance indicators**

This option foresees the development of a single and simplified expenditure monitoring system applicable to all MFF programmes. The new system would use a harmonised classification of interventions financed by the EU budget – through intervention fields – providing a comprehensive, aggregated view of how EU funds are allocated. This system would be the basis to estimate expenditures contributing to cross-cutting policy objectives (e.g. climate mitigation and adaptation, biodiversity), by applying percentage-based coefficients (e.g. 0%, 40%, 100%) to these intervention fields.

The single list of intervention fields would build on existing intervention fields e.g. in cohesion, and EU strategic objectives and priorities. The system would take into account the specificities of programmes management modes (direct, indirect, shared), distinctions between internal vs. external action, and the type of support (e.g. guarantees, grants, loans). The list of intervention fields would enable to capture new financing areas, as the list could be revised during the implementation phase of the MFF, as relevant. MS would programme measures in their plans, assigning a given intervention field to each measure.

This option foresees the adoption of a short set of common indicators mandatory across programmes – similar to shared management programmes having common indicators used by all MS in 2021-2027, such as the 14 common indicators of the RRF. This would enable aggregation at EU budget level for a small number of output and result indicators with a view to monitoring the effects of the EU budget towards common strategic objectives. MS, implementing partners and the Commission would collect data on such common indicators and regularly report their figures for the purpose of corporate reporting.

In addition to this short list of mandatory common indicators across EU budget programmes, this policy option foresees the development of a standardised, yet indicative, set of performance indicators at MFF level – including output and result indicators. These indicators would be directly linked to the new set of intervention fields. Such indicators would be available for use by EU budget programmes under direct, indirect and shared management, but offering flexibility to adopt additional programme-specific performance indicators tailored to the specific needs of programmes. For example, programme-specific indicators could be adopted for the purpose of assessing performance[47], for the purpose of evaluation of programmes[48], and to monitor implementing partners in the context of shared management[49] and in the context of financing not linked to costs[50] – in cases where a data gap is identified. In the case of

[47] as per Article 33 of the Financial Regulation
[48] as per Article 34 of the Financial Regulation
[49] as per Article 158 of the Financial Regulation
[50] as per Article 125 of the Financial Regulation

performance-based forms of funding, additional targets or steps – tailored to the specific nature of the concerned measures – could be adopted by Member States and third countries as part of their plans. Indicators would be defined based on a common methodology, following the Better Regulation Toolbox, including the RACER[51] approach and other criteria[52].

This option further relies on the obligation for MS to share with the Commission key data at beneficiary level, enabling to exploit data collected by MS to operate each policy, including information on e.g. location, gender, enterprise size of the beneficiaries.

- **Policy option M3: Single methodology for the EU budget to track expenditures through intervention fields, and fully harmonised list of performance indicators across programmes (linked to intervention fields)**

Similar to option M2, this option foresees a single expenditure monitoring system applicable to all programmes, relying upon a harmonised list of intervention fields covering all activities financed by the MFF. The system would enable to estimate the EU budget contribution to priorities, such as climate, by applying percentage-based coefficients (e.g. 0%, 40%, 100%) to these intervention fields. For example, in the case of programmes under shared management, MS would programme measures in their plans, assigning a given intervention field to each measure or sub-measure in the plan.

This option foresees the development of a standardised set of – mainly output and result – performance indicators at EU budget level. This approach would reduce the overall number of performance indicators, and ensure alignment with the new requirements of the recast Financial Regulation requiring to aggregate performance indicators across programmes. Relevant performance indicators would be attributed to each intervention field. As under option M2, a common methodology would be defined for each indicator based on the Better Regulation Toolbox guidance on the development of indicators.

Similar to option M2, in the case of performance-based forms of funding, MS, partner countries, and implementing partners would define performance steps or milestones using the pre-defined output indicators linked to relevant intervention fields as part of the single list. In a financing not linked to costs scheme, fulfilling such steps or milestones – through reporting against relevant output and result indicators – would trigger payments, not linked to expenditure of MS. In exceptional cases where a measure would deliver an output not covered by the single list, additional performance steps or milestones – tailored to the measure specificities – could be adopted. The specificities of financial instruments (repayable support)

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[51] Relevant, Acceptable, Credible, Easy and Robust

[52] E.g. attributable (changes in the indicator should be attributable to the initiative; data should be easily available and of a good quality, ideally at national or regional level), timeliness (indicators should capture the effects due to the initiative within a reasonable length of time, taking into account the frequency of measuring indicators), baseline and target value (the indicator should be based on a clear baseline and assumptions to derive the target value from the baseline), metadata (indicators definition should include a unit of measurement, the source of the data, entities in charge of data collection and reporting, frequency of data collection/reporting, and any other information relevant to facilitate data sharing, use and aggregation)

would be taken into account. The set of common intervention fields would also enable the Commission to report its external support to the OECD DAC[53].

Unlike option M2, this option foresees a fully harmonised approach whereby a single common set of indicators would apply to all programmes. This would result in a reduction of the overall number of performance indicators across the EU budget, ensuring consistency across programmes. Output and result indicators would be specific to each policy area and related intervention fields, ensuring effective monitoring of the outcomes of funding for each type of activity while allowing aggregation of data across EU funds. Different from option M2, the single list of performance indicators would not merely be indicative but would constitute the indicators for monitoring the performance of EU budget programmes, as well as the indicators used as performance steps or targets in performance-based forms of funding used for e.g. MS plans or under external action. Member States would be required to report on at least one output indicator (used as target) and at least one result indicator for each measure of their plan. The single list of indicators would also serve as indicators used for the purpose of evaluations of programmes. This option does not foresee any short set of common indicators against which reporting would be mandatory across programmes, since all funds would use the single set of indicators.

Because the common list will include ca. 500 intervention fields reflecting the objectives of programmes, and because the list will include indicators attached to each intervention field, there will be several indicators available to monitor the achievement of programme objectives and therefore enable robust evaluations.

This option relies on the obligation for MS to share with the Commission key data at beneficiary level, enabling to exploit data collected by MS to operate each policy, including information on e.g. location, gender, enterprise size of the beneficiaries. The Commission would calculate output and result indicators based on these data, where feasible, further reducing administrative burden on MS, and optimizing the monitoring of the performance of EU budget programmes. This option also entails increased use of Member States administrative registers as a way of collecting further data useful for performance monitoring. It also foresees modernising data collection processes and strengthening the use of artificial intelligence (AI) to achieve further efficiency gains as well as modernizing data sharing and improving interoperability of databases. This is likely to help modernise data collection, help Member States to allocate projects to intervention fields, and contribute to the cleaning, processing, and analysis of performance data, while also enhancing data quality and reliability control mechanisms. AI may also help in the future in terms of inter-operability of databases, in a context where performance information remains scattered across several Commission databases, which limits aggregation of indicators across programmes.

AI is evolving at fast pace hence it remains difficult to anticipate the exact role that it will play in operationalizing the performance framework of the post-2027 budget. Yet it is expected to help modernise data collection, such as by helping Member States to allocate projects to intervention fields, and to contribute to the cleaning, processing, and analysis of performance

[53] Development Assistance Committee of the Organisation for Economic Co-operation and Development

data, while also enhancing data quality and reliability control mechanisms. AI may also help in the future in terms of inter-operability of databases, in a context where performance information remains scattered across several Commission databases, which limits aggregation of indicators across programmes. Lastly, future AI tools could also help make the reporting of performance information more interactive for the end users.

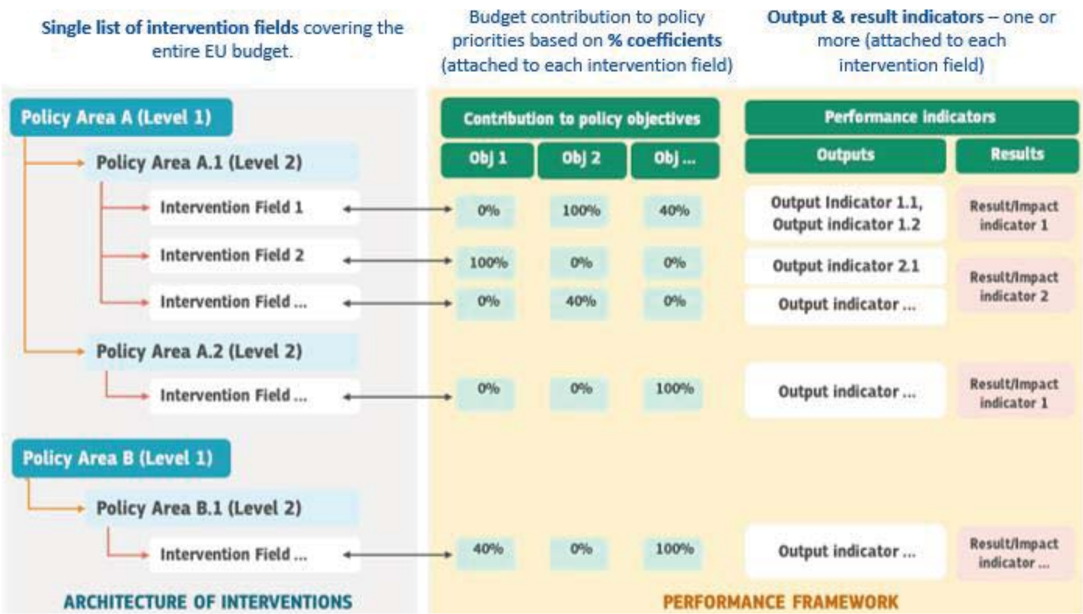

Figure: Possible architecture of intervention fields, tracking coefficients, and indicators

Measure	Intervention field	Pre-defined output indicator	Pre-defined result indicator	Milestone or target	Year/Q of achievement	Request for payment	Reporting on result indicator
Installation of solar panel in High Solar Irradiance regions X, Y, Z	Renewable energy - solar	MW capacity installed	GHG emission avoided	100 MW in region X, Y and Z	**2029/Q2**	**2029/Q3**	**2029/Q3 (alongside request for payment)**
				200 MW in regions X, Y, Z	2030/Q2	2030/Q3	2030/Q3 (alongside request for payment)
				300 MW in regions X, Y, Z	2031/Q2	2031/Q3	2031/Q3 (alongside request for payment)

	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
IT	*1*	*2*	*2*	*2*	*5*	*5*	*5*	*5*	*5*	*6*
ES	*0*	*0*	*0*	*0*	*4*	*6*	*6*	*6*	*6*	*7*
Etc.	*0*	*3*	*18*	*18*	*14*	*29*	*34*	*45*	*52*	*57*
National plans	1	5	20	20	25	40	45	56	63	70
Competitiveness Funds	0	0	0	5	5	5	10	10	10	13
External funds	0	0	0	8	8	8	13	13	13	17
Other programmes	0	0	0	0	0	0	0	0	0	0
Total	**1**	**5**	**20**	**33**	**38**	**53**	**68**	**79**	**86**	**100**
Of which financial instruments				*0*	*3*	*3*	*8*	*8*	*8*	*15*

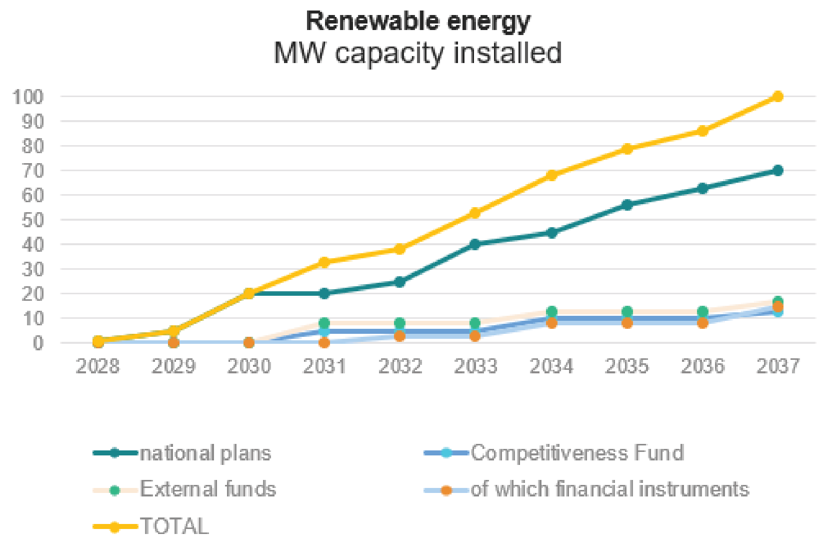

Figure: Example of a measure in a MS plan, and subsequent aggregation with data from other MS, and data from Competitiveness and external action funds

Reporting of performance:

- **Policy option R2: Single performance report, single portal on performance information and funding opportunities, with differentiated operationalisation of the single portal per management mode or sector**

This option foresees harmonised requirements on performance reporting. Under this option, there would no longer be programme-specific reporting requirements, consolidating all EU budget performance information into the AMPR, i.e. merged with the Programme Statements accompanying the Draft Budget prepared by the Commission.

Performance information on the EU budget would be publicly accessible through a single online portal presenting a dashboard of what the EU budget achieves. This platform would provide comprehensive insights, including on budget implementation, expenditure monitoring by intervention field and horizontal priorities, and performance indicators. The portal could be modelled after the existing Open Data Platform for cohesion, ensuring transparency and ease of access for citizens and budgetary authorities. This policy option foresees a differentiated operationalisation per management mode or programme, whereby the single portal would enable to display specific data regarding dedicated areas and sectors, and performance information presenting specific programmes achievements.

The recast Financial Regulation reinforces transparency requirements across the EU budget as from the next MFF, including by requiring a centralised website with information on beneficiaries and operations. This option foresees harmonising rules for transparency across programmes regarding collecting, storing and publishing data on beneficiaries and operations supported by the MFF, including publication of data through the single portal.

Existing portals providing information on available funding opportunities would be replaced by the single portal centralising all information under the EU budget, improving transparency and access to information, in particular for project promoters and potential beneficiaries. Building upon the approach followed with the Funding & Tenders and the STEP portals, this centralised system would address the shortcomings identified in the current system, such as the complexity of navigating multiple portals, lack of interoperability, and unequal access to funding information, particularly for SMEs and small organisations. The single portal would serve as a single entry point enabling applicants to directly submit their financing applications through the portal. AI advisory support could provide advice on appropriate funding source identification for potential beneficiaries. This option foresees a differentiated operationalisation per management mode or programme, whereby the single portal could display programme-specific information regarding available funding opportunities. The portal would also include links redirecting users to more specific sources such as portals hosted e.g. by MS and regions.

- **Policy option R3: Single performance report, single portal on performance information and funding opportunities, with fully harmonised operationalisation across management modes**

Similar to policy option R2, this option foresees a single performance report, consolidating all EU budget performance information into the AMPR, merged with the Programme Statements accompanying the Draft Budget.

Performance information on the EU budget would be publicly accessible through a single online portal. Data on beneficiaries and operations supported by the EU budget would be managed and published in a harmonised way across all management modes through the single portal. Unlike policy option R2, the single portal would not include sections regarding specific policy areas or sectors.

Similar to option R2, under this option a single portal centralising all information on available funding opportunities would replace existing portals. Unlike option R2, this option foresees a fully harmonised approach whereby the single portal would not display programme-specific information on funding opportunities. The portal would also integrate and replace portals hosted e.g. by MS and regions.

5.3. Options discarded at an early stage

The impact assessment focuses on assessing three combinations of measures i.e. P2+M2+R2, P2+M3+R2 and P3+M3+R3 against the baseline i.e. P1+M1+R1. Other combinations of measures are discarded in the impact assessment, such as combining fully harmonised programming provisions with a reporting approach relying upon differentiated operationalisation of the single portal per management mode or sector. Combining a fully harmonised reporting approach with a monitoring system differentiated across programmes would also not be a realistic option, given that reporting performance information across the EU budget in a fully harmonised way would not be feasible if monitoring approaches – and resulting performance indicators – are partly heterogeneous across programmes.

6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

This section assesses the economic, social and environmental impacts of policy options P2, M2, R2 and P3, M3, R3 against the baseline i.e. policy options P1, M1, R1. Annex 3 further describes the practical implications of the initiative – in particular for EU budget beneficiaries, MS, partner countries and implementing partners as well as EU institutions – as well as the costs and benefits of the initiative, and expected impacts in terms of contributions to the UN SDGs. Annexes 5 and 10 provide further details in relation to the impacts of the initiative on competitiveness and SMEs respectively. Annex 9 includes a qualitative analysis of policy options P1, M1 and R1 as well as a quantitative analysis of the impacts of all policy options.

6.1. Economic impacts

a. Impacts of options on programming/mainstreaming of horizontal priorities:

Policy option	Economic impacts
P2: Activity-specific rules: harmonised provisions across programmes on DNSH and gender equality, with calibrated harmonisation and differentiated operationalisation per management mode	A single DNSH guidance would enable MS, partner countries and beneficiaries – including businesses – to achieve cost reductions. Economic benefits would be achieved by reducing the resources currently required to apply multiple DNSH guidances and sometimes contradictory requirements, enabling higher predictability and facilitating access to EU funds. Option P2 follows a calibrated and proportionate approach – whereby DNSH provisions would be implemented in a differentiated manner depending on the management mode, and the type of action (internal vs. external) – which is expected to reduce administrative burden and facilitate compliance. A single DNSH guidance would require one-off costs for the Commission to develop a set of technical criteria and provide technical support to MS on the new DNSH approach, but it would reduce resources by the Commission to develop and implement multiple DNSH guidances, reducing the need for capacity building to MS and beneficiaries, as the technical criteria would be the same across programmes. Exempting a list of intervention fields from DNSH checks in the cased of defence and security would reduce the resources needed by the Commission to develop technical criteria across the list of intervention fields, since part of the list would not require developing such criteria. This option also foresees a harmonised approach towards gender equality, which is expected to achieve efficiency gains compared to 2021-2027 where beneficiaries must navigate and comply with heterogeneous requirements, e.g. in the case of activities eligible under different EU funds. It would also have positive economic impacts due to the role of gender equality in enhancing competitiveness and inclusivity, in the context of the Union of Equality. ***Competitiveness:*** Option P2 would support the competitive growth of companies and economic sectors supported by EU funds and support international competitiveness vis-à-vis third countries. Harmonising DNSH and gender equality requirements would facilitate regulatory compliance by businesses and enhance market responsiveness. This would reduce the complexity of compliance, enabling beneficiaries – e.g. businesses – to devote fewer resources to navigating regulatory landscapes, enabling time and cost savings. ***SMEs:*** Implementing a harmonised approach to DNSH and gender equality across the EU budget is expected to bring benefits for SMEs, which are particularly challenged by complex regulations and administrative burdens. The calibrated approach foreseen under option P2 is expected to help SMEs by reducing the need to comply with varying requirements, ultimately facilitating their access to EU funds, though this may also reduce incentives for SMEs to innovate.
P3: Activity-specific rules: fully harmonised provisions on DNSH and gender equality	Similar to P2, this option would enable cost reductions by MS, partner countries and beneficiaries – including businesses – linked to the single DNSH guidance. Unlike policy option P2, this option foresees full harmonisation of DNSH requirements, which would bring full clarity on DNSH implementation, but would generate administrative burden and complicate compliance by MS, partner countries and beneficiaries, achieving reduced economic benefits compared to option P2, including because of a lack of differentiated implementation per management mode. Systematic DNSH checks to all interventions financed by the EU budget would increase the resources needed by the Commission to develop technical criteria across the whole list of intervention fields, without exceptions. This policy option also foresees a harmonised approach towards gender equality requirements. This would enable MS and beneficiaries to achieve efficiency gains compared to 2021-2027 where beneficiaries must navigate and comply with heterogeneous requirements, in particular if eligible under different EU funds.

	Competitiveness: A fully harmonised DNSH and gender equality approach would simplify implementation by MS, partner countries and beneficiaries – including businesses – which would facilitate regulatory compliance. Full harmonisation of DNSH requirements is nonetheless likely to complicate implementation by beneficiaries, since DNSH requirements would apply to all intervention fields supported by EU funds, to all management modes and to all types of action (internal and external) in a similar way, which is likely to create barriers to accessing EU funds. A fully harmonised approach may therefore undermine the competitive growth of companies and economic sectors supported by EU funds. ***SMEs:*** Similar to policy option P2, the harmonised and simplified approach to DNSH and gender equality mainstreaming across EU funds is expected to bring several benefits for SMEs, which are particularly challenged by complex regulations and administrative burdens. A fully harmonised approach to DNSH is nonetheless likely to make it more difficult for SMEs to access EU funds, because all projects would be subject to DNSH checks, resulting in maintaining certain barriers to entry and reducing success rates in funding applications, reducing opportunities for SMEs to mobilise additional capital.

b. Impacts of options on monitoring of performance:

Policy option	Economic impacts
M2: Single methodology to track expenditures through intervention fields, and a limited set of common mandatory indicators, with flexibility to adopt additional programme-specific performance indicators	This option would enable to achieve cost reductions linked to a harmonised classification of activities financed by the EU budget – so as to enable simple tracking of expenditures through intervention fields – and a simplified set of performance indicators at MFF level. This option also foresees the possibility to adopt additional programme-specific performance indicators, which would result in the adoption of further indicators. Compared to option M1, this option is likely to reduce administrative burden but only to a certain extent, as MS, partner countries and beneficiaries as well as the Commission and EU agencies would also deal with additional indicators per programme, though the new architecture of the post-2027 MFF and the reduction of the number of EU budget programmes is expected to slightly reduce monitoring burdens. The adoption of programme-specific indicators may enable to adopt more specific indicators in view of evaluations, ultimately enabling more effective policy steering, and higher benefits to the economic sectors supported by the EU budget. At the same time, this option would limit indicators aggregation across programmes, which would reduce the ability to steer EU budget support to the most strategic sectors for the EU economy. The adoption of a limited but mandatory set of common indicators is expected to generate administrative burden as MS, third countries, implementing partners, beneficiaries and the Commission would have to report against this additional set of common indicators. ***Competitiveness:*** This option could enable to track contributions to new EU priorities such as competitiveness, but programme-specific indicators would reduce the ability to aggregate competitiveness-relevant indicators across funds. Programme-specific indicators – translated in contracts or grant agreements – is overall expected to generate administrative burdens and hinder the competitiveness of companies and economic sectors supported by EU funds. ***SMEs:*** SMEs, often limited by resources and staff, are expected to benefit from reduced complexity in indicators reporting requirements, but the adoption of programme-specific indicators may maintain administrative burden on SMEs, maintaining complex indicators monitoring and reducing access to EU funds.
M3: Single methodology for the EU budget to track expenditures through intervention fields, and fully	This option would achieve cost reductions due to the harmonised classification of activities financed by the MFF and a simplified set of performance indicators at MFF level. While the system would entail entry costs, MS, third countries and the Commission would in the longer run reduce resources allocated to dealing with expenditure tracking and indicators monitoring. Reducing the number of performance indicators would enable beneficiaries to face less reporting burden and reduce the costs associated with project monitoring. In cases where a measure addresses a dimension not covered by the single list, this policy option foresees the

harmonised list of performance indicators across programmes (linked to intervention fields)	possibility for MS to adopt e.g. milestones and targets – tailored to their specificities – as part of their national plans, which would achieve economic benefits by enabling to tailor milestones and targets to MS specific investment and reform needs in key economic sectors. ***Competitiveness:*** This option could enable to track contributions to new EU priorities such as competitiveness. A simplified approach to indicators in contracts or grant agreements is expected to reduce administrative burden and support the competitiveness of economic sectors supported by EU funds. By allowing companies to reduce compliance and monitoring costs, this option would enhance companies' efficiency and support the competitiveness of EU businesses, including in terms of international competitiveness vis-à-vis third countries. ***SMEs:*** This option would achieve reduced complexity in monitoring and reporting by SMEs. Access to EU funds would increase by lowering entry barriers and facilitating reporting processes, leading to faster approvals and payments to participating SMEs.

c. Impacts of options on reporting of performance:

Policy option	Economic impacts
R2: Single performance report, single portal on performance information and funding opportunities, with differentiated operationalisation of the single portal per management mode or sector	This option would achieve cost reductions linked to harmonised performance reporting, consolidating all information into the AMPR. The Commission would achieve efficiency gains and reduce the resources currently allocated to preparing multiple reports. Other EU institutions – e.g. European Parliament – budgetary authorities and interested stakeholders would reduce the costs currently allocated to navigating and processing multiple reports on the performance of the EU budget. The new system would promote transparency of performance information and efficient data utilisation for policy decisions. A single online portal displaying EU budget performance information would also enable MS and beneficiaries to reduce the costs currently allocated to navigating and processing multiple dashboards. A single entry point would enable MS, partner countries and beneficiaries to reduce the costs currently allocated to navigating multiple portals on available funding opportunities, facilitating access to EU funds by beneficiaries in key economic sectors. The Commission would also reduce the costs currently allocated to the management of multiple dashboards and portals, though the development of such a single portal would require one-off costs for the Commission to develop the new system. The single portal would enable to display specific data regarding specific economic sectors, which may deliver economic benefits by increasing transparency and access to information by stakeholders in relevant economic sectors. The simple inclusion of links to MS and regions portals is expected to have limited resources implications for the Commission, while facilitating access to information on funding opportunities available to beneficiaries in relevant economic sectors, potentially achieving economic benefits. ***Competitiveness:*** A single portal on information on EU budget performance and funding opportunities could streamline processes and simplify navigation, ultimately reducing costs and enhancing the competitiveness of businesses supported by the MFF. ***SMEs:*** SMEs, which operate with limited staff and resources, are disproportionately affected by the complexity of existing EU portals displaying information on funding opportunities. With a single portal, SMEs could quickly access information, helping them to become more responsive to new support opportunities and secure funding under EU funds.
R3: Single performance report, single portal on performance information and funding opportunities,	Similar to option R2, this option would achieve cost reductions linked to harmonised requirements on performance reporting. The Commission would achieve efficiency gains and reduce the resources allocated to preparing performance reports. A single online portal displaying performance information would enable MS, other EU institutions (e.g. Parliament), partner countries and beneficiaries to reduce the costs currently allocated to navigating multiple dashboards. This option would also enable to reduce costs thanks to the single portal providing information on funding opportunities, including for the Commission, though the development of such a portal would require entry costs.

with fully harmonised operationalisation across management modes	Unlike option R2, the single portal would not display specific data regarding e.g. specific economic sectors, which is expected to deliver reduced economic benefits by reducing transparency and access to information by stakeholders active in relevant economic sectors. The single portal would also integrate and replace specific sources such as portals hosted e.g. by MS and regions, which would entail higher entry costs than option R2 in particular for the Commission. Such a system would nonetheless significantly increase access to information on funding opportunities available to beneficiaries in relevant economic sectors. ***Competitiveness:*** Similar to option R2, a single portal on EU budget performance and funding opportunities would provide a single entry point, reduce costs, and enhance the competitiveness of businesses supported by EU funds. A portal not displaying specific data on e.g. key economic sectors may nonetheless reduce transparency and access to information by stakeholders in economic sectors, which may negatively affect competitiveness. ***SMEs:*** Similar to option R2, a single portal is likely to help SMEs to quickly access information, enabling faster decision-making and efficiency gains, helping them to become more responsive to new support opportunities under EU budget programmes.

6.2. Social impacts

a. Impacts of options on programming/mainstreaming of horizontal priorities:

Policy option	Social impacts
P2: Activity-specific rules: harmonised provisions across programmes on DNSH and gender equality, with calibrated harmonisation and differentiated operationalisation per management mode	Under this option, gender equality requirements would be systematically embedded in the EU budget and in the design of relevant programmes. This would enhance the overall efficiency and inclusivity of EU programmes, fostering equitable outcomes for all citizens both in EU MS and partner countries. This approach aligns with the EU's broader commitment to inclusivity and equity, ensuring that gender consideration are integrated consistently at all levels of planning, implementation, and evaluation. Under this option, the programming and mainstreaming of gender equality would be differentiated per management mode, which is expected to have positive social impacts by enabling an effective mainstreaming approach across EU budget programmes.
P3: Activity-specific rules: fully harmonised provisions on DNSH and gender equality	Similar to option P2, this option foresees embedding gender equality requirements in the EU budget and in the design of relevant programmes. Such an approach is expected to achieve social outcomes by fostering the inclusivity of EU programmes. Unlike option P2, this option foresees a fully harmonised approach to gender equality mainstreaming without differentiation per management mode. This is expected to have lower positive social impacts as it may result in less effective mainstreaming of gender.

b. Impacts of options on monitoring of performance:

Policy option	Social impacts
M2: Single methodology to track expenditures and a limited set of common mandatory indicators, with	Under this option, EU budget expenditure promoting gender equality would be monitored through a single methodology applying a system of 'gender scores' building on the 2021-2027 methodology as well as the OECD methodology. Performance indicators would also be disaggregated by gender where relevant, in line with the requirements of the Financial Regulation. Gender disaggregated data is likely to help identify areas where gender disparities exist under sectors or areas supported by EU funds, which may help addressing the unique

flexibility to adopt additional programme-specific performance indicators	needs and challenges faced by gender groups. This option would therefore achieve social outcomes by enabling to consistently assess the contribution of EU funds to gender equality. This option foresees the possibility to adopt additional programme-specific indicators, which may deliver benefits in terms of adopting more specific indicators regarding fundamental rights and social aspects. This option is nonetheless likely to reduce indicators aggregation across programmes, including social indicators, which would reduce the ability to steer EU budget support to fundamental rights and social priorities.
M3: Single methodology for the EU budget to track expenditures through intervention fields, and fully harmonised list of performance indicators across programmes (linked to intervention fields)	Similar to option M2, expenditure promoting gender equality would be monitored through a single methodology applying a system of 'gender scores' across programmes. The fully harmonised list of performance indicators would enable to aggregate indicators across programmes, including social indicators, enabling to enhance the policy steering of EU budget support to fundamental rights and social priorities. Performance indicators would be disaggregated by gender where relevant, which would achieve social outcomes by more consistently assessing the contribution of programmes to gender. This option foresees a differentiated operationalisation of indicators per management mode, allowing to adopt e.g. milestones and targets tailored to MS specific needs in their plans. Similar to option M2, this option would deliver higher social outcomes than option M1, e.g. if MS were to adopt social-related milestones and targets addressing specific fundamental rights and social challenges at national level.

c. Impacts of options on reporting of performance:

Policy option	Social impacts
R2: Single performance report, single portal on performance information and funding opportunities, with differentiated operationalisation of the single portal per management mode or sector	Consolidated reporting requirements – through a single performance report – would improve transparency of information, including regarding the EU budget contribution to social priorities such as gender equality. This is likely to achieve positive social outcomes as it would increase access to information for budgetary authorities and MS on how the EU budget contributes to gender equality, which may help policymakers to adopt more inclusive and equitable policies, ensuring that the diverse needs of all gender groups are considered in the management of EU budget programmes. This option would facilitate access to information on EU budget funding opportunities through a single portal. Access by beneficiaries looking for support in the field of social objectives and equality would be facilitated, which would have a positive social impact. This option foresees a differentiated operationalisation per management mode or programme, whereby the single portal would enable to display specific data regarding dedicated areas and sectors. This may enable to provide the opportunity for displaying information on social- and equality-related aspects, which would enable to better integrate social considerations back into the management of EU budget programmes.
R3: Single performance report, single portal on performance information and funding opportunities, with fully harmonised operationalisation across	Similar to option R2, this option foresees a single performance report which would enable improved transparency of information regarding the contribution of the EU budget to gender equality, which is likely to achieve positive social outcomes. This option would also facilitate access to information on funding opportunities, including for beneficiaries in the field of EU social objectives and equality. Unlike option R2, this option foresees a fully harmonised operationalisation across management modes, whereby the single portal would not display specific data regarding dedicated areas and sectors. This may limit possibilities to display information on social- and equality-related aspects, which would reduce opportunities to integrate social considerations back into the management of EU budget programmes.

management modes	

6.3. Environmental impacts

a. Impacts of options on programming/mainstreaming of horizontal priorities:

Policy option	Environmental impacts
P2: Activity-specific rules: harmonised provisions across programmes on DNSH and gender equality, with calibrated harmonisation and differentiated operationalisation per management mode	Under this option, the harmonised approach to DNSH would reduce the potentially detrimental environmental impact of programmes. This would align projects supported by the EU budget with EU environmental objectives, such as the European Green Deal, the EU Climate Law or the Nature Restoration Regulation. By applying the same criteria across programmes, all funded projects would adhere to environmental safeguards, reducing the risk of harmful practices. Harmonised DNSH criteria would make it easier for beneficiaries to understand and comply with environmental requirements, integrating environmental aspects into project design. The differentiated approach by management mode and by type of action (internal vs. external) is also likely to enable more effective implementation of the DNSH principle. The exemptions from DNSH checks – for defence and security – may nonetheless result in not applying DNSH to projects with potentially environmentally harmful effects.
P3: Activity-specific rules: fully harmonised provisions on DNSH and gender equality	Similar to option P2, a harmonised approach to DNSH would reduce the risks of detrimental environmental impact of EU funds. Simplified DNSH criteria would make it easy for beneficiaries to understand and comply with environmental requirements. Unlike option P2, DNSH technical criteria would apply uniformly to all intervention fields, there would be no differentiation by management mode and by type of action (internal vs. external), which is likely to lead to less effective implementation of the DNSH principle than option P2. The absence of exemptions from DNSH checks – for defence and security – would nonetheless result in systematic DNSH application including to projects with potentially environmentally harmful effects, which is likely to achieve higher environmental outcomes.

b. Impacts of options on monitoring of performance:

Policy option	Environmental impacts
M2: Single methodology to track expenditures and a limited set of common mandatory indicators, with flexibility to adopt additional programme-specific performance indicators	Under this option, EU budget expenditure contributing to environmental objectives – such as climate mitigation, adaptation, and biodiversity – would be monitored through a common methodology. This option would achieve environmental outcomes by consistently assessing the contribution of programmes to environmental priorities. This option foresees the possibility to adopt additional programme-specific indicators, including regarding environmental aspects. This option is nonetheless likely to reduce indicators aggregation across programmes, including environmental indicators, reducing the ability to steer EU budget support to environmental priorities.
M3: Single methodology for the EU budget to track expenditures through intervention fields, and fully harmonised list of performance indicators across programmes	Similar to option M2, this option would enable to efficiently monitor EU budget expenditure contributing to environmental objectives such as climate mitigation, adaptation, and biodiversity, enabling to achieve positive environmental impacts. The list of indicators fully harmonised across funds would enable to aggregate indicators across programmes, including environmental indicators, and enhance the policy steering of EU budget support to environmental priorities. The adoption e.g. milestones and targets tailored to MS specific needs in their plans would deliver environmental outcomes, in particular in case MS were to adopt green milestones and targets addressing specific climate and environment challenges at national level.

c. Impacts of options on reporting of performance:

Policy option	Environmental impacts
R2: Single performance report, single portal on performance information and funding opportunities, with differentiated operationalisation of the single portal per management mode or sector	This option would enable to improve transparency of information regarding the EU budget contribution to climate mitigation, adaptation, and biodiversity. Access to information on EU budget funding opportunities would be facilitated, including for beneficiaries looking for support in the field of environmental objectives. This option foresees a differentiated operationalisation per management mode or programme, whereby the single portal would enable to display specific data regarding dedicated areas and sectors. This may enable to display more detailed information on climate and environmental aspects, which would enable to better integrate environmental considerations and challenges back into the management of EU budget programmes.
R3: Single performance report, single portal on performance information and funding opportunities, with fully harmonised operationalisation across management modes	Similar to option R2, this option would enable to improve transparency of information regarding the EU budget contribution to climate mitigation, adaptation, and biodiversity, and to facilitate access to information on EU budget funding opportunities, including for beneficiaries looking for support in the field of environmental objectives. Unlike option R2, this option foresees a fully harmonised operationalisation across management modes, whereby the single portal would not display specific data regarding dedicated areas and sectors. This may limit possibilities to display information on climate and environment, which would reduce opportunities to integrate environmental considerations into the management of programmes, compared to option R2.

7. HOW DO THE OPTIONS COMPARE?

This section compares the three possible combinations of policy options i.e. P2+M2+R2, P2+M3+R2 and P3+M3+R3 – against the baseline i.e. P1+M1+R1 – by assessing the effectiveness, the efficiency and the coherence of each combination of policy options. Sections 7.1 to 7.3 compare individual policy options, enabling to draw a summary comparison of possible combinations under section 7.4.

The assessment is based on a system of rating:

= (neutral): the policy option has no significant contribution to effectiveness, efficiency or coherence.

+ (low positive): the policy option contributes modestly to efficiency, effectiveness or coherence.

++ (moderate positive): the policy option significantly supports efficiency, effectiveness or coherence.

+++ (high positive): the policy option strongly advances efficiency, effectiveness or coherence.

7.1. Effectiveness

The effectiveness of the policy options described under section 5 is examined against the policy objectives identified in section 4, building upon the findings of section 6, and based on the operational objectives presented in the table below. As specific objective 2 relates to the reduction of administrative burden, this aspect is treated in a general way under section 7.1 (Effectiveness) and assessed in more details under section 7.2 (Efficiency).

Specific objectives	Operational objectives
SO1: Increased capacity to address current and future policy priorities, and specific MS and sectors needs	- Increase capacity to mainstream gender equality across EU budget programmes - Increase capacity to implement the Do No Significant Harm principle across EU budget programmes
SO2: Reduction of administrative burden and costs affecting EU budget beneficiaries, MS, partner countries, implementing partners and EU institutions by at least 25%	- Reduce costs linked to administrative and reporting burden affecting beneficiaries, MS, implementing partners and EU institutions by at least 25%[54]
SO3: Enhanced capacity to measure EU budget impact, and inform policies and programmes management	- Increase capacity to aggregate performance data across EU budget programmes - Increase availability of expenditure tracking data and indicators fit for measuring the performance of EU budget programmes - Increase availability of performance information to inform policies and EU budget programmes management
SO4: Increased transparency and access to information for MS budgetary authorities and EU budget beneficiaries	- Improve transparency of performance information by harmonising and centralising Commission reports - Improve access to information by harmonising and centralising dashboards displaying performance information - Improve access to information by harmonising and centralising portals displaying information on funding opportunities

- **Programming/mainstreaming:**

The following table provides the assessment of the effectiveness of policy options P1, P2 and P3 against the operational objectives associated to specific objectives 1 and 2[55]:

Specific objective	Policy option P1	Policy option P2	Policy option P3
1	(=)	(+++)	(++)
2	(=)	(+++)	(+)

SO1: Both options P2 and P3 are expected to increase the EU budget capacity to mainstream gender equality and implement the DNSH principle due to their activity-specific approach relying upon harmonised provisions across programmes. Option P2 is expected to score higher due to its differentiated operationalisation per management mode, enabling to tailor gender equality mainstreaming and DNSH implementation to programmes management modes (direct, indirect, shared management), types of support (e.g. grants, guarantees, loans) and internal vs. external action.

SO2: Policy option P2 appears to score the highest compared to other options due to its calibrated approach to implementing the DNSH principle, due to the exemption from DNSH checks – for defence and security. Such a proportionate approach to implementing the DNSH principle is expected to generate a significant reduction of costs linked to administrative and reporting burden affecting beneficiaries, MS, implementing partners and EU institutions compared to option P3.

[54] In line with Commission target of reducing burdens associated with administrative requirements by 25%
[55] Specific objectives 3 and 4 are not relevant to comparing options P1, P2 and P3.

- **Monitoring:**

The following table provides the assessment of the effectiveness of policy options M1, M2 and M3 against the operational objectives associated to specific objectives 2 and 3[56]:

Specific objective	Policy option M1	Policy option M2	Policy option M3
2	(=)	(+)	(+++)
3	(=)	(+)	(+++)

SO2: Policy option M3 also ranks higher in terms of enabling a significant reduction of costs linked to administrative and reporting burden affecting beneficiaries, MS, implementing partners and EU institutions compared to option M2. As described under section 6, option M3 is expected to streamline reporting processes and reduce associated costs, including for businesses – such as SMEs – supported by EU budget programmes.

SO3: Both options M2 and M3 are expected to increase the EU budget capacity to increase availability of expenditure tracking data due to the proposed harmonised methodology to track expenditures through a single list of intervention fields. Policy option M3 appears to score the highest compared to other options due to its fully harmonised list of performance indicators – linked to intervention fields – across programmes. While policy option M2 presents the advantage of enabling the adoption of additional programme-specific performance indicators in case of specific needs, the effectiveness of option M2 is expected to score lower regarding the operational objective of increasing the capacity to aggregate performance data across EU budget programmes, because the single list of performance indicators would only be used on a voluntary basis per programme, and because programme-specific indicators are expected to vary across funds, similar to the challenges faced in monitoring performance under the 2021-2027 period. Comparatively, policy option M3 scores higher because it should enable to develop a list of performance indicators sufficiently comprehensive and detailed to address the monitoring needs of all EU funds, while enabling aggregation of data across programmes, enabling to develop a more robust set of performance indicators enabling to assess EU budget performance, support financing not linked to cost schemes and effectively evaluate programmes.

- **Reporting:**

The following table provides the assessment of the effectiveness of policy options R1, R2 and R3 against the operational objectives associated to specific objectives 2, 3 and 4[57]:

Specific objective	Policy option R1	Policy option R2	Policy option R3
2	(=)	(+++)	(+)
3	(=)	(+++)	(++)
4	(=)	(++)	(++)

SO2: Option R3 ranks higher in terms of enabling a reduction of costs linked to administrative and reporting burden affecting beneficiaries, MS, implementing partners and EU institutions, compared to option R2. As described under section 6, option R3 is expected to streamline

[56] Specific objectives 1 and 4 are not relevant to comparing options M1, M2 and M3.
[57] Specific objective 1 is not relevant to comparing options R1, R2 and R3.

reporting processes and reduce associated costs, including for businesses – such as SMEs – supported by EU budget programmes.

SO3: Both options R2 and R3 are expected to increase the availability of performance information to inform sectoral and regional policies and programmes management, thanks to the annual preparation of a single performance report replacing programme-specific reports. Option R2 ranks nonetheless higher than R3 as the single portal would enable to display specific data regarding dedicated areas and sectors, and performance information presenting specific programmes achievements.

SO4: Both options R2 and R3 are expected to improve the transparency of performance information by harmonising and centralising Commission reports on the performance of the EU budget, facilitating access to information by MS budgetary authorities and other EU institutions (e.g. European Parliament). Both options would also enable to achieve increased transparency of information on beneficiaries and operations through the publication of such data via the single portal, compared to the baseline. Thanks to the creation of a single portal, both options R2 and R3 are expected to result in improved access to information by harmonising dashboards displaying performance data, and to information on funding opportunities. Option R2 may be considered as ranking higher than R3 as the single portal would enable to display specific data regarding dedicated areas and sectors, increasing transparency vis-à-vis MS and stakeholders active in such sectors. Option R3 is nonetheless expected to score significantly high as it would enable to integrate e.g. MS and regions portals on funding opportunities in a single portal, enabling beneficiaries to access information through a single entry point at EU level, compared to option R2 which foresees only the integration of links redirecting to MS portal.

7.2. Efficiency

The efficiency of the policy options described under section 5 is examined against:

- the expected costs of each policy option, i.e. the reduction of administrative burden foreseen, and the percentage reduction of such administrative burden compared to objective of 25%[58], based on the quantitative analysis presented under Annex 9. The analysis focuses on the costs of each policy option in particular for MS administrations and the Commission, including entry costs of transitioning to a new system, and potential cost savings and efficiency gains resulting from reduced administrative burden linked to a harmonised and simplified performance framework across the EU budget;
- the expected economic (including regarding competitiveness and SMEs), social and environmental impacts of each policy option, building upon the findings of section 6.

- **Programming/mainstreaming:**

		Policy option P1	Policy option P2	Policy option P3
Costs	**Total costs linked to administrative burden**	(=) EUR 200 million	(+++) EUR 110 million	(+) EUR 176 million
	Percentage reduction compared to objective of 25%	0%	45%	12%

[58] In line with specific objective 2

Benefits	**Economic impacts (including competitiveness and SMEs)**	(=)	(+++)	(+)
	Social impacts	(=)	(++)	(+)
	Environmental impacts	(=)	(+)	(++)

Policy option P2 appears to deliver the greatest benefits in terms of reducing costs linked to administrative burden, exceeding largely the objective of a 25% reduction, reflecting the expected simplification of DNSH implementation by MS, implementing partners and beneficiaries, as well as the proportionate approach foreseen under this option.

Option P2 also scores highest in terms of economic impacts, as MS and beneficiaries – such as businesses – would achieve economic benefits by reducing the resources currently required to apply multiple DNSH guidances, enabling to achieve higher predictability of projects implementation and facilitating access to EU funding. Option P2 also ranks higher than option P3 due to its calibrated and proportionate approach to implementing the DNSH principle, which is likely to facilitate compliance by businesses, including SMEs, ultimately supporting the competitiveness of economic sectors supported by EU funds.

Policy option P2 also scores highest in terms of social impacts, as gender equality would be systematically mainstreamed across EU budget programmes. Yet gender equality mainstreaming would be differentiated per management mode, which might have positive social impacts as it would enable more effective mainstreaming across programmes.

In terms of environmental impacts, option P3 achieves the highest benefits as this option does not foresee any exemptions from DNSH checks for defence and security. Such a systematic application of DNSH checks, including to defence and security projects with potentially environmentally harmful effects, is likely to achieve higher environmental outcomes.

- **Monitoring:**

		Policy option M1	Policy option M2	Policy option M3
Costs	**Total costs linked to administrative burden**	(=) EUR 1 401 million	(+) EUR 1 345 million	(+++) EUR 841 million
	Percentage reduction compared to objective of 25%	0%	4%	40%
Benefits	**Economic impacts (including competitiveness and SMEs)**	(=)	(+)	(+++)
	Social impacts	(=)	(+)	(++)
	Environmental impacts	(=)	(+)	(++)

Policy option M3 appears to deliver the greatest benefits in terms of reducing costs linked to administrative burden, exceeding largely the objective of a 25% reduction, while option M2 would result in a limited reduction of administrative burden costs i.e. 4%. This reflects the expected simplification of expenditure tracking and reduction in the number of unique indicators, e.g. from ca. 5 000 to ca. 900, resulting in a reduction of administrative burden. This reflects the expected efficiency gains linked to option M3, including reduced data collection, management and quality control efforts by MS authorities, the processing of indicators by the Commission, and an improvement in procedural clarity.

Option M3 also appears as scoring highest in terms of economic impacts, as beneficiaries and implementing partners would reduce resources allocated to dealing with multiple expenditure tracking and indicators monitoring systems, even though this option would entail significant entry costs. The reduction of the number of indicators would enable beneficiaries such as businesses – including SMEs – to face less reporting burden and reduce the costs associated with project monitoring, ultimately supporting the competitiveness of economic sectors supported by EU funds. Comparatively, under option M2, MS, partner countries and beneficiaries would deal with both the harmonised list of indicators and additional indicators per fund. The reporting burden would be slightly lower than under option M1, but would remain relatively significant, though the reduction of the number of EU funds post-2027 is expected to slightly reduce monitoring burdens.

Option M3 also appears as scoring highest in terms of fundamental rights, social and environmental impacts, as this option would enable to aggregate indicators across programmes, including social and environmental indicators, enabling to enhance the policy steering of EU budget support to social and green priorities. Option M3 foresees a differentiated operationalisation of indicators per management mode, which would allow MS to adopt e.g. environment- and social-related milestones and targets addressing specific fundamental rights and green challenges at national level, which is expected to deliver higher social and environmental outcomes than option M1.

- **Reporting:**

		Policy option R1	**Policy option R2**	**Policy option R3**
Costs	**Total costs linked to administrative burden**	(=) EUR 70.0 million	(+++) EUR 15.9 million	(+) EUR 29.8 million
	Percentage reduction compared to objective of 25%	0%	77%	57%
Benefits	**Economic impacts (including competitiveness and SMEs)**	(=)	(++)	(++)
	Social impacts	(=)	(++)	(+)
	Environmental impacts	(=)	(++)	(+)

Option R2 appears to deliver the greatest benefits in terms of reducing costs linked to administrative burden, exceeding largely the objective of 25%. This reflects a reduction of the costs of development and management of performance dashboards and portals on funding opportunities by the Commission as a result of merging into a single portal, compared to maintaining the current system of ca. 20 performance dashboards and 13 portals on funding opportunities. While option R2 presents costs linked to the integration or development of specific pages displaying data related to dedicated areas and sectors, its overall costs are smaller than option R3 as it relies on a simple re-direction towards MS portals. Option R3 foresees significant entry costs linked to integrating MS portals into an EU-wide system and operating costs for the Commission, MS and beneficiaries.

Options R2 and R3 reach equivalent scores in terms of economic impacts. A single online portal on information on funding opportunities would enable MS, partner countries and beneficiaries to reduce the costs allocated to navigating multiple dashboards and portals, ultimately facilitating access to EU funds by beneficiaries in key economic sectors. Under option R2, the single portal would enable to display performance data regarding e.g. specific economic sectors, which may deliver higher economic benefits than option R3 by improving access to information by stakeholders active in such sectors. On the contrary, under option R3 the single portal would integrate and replace portals hosted e.g. by MS and regions, which would increase access to information on funding opportunities available to beneficiaries in relevant economic sectors. This would have a particularly positive impact on SMEs, which operate with limited staff and can be disproportionately affected by the multiplicity of EU portals, therefore enabling SMEs to become more responsive to new support opportunities under EU funds. Option R3 may ultimately deliver slightly higher benefits to the competitiveness of economic sectors supported by EU funds.

Similarly, options R2 and R3 reach equivalent scores in terms of social and environmental impacts. Under option R3 the single portal would not display specific data regarding dedicated areas and sectors, which may limit possibilities to display information on social and environmental aspects, potentially reducing opportunities to better integrate social and environmental considerations and challenges back into the management of EU budget programmes, compared to option R2. On the contrary, option R3 scores higher as it would facilitate access to information on EU budget funding opportunities, including for beneficiaries in the field of EU social and environmental policies.

7.3. Coherence

Policy options are assessed against their coherence with:

- EU policy objectives and principles, such as the EU budget support to gender equality, and the Commission’s commitment to achieve simplification and reduction of administrative and reporting burden in particular regarding businesses, and;
- legislative framework, such as the Financial Regulation requirements in relation to e.g. gender equality, implementation of the DNSH principle, and indicators.

- **Programming/mainstreaming:**

	Policy option P1	Policy option P2	Policy option P3
Coherence with strategic EU policy objectives	(=)	(+++)	(+)
Coherence with legislative framework	(=)	(+++)	(+)

Option P2 scores highest in terms of coherence with the Commission commitment to achieve simplification and reduction of administrative and reporting burden in particular regarding businesses, due to its calibrated and proportionate approach to implementing the DNSH principle. Options P2 and P3 also display significant coherence with horizontal EU policy objectives and principles, as these two options are expected to increase the EU budget ability to support gender equality in line with the Union of Equality objective. Due to its harmonised yet calibrated approach, option P2 scores highest in terms of compliance with the Financial Regulation on the need to apply DNSH across the EU budget where feasible and appropriate and in accordance with the relevant sector-specific rules.

- **Monitoring:**

	Policy option M1	Policy option M2	Policy option M3
Coherence with strategic EU policy objectives	(=)	(+)	(+++)
Coherence with legislative framework	(=)	(+)	(+++)

Option M3 scores highest in terms of coherence with the Commission's commitment to achieve simplification and reduction of administrative and reporting burden in particular regarding businesses, due to its fully harmonised list of performance indicators. Option M3 also scores highest in terms of compliance with the Financial Regulation, which requires indicators to be relevant, accepted, credible, easy, robust and based on widely recognised scientific evidence and an effective, transparent and comprehensive methodology, as well as allowing for aggregation of data across programmes.

- **Reporting:**

	Policy option R1	Policy option R2	Policy option R3
Coherence with strategic EU policy objectives	(=)	(++)	(+++)
Coherence with legislative framework	N/A	N/A	N/A

Option R3 scores slightly higher than R2 in terms of coherence with the Commission's commitment to achieve a reduction of administrative burden, as the single portal would integrate and replace specific sources such as MS portals, which would facilitate access to information on funding opportunities available to beneficiaries in relevant economic sectors. Both options R2 and R3 would achieve increased coherence with the Financial Regulation which reinforces transparency requirements on beneficiaries supported by EU funds, as both options foresee the publication of such data through the single portal.

7.4. Comparison summary

The table below summarises the comparison of policy options against their ability to achieve effectiveness, efficiency and coherence, building upon the findings of sub-sections 7.1, 7.2 and 7.3:

Policy options - Programming/ mainstreaming	Policy option P1	Policy option P2	Policy option P3
Effectiveness	(=)	(+++)	(++)
Efficiency	(=)	(+++)	(+)
Coherence	(=)	(+++)	(+)
Policy options - Monitoring	Policy option M1	Policy option M2	Policy option M3
Effectiveness	(=)	(+)	(+++)
Efficiency	(=)	(+)	(+++)

Coherence	(=)	(+)	(+++)
Policy options - Reporting	Policy option R1	Policy option R2	Policy option R3
Effectiveness	(=)	(+++)	(++)
Efficiency	(=)	(+++)	(+)
Coherence	(=)	(++)	(+++)

This comparison shows the need for possible **trade-offs and synergies** between options:

- **Programming/mainstreaming:** while option P2 foresees potentially slightly lower environmental benefits, it scores high in terms of effectiveness and efficiency factors linked to reducing administrative burden and coherence with EU policy objectives and legislative framework. Options P2 and P3 are also expected to achieve significant synergies with option M3 as DNSH guidance would be developed taking into account the intervention fields of the mandatory list to be used under option M3.
- **Monitoring:** while option M2 presents the advantage of enabling the adoption of additional programme-specific performance indicators in case of specific needs, its effectiveness scores lower regarding the need to increase the capacity to aggregate performance data across EU funds, because the single list of performance indicators would only be used on a voluntary basis by programmes, and because programme-specific indicators are expected to vary across programmes, similar to the challenges faced in monitoring performance under the 2021-2027 period. Comparatively option M3 is expected to enable aggregation of data across funds, yet it risks resulting in discontinuing certain indicators that were needed under some programmes. Such a risk should be mitigated by developing a list of performance indicators sufficiently comprehensive to address the monitoring needs of all EU funds, support financing not linked to cost schemes and effectively evaluate programmes. Option M3 is also expected to achieve synergies with options R2 and R3 as the single portal would be the logical vehicle to display data collected under a single monitoring framework.
- **Reporting:** in terms of trade-offs, option R3 scores slightly higher in terms of coherence with the Commission's commitment to achieve simplification and reduction of administrative burden because it would provide a fully harmonised portal on funding opportunities, also integrating MS portals. Option R2 scores nonetheless slightly higher overall, because it achieves higher effectiveness and efficiency, mainly due to its significantly lower entry costs i.e. reduced costs of development of a single portal compared to R3 which is ambitious but significantly more expensive to develop.

In terms of **sensitivity analysis**, the above comparison may need to be nuanced due to the uncertainty attached to certain findings and conclusions:

- In contrast with impact assessments linked to specific EU budget programmes, where impacts are typically predicted based on macro-economic modelling, the quantitative analysis of this impact assessment focuses on assessing reductions of administrative costs for MS administrations. The analysis particularly faced data availability limitations, as quantitative information on administrative burden linked to performance is scarce beyond the qualitative findings of e.g. programmes evaluations. The analysis is based on a combination of data available from studies and estimates by Commission services, including reduction factors enabling to calculate expected reductions of administrative costs for each policy option. Any variations in the assumptions underpinning such factors is likely to have significant impacts on the costs estimated for each policy option.

- Moreover, while the quantitative analysis focused on assessing reductions of costs for EU institutions and MS authorities, significant reductions of administrative burden are also expected – from options P2, P3, M2, M3, R2, R3 – at the level of beneficiaries, including businesses. Quantifying such reductions was nonetheless not possible due to a lack of available data. The quantitative analysis would also have benefitted from data on the administrative costs of monitoring performance in the case of direct and indirect management. These shortcomings should be addressed in the future so as to fill the data gap, in particular in the context of new Commission priorities and the commitment to reduce administrative and reporting burden (cf. section 9).
- The analysis of economic, social and environmental impacts provided under section 6 is also of a qualitative nature given the lack of quantitative data available.

Policy options P2, M3 and R2 conform to the **principles of subsidiarity and proportionality** given the size and nature of the identified problems:

- Policy option P2 foresees that DNSH and gender equality are applied consistently across all budget programmes, fostering coherence while accommodating diverse management modes (direct, indirect, shared), type of support and internal vs. external action. This would give MS and implementing partners the flexibility to adapt to their specific circumstances, in line with the subsidiarity principle. Option P2 conforms to the proportionality principle because of its calibrated approach to DNSH.
- Option M3 respects subsidiarity by giving MS the autonomy to adopt country-specific milestones and targets in their plans if needed, and by avoiding over-reporting by MS, implementing partners and beneficiaries.
- Option R2 respects subsidiarity by allowing for differentiated operationalization per management mode, ensuring that specific areas or sector needs are taken into account in the single portal. The single portal would simplify access for beneficiaries and MS, reducing administrative burden in line with the proportionality principle. By merging reporting requirements into a consolidated AMPR, option R2 further eliminates redundant processes, achieving proportionality.

Building upon the analysis and comparison of individual policy options, the table below summarises the comparison of combinations of policy options against their ability to achieve effectiveness, efficiency and coherence:

	P1+M1+R1	P2+M2+R2	P2+M3+R2	P3+M3+R3
Effectiveness	(=)	(++)	(+++)	(++)
Efficiency	(=)	(++)	(+++)	(++)
Coherence	(=)	(++)	(+++)	(++)

The table below also provides a comparison of the administrative costs attached to each combination of policy options:

	P1+M1+R1	P2+M2+R2	P2+M3+R2	P3+M3+R3
Total costs linked to administrative burden	EUR 1 671 Mio	EUR 1 471 Mio	EUR 967 Mio	EUR 1 049 Mio

Combination P2+M3+R2 appears as achieving the highest effectiveness, efficiency and coherence as it combines individual policy options scoring best. Both combinations P2+M2+R2 and P3+M3+R3 score relatively well, but P2+M2+R2 scores lower than combination P2+M3+R2 in terms of effectiveness of the performance monitoring system of the EU budget as it limits possibilities to aggregate indicators across programmes, and in terms of reduction of administrative burden because it would likely result in the adoption of a high number of programme-specific indicators. Combination P3+M3+R3 also scores lower than combination P2+M3+R2 because it achieves less proportionality in implementing DNSH and complying with the Financial Regulation requirements, and entails significant entry costs to develop and high operating costs to run a single portal on funding opportunities.

8. PREFERRED OPTION

8.1. Preferred policy option

In view of the analysis under section 7, the preferred combination of options is P2+M3+R2[59]. This combination would enable to effectively deliver against horizontal EU principles such as DNSH and gender equality, yet foreseeing calibrated and proportionate implementation of DNSH, enabling to comply with the Financial Regulation requirement to implement DNSH where feasible and appropriate, while reducing administrative burden for MS, implementing partners and beneficiaries. This combination also enables a significant upgrade of EU budget performance monitoring by enabling aggregation of indicators across programmes, while achieving significant administrative burden reduction thanks to the simplification of the existing landscape of performance indicators, reducing them from ca. 5 000 to ca. 900. This combination of options also enables improved access to performance information and funding opportunities, while limiting entry costs to develop a single portal by focusing on merging Commission portals only.

Combination P2+M3+R2 is expected to achieve ca. EUR 623 Mio of administrative costs savings for MS administration and the Commission compared to the baseline. This number corresponds however to a strong underestimation of expected cost savings, since the quantitative analysis of the impacts of policy options did not quantify all impacts due to a lack of data. However significant reductions of costs are also expected for beneficiaries, such as businesses, supporting the competitiveness of the sectors supported by EU funds.

The most appropriate vehicle to operationalize this preferred combination of options appears to be a single performance framework through a single legal act. Such a performance regulation would enable to centralise most programming, monitoring and reporting provisions in a self-standing horizontal act for the post-2027 MFF.

The regulation will include relevant provisions on implementing the DNSH principle (including an empowerment to adopt a technical guidance setting DNSH criteria), on mainstreaming gender equality across programmes and management modes, as well as on performance monitoring, performance reporting through a single report (AMPR) and the single portal. The regulation will include the single list of intervention fields and associated indicators,

[59] Annexes 6, 7 and 8 provide further details on the proposed operationalisation of each element of the preferred combination.

developed by Commission services with the aim to ensure an extensive coverage of all interventions supported by the EU budget.

The regulation will serve as the overarching performance framework for all EU budget programmes post-2027. All programme regulations will include a dedicated recital ensuring a cross-reference to the performance regulation. By reflecting all interventions supported under EU budget programmes, the list of intervention fields and indicators will reflect programmes objectives, enabling the use of such indicators in the context of programme evaluations, in addition to performance monitoring and payments.

8.2. REFIT (simplification and improved efficiency)

While the proposed regulation does not correspond to a revision of existing legislation *stricto sensu*, the preferred policy option is fully in line with the REFIT objective of simplification and reduction of red tape. Section 7 describes extensively the expected reduction of administrative burden and improved efficiency expected from the preferred combination of options enabling to achieve a significant reduction of regulatory costs.

Policy options	**P2. Programming and mainstreaming**	**M3. Monitoring**	**R2. Reporting**
Costs per policy option **Percentage of reduction of administrative burden costs compared to baseline**	EUR 110 million 45%	EUR 841 million 40%	EUR 15.9 million 77%

The significant decrease in the number of performance indicators and the establishment of a single portal for performance information and funding opportunities significantly reduces administrative burdens, which directly addresses REFIT's objective of cutting red tape and lowering costs for stakeholders, thus encouraging broader participation and engagement. Proportionate DNSH requirements also align with REFIT's emphasis on effectiveness and efficiency, and increases the likelihood of successful compliance by beneficiaries. By upgrading the monitoring mechanism and enabling the aggregation of indicators across funds, the framework improves transparency and accountability, which also aligns with the REFIT goal of making EU interventions more results-oriented. The expected improved access to performance information and funding opportunities also resonates with the REFIT principle of improving users experience by making systems more accessible.

8.3. Application of the 'one in, one out' approach

The single performance regulation would replace the performance provisions scattered across the legal bases of more than 50 programmes in the 2021-2027 period. The adoption of this single regulation is therefore expected to achieve significant simplification. The single list of intervention fields and performance indicators will replace the several lists of intervention fields and performance indicators currently attached to e.g. the CPR, the RRF regulation and other programmes legal bases.

9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

A number of actions should be taken to monitor and evaluate the impacts of this initiative.

The adequacy of the list of intervention fields and performance indicators – to be adopted as part of the performance regulation – should be monitored by the Commission in order to assess any potential gaps or shortcomings, and assess whether the new monitoring framework is adequate in terms of effectiveness, efficiency and added value of interventions supported by the EU budget. Such monitoring will take place during the implementation phase of the post-2027 MFF, including during the preparation of the annual reports on the performance of the EU budget, as requested in the Financial Regulation. As a mitigation measure, the regulation will contain an empowerment for the Commission to adopt a delegated act enabling to revise the list, as relevant, during the phase of implementation of the budget. As relevant, the Commission will assess the fitness for purpose of the list, identify any potential gaps, and may propose updates to the list. At the same time, any updates of the list should be kept to a minimum in order to preserve the ability to aggregate and compare data over the MFF duration.

The Commission study on assessing the administrative costs and burden in the management of CPR funds (2025) should be updated during the phase of implementing the post-2027 budget, enabling to update the values provided in terms of costs of performance monitoring and reporting. Such a study should estimate the administrative costs of monitoring performance in the case of direct and indirect management, in addition to shared management. The results of this study should be used as input for any future impact assessments in view of the following MFF.

The monitoring and evaluation of this initiative should be carried out based on a number of core monitoring indicators, addressing the following aspects for all EU budget programmes (possibly by expanding the scope of the above study):

- relevance of intervention fields and indicators in view of performance monitoring;
- administrative costs of implementing performance provisions – including at the level of EU budget beneficiaries, such as businesses – regarding monitoring and reporting, as well as implementation of e.g. the DNSH principle, costs of access to information of EU budget performance and funding opportunities, including by beneficiaries, budgetary authorities, implementing partners, partner countries and EU institutions.

ANNEX 1: PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/CWP references

DG BUDG is the lead Directorate General, in close coordination with the Secretariat General, for this initiative on the Performance framework of the post-2027 Multiannual Financial Framework.

2. Organisation and timing

The work on the Impact Assessment on the Performance framework of the post-2027 Multiannual Financial Framework was coordinated with other Commission services through an Inter-Service Group (ISG). The ISG was established on 9 January 2025. Representatives of the Secretariat General (SG), Legal Service (LS), Reform and Investment Task-Force (SG REFORM), Directorate-General for Regional and Urban Policy (REGIO), Directorate-General for Employment, Social Affairs and Inclusion (EMPL), Directorate-General for Agriculture and Rural Development (AGRI), Directorate-General for Maritime Affairs and Fisheries (MARE), Directorate General for Research and Innovation (RTD), Directorate-General for Communications Networks, Content and Technology (CNECT), Directorate-General for Enlargement and Eastern Neighbourhood (ENEST), Directorate-General for International Partnerships (INTPA), Directorate-General for Environment (ENV), Directorate-General for Climate Action (CLIMA), Directorate-General for Justice and Consumers (JUST), Directorate-General for Migration and Home Affairs (HOME), Directorate-General for Economic and Financial Affairs (ECFIN), Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (GROW), Directorate-General for Education, Youth, Sport and Culture (EAC), Directorate-General for Mobility and Transport (MOVE), Joint Research Centre (JRC), and Directorate-General for Eurostat (ESTAT) were appointed to the ISG. The ISG met four times, first on 22 January 2025, and the final meeting before the submission of the draft Impact Assessment to the Regulatory Scrutiny Board took place on 10 April 2025. Other ISG meetings were held on 13 February and 12 March 2025. Several rounds of written consultations took place since January 2025, with the last round ending on 8 May.

A number of other Commission services were also consulted on specific aspects of the impact assessment such as Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO), Directorate-General for Energy (ENER), Directorate-General for Health and Food Safety (SANTE), Directorate-General for Competition (COMP), Directorate-General for the Middle East, North Africa and the Gulf (MENA) and Directorate-General for Defence Industry and Space (DEFIS).

3. Consultation of the RSB

The Draft Impact Assessment report was presented to the Regulatory Scrutiny Board during an upstream meeting on 1st April 2025.

The Draft Impact Assessment report was submitted to the Regulatory Scrutiny Board on 21 May 2025. It received an opinion without qualification on 13 June 2025.

The Board made comments in relation to the following areas, which were addressed in the final version of the impact assessment as follows:

RSB comment	Follow-up rectification of the impact assessment
Scope and coherence	
The report is not sufficiently clear on how it links with other ongoing MFF impact assessments in relation to the establishment of the monitoring and performance framework and its implementation. It does not justify why harmonisation and simplification of mainstreaming provisions is limited to only two policy areas. The report should better explain the link with the six other MFF impact assessments. It should clarify to what extent the analysis presented in the impact assessment covers the monitoring and performance frameworks of the impact assessments for the other programmes under the next MFF. The scope of the intervention linked to the policy mainstreaming is limited to only two policy areas foreseen in the current Financial Regulation: gender equality and the 'do no significant harm' principle. The report should assess whether and how other horizontal priorities (e.g. competitiveness, security, digitalisation, preparedness) should also be mainstreamed reflecting major societal problems and political objectives of the EU.	Clarified in sections 1 and 8. The impact assessment focuses on the mainstreaming of the gender equality and Do No Significant Harm principles because these are legal requirements under the Financial Regulation (Article 33). Other policy objectives (such as competitiveness and defence) will be supported through the steering mechanism, which will enable to identify and mainstream relevant priorities, and through the specific design of individual programmes such as the competitiveness fund and the policy objectives of the national and regional partnership plans. The regulation will serve as the overarching performance framework for all EU budget programmes post-2027. All programme regulations will include a dedicated recital ensuring a cross-reference to the performance regulation. By reflecting all interventions supported under EU budget programmes, the list of intervention fields and indicators will reflect programmes objectives, enabling the use of such indicators in the context of programme evaluations, in addition to performance monitoring and payments.
Problem definition and use of evaluations	
The report does not sufficiently investigate the necessary preconditions for tracking the impact of the EU budget. While referring to recent evaluations of spending programmes, the report in its problem definition does not reflect	Clarified in section 2. Programme evaluations reviewed in the context of the impact assessment provided relatively limited information available on the fitness for purpose of the existing framework to measure impacts. A second review of evaluations – as well as relevant ECA audit findings – was carried out to better identify and describe issues linked to data availability and quality for monitoring and evaluation purposes, with particular attention to corresponding RSB

their frequent conclusions and RSB recommendations in relation to data availability and need to significantly improve monitoring and evaluation arrangements. The current performance framework should be critically assessed against its ability to measure the impact of the EU budget identifying major deficiencies including underlying reasons, overlaps and inconsistencies, and reflecting the results of such analysis in the problem definition.	feedback, and taking into account the criteria on indicators of the recast Financial Regulation.
Objectives and intervention logic	
It is not sufficiently clear what is intended to be achieved by the performance framework. The objectives of the initiative should be better specified in line with a more detailed problem definition. The link between budget transparency and accountability with the policy performance (achieving policy objectives) should be further developed. The report should better describe what the performance framework intends to achieve and thus better define the specific objectives in S.M.A.R.T. terms to the extent possible in order to facilitate continuous monitoring of the fit-for-purpose of individual performance indicators and the performance framework as a whole.	Clarified in sections 7 and 9. The objectives are intended to provide strategic direction. Integrating quantified elements in the specific objectives (cf. section 4.2) has been particularly challenging, except for objective SO2 linked to reducing administrative burden and costs affecting EU budget beneficiaries, Member States, third countries, implementing partners and EU institutions – which includes a target value of 25%, in line with the Commission target of reducing burdens associated with administrative requirements. For other specific objectives linked to increasing capacity to address current and future policy priorities (SO1), enhancing capacity to measure EU budget impact (SO3), and increasing transparency and access to information for budgetary authorities and beneficiaries (SO4), setting precise quantitative targets is much more challenging. Instead, section 7.2 of the impact assessment identifies a number of operational objectives for each of the specific objectives in order to clarify what is intended to be achieved. Progress on the achievement of SO3 and SO4 will be monitored by assessing the adequacy of the common list of intervention fields and performance indicators in order to identify any potential gaps or shortcomings, as well as during the preparation of the annual reports on the performance of the EU budget, as requested in the Financial Regulation. To this effect, the regulation will contain an empowerment for the Commission to adopt a delegated act enabling to revise the list of intervention fields and indicators, during the phase of implementation of the post-2027 budget.
Options	
The content of options is not sufficiently developed to capture	Clarify in Annexes 6, 7 and 8 (future operationalization of the preferred policy option). Additional elements were

not only budget execution but also impacts of different MFF programmes. The options the report considers achieving the desired objectives should be developed or presented in greater detail. For the programming options, subject to the possibly revised scope, the report should better explain the mechanisms that would allow for mainstreaming of a range of chosen policy objectives. For monitoring, the report should clearly delineate the differences between options, explain the different processes and methods for establishing and modifying the list of intervention fields and indicators. It should also be clarified how the lists of performance indicators are formulated and if the common list of indicators is of equal length and content in both options. It should further explain what the flexibility is to adopt and use additional indicators in each of the options. It should be clarified how the framework can provide a set of meaningful indicators for each of the MFF funds that would allow for measuring their respective impact, given that the framework's list of indicators is supposed to be usable across instruments/funds.	included to further reflect the construction of the Performance Regulation, which will include articles (e.g. on expenditure tracking and performance monitoring) setting out rules for each management mode i.e. 'differentiated' or 'calibrated' operationalisation. Such articles define for example how Member States will have to pick output indicators from the common list to define milestones and targets in their plans, as well as result indicators to enable for additional performance monitoring. Annex 9 further includes an estimation of the baseline policy option, but an estimation of the current MFF baseline could be added in terms of current administrative burden and administrative costs. Because the common list will include ca. 500 intervention fields reflecting the objectives of programmes, and because the list will include indicators attached to each intervention field, there will be several indicators available to monitor the achievement of programme objectives and therefore enable robust evaluations. The list of indicators focuses on output and result indicators, as including relevant and available impact indicators remains a challenge. A methodology was developed with the support of the JRC to define intervention fields and related indicators. The list is based on a system of classification by policy area, covering the interventions of all programme intervention areas post-2027. The indicators linked to intervention fields will correspond to and enable to measure the outputs and results that are intended to be produced by all interventions in programmes. The 'short set of indicators mandatory across programmes' under option M2 refers to common indicators on output and results achieved by programmes, similar to the 14 common indicators of the RRF. Options M2 and M3 refer to flexibility for Member States and third countries to adopt output indicators outside the common list in case certain measures of their plans justify tailored targets. Generally, under their plans, it will be mandatory for Member States to report on at least one output indicator (used as target) and at least one result indicator – for each measure of their plan. Adopting an additional mandatory list of common indicators was assessed as delivering limited benefits in a context where the next MFF will evolve towards a performance-based delivery model. Regarding option R3, the single performance report (AMPR) will continue to be prepared by relevant Commission services. Simplification is expected from the fact that there will no longer be programme specific performance reports as

	currently provided for in the legal bases of a number of programmes.
Cost assessment	
The methodology and assumptions used to calculate cost savings are not sufficiently explained. The report does not provide estimates for administrative cost savings for other stakeholders including businesses. The analysis developed in Annex 9 should be transparent on how efficiency is estimated for the different options and how it impacts the comparison of options. The report should clarify further the assumptions taken to calculate the correction coefficients (reduction factors) applied to the estimates of administrative burdens of the options as they are the key factor distinguishing the impact of different measures in terms of efficiency. Further efforts should be taken to provide estimates of the administrative burdens on businesses and their reduction, currently missing from the report.	Clarified in section 7 and Annex 9. The report provides qualitative analysis of impacts for beneficiaries, including businesses, in section 6. The quantitative analysis of policy options did not estimate administrative cost savings expected for other stakeholders including businesses due to a lack of data. Section 9 of the impact assessment proposes to assess expected costs savings for beneficiaries such as businesses. Annex 9 was amended to further explain the reduction factor, including linked to the expected decrease of the number of indicators from over 5 000 to ca. 900. The sensitivity analysis was reinforced in section 7, and a sensitivity analysis included in Annex 9. Section 7.2 of the impact assessment assesses the efficiency of the policy options based on the quantitative analysis presented under Annex 9 (reduction of administrative costs). The analysis focuses on the costs of each policy option in particular for Member State administrations and the Commission, including entry costs of transitioning to a new system, and potential cost savings and efficiency gains resulting from reduced administrative burden linked to a harmonised and simplified performance framework across the EU budget. The assessment of the efficiency of each policy option also takes into account the expected economic (including regarding competitiveness and SMEs), social and environmental impacts of each policy option, building upon the findings of section 6.
Governance	
The report does not sufficiently describe the governance and implementation mechanisms. The report should explain how the governance framework that will be put in place to ensure that meaningful indictors are included to track the performance and impact of the EU budget. The report should clarify the process and various steps for adopting and modifying, when necessary, the performance framework including intervention fields and indicators.	Annex 1 added, and further clarifications added to section 8. The concept and architecture of the list of intervention fields and indicators has been developed in the context of an interservice group gathering relevant Commission services, building upon scientific and methodological support by the JRC, with the aim to ensure an extensive coverage of all interventions supported by the EU budget. The list of intervention fields and indicators will be included in annexes to the Performance Regulation. The relevance of the list will be monitored over time, and the Commission will be empowered to adopt a Delegated Act should any revisions be needed.
Monitoring and data	

The report does not clarify to what extent the planned monitoring framework would be sufficient to ensure the availability of data for monitoring and evaluations of the specific programmes and how its continuous fit-for-purpose will be ensured. The report should bring forward how the proposed list of performance indicators would cover not only outputs and results but also mid to longer-term impacts, which are necessary for tracking the impact of the budget and for future evaluations, in particular of effectiveness, efficiency and EU added value, consistent with the Commission's Better Regulation requitements. The report should also bring forward how compliance costs will be monitored, which is necessary, for example, to implement the Commission's 'one in one out' principle. The report should establish at which stage and how the data plans as required by the Better Regulation Toolbox will be developed and what they will cover to ensure relevant and sufficient data for evaluation purposes. A systematic approach to assessing continued relevance of indicators, in particular, those linked to performance-based payments, and gaps in terms of objectives and impacts not sufficiently developed. To this end, the report should describe how the fit-for-purpose of the established intervention fields and indicators would be assessed. After defining the objectives in more S.M.A.R.T. terms, the report should outline appropriate monitoring and evaluation arrangements which would allow to monitor the progress on achieving the objectives of the performance framework.	Clarified in Annex 7. The new list of indicators aims at setting up a performance framework for the EU budget while enabling to conduct programme monitoring and evaluation. By establishing a direct link between intervention fields and indicators, the common list will provide more information than currently on the link between 'how much do we spend' and 'what do we achieve', which will be relevant in the context of programme monitoring and evaluation. The methodology for developing indicators also focuses on ensuring that indicators are drafted to measure what we actually achieve with EU investments, therefore ensuring a causal link between programmes objectives and the new common set of indicators. Because all management modes and programmes will use the same set of intervention fields and indicators, the new system will enable to compare the effectiveness, efficiency and added value of programmes' budget interventions. The initiative focuses on monitoring outputs and results because of the lack of availability of meaningful long-term impact indicators beyond outputs and results, though some of the result indicators of the common list may also be seen as impact indicators (e.g. GHG emissions avoided).

What are the available AI tools to modernise data collection and interoperability of databases?	Clarified in section 5. AI is evolving at fast pace hence it remains difficult to anticipate the exact role that it will play in operationalizing the performance framework of the post-2027 budget. Yet it is expected to help modernise data collection, such as by helping Member States to allocate projects to intervention fields, and to contribute to the cleaning, processing, and analysis of performance data, while also enhancing data quality and reliability control mechanisms. AI may also help in the future in terms of inter-operability of databases, in a context where performance information remains scattered across several Commission databases, which limits aggregation of indicators across programmes. Lastly, future AI tools could also help make the reporting of performance information more interactive for the end users.

4. Evidence, sources and quality

The Commission collected extensive information and evidence to support the analysis underpinning the problem definition, for example in terms of mapping of existing performance provisions across EU budget programmes. Beyond analysing the legal basis and acts adopted in the context of EU budget programmes, it carried out an extensive review of available literature, including reports from the European Court of Auditors and the European Parliament.

The Commission also collected information relevant in the context of the quantitative and quantitative analysis of the impacts of policy options, such as regarding the costs and benefits of managing existing performance dashboards and portals as well regarding the costs and benefits of creating a single performance portal.

ANNEX 2: STAKEHOLDER CONSULTATION (SYNOPSIS REPORT)

Introduction

The Commission actively engaged the stakeholders in the process of the initiative and consulted them on the effectiveness of the performance framework of the 2021-2027 EU budget, both through a number of events and through an Open Public Consultation. The key findings of this consultation are summarised below.

1. Overview of the relevant stakeholder consultations

The following relevant consultations of stakeholders have taken place or are planned, including workshops and ongoing studies:

- **Citizens panel on the new European budget:** From March to May 2025, the Commission organised a Citizens' Panel on a New European Budget as a way for citizens to engage with the EU institutions and have their say on the EU policymaking process. The event included three sessions gathering 150 randomly selected citizens to help the EU decide how to spend its money in future, including an in-person session from 28-30 March, a second online session (April 25-27), and a third and final session in Brussels (May 16-18) where 2 volunteers officially handed in their recommendations. The participants, coming from all 27 EU countries and representing the EU's diversity, reflected on where the EU Budget could bring the most added-value to Europeans. In parallel, the Citizens' Engagement Platform, an online discussion forum, enabled additional contributions from the general public.
- **Annual Budget Conference:** The event brought together high-level speakers – European and global policymakers, researchers, representatives of think tanks, civil society and businesses leaders – who debated a broad range of topical questions on 20 and 21 May 2025.
- **Tour d'Europe:** During the first half of 2025, Commissioner for Budget Piotr Serafin travelled across the European Union to consult decision-makers, regions, citizens, businesses and other relevant stakeholders on the EU budget. These trips featured visits of many EU-funded projects in diverse fields – from education to research, defence to agriculture and more.
- **Hearing with social partners on the next MFF:** On 17 June 2025, the Commission (DG EMPL and DG BUDG) met with several representatives of the EU social partners with a view to discussing the challenges and guiding principles for the next MFF.

A number of recommendations were made in the context of those consultations. A wide array of topics was identified as priorities such as defence and security, migration and border management, education and workforce, climate and sustainability and healthcare, social policies. The need to simplify EU budget-related procedures which currently generate significant administrative burden and costs was also a recurrent theme throughout the discussions and featured in the recommendations, as well as the need for transparency and accountability in spending EU funds.

Furthermore, recommendations were made in relation to the importance of mainstreaming green and social priorities in the EU budget and ensuring that EU-funded projects do no harm to the environment and the climate, the need to support gender equality, as well as the need to support SMEs to foster employment and reduce dependencies.

2. Results of the Open Public Consultation

On 12 February 2025, the Commission published the Open Public Consultations on the post-2027 MFF, including a dedicated consultation on the performance of the EU budget, open until 6 May 2025. The consultation was based on an online questionnaire addressing the various dimensions of performance of the EU budget. The questionnaire focused in particular on:

- the tools used to promote horizontal priorities and principles (e.g. gender equality, digitalisation, climate and biodiversity, the ‘do no significant harm’ to climate and environmental objectives) across the EU budget, to ensure that EU spending is geared towards those objectives, also sometimes referred to as ‘mainstreaming’;
- performance framework, including the tools to monitor and report how effectively the EU budget is achieving its objectives.

The questionnaire included 34 questions in total, focusing on the effectiveness of the above-mentioned tools, including also specific questions on the mainstreaming of gender equality and of the Do No Significant Harm principle, and existing monitoring tools such as indicators, as well as reports, dashboards and portals used to report performance information and inform potential beneficiaries about funding opportunities.

In total 555 stakeholders submitted their feedback, representing the views of a group of EU citizens (128), non-governmental organisations (124), public authorities (111), academic and research institutions (45), business associations (40), companies and businesses (36), environmental organisations (7), trade unions (6), non-EU citizens (3), and others (55). Respondents originated from 26 Member States and 8 non-EU countries, with the main 10 countries of origine being the following ones (in decreasing order): Germany, Belgium, Poland, France, Italy, Spain, Finland, Netherlands, Sweden, Romania.

Overall the feedback to the Open Public Consultation supports the problem definition of the impact assessment, in particular regarding climate and gender equality mainstreaming across EU budget programmes, implementation of the DNSH principle as well as monitoring through indicators and the need for transparency of performance information, calling for a more structured and accountable approach to integrating horizontal EU priorities into the MFF. Several respondents placed emphasis on shifting towards an impact-oriented approach, with a focus on aligning the framework with strategic goals like sustainability, climate action, digital transformation, social inclusion and health equity, also highlighting the need for increased funding and co-financing rates to support these objectives. Several stakeholders highlighted the need for alignment of the EU budget with broader societal goals such as sustainability, gender equality, and biodiversity. Stakeholders further highlighted the need for "strategic reserve" mechanisms within the budget for adaptability in unforeseen circumstances. Respondents generally highlighted the need for standardisation and simplification of performance and mainstreaming provisions, also ensuring that policies are responsive to local contexts and needs. Stakeholders provided additional elements to the problem definition, in particular regarding the need for stakeholders’ involvement in performance processes as well as emphasising the need for capacity building. Respondents also highlighted the need for binding indicators and spending targets to ensure that cross-cutting priorities are effectively integrated into all EU funds and programmes, in particular in relation to gender equality and biodiversity. Several stakeholders further highlighted the need to create a centralised, multilingual portal to enhance transparency and accessibility of funding information.

Respondents to the consultation provided additional details on a number of key areas:

- <u>Promotion of the principle of gender equality across the EU budget</u>: the responses to the question of how the EU budget could better support gender equality reveal a complex landscape of hurdles and proposed actions, reflecting diverse perspectives from various stakeholders. Stakeholders, including civil society organizations, public authorities, and private sector representatives, have highlighted the need for more targeted and flexible approaches to gender equality, emphasising the importance of context-specific solutions and the integration of gender considerations across all EU funding mechanisms. The data indicates a significant concern over administrative burdens and the effectiveness of current gender equality measures. Another significant hurdle is the perception of Gender Equality Plans as 'box-ticking exercises' that lack substantial impact. Furthermore, the data points to structural issues such as "geographical isolation, depopulation, and limited economic diversification", which disproportionately affect women in certain regions. Stakeholders also advocate for the integration of "intersectionality" into gender equality initiatives i.e. considering how various social identities, such as ethnicity, age, and sexual orientation, intersect with gender to create unique experiences of discrimination and disadvantage. A recurring theme is the tension between the need for comprehensive data collection and the administrative burden it imposes, while a number of respondents emphasised the need for inclusivity in gender data collection including to capture data related to non-binary and transgender individuals. Many stakeholders argue for a more streamlined approach that balances the need for accountability with practical implementation as well as gender-responsive budgeting and capacity building for managing authorities and programme stakeholders. Additionally, there is a call for greater involvement of civil society and equality bodies in the planning and oversight of gender equality initiatives, suggesting a collaborative approach could enhance the effectiveness of EU-funded projects. There is a call for "dedicated funding" for gender equality projects and policies. Stakeholders also emphasise the importance of "monitoring and accountability" mechanisms to track the progress and impact of gender equality initiatives. Respondents further place emphasis on dedicating specific funding to Women's Rights Organizations.

- <u>Promotion of the principle of 'do no significant harm' to climate and environmental objectives across the EU budget:</u> the responses to the consultation identify a number of challenges and recommendations related to the implementation of the DNSH principle. Stakeholders provided insights into the challenges and potential solutions for effectively integrating the DNSH principle into EU funding mechanisms. The primary hurdles identified include excessive administrative burdens, inconsistent application across programmes, and a lack of clear guidance. Stakeholders argue that the current compliance demands are overly complex and discourage participation, particularly from small and medium-sized enterprises (SMEs) and local entities. At the same time, several respondents highlighted the need to maintain the "DNSH horizontal principle as a mandatory requirement" for the green transition. In response, stakeholders have suggested a range of actions, such as the need for a more consistent and harmonised application of the DNSH principle across all EU programs and funding mechanisms through a single, harmonised DNSH guidance with an evidence-based exclusion list, simplifying documentation and compliance processes, providing sector-specific guidelines, and enhancing training and capacity-building efforts. Stakeholders have also advocated for the development of clear and ambitious exclusion lists to prevent inherently harmful projects from receiving EU funding, excluding funding for activities that undermine climate and biodiversity goals, such as nuclear power and fossil fuels. A number of stakeholders also recommended the integration of DNSH into the entire project lifecycle, with robust monitoring and reporting mechanisms. The analysis highlights both areas of consensus and divergence among stakeholders, with some advocating for more stringent enforcement and others calling for greater flexibility. Responses by stakeholders further reflect a divergence in opinions regarding a potential expansion of the DNSH principle to include social and economic dimensions, though a number of stakeholders recommended a human rights-based, intersectional approach to DNSH.

- <u>Promotion of horizontal priorities across the EU budget:</u> Stakeholders emphasise the importance of aligning EU funding with strategic priorities such as climate action, digital transformation, and social equity. Several respondents the systematic mainstreaming of climate and gender equality across EU budget programmes.

- <u>Monitoring how effectively the EU budget is achieving its objectives, including through indicators:</u> various stakeholders provided contributions on the effectiveness of the EU budget monitoring system, particularly its reliance on indicators. A recurring theme is excessive bureaucratic requirements, administrative burden and complexities associated with the collection and reporting of indicators under EU funds, particularly from smaller entities. Several respondents highlighted the need to balance flexibility with accountability, calling for simplification while maintaining rigorous accountability standards, and including suggestions for introducing consequences for underperformance alongside incentives for success. Respondents regretted the lack of standardisation and coherence across different EU funds, creating significant hurdles. Stakeholders also raised the issue of overemphasis on output indicators and inadequacy of current indicators to capture the true impact of EU funds, particularly in areas like environmental protection and social inclusion, and the need to shift towards assessing outcomes and long-term impacts. Many stakeholders pointed to issues such as lack of granularity, enforcement, and the exclusion of negative impacts. These hurdles are interlinked with the actions proposed, which often call for methodological improvements and greater alignment with policy objectives. Stakeholders from Germany, Belgium, and other EU countries have highlighted the disconnect between the indicators used and the actual outcomes they are meant to measure. This disconnect is often attributed to the complexity and lack of specificity in the indicators, which can lead to administrative burdens and a failure to capture qualitative outcomes. Several respondents also highlighted challenges linked to performance-based payments and the risks associated with unclear achievement criteria. Stakeholders from various sectors, including public institutions, private companies, and civil society organizations, have expressed concerns about the current framework's ability to effectively support innovation and address emerging priorities. In response, proposed actions emphasise the need for simplification, flexibility, and a more tailored approach to performance evaluation. Several stakeholders call for harmonisation of rules across different EU funds. The actions proposed by stakeholders frequently emphasise the need for a more integrated and transparent approach, with calls for the inclusion of qualitative assessments and the alignment of indicators with broader EU objectives. Respondents further highlighted the need to involve local and regional stakeholders in the design and implementation of performance frameworks, suggesting this as a means to increase transparency and accountability. A number of stakeholders emphasised the need for improved data collection and digitalized reporting systems for evidence-based evaluations, and recommended the development of a single audit system to streamline processes and ensure consistent standards. Some respondents stressed the importance of enhanced transparency and feedback loops to incorporate lessons learned into future policy designs. Some stakeholders also highlighted the need for flexibility in the choice of indicators to better reflect sectoral and regional specificities, and the need for indicators to better reflect the need to support socially vulnerable groups.

- Access to funding: several stakeholders called for a centralised, multilingual portal to enhance transparency and accessibility of funding information. Respondents further recommended making EU funding mechanisms accessible and inclusive, particularly for marginalized communities.

Stakeholders provided additional elements to the problem definition, in particular regarding the need for stakeholders involvement in performance processes as well as emphasising the need for capacity building.

The legal proposal developed as a result of this initiative – i.e. a horizontal regulation on budget performance – built upon the results of the Open Public Consultation by addressing several of the key concerns expressed by stakeholders. This includes strengthening the EU budget legal framework to ensure consistent and proportionate implementation of the gender equality and DNSH principles, while ensuring the effective mainstreaming of green and social priorities. This also includes streamlining the monitoring framework of the EU budget with a view to increasing the ability to measure the EU budget performance while limiting administrative burden.

ANNEX 3: WHO IS AFFECTED AND HOW?

This annex explains the practical implications of a single performance framework applying at EU budget level, based on implementation of the preferred policy option as described in Section 8 of the main impact assessment report.

1. Practical implications of the initiative

The initiative aims at developing a simplified, coherent and flexible performance framework for the post-2027 Multiannual Financial Framework, enabling to achieve simplification and reduce administrative burden and costs affecting EU budget beneficiaries, Member States, partner countries, implementing partners and EU institutions.

The single performance framework would have the following key practical implications:

<u>For EU budget beneficiaries (including businesses), Member States, partner countries and implementing partners:</u>

The initiative is expected to achieve cost reductions linked to the development of:

- a single guidance on the application of the DNSH principle, including criteria following a single activity-based approach applying to the entire budget i.e. Member States and beneficiaries such as businesses would achieve a reduction of the resources currently required to apply the multiple DNSH guidances and sometimes contradictory requirements, enabling to achieve higher predictability of projects implementation and facilitating access to EU funding;

- a harmonised classification of activities financed by the EU budget – so as to enable simple tracking of expenditures through intervention fields – and a simplified and standardised set of performance indicators at MFF level i.e. Member States managing authorities would reduce resources currently allocated to dealing with multiple expenditure tracking and indicators monitoring systems. The reduction of the number of performance indicators would enable beneficiaries, including businesses, to face less reporting burden and therefore to reduce the costs associated with project monitoring;

- harmonised requirements on performance reporting, consolidating all EU budget performance information into the Annual Management Performance Report, which would enable Member States, budgetary authorities and interested stakeholders to reduce the costs currently allocated to having to navigate and process multiple reports on the performance of EU budget programmes;

- a single online portal displaying EU budget performance information would enable Member States, partner countries and beneficiaries to reduce the costs currently allocated to having to navigate and process multiple dashboards. Businesses – such as SMEs are particularly expected to benefit from such a single entry point, potentially improving access to EU funds. The single portal would also provide information on available funding opportunities centralising all information under the EU budget, enabling Member States, partner countries and beneficiaries to reduce the costs currently allocated to having to navigate and process multiple portals. A 2024 Commission STEP taskforce survey on ‘Access to EU funding – users perspective’ shows that 72% of respondents indicated that they would see value in a one-stop-shop combining EU and national funding.

For EU institutions:

The initiative would enable to achieve cost reductions linked to the development of:

- a single guidance on the application of the DNSH principle, including criteria following a single activity-based approach applying to the entire budget i.e. EU institutions – in particular the Commission – would achieve a reduction of the resources currently required to develop and implement the multiple DNSH guidances, reducing the need for providing capacity building and technical support to Member States and beneficiaries to implement DNSH;

- a harmonised classification of activities financed by the EU budget – so as to enable simple tracking of expenditures through intervention fields – and a simplified and standardised set of performance indicators at MFF level i.e. EU institutions – in particular the Commission – would reduce resources currently allocated to calculating and aggregating expenditures based on multiple tracking methodologies, as the new system would be simpler yet enabling to track contributions to several priorities, as relevant. The streamlining of the existing – multiple, and sometimes overly heavy – indicators monitoring systems;

- harmonised requirements on performance reporting, consolidating all EU budget performance information into the Annual Management Performance Report, which would enable the Commission to achieve efficiency gains and reduce the resources allocated to preparing such reports, removing duplication of information and reporting processes. It would also enable other EU institutions – e.g. European Parliament – to reduce the costs currently allocated to having to navigate and process multiple reports on the performance of EU budget programmes. The new system would provide comprehensive insights into EU budget performance, promoting transparency and efficient data utilization for policy decisions;

- a single online portal displaying information on EU budget performance and available funding opportunities centralising all information under the EU budget, enabling the Commission to reduce the costs currently allocated to the management of multiple dashboards and portals.

The initiative would nonetheless trigger initial one-off costs linked to the development of the above-mentioned tools and components as part of the new harmonised performance framework e.g. the development of the IT infrastructure necessary to run the new single dashboard and portal. Adapting to the new provisions is also likely to generate transition costs linked to the phase of stakeholders adapting to the new system. Such entry costs are expected to affect EU institutions as well as beneficiaries (including potential compliance costs for businesses), Member States, partner countries and implementing partners.

Example: indicators on renewable energy (additional capacity) for which EU budget beneficiaries, Member States, partner countries and implementing partners would benefit from harmonisation across MFF programmes so as to allow for simplification and aggregation of performance data at EU budget level

Programme	Indicator	Measurement
Recovery and Resilience Facility	Additional operational capacity installed for renewable energy	Megawatts (MW)
European Regional Development Fund (ERDF)	Additional capacity of renewable energy production	Megawatts (MW)
InvestEU	Additional renewable and other safe and sustainable zero and low-emission energy generation capacity installed	Megawatts (MW)
Regional Policy (European Regional and Development Fund and Cohesion Fund)	Additional renewable energy produced	MWh/year

2. Summary of costs and benefits

The estimates of the expected costs and benefits are partial given the lack of available quantitative data on costs associated with the administrative burden that EU institutions, EU budget beneficiaries, Member States, partner countries and implementing partners are facing in terms of monitoring, reporting and communicating performance of the EU budget and specific programmes, and complying with a number of requirements e.g. regarding implementation of the Do No Significant Harm principle. The methodology used for calculating the costs of each policy option is presented under Annex 9.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
	Direct benefits	
P2: Reduction of administrative burden resulting from the simplification of DNSH requirements, compared to a programme-specific approach requiring compliance with several different DNSH guidance and systems, sometimes for the same type of projects	EUR 85,5 million	Member States administrations (reduction of administrative burden linked to operationalization tasks such as: contribution to the design of DNSH guidance at EU level, transposing EU level guidance into national systems, providing guidance and training to national stakeholders and beneficiaries, checks of DNSH compliance, developing national assessment tools, as well as reporting and coordination of implementation at EU level)
M3: Reduction of administrative burden as a result of simplifying	EUR 700,6 million	Member State administrations (reduction of administrative burden linked to operationalization tasks such as:

expenditure tracking and indicator monitoring requirements, compared to the current programme-specific approach, which relies on a large number of indicators under the various EU budget programmes.		contributing to the design and management of indicators at EU level, transposing EU level indicators system into national systems, data collection and management at national level, data verification, providing guidance and training to national stakeholders and beneficiaries having to report against such indicators, developing national tools and systems, reporting and coordination of implementation at EU level)
R2: Reduction of costs linked to the development and management of performance dashboards	EUR 24,6 million	Commission (reduction of costs as a result of merging dashboards into a single one, compared to maintaining the current system which relies on approximately 20 performance dashboards)
R2: Reduction of costs linked to the development and management of portals on funding opportunities	EUR 32 million	Commission (reduction of costs as a result of merging existing portals into one compared to maintaining the current system which relies upon ca. 12 portals on funding opportunities)
Indirect benefits		
P2, M3, R2: Indirect benefits from expected reduction of administrative burden	Could not be costed due to lack of available data	Implementing partners, third countries and beneficiaries

(1) Estimates are gross values relative to the baseline for the preferred option as a whole (i.e. the impact of individual actions/obligations of the preferred option are aggregated together); (2) Please indicate in the comments column which stakeholder group is the main recipient of the benefit;(3) For reductions in regulatory costs, please describe in the comments column the details as to how the saving arises (e.g. reductions in adjustment costs, administrative costs, regulatory charges, enforcement costs, etc.;);.

<table>
<tr><th colspan="8">II. Overview of costs – Preferred option</th></tr>
<tr><th colspan="2" rowspan="2"></th><th colspan="2">Citizens/Consumers</th><th colspan="2">Businesses</th><th colspan="2">Administrations</th></tr>
<tr><th>One-off</th><th>Recurrent</th><th>One-off</th><th>Recurrent</th><th>One-off</th><th>Recurrent</th></tr>
<tr><td>P2: activity-based approach to DNSH</td><td>Direct administrative costs</td><td colspan="4">Could not be costed due to lack of available data</td><td>EUR 8,5 million</td><td></td></tr>
<tr><td>M3: single expenditure tracking and indicator monitoring</td><td></td><td colspan="4">Could not be costed due to lack of available data</td><td>EUR 210,2 million</td><td></td></tr>
</table>

R2: Single performance portal		Could not be costed due to lack of available data	EUR 1,3 million	
R2: Single portal on funding opportunities		Could not be costed due to lack of available data	EUR 3 million	

(1) *Estimates (gross values) to be provided with respect to the baseline; (2) costs are provided for each identifiable action/obligation of the preferred option otherwise for all retained options when no preferred option is specified; (3) If relevant and available, please present information on costs according to the standard typology of costs (adjustment costs, administrative costs, regulatory charges, enforcement costs, indirect costs;).*

The total benefits of the initiative are estimated at EUR 842,7 Mio and the total costs are estimated at EUR 220 Mio. The initiative would therefore result in total net benefits of EUR 622,6 Mio.

III. Application of the 'one in, one out' approach – Preferred option(s)			
[M€]	**One-off** (annualised total net present value over the relevant period)	**Recurrent** (nominal values per year)	**Total**
Businesses			
New administrative burdens (INs)	Cf. section II		
Removed administrative burdens (OUTs)			
Net administrative burdens*			
Adjustment costs**			
Citizens			
New administrative burdens (INs)			
Removed administrative burdens (OUTs)			
Net administrative burdens*			
Adjustment costs**			
Total administrative burdens***			

(*) Net administrative burdens = INs – OUTs;
(**) Adjustment costs falling under the scope of the OIOO approach are the same as reported in Table 2 above. Non-annualised values;
(***) Total administrative burdens = Net administrative burdens for businesses + net administrative burdens for citizens.

3. Relevant sustainable development goals

The preferred policy option is expected to contribute to most SDGs since it is expected to improve the effectiveness, efficiency and EU added-value of all EU budget programmes and their contribution to several SDGs. Specific contributions are also expected towards SDGs 5, 13 and 15.

IV. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG 5 – Achieve gender equality and empower all women and girls	Increase in EU budget support to gender equality	The new gender provisions will support the systematic mainstreaming of gender across EU budget programmes
SDG 13 – Take urgent action to combat climate change and its impacts	Improved tracking of EU budget expenditures contributing to climate action	The new tracking system will enabling to monitor contributions to both climate mitigation and adaptation
SDG 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Improved tracking of EU budget expenditures contributing to biodiversity	The new tracking system will enabling to monitor contributions to biodiversity both on land and at seas (thereby also contributing to SDG 14)

ANNEX 4: SME CHECK

Based on interservice group discussions, this initiative is relevant for SMEs.

1. Identification of affected businesses and assessment of relevance

Are SMEs directly affected? (Yes/No) In which sectors?	Yes – in all sectors supported by EU budget programmes e.g. agriculture, rural development, research and innovation, regional development, environment and climate action, digital transformation, culture and creative industries, education and youth, transport and energy infrastructure, health
Estimated number of directly affected SMEs	ca. 16,3 million[60] (the exact number is not available, but the initiative will precisely enable to aggregate performance data on e.g. the number of SMEs supported across all EU budget programmes, which is not possible in the 2021-2027 period)
Estimated number of employees in directly affected SMEs	ca. 59,4 million[61]
Are SMEs indirectly affected? (Yes/No) In which sectors? What is the estimated number of indirectly affected SMEs and employees?	Yes – in all sectors supported by EU budget programmes, as projects supported by the EU budget and promoted by other types of beneficiaries are also likely to have impacts for SMEs

[60] This estimate is calculated, using the number of SMEs in the 2021-2027 and 2014-2020 EU budget – MFF and RRF – as a proxy for the post-2027 budget. This estimate is derived from the Financial Transparency System, which estimates that 26148,32 private companies were supported by direct and indirect management programmes in 2023, from data on the number of beneficiaries of the CAP (Europa website, Beneficiaries of CAP funds) and a 2018 European Commission report which noted that 93% of EU farms are classified as SMEs based on employment and turnover criteria, and from the 9th Cohesion Report (2024), which states that Cohesion Policy supported over 4.4 million businesses during 2014–2020, as well as the Implementation of the Recovery and Resilience Facility report (COM(2023)545), which states that by December 2022, the RRF had supported 1.43 million enterprises. The estimate also takes into account Eurostat's Structural Business Statistics, which shows that 99,8% of EU companies are SMEs. This estimate is likely to be an underestimate as it does not include the number of SMEs supported by other EU funds.

[61] This estimate is calculated based on the 9th Cohesion Report (2024), which estimates the total number of SME employees at 83.3 million and the total number of SMEs at 22.8 million i.e. 3.65 employees per SME on average.

2. Consultation of SME stakeholders

How has the input from the SME community been taken into consideration	The input from the SME community has been taken into consideration through an Open Public Consultations on the post-2027 MFF, including a dedicated consultation on the performance of the EU budget, running from 12 February 2025 to 6 May 2025. The consultation received several contributions from companies and businesses, including SMEs, which were integrated into the initiative. The SME community was also indirectly consulted via the European Citizens Panel on a new EU Budget, which made recommendations on the need to support SMEs and the need to simplify administrative procedures linked to EU budget programmes, which is one of the objectives of the initiative.
Are SMEs' views different from those of large businesses?	Information not available as the OPC results do not differentiate between SMEs and other businesses.

3. Assessment of impacts on SMEs[62]

What are the estimated direct costs for SMEs of the preferred policy option?	SMEs supported by EU budget programmes are likely to face limited entry costs linked to transitioning to the new performance framework e.g. monitoring and reporting performance based on partly new indicators, new DNSH and gender mainstreaming provisions, new single portal on funding opportunities.
What are the estimated direct benefits/cost savings for SMEs of the preferred policy option	The preferred policy option is expected to generate significant cost savings linked to the reduction of compliance and administrative costs by SMEs supported by EU budget programmes. The initiative foresees a calibrated and proportionate approach to implementing the DNSH principle, which will facilitate compliance by SMEs, in particular as the initiative foresees exempting certain projects from DNSH checks i.e. in the fields of defence and security. The simplification of performance monitoring provisions and the reduction of the number of indicators would enable SMEs to face less reporting burden and reduce the costs associated with project monitoring. A single online portal displaying information on available funding opportunities is also expected to help SMEs to reduce the costs currently allocated to having to navigate and process multiple portals, ultimately facilitating access to EU funds by SMEs in key economic sectors. Overall the initiative will have a particularly positive impact on SMEs, which often operate with limited staff and resources and can be disproportionately affected by the complexity of monitoring and reporting requirements under EU funds. The preferred

[62] This section summarizes impacts on SMEs from a qualitative perspective, as no quantitative information was available.

	policy option will therefore enable SMEs to become more responsive to new support opportunities under EU budget programmes (cf. section 6 of the impact assessment for more details). The harmonised performance framework of the post-2027 budget will also enable to better assess the impacts of the EU budget on SMEs, as the monitoring system would enable to assess how many SMEs are supported by the EU budget as well as other SME-relevant performance information.

4. <u>Minimising negative impacts on SMEs</u>

Are SMEs disproportionately affected compared to large companies? (Yes/No) **If yes, are there any specific subgroups of SMEs more exposed than others?**	SMEs are not expected to be disproportionately affected by the initiative compared to large companies.

5. <u>Contribution to the 35% burden reduction target for SMEs</u>

Are there any administrative cost savings relevant for the 35% burden reduction target for SMEs?	The preferred policy option is expected to significantly contribute to the Commission commitment to streamline rules and reduce the administrative burdens by 35% for SMEs by the end of the current mandate.

ANNEX 5: COMPETITIVENESS CHECK

1. Overview of impacts on competitiveness

Dimensions of Competitiveness	Impact of the initiative (++ / + / 0 / - / -- / n.a.)	References to sub-sections of the main report or annexes
Cost and price competitiveness	++	Sections 6, 7 and 8 Annexes 3 and 9
International competitiveness	+	Section 6
Capacity to innovate	n.a.	
SME competitiveness	++	Sections 6, 7 and 8 Annexes 3 and 9

2. Synthetic assessment

The preferred policy option is expected to have a positive impact on **cost and price competitiveness**, as it is expected to result in significant reductions of compliance and administrative costs at the level of EU budget beneficiaries such as businesses, enabling to support the competitiveness of the economic sectors supported by EU budget programmes, in line with the initiative's specific objective of a reduction of such administrative burden by at least 25%[63]. The initiative foresees a calibrated and proportionate approach to implementing the DNSH principle, which will facilitate compliance by businesses, ultimately supporting cost and price competitiveness of companies supported by EU funds. The simplification of performance monitoring provisions and the reduction of the number of indicators would enable enterprises to face less reporting burden and reduce the costs associated with project monitoring. A single online portal displaying information on available funding opportunities is also expected to help businesses to reduce the costs currently allocated to having to navigate and process multiple portals, ultimately facilitating access to EU funds by beneficiaries in key economic sectors. The quantitative analysis presented under Annex 9 focuses on expected reductions of costs for Member States authorities and the Commission due to a lack of quantitative data on impacts on beneficiaries such as businesses, but the initiative is expected to generate significant cost savings and efficiency gains for beneficiaries in key economic sectors.

The initiative is similarly expected to have a limited but positive impact on **international competitiveness**, improving the competitive position of EU firms supported by EU budget programmes compared to non-EU competitors. For the above-mentioned reasons, EU companies would be facing less administrative burden associated with mainstreaming, monitoring and reporting provisions, improving their position vis-à-vis third countries enterprises. This assessment should nonetheless be nuanced as the initiative will also apply to non-EU companies supported by EU budget programmes e.g. under external action funds, meaning that such companies would equally benefit from the new performance framework.

[63] In line with the Communication target of reducing burdens associated with reporting requirements by 25%

While the initiative is not expected to have any significant impact on **businesses capacity to innovate**, the reductions in administrative costs expected from the initiative may enable businesses to free up resources to the benefit of increased resources dedicated to innovation.

The initiative will also have a particularly positive impact on **SMEs**, which often operate with limited staff and resources and can be disproportionately affected by the complexity of existing monitoring and reporting requirements under EU funds, and of EU portals displaying information on funding opportunities, therefore enabling SMEs to become more responsive to new support opportunities under EU budget programmes. The initiative is particularly expected to contribute to the Commission commitment to streamline rules and reduce the administrative burdens by 35% for SMEs by the end of the current mandate. The future performance framework will also enable to measure e.g. how many SMEs are supported by the EU budget overall, which is currently very challenging as indicators differ from one programme to the other, making aggregation of data difficult.

3. Competitive position of the most affected sectors

The initiative is expected to have positive effects on the competitiveness of all sectors supported by EU budget programmes, since the new performance framework will apply to all EU funds. Affected sectors include e.g. agriculture, rural development, regional development, environment and climate action, research and innovation, digital transformation, culture and creative industries, education and youth, transport and energy infrastructure, health.

As indicated above, a quantitative analysis of impacts on businesses supported by EU budget programmes could not be carried out due to a lack of available data.

ANNEX 6: POLICY MAINSTREAMING AND PROGRAMMING ARCHITECTURE OF THE 2021-2027 BUDGET

6.1 Climate and biodiversity mainstreaming

Since 2014, the EU budget has increased its support for climate objectives by mainstreaming climate across all the relevant MFF programmes.[64] Mainstreaming entails embedding horizontal policy goals into all phases of the policy cycle of the relevant programmes, including preparation, design, programming, implementation, monitoring and evaluation. This means, for example, that instead of establishing a separate and dedicated fund for climate and energy objectives, these policies priorities can be integrated into existing EU funds, such as the cohesion funds. Since 2021, this mainstreaming approach has also been extended to biodiversity[65]. A more advanced approach – 'green budgeting' – has also been adopted in the EU budget as part of the increased emphasis on impact and performance in the current MFF.

The mainstreaming approach has been further complemented with the inclusion of budgetary targets, first at EU budget level, and then at programme level. Under the inter-institutional agreement (IIA) accompanying the 2021-2027 Multiannual Financial Framework, the European Parliament, the Council and the Commission agreed to allocate at least 30% of all resources available under the 2021-2027 Multiannual Financial Framework and NextGenerationEU to measures addressing climate change, and to support biodiversity objectives with 7.5% of annual spending in 2024, and 10% in 2026-2027.[66] This approach has effectively raised the climate and biodiversity focus of MFF programmes under the EU budget – although the level of success varies across programmes and priorities.

Budget earmarking – and target setting in particular – is only one of the elements of a wider 'mainstreaming toolbox' aimed at reinforcing climate and biodiversity objectives within the EU budget. The EU budget's contribution to climate and biodiversity objectives ultimately depends on how effectively these various tools are integrated and coordinated.

Several tools were embedded in the design of 2021-2027 EU budget programmes to strengthen their contribution to the EU's green objectives. For instance, the green architecture of the Common Agriculture Policy was reinforced. 'Eco-schemes' were introduced in the Common Agricultural Policy[67] to encourage farmers to adopt greener farming practices by providing additional income support, in addition to a wide range of tools, including agri-environmental-climate measures, green investments and Natura 2000 payments. In Horizon Europe, thematic clusters[68] – such as the cluster on 'Climate, Energy, and Mobility' and the 'Clean Hydrogen Partnership' – complement the programme's bottom-up approach by steering research and innovation efforts towards environmental goals. Within Cohesion policy funds, thematic

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[64] https://eur-lex.europa.eu/resource.html?uri=cellar:d0e5c248-4e35-450f-8e30-3472afbc7a7e.0011.02/DOC_4&format=PDF

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

[66] *Ibid.*

[67] Regulation - 2021/2115 - EN - EUR-Lex

[68] Regulation - 2021/695 - EN - EUR-Lex

enabling conditions for climate and biodiversity ensure that the right frameworks are in place to maximize the impact of green investments.[69] InvestEU supports green objectives mainly through its dedicated sustainable infrastructure window[70]. In addition, a number of programmes were introduced with the primary objective of addressing various dimensions of green priorities, such as the Modernisation Fund[71] and the Social Climate Fund[72].

An overview of the different tools available and their application across funds are presented in Tables 1 and 2.

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[69] Regulation - 2021/1060 - EN - EUR-Lex
[70] Regulation - 2021/523 - EN - EUR-Lex
[71] EUR-Lex - 02003L0087-20240301 - EN - EUR-Lex
[72] Regulation - 2023/955 - EN - EUR-Lex

Table: Green policy mainstreaming elements in the 2021-2027 MFF programmes

Programme	% climate achieved 2014-2020/projected 2021-2027	% biodiversity achieved 2014-2020/projected 2021-2027	Green mainstreaming elements
Horizon Europe	30% (35% target) 35%	5% 8%	**Legal basis and earmarking** - 35% climate target (recital) - Earmarking of budget for clusters (e.g. “energy, climate, transport” cluster) **Governance** - Horizon Europe Strategic Plan ensuring follow up on the 35% climate target - 10% of total Horizon Europe budget for 2025-2027 dedicated to biodiversity (Strategic Plan) **Policy design** - Missions on climate adaptation; climate neutral cities; restore our ocean and waters; - Joint undertakings on: Circular Bio-based Europe; Clean Aviation; Clean Hydrogen; Europe’s Rail; Single European Sky ATM Research; - EIT cluster on urban mobility; climate change; future of food; sustainable energy; raw materials; - Screening of topics for DNSH compliance (Article 5 (2) (p)) - Climate proofing integrated on a topic-by-topic basis (i.e. infrastructures and innovation projects)

			- Climate related enabling conditions are inherent in program calls focusing on environmental sustainability and innovation. - Biodiversity tracking by a handbook to facilitate attribution of markers to biodiversity relevant projects.
Euratom Research and Training Programme	0% (fusion not part of methodology) 35%	0 0	**Legal basis and earmarking** - Earmarking of budget towards fusion research objective
International Thermonuclear Experimental Reactor (ITER)	0% (fusion not part of methodology) 100%	0 0	
InvestEU	0% 30%	0 0	**Legal basis and earmarking** - 30% climate target (recital) - 60% of investments under “sustainable infrastructure” policy window budget earmarked for climate and environment **Policy design** - Exclusion list of activities (Annex Vb) - Sustainability proofing (guidance of Commission takes into account DNSH) - Projects that fall under the Environmental Impact Assessment Directive need to be screened regardless the total project cost and proofing performed, if necessary

			- Integration of the EU taxonomy framework where possible - Dedicated scheme for just transition territories - Climate and environment tracking of expenditures (assess whether InvestEU operations contribute to green objectives)
Connecting Europe Facility (CEF), including Military Mobility	71% 77% (60% target)	0 0	**Legal basis and earmarking** - 60% climate target (recital and article 4) - Decarbonization of energy sector objective; sustainable transport objective - Earmarking per objective - Methodology in the recital **Policy design** - Environmental Impact assessment - Reporting for Trans-European Network for Energy and assessment during the procurement process for Trans-European Networks for Transport with DNSH - Screening of projects (energy and transport) during selection phase - Climate proofing for infrastructure projects
Digital Europe Programme	0 4%	0 0	No specific provisions
Single Market Programme	4% (COSME) 4%	0 0	No specific provisions

European Space Programme	35% (Copernicus) 35%	6% 6%	**Policy design** - Copernicus monitoring contributes to both mitigation and adaptation efforts
EU Secure Connectivity Programme	NA	NA	No specific provisions in place
Regional Policy Funds (ERDF and Cohesion)	20% 35%	4% 6%	**Legal basis and earmarking** - At least 30% for ERDF and 37% for CF (Recital 6 ERDF and CF Regulation). - Art 5 “a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility;” policy objective - For ERDF, all regions and Member States must concentrate at least 30% of their allocation to PO2 (greener, low-carbon transitioning towards net zero carbon economy and resilient Europe) - Art 6 “climate target adjustment mechanism” - Art 15 “enabling conditions” (i.e. in water, waste and circular economy and nature / biodiversity) - “do no significant harm” should be taken into account (applied by the national authorities in the assessment of the investment priorities contained in the programmes before adoption) (Article 9 (4) CPR) - Intervention fields methodology in CPR annex I - For ERDF/CF: Exclusion list for ineligible activities (article 7) - Common output and result indicators for ERDF and CF (include environmental indicators)

			Policy design - Climate proofing mandatory for infrastructures project (lifespan of at least 5 years) - Climate enabling conditions applied - Strategic Environmental Assessment (most of cohesion policy subject to an SEA
Support to the Turkish Cypriot Community	4% 0%	0% 1%	
Recovery and Resilience Facility	43%	2%	**Legal basis and earmarking** - Recital 23 climate framework - Recital 32 consistency with Semester and National Energy and Climate Plans - Recital 76 reporting - Art 16 climate target (37%) - Art 18(e) National plan – climate - Annex VI methodology - 30% Green bonds **Policy design** - DNSH as an eligibility criterion - Climate-related enabling conditions on green targets

Technical Support Instrument	0 7%	0 1%	No specific provisions in place
Union Civil Protection Mechanism	35% 15% (2021-2024 period)	0 2%	No specific provisions in place
EU4Health Programme	0 0	0 0	**Policy design** - Two measures included in 2024 related to the health risks that are a consequence of climate change
Emergency Support Instrument (ESI)	0 0	0 0	No specific provisions in place
European Social Fund +	8% 5%	0 0	**Legal basis and earmarking** - Art 5 "a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility" policy objective - Secondary theme for tracking of "green" (reported as climate with 100% coefficient)
Erasmus +	0	0	**Policy design** - Prioritisation of the green transition in cooperation activities

	4%	0	- Promotion of green practices at the level of projects throughout the programme - Funding rules for learning mobility: sustainable travel is the default option, encouraging participants to prioritise green travel as their first choice when planning their trip. 23% of the mobilities which took place in 2023 were carried out in an environmentally friendly way (vs 13% in 2021).
European Solidarity Corps (ESC)	0 5%	0 0	**Policy design** - Environmental sustainability and climate goals is one of the four transversal priorities of the programme. - Corps projects should promote environmentally sustainable and responsible behaviour among participants. The Corps contributes to equipping young Europeans with the necessary skills to develop innovative practices to bring about change, in line with the objectives for the green transition and sustainable development. - Funding rule for volunteering mobility: sustainable travel is the default option, encouraging participants to prioritise green travel as their first choice when planning their trip. - Between 2021-2023, 4 280 projects tackled environment and climate change with 2 709 organisations involved and 4 077 participants using green travel. 31% of the participants declared that they are more aware of environmental issues.
Justice Programme	0 0	0 0	No specific provisions in place
Creative Europe	0 12%	0 0	No specific provisions in place

Citizens, Equality, Rights and Values Programme	0 0	0 0	No specific provisions in place
Communication	0 1%	0 0	No specific provisions in place
Common Agricultural Policy (CAP)	26% 39%	16% 17%	**Legal basis and earmarking** - 40% climate target (recital 94) - Earmarking of budget for ecoschemes (25% pillar I) and “expenditures for climate, biodiversity and environment” in pillar II (35%) - 15% of expenditure from fruit and vegetable Operational Programme dedicated to environmental and climate friendly investments **Governance** - CAP strategic plans – covering EAGF and EAFRD – approved by the Commission, and dialogues with Member States - Targets set for CAP support for climate adaptation, for GHG emission reduction and carbon storage, renewable energy, preserving habitats and species investments for climate, afforestation, biodiversity, etc. - Biannual performance review **Policy design**

			- Good agricultural and environmental conditions and Statutory Management Requirements (applying to all area payments under the CAP i.e. 87% of EU agricultural utilised area in 2023) - Eco-schemes, agri-environment-climate measures and green investments under pillar II (ringfencing) - Advice, cooperation and knowledge transfer - Eligibility conditions for investments in irrigation, compatible with Water Framework Directive - Consistency between coupled income support and Water Framework Directive
European Maritime Fisheries and Aquaculture Fund (EMFAF)	15% 53%	14% 30%	**Legal basis and earmarking** - 30% climate target (recital) - "do no significant harm" should be taken into account (Article 9 (4) CPR)
Regional Fisheries Management Organisations (RFMO) and Sustainable Fisheries Partnership Agreements (SFPA)	8% 9%	3% 12%	No specific provisions in place
Programme for Environment and	48%	50%	**Legal basis and earmarking**

Climate Action (LIFE)	61%	49%	- 60% climate target (recital) - Earmarking of budget per objective - Recital 29 refers to DNSH **Policy design** - Each strand has a strong link with different green dimensions - Green assist (technical support)
Just Transition Fund (JTM)	NA 100%	0 0	**Legal basis and earmarking** - 100 % climate relevant as per regulation - DNSH must be taken into account (Article 9(4) CPR) **Policy design** - Climate proofing for infrastructures project (lifespan of at least 5 years) - Enabling conditions for just transition plans aligned with climate neutrality goals
Asylum, Migration and Integration Fund (AMIF)			No specific provisions in place

Integrated Border Management Fund (IBMF)			No specific provisions in place
Internal Security Fund (ISF)			No specific provisions in place
Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)			No specific provisions in place
European Defence Fund (EDF)			No specific provisions in place
Neighbourhood, Development and International Cooperation Instrument (NDICI Global Europe)	18% (average of past programmes) 28%	5% 8%	**Legal basis and earmarking** - 30% climate target (recital) + EUR 4 bn from SOTEU - 7 bn EUR to biodiversity from NDICI and IPA III over 2021-2027 i.e. doubling compared to 2014-2020 (political commitment via SOTEU) - Projects environmental screening (incl. climate and biodiversity) with environmental impact assessment for sensitive environmental actions (Article 25) - Exclusion list for activities incompatible with Paris Agreement, promote fossil fuels or cause significant effects on environment

Humanitarian Aid (HUMA)	10% 19%	0 0	No specific tools in place
Overseas Countries and Territories (OCT) (including Greenland)	23% 22%	NA 11%	No specific tools in place
Macro-Financial Assistance (MFA)	NA	NA	No specific provisions in place
Instrument for Pre-Accession Assistance (IPA III)	18% 27%	2% 4%	**Legal basis and earmarking** - 20% climate target (recital) - Doubling biodiversity support from NDICI and IPA III from 2014-2020 to 2021-2027 (political commitment via SOTEU) i.e. reaching 7 bn EUR
Ukraine Facility	NA	NA	**Legal basis and earmarking** - At least 20% of the overall amount corresponding to support under the Ukraine investment framework and to investment under the Ukraine plan to contribute to green objectives - Do no harm
Innovation Fund	NA	NA	**Legal basis and earmarking**

			- The entire budget is dedicated to climate action (Article 10a §8): actions that contributes substantially to mitigating climate change. - DNSH principle will be applied as 2025 onward (Article 10e). - Stringent environmental criteria are in place (Article 10a). One of the evaluation criteria for the selection of projects for grants programme is GHG avoidance.
Modernisation Fund	NA	NA	**Legal basis and earmarking** - Member States have to spend 80% of national envelope on green projects - DNSH applied from 2025 onward (Article 10e) **Policy design** - Enabling conditions implicitly included

Green budgeting toolbox definitions

Area	Area	Definition
Overall Strategy	Mainstreaming	Mainstreaming refers to the integration of a particular priority into EU policies and budget. In various contexts, such as gender mainstreaming or green mainstreaming, it involves ensuring that considerations related to that priority are included in all decision-making processes, rather than being treated as a separate or peripheral concern.
	Green budgeting	Green budgeting is an approach that incorporates environmental considerations into the budgeting process. It aims to align public financial management with environmental goals, ensuring that government budgets reflect commitments to sustainability and

		climate action. This approach is more sophisticated as not only involves a tracking methodology for expenditures, but also accounting for impacts, and purposely allocating funds to green initiatives
Legal Ringfencing	Dedicated programme	In terms of legal ringfencing of resources, horizontal target, programme target, earmarking (i.e. dedicating a specific portion of a programme to a particular policy area or objective) and dedicated programme (e.g. Innovation fund or LIFE) represent different degrees to dedicate specific resources towards green priorities. Through the continuum of these options, there are different degrees of flexibility.
	Earmarking (e.g. dedicated strand, budget lines)	
	Programme Target	
	EU budget-wide target	
Programme design	Objectives	Inclusion of specific objectives dedicated to green priorities ensures that resources are dedicated (also through the link between objective and budget line, where possible), and specific actions for operationalization foreseen
	Incentives	For instance, in the Common Agricultural Policy, ecoschemes are a specific programme action that incentivizes beneficiaries in the green transition.
	Enabling conditions	Enabling conditions are a key element of cohesion policy for 2021-2027. They build on the ex-ante conditionalities from the 2014-2020 period to ensure that the necessary conditions for the effective and efficient use of the funds are in place. For instance, if the special objective ‘promoting a gender balanced labour market participation, equal working conditions and a better work-life balance including through access to affordable childcare and care for dependent persons’ is selected, then the enabling condition 4.2. ‘National strategic framework for gender equality’ needs to be fulfilled.
	Milestones/targets	One of the key features of the Recovery and Resilience Facility is its performance-based nature. RRF funds are disbursed when Member States have satisfactorily fulfilled key steps in the implementation of the reforms and investments included in the recovery and resilience

		plans. These key implementation steps are referred to as milestones and targets. Milestones represent a qualitative implementation step, targets a quantitative implementation step. Such milestones and targets can also be set to fulfil specific green requirement, such as the deployment of a certain amount of solar panels or a reform on a given environmental policy. They can also be linked to specific targets for outputs or results that are in line with overall policy objectives.
Do no significant harm	Exclusion list	List of activities or interventions that cannot be eligible for financing. For instance, the CPR provides for an exclusion of financing for activities related to coal or oil.
	Technical guidance	A guidance to apply the DNSH principle, in a specific programme according to rules.
	Climate proofing	The process of assessing and ensuring that projects and policies are resilient to the impacts of climate change. In the context of the EU budget, climate proofing involves evaluating how proposed investments or expenditures will be affected by climate change and ensuring that they contribute to climate adaptation and mitigation goals.
	Environmental impact assessment	EIA is a process used to evaluate the potential environmental effects of a proposed project or development before it is approved. In the EU budget context, it is a legal requirement for certain projects to assess their environmental impacts, including effects on biodiversity, air and water quality, and climate change.
Performance framework	Tracking methodology	This refers to the systematic approach used to monitor the allocation and implementation of EU budget funds, particularly in relation to specific objectives such as climate action and biodiversity. Tracking methodologies help ensure transparency and accountability by providing a framework for assessing how funds are spent and provide updates on their implementation.
	Monitoring/indicators	Monitoring involves the ongoing assessment of projects and policies to ensure they are on track to meet their objectives. Indicators are specific metrics used to measure progress and performance. In the context of the EU budget, monitoring and indicators are essential

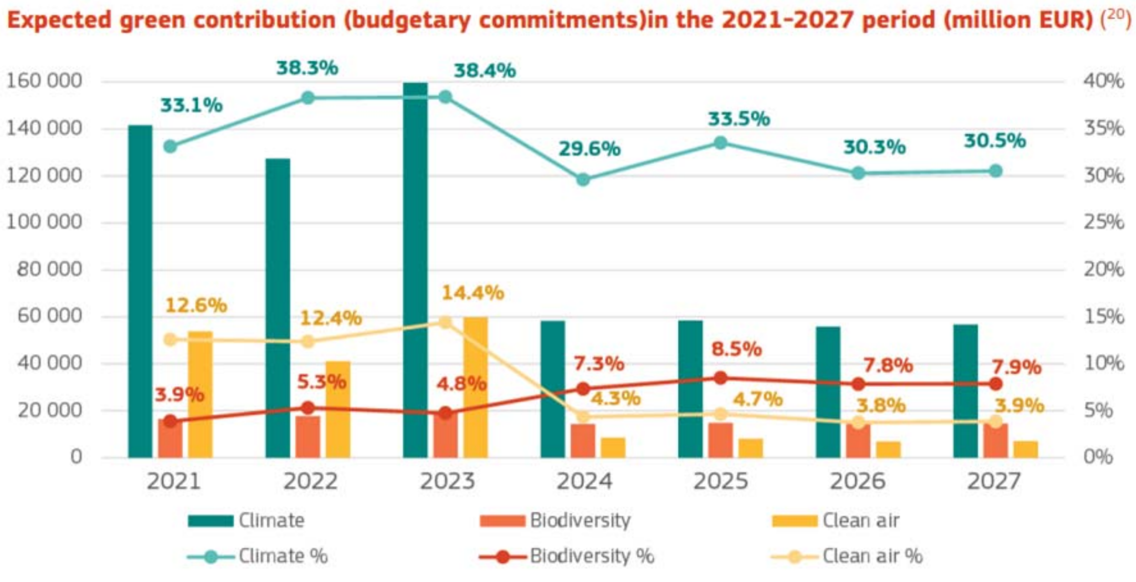
		for evaluating the effectiveness of funding in achieving goals such as sustainability, economic growth, and social inclusion.
	Reporting	Reporting refers to the process of documenting and communicating the results of monitoring and evaluation activities. In the context of the EU budget, reporting is crucial for transparency and accountability, as it provides stakeholders with information on how funds are being used, the outcomes achieved, and the overall impact of EU budgetary measures. This includes regular reports from the European Commission to the budgetary authority, including through the Annual Management Performance Report.

Table: EU budget green financing overview[73]

Programme	Climate average contribution (2021-27) per year in EUR billion	Biodiversity average contribution (2021-27) per year in EUR million
Horizon Europe	4 674	993
ITER	649	
Connecting Europe Facility	3 492	
Cohesion Policy Funds	16 170	2 413
European Social Fund +	878	
Common Agricultural Policy (CAP)	20 837	9 189
LIFE	470	384
NDICI Global Europe	3 500	929
IPA III	584	84
Other	3 326	46
Total	**54 579**	**14 430**
Recovery and Resilience Facility (2021-2024)	**91 900**	**1 631**
Innovation fund (2021-2030)	4 000	
Social climate fund	9 286	
Modernization fund (2021-2030)	5 700	

[73] DB2025 data

Total ETS	**18 986**	
Total	**165 465**	**16 061**



Source: European Commission.

Comment: The data available for the 2021-2027 period show that the EU budget is on track to reach its 30% target for climate mainstreaming, thanks to the strong performance of the Recovery and Resilience Facility and the REPowerEU initiative, which are also contributing to clean air objectives. All data used in this report use expected commitment appropriations. For biodiversity mainstreaming, while the projection for 2024 is close to the target, the 2026 and 2027 targets will be more difficult to achieve.

6.2 Gender equality mainstreaming

Under the inter-institutional agreement accompanying the 2021-2027 Multiannual Financial Framework, the Commission is required to report on the mainstreaming of gender equality across relevant EU budget programmes. The incorporation of gender mainstreaming provisions into the 2021–2027 MFF has seen progress in some areas but remains uneven and incomplete across EU budget programmes. A number of MFF programmes have made notable progress. For instance, the NDICI–Global Europe Regulation[74] and the Gender Action Plan[75] set a target requiring 85% of new actions to have gender equality as a principal or significant objective. Similarly, the Common Provisions Regulation introduced gender equality as a thematic enabling condition, establishing it as a prerequisite for the effective implementation of EU funds' specific objectives. The Common Agricultural Policy 2023-2027 introduced a specific

[74] Regulation - 2021/947 - EN - EUR-Lex
[75] join-2020-17-final_en.pdf --> to be checked

reference to gender equality and the need to enhance the participation of women in farming in one of its nine specific objectives. Horizon Europe, the EU's flagship research and innovation programme, positions gender equality as a cross-cutting principle. From 2022 onward, public bodies, research organisations, and higher education institutions have been required to implement a Gender Equality Plan[76] to access funding, creating a multiplier effect for gender equality promotion. Meanwhile, the Recovery and Resilience Facility[77] also requires Member States to explain how their plans contribute to gender equality.

However, despite these positive developments, significant gaps and limitations remain. The preparation phase of many programmes did not adequately incorporate gender considerations. Impact assessments and ex-ante evaluations of MFF programmes often failed to identify the relevance of gender equality or define specific objectives, resulting in design shortcomings. For instance, the inclusion of gender as a specific objective of programmes is inconsistent across the EU budget. This lack of integration partly explains the current situation, where 69% of EU budget programmes are assigned a gender score of 0[78]. Also for certain programmes such as the Common Agricultural Policy, although Member States were provided with the framework to design specific interventions in favour of women[79], one of the CAP main missions is to support farmers regardless of their gender.

At the same time, the late introduction of the methodology[80] for tracking gender-related expenditure – after programme implementation began – further complicated efforts to establish a coherent gender mainstreaming and tracking approach.

Fragmentation has arisen from divergent methods of integrating gender objectives, designing mainstreaming measures, and applying tracking methodologies. The misalignment between programme design and tracking requirements has compounded these difficulties, further impeding the establishment of a cohesive and effective approach to gender mainstreaming across the MFF.

Table: Gender policy mainstreaming elements in the 2021-2027 programmes

Programme	Gender mainstreaming elements
Horizon Europe	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:**

[76] COUNCIL DECISION (EU) 2021/764 of 10 May 2021 establishing the Specific Programme implementing Horizon Europe – the Framework Programme for Research and Innovation, and repealing Decision 2013/743/EU Publications Office
[77] Regulation - 2021/241 - EN - rrf - EUR-Lex
[78] Annual Management and Performance Report for the EU budget – Annex I – 3. Horizontal policy priorities in the EU
[79] The majority of Member States imposed the requirement that at least 50% of women must be represented in LEADER decision making bodies.
[80] https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/gender-equality-mainstreaming_en

	Recitals and dedicated articles. The gender requirements for research organisations applying for EU funding include having a **Gender Equality Plan (GEP)**, integrating gender considerations into research content, and ensuring gender balance within teams and boards. Integration of **sex and gender analysis is mandatory in all topics of calls for proposals unless on-relevance of gender is justified.** The Commission provides guidance and training to support GEP implementation and has introduced an EU Award for Gender Equality Champions. There is also dedicated funding for gender studies and women innovators, with a focus on promoting gender equality across various research and innovation programmes.
Euratom Research and Training Programme (Euratom)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recital: Gender equality is a cross-cutting priority in the Euratom programme, as stated in recital 2 of the Council regulation. The Euratom programme is promoting gender equality through sustainable institutional change by requesting that applicants (public bodies, research organisations and higher education establishments) have in place a **gender equality plan** as an eligibility criterion for research proposals (requirement shared with Horizon Europe). In its 2030 strategy, the Joint Research Centre declares itself as an equal opportunity employer committed to the objective of being fully gender balanced.
ITER	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** F4E has set targets to improve gender balance internally, particularly in managerial positions. The representation of female managers has progressed from 10% to 21% between 2018 and 2023.
InvestEU	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles. Gender equality as supported objective. Regulation requires to estimate social impact of projects (incl. gender equality). Various projects focusing on gender equality (the gender smart advisory initiative, European Investment Fund equity financing).
Connecting Europe Facility (CEF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles: gender equality should be taken into account in CEF, articles on inclusivity of those with accessibility issues.
Digital Europe Programme	**Gender tracking methodology:** In line with the Commission's methodology to track gender-equality-related expenditure, the programme has been attributed a score of 0*, which means that the programme's impact on

	gender will be determined ex post, once sufficient information from the programming and implementation phase is available. **Gender requirements:** Recitals and dedicated articles. The contribution from DEP to gender equality in the first set of work programmes may be relevant for the training initiatives to promote advanced digital skills organised under the 'advanced digital skills' specific objective, in line with Article 7 of the Digital Europe regulation, according to which gender balance should be taken into account.
Single Market Programme	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles: attention to female entrepreneurs, and addressing needs of vulnerable consumers and underrepresented groups.
EU Anti-Fraud Programme (Anti-Fraud)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Financial support from the programme, OLAF encouraged the Member State authorities to aspire to a better gender balance in their selection of training participants to these events.
Cooperation in the field of taxation (Fiscalis)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Score 0*: relates to the remaining types of expenditure, i.e. collaboration activities, training, studies and communication, for which a potential to promote gender equality has been identified.
Cooperation in the field of customs (Customs)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recital states that gender equality should be taken into account when selecting experts.
European Space Programme	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles.
EU Secure Connectivity Programme	**Gender tracking methodology:** Commission gender equality tracking methodology

	Gender requirements: The regulation establishing the programme states that the programme should contribute to the development of advanced skills in space-related fields and support education and training activities, along with promoting equal opportunities, gender equality and women's empowerment. The Commission promotes and encourages increased participation of women and establishes equality and inclusion goals in tenders documentation. The Commission also supports initiatives to raise awareness of gender equality in the area of space.
Regional Policy Funds (ERDF and Cohesion)	**Gender tracking methodology:** Cohesion policy uses a 'categorisation' information system, which specifically focuses on the gender equality dimension to capture information on the gender contribution of the 2021-2027 programmes. These multiannual thematic allocations are used to calculate the indicative share of investments under each annual commitment as set above. Commission gender equality tracking methodology. **Gender requirements:** Recitals and dedicated articles. Based on the adopted programmes, close to 10% of the planned EU amounts will be used to support interventions the principal objective of which is to improve gender equality or interventions that have gender equality as an objective.
Support to the Turkish Cypriot Community (TCC)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The programme contributes to gender equality (promoting the inclusion of women in social and economic life; SDGs, supporting the development of rural/remote areas; supporting the drafting of legal texts on equality issues (lesbian, gay, bisexual, transgender and intersex issues, anti-trafficking, domestic violence, patients' rights); providing direct support to civil-society organisations addressing equality issues, promoting gender equality education, prevention of domestic violence and sexual health education in schools).
Recovery and Resilience Facility (RRF)	**Gender in legal basis:** Mitigating the social and economic impact of the COVID-19 crisis on women is an objective of the RRF, as set out in Article 4 of the RRF Regulation[81]. The RRF Regulation requires Member States to explain how the measures in their RRPs contribute to gender equality and equal opportunities for all, and the mainstreaming of these objectives. **Gender tracking methodology:** The Commission, in consultation with Member States, has assigned a tag to measures with a focus on gender equality, based on the methodology set out in the delegated act on social expenditure reporting under the RRF (Delegated Regulation (EU) 2021/2105). Following the respective amendments performed in 2023, the RRPs now include 136 measures with a gender tag. Follows Commission gender equality tracking methodology. **Gender requirements:** Mitigating the social and economic impact of the COVID-19 crisis on women is a clear objective of the RRF, as set out in Article 4 of its founding regulation. The RRF regulation

[81] REGULATION (EU) 2021/241 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 12 February 2021 establishing the Recovery and Resilience Facility

	requires Member States to explain how the measures in their RRPs contribute to gender equality and equal opportunities for all and the mainstreaming of these objectives.
Technical Support Instrument (TSI)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles: in line with the principles of the gender equality strategy 2020-2025, TSI contributes to gender equality and equal opportunities for all and for the mainstreaming of these objectives.
Pericles IV	**Gender tracking methodology:** Commission gender equality tracking methodology
Union Civil Protection Mechanism (UPCM)	**Gender tracking methodology:** The voted budget implementations committed to the mechanism are 0* category. This mark will be reviewed at the end of the multiannual financial framework cycle in order to categorise funds under scores of either 0 or 1. **Gender requirements:** Recitals and dedicated articles. The Commission commits to gender-sensitive civil protection, including addressing specific vulnerabilities and exchanging information on the issue of support for victims of gender-based violence during disasters. The Commission promotes gender equality through the disaster risk cycle and raises awareness of the principles of non-discrimination and inclusiveness. It also promotes a gender-inclusive approach in response activities and ensures that the gender component is considered.
EU4Health Programme	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles to tackle health inequalities. Some actions – for example cancer screening for breast cancer and cervical cancer, and vaccination coverage for human papillomaviruses – that focus on women's health may provide relevant information for the purpose of the gender tracking of the EU4Health programme, which for the time being has been assigned a score of 0*. Several indicators that focus on male-related diseases – such as prostate cancer, and the increase in vaccination coverage for human papillomaviruses in boys – may provide relevant information on gender equality.
Emergency Support Instrument (ESI)	**Gender tracking methodology:** Commission gender equality tracking methodology
European Social Fund + (ESF+)	**Gender tracking methodology:** The amounts provided correspond to those earmarked for the gender codes of the common provisions regulation: '01' for gender targeting (corresponding to a score of 2), '02' for gender mainstreaming (corresponding to a score of 1) and '03' for gender neutral (corresponding to a score of 0).

	Gender requirements: Dedicated articles and recitals. Gender equality is also a horizontal priority for the direct management strand of the ESF+, and should be taken into account in all activities. Under ESF+ shared management, Member States were obliged to programme targeted actions aimed at promoting gender equality. Member States and the Commission shall ensure that equality between men and women, gender mainstreaming and the integration of a gender perspective are taken into account and promoted throughout the preparation, implementation, monitoring, reporting and evaluation of programmes. Gender equality is one of six thematic enabling conditions used for the first time in the 2021-2027 period. This means that gender equality is a prerequisite for the effective and efficient implementation of the specific objective ‘promoting a gender-balanced labour market participation, equal working conditions, and a better work-life balance including through access to affordable childcare, and care for dependent persons’. Member States have to assess in their programmes whether the enabling conditions linked to the selected specific objectives were fulfilled.
Erasmus+	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles. In line with the principles of the 2020-2025 gender equality strategy, Erasmus+ contributes to fostering equality. The programme seeks, among other aims, to help overcome gender stereotypes in education and educational careers and to strengthen the promotion of participation of women in the area of science, technology, engineering and mathematics education, especially in engineering, information and communication technologies and advanced digital skills. For instance, the programme contributes to fostering gender balance in higher education institutions, across fields of study and in leadership positions, while in the vocational education and training sector it supports targeted measures promoting gender balance in traditionally ‘male’ or ‘female’ professions and addressing gender and other stereotypes.
European Solidarity Corps (ESC)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles: gender equality in humanitarian response, provide equal opportunities, focus on social inclusion and equal opportunities.
Justice Programme	**Gender tracking methodology:** The justice programme is part of the pilot methodology developed by the Commission to measure the contribution of the EU budget to gender equality. **Gender requirements:** Recitals and dedicated articles, promote gender equality (art.4).
Citizens, Equality, Rights and Values Programme (CERV)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:**

	Recitals and dedicated articles. Promotion of gender equality, non-discrimination and equality, fight violence, including gender-based violence, equality mainstreaming in civil dialogue.
Creative Europe	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles. Under the creative Europe programme, special attention is given to applications presenting adequate strategies to ensure gender balance, which was introduced as a cross-cutting priority in all strands of the programme starting with the 2021 annual work programme.
Communication	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The working group on equality - created in March 2021 - produced a working plan on equality, and monitors its implementation.
Common Agricultural Policy (CAP)	**Gender tracking methodology:** Commission gender equality tracking methodology Tracking of the expenditure by gender for farm beneficiaries, as from financial year 2024 **Gender requirements:** Under **CAP 2014-2022**, the gender perspective was considered during the preparation and implementation of the rural development programmes. Gender equality was specifically sought in the rural development policy through the possibility to submit thematic subprogrammes for women in rural areas (although no Member States had done so), the possibility to target rural development support to women through the application of selection criteria, and the obligation to respect ex ante conditionality on gender equality. The **CAP 2023-2027** went further and introduced a specific reference to the need to enhance the participation of women in farming and strengthen the inclusion of women into rural economy within the specific objective (h) (Art. 6 of 2021/2115). This provides Member States with the policy and funding framework for the design of specific interventions in favour of women. As an illustration, Spain introduced enhanced payments for young women farmers under EAGF and Ireland provides young women farmers with a possibility to receive higher payments under EAFRD. Furthermore, the majority of Member States committed to include at least 50% of women into LEADER decision making bodies. In addition, the majority of Member States included organisations representing the interests of women in their monitoring committees. In this context, Regulation 2021/2115 requires Member States to establish a partnership that includes relevant bodies, including those responsible for gender equality and non-discrimination.
European Maritime Fisheries and Aquaculture Fund (EMFAF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:**

	Recitals and relevant articles in CPR.
Programme for Environment and Climate Action (LIFE)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The LIFE programme does not directly target gender equality, since its main objective is linked to climate and environment spending. A gender dimension is considered in some areas of intervention to identify how men and women relate to the environment and to climate action in different ways, thus addressing specific gender vulnerabilities (e.g. inherent to harmful chemicals such as endocrine disruptors and persistent organic pollutants).
Just Transition Mechanism	**Gender tracking methodology:** The JTM uses a categorisation information system, which focuses specifically on the gender equality dimension, to capture information on the gender contribution of the 2021-2027 programmes. **Gender requirements:** Recitals and relevant articles in CPR.
Asylum, Migration and Integration Fund (AMIF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals and dedicated articles and CPR. The programme is committed to the horizontal approach of the EU budget, in which equality between women and men, rights and equal opportunities for all and the mainstreaming of these objectives should be taken into account and promoted throughout the preparation, implementation and monitoring of relevant programmes, as stipulated in Article 6 of the programme regulation (Regulation (EU) 2021/1147). In order to receive payments from the Commission, Member State programmes will have to comply with a number of horizontal-enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of men and women. The programme regulation specifically stipulates that eligible actions need to take into account the human rights-based approach to the protection of migrants, refugees and asylum seekers and should, in particular, ensure that special attention is paid to, and a dedicated response is provided for, the specific situation of vulnerable persons, in particular women, unaccompanied minors and victims of trafficking in human beings.
Integrated Border Management Fund (IBMF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals, dedicated articles and CPR. To receive payments, Member States programmes have to comply with a number of horizontal enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of women and men. The horizontal enabling conditions must be fulfilled throughout the entire programming period, and Member States must report on their application to the programme monitoring committee and the Commission.

	As regards the types of action supported, training and knowledge sharing habitually tackle gender-specific issues, which is why they are financial interventions that may have potential to impact gender equality, among other areas.
Internal Security Fund (ISF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recitals, dedicated articles and CPR. To receive payments from the Commission, Member States' programmes have to comply with several horizontal enabling conditions, one of which concerns the effective application and implementation of the EU Charter of Fundamental Rights, including the equality of men and women. Horizontal enabling conditions must be fulfilled throughout the entire programming period, and Member States must report on their application to the programme monitoring committee and the Commission. As regards the types of action supported by the programme, training and knowledge sharing habitually tackle gender-specific issues, which is why they are considered to be financial interventions that may have potential to impact gender equality, among other areas.
Nuclear Safety and Decommissioning (NSD)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The gender equality perspective was considered in developing Council Regulation (EU) 2021/100.
European Defence Fund (EDF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Recital, seek balanced composition of expert groups.
Regulation on Supporting Ammunition Production (ASAP)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** No specific provisions.
EU Defence Industry Reinforcement Through Common Procurement Act (EDIRPA)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** On equality, diversity and inclusion, EDIRPA is not directly targeted at gender equality initiatives. Nevertheless, indirect contributions supporting the gradual raising of awareness about gender equality are continually being made as opportunities arise. For instance, gender equality aspects receive special mentions in communication activities and at events on various matters relating to EDIRPA.
Neighbourhood, Development and International	**Gender tracking methodology:**

Cooperation Instrument (NDICI Global Europe)	OECD DAC methodology **Gender requirements:** Recitals and dedicated articles. According to the NDICI – Global Europe regulation, at least 85% of new initiatives implemented should have gender equality as a principal or a significant objective, as defined by the gender equality policy marker of the Development Assistance Committee of the Organisation for Economic Co-operation and Development. At least 5% of these actions should have gender equality and women's and girls' empowerment as a principal objective. In 2020, the gender action plan III (2021-2025), a joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy, was adopted with the same objective of 85% towards the total number of adopted initiatives, following the Development Assistance Committee's methodology. A significant number of EU delegations have a gender analysis at country level, along with a sector analysis, and they have put measures in place to ensure the use of gender-specific and sex-disaggregated data, which are essential tools to ensure quality mainstreaming into new initiatives.
European Instrument for International Nuclear Safety Cooperation (INSC)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The INSC promotes gender equality through its training, tutoring and education programme, where the participation of partner countries is conditional upon the gender-balanced registration of students.
Humanitarian Aid (HUMA)	**Gender tracking methodology:** Commission gender equality tracking methodology. Humanitarian aid has some impact on gender equality (therefore, scores 0 and 0* could not be assigned), but gender equality is also not the principal objective of the programme (therefore score 2 could not be assigned). **Gender requirements:** Mainstreaming gender and age is done across sectors of intervention, outlining the approach to gender and gender-based violence in humanitarian crises in the staff working document 'Gender: Different needs, adapted assistance'. The EU is a member of the 'Call to action on protection from gender-based violence in emergencies' initiative and reported on the commitments made on the road map for 2021-2025. Focus on conflict-related sexual violence was increased in response to observations in several recent and ongoing crises.
Common Foreign and Security Policy (CFSP)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** All civilian CSDP missions, except the newly established EU Partnership Mission in Moldova and the Gulf of Guinea initiative, have gender equality as an important objective (Development Assistance Committee gender equality marker 1)
Overseas Countries and Territories (OCT) (including Greenland)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The DOAG programme states that gender equality should be mainstreamed into all initiatives as a key contribution to the successful achievement of the SDGs. New initiatives aim to ensure

	that gender aspects are considered to the extent possible, notably through sex-disaggregated data.
Macro-Financial Assistance (MFA)	**Gender tracking methodology:** Commission gender equality tracking methodology
Instrument for Pre-Accession Assistance (IPA III)	**Gender tracking methodology:** The Commission's gender expenditure tracking methodology for the EU budget is in line with the Development Assistance Committee's gender equality policy marker methodology. Score 2 equals G2 and implies that gender equality is principal objective; score 1 equals G1 and implies that gender equality is a significant objective; score 0 equals G0 and means that gender equality is not targeted. The use of the Organisation for Economic Co-operation and Development gender marker is also aligned with the methodology established by the gender action plan III. **Gender requirements:** Recitals and dedicated articles. The gender action plan III (2021-2025) defines clear objectives and targets concerning gender mainstreaming in policies and programmes. The plan establishes that, by 2025, at least 85% of all new external actions should have gender equality and women's and girls' empowerment as a significant objective or as a principal objective, and that at least one action with gender equality as a principal objective should be supported in each country and region. Such objectives apply to actions funded under IPA III, as established by recital 27 of the IPA III regulation and the IPA III programming framework. In 2023, the European Commission and the European External Action Service adopted a joint midterm report on the implementation of the gender action plan III.
Reform and Growth Facility for the Western Balkans	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Activities under the facility mainstream gender equality.
Ukraine Facility	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** Activities under the facility mainstream gender equality and non-discrimination, where relevant.
European Globalisation Adjustment Fund for Displaced Workers (EGF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** The EGF regulation provides for the Commission and Member States to ensure that equality between men and women and the integration of the gender perspective are integral parts of and promoted during all stages of the implementation of the financial contribution from the EGF. To that end, Member States formally confirm the respect of this principle at the time of application, when they provide gender-disaggregated information on the workers targeted for assistance. As relevant, the Commission requests that Member States provide further information on the gender aspect in the course of its assessment of an application. This is, however, a general principle applied across the implementation and final reporting of the EGF

	cases, and estimating budget contributions is not relevant. Evaluations of the EGF include an analysis of both gender disaggregated data and qualitative information (beneficiary surveys, interview with implementers, etc.) regarding possible gender discrimination. In the course of EGF evaluations, external contractors conduct case studies on EGF cases, also taking the gender perspective into account. Past evaluations did not detect gender discrimination in either the delivery of measures or the targeting of beneficiaries. In many cases, authorities aim to help participants overcome gender stereotypes when looking for a new job.
EU Solidarity Fund (EUSF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** No specific provisions on gender equality.
Innovation Fund (IF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** No specific provisions on gender equality.
Brexit Adjustment Reserve (BAR)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** No specific provisions on gender equality. However, the objectives of the reserve should be pursued in line with the principles set out in the European Pillar of Social Rights, including the inherent contribution to the elimination of inequalities and to the promotion of gender equality and gender mainstreaming, while ensuring respect for fundamental rights.
Social Climate Fund (SCF)	**Gender tracking methodology:** Commission gender equality tracking methodology **Gender requirements:** No specific provisions on gender equality.

Table: Gender expenditure per programme (per gender score[82]):

Programme	Gender Score 2021-2023			
	0	0*	1	2

[82] The gender scoring methodology assesses the gender equality relevance of interventions: Score 2 refers to interventions the principal objective of which is to improve gender equality, Score 1 refers to interventions having gender equality as an important and deliberate objective (but not as the main reason for the intervention), Score 0* refers to interventions having the potential to contribute to gender equality, and Score 0 corresponds to interventions not having a significant bearing on gender equality.

Horizon Europe	1143.3	29867.8	4841.4	215.3
	3%	83%	13%	1%
Euratom Research and Training Programme	0	820.4	0	0
	0%	100%	0%	0%
ITER	2123.8	0	0	0
	100%	0%	0%	0%
InvestEU	0	2366.2	0	0
	0%	100%	0%	0%
Connecting Europe Facility	0	13906.4	0	0
	0%	100%	0%	0%
Digital Europe Programme	0	3701.4	0	0
	0%	100%	0	0
Single Market Programme	0	1903.9	0	0
	0%	100%	0	0
EU Anti-Fraud Programme	73.3	0	0	0
	100%	0%	0%	0%
Fiscalis	88.1	19.8	0	0
	82%	18%	0	0
Customs	354.7	22.2	0	0
	94%	6%	0	0
European Space Programme	1977.1	4053.3	0	0
	33%	67%	0	0
EU Secure Connectivity Programme	0	186.3	0	0
	0%	100%	0	0
Regional Policy Funds (ERDF and Cohesion)	79945.6	0	710.1	8014.1
	90%	0%	1%	9%
Support to the Turkish Cypriot Community	0	98.8	1.1	0

	0	99%	1%	0
Recovery and Resilience Facility	627111.3	0	13947.1	7917.8
	97%	0%	2%	1%
Technical Support Instrument	0	335.4	0	20.4
	0%	94%	0%	6%
Pericles IV	2.4	0	0	0
	100%	0%	0%	0%
Union Civil Protection Mechanism	0	789.6	0	0
	0%	100%	0%	0%
EU4Health Programme	1729.1	178.1	0	0
	91%	9%	0%	0%
Emergency Support Instrument	224	7.7	0	0
	97%	3%	0%	0%
European Social Fund +	1448.9	2352.7	27249.8	1324.9
	4%	7%	84%	4%
Erasmus+	0	6799.1	2030.3	938.3
	0%	70%	21%	10%
European Solidarity Corps	0	306.8	0	114.6
	0%	73%	0%	27%
Justice Programme	20.6	96.8	12.4	0.3
	16%	74%	10%	0%
Citizens, Equality, Rights and Values Programme	35.4	102.1	304.7	86
	7%	19%	58%	16%
Creative Europe	0	983.8	0	61.8
	0%	94%	0%	6%
Communication	0	322.8	0	0
	0%	100%	0%	0%

Common Agricultural Policy	0	160930.8	0	0
	0%	100%	0%	0%
European Maritime Fisheries and Aquaculture Fund (EMFAF)	2300.4	40.6	0	0
	98%	2%	0%	0%
LIFE	2248		5.5	0
	99.80%		0.20%	0%
Just Transition Mechanism	10283.2		3779.1	106.3
	73%		27%	1%
Asylum, Migration and Integration Fund (AMIF)	0	3371.9	0	0
	0%	100%	0%	0%
Integrated Border Management Fund (IBMF)	2253.6	231.2	0	0
	91%	9%	0%	0%
Internal Security Fund	534.6	95.7	0	0
	85%	15%	0	0
Nuclear Safety and Decommissioning	166.4	0	0	0
	100%	0%	0%	0%
European Defence Fund	945.7	1891.4	0	0
	33%	67%	0%	0%
ASAP	0	0	0	0
	0%	0%	0%	0%
EDIRPA	0	0	0	0
	0%	0%	0%	0%
Neighbourhood, Development and International Cooperation Instrument	3125.8	0	30944.2	952
	9%	0%	88%	3%
European Instrument for International Nuclear Safety Cooperation (INSC)	15	0	100.9	0
	13%	0%	87%	0%
Humanitarian Aid	0	0	7017.9	0

	0%	0	100%	0
Common Foreign and Security Policy	1085.5	0	837.6	0
	56%	0%	44%	0
Overseas Countries and Territories (OCT) (including Greenland)	74	0	127.1	0
	37%	0%	63%	0
Macro-Financial Assistance	0	630.8	0	0
	0%	100%	0	0
Instrument for Pre-Accession Assistance (IPA III)	3420.0	0	2557	83.6
	56%	0%	42%	1%
Reform and Growth Facility for the Western Balkans	0	0	0	0
	0%	0%	0%	0%
Ukraine Facility	0	0	0	0
	0%	0%	0%	0%
European Globalisation Adjustment Fund for Displaced Workers	0	44.3	0	0
	0%	100%	0%	0%
EU Solidarity Fund	1059	0	0	0
	100%	0%	0%	0%
Innovation Fund	0	6611.7	0	0
	0	100%	0%	0%
Brexit Adjustment Reserve	1991.1	0	0	0
	100%	0%	0%	0%
Social Climate Fund	0	0	0	0
	0	0	0	0
	743988.1	243069.8	94466.1	19835.4
	69%	21%	8%	2%

Gender equality mainstreaming under the post-2027 programmes

The integration of gender equality across all EU budget programmes is a cornerstone of the Union's commitment to inclusive and sustainable development and an essential element towards building a Union of Equality and promote equal opportunities for all. In line with the Gender Equality Strategy post 2025, gender mainstreaming is embedded into the performance framework as a horizontal principle. The Financial Regulation requires that all EU budget programmes and activities, where feasible and appropriate, are implemented taking into account the principle of gender equality in accordance with an appropriate gender mainstreaming methodology.

There are several mechanisms to mainstream cross-cutting policy priorities into programmes ('mainstreaming toolbox'). One of them is by means of a robust performance framework, with performance indicators, expenditure-tracking methodology and reporting requirements that make it possible to identify investments and measures that contribute to that priority. Another tool is the design of the programmes, including by setting policy-specific objectives that guide the programming of the actions that get support from the EU budget. This section of the impact assessment deals with the latter point. The question hereby examined is when gender should be included as a specific objective in the programmes for the next MFF.

To answer this question, guidance can be drawn from the Gender mainstreaming toolkit by the European Institute for Gender Equality (EIGE) as a starting point.[83] In accordance with this document, an initiative is likely to impact on gender equality if the following two conditions are met: (1) The ultimate target group is people, considering both individuals and legal entities; and (2) the proposed initiative affects women and men regarding their access to and/or control of resources and it has an impact on the social situation or position of women and men, by either improving or harming it. It points out that the impact may be direct (regulating or affecting people's access to resources) or indirect (the measure affects people indirectly, as they are behind companies that may be subject to the measures). Gender analysis provides elements to discern these impacts.

This EIGE analysis provides some general considerations for any public initiative, be it a law, policy or programme. For the purposes of determining the gender relevance of an EU budget programme, this has to be read in conjunction with the wording of the Financial Regulation, which requires to take into account gender equality 'where feasible and appropriate', the principle of proportionality, and also the gender equality methodology currently applied to the EU budget, whereby certain interventions are given a 'score 0' where they do not have a significant bearing on gender equality.

EU spending instruments do not influence gender equality outcomes in the same way and with the same intensity, because of their objectives or the policy areas they focus on. Some programmes operate in technical or regulatory domains (e.g. administrative cooperation or anti-fraud) and their interventions are not expected to have a significant bearing on gender equality. In such cases, the introduction of gender-specific objectives might not have a significant added-value.

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[83] https://eige.europa.eu/sites/default/files/documents/eige_gender_impact_assessment_gender_mainstreaming_toolkit.pdf

From this perspective, gender-specific policy objectives should be included in programmes with potentially direct impacts, and not included in programmes with indirect impacts only. This approach ensures the performance framework is more focused, targeted, and meaningful – supporting genuine integration of gender equality in programmes where it can make most difference. It also ensures that the scoring system remains an effective policy tool, rather than a merely administrative exercise.

The table below summarises the gender relevance for programmes under the next MFF. If a programme does not seem to have a significant gender relevance, in the sense that gender considerations do not seem substantially pertinent to the programme's logic, activities, or expected results, it can be concluded that gender should not feature as a specific objective in that programme. The fact that gender is not explicitly included as an objective of a programme would not preclude that programme from supporting projects with a gender dimension. Moreover, the classification may be revisited should the scope or delivery mechanisms of these programmes evolve to include elements relevant to gender equality.

Programme	Gender relevant?	Justification of whether gender mainstreaming is relevant and appropriate
National and Regional Partnership Plans	Yes	Gender mainstreaming will be relevant for National and Regional Partnership Plans, given their wide scope and the number of different policies with a gender dimension that such agreements will support, including for instance social policies and cohesion, which are ultimately aimed at supporting people in different ways. Integrating a gender perspective will lead to more inclusive, efficient, and resilient projects, in addition to helping to target diverse needs, supporting sustainable development, and aligning with EU priorities on equality and social cohesion. Moreover, National and Regional Partnership Plans will provide an opportunity to address gender inequalities in Member States not only through investments but also national reforms.
European Competitiveness Fund	Yes	Gender mainstreaming will be relevant for the EU Competitiveness Fund. The Fund will aim at supporting several strategic sectors, such as the clean and digital transition and health. Evidence shows that gender inclusive policies enhance innovation, productivity, and economic resilience, which are core drivers of competitiveness. Historically, overlooking gender disparities has limited talent potential and stifled growth in those sectors. Looking forward, as the EU aims for a more sustainable, digital, and equitable economy, integrating

		gender perspectives ensures that policies and investments are effective, fair, and future proof.
Research framework programme	Yes	Gender mainstreaming should be applied to the research framework programme to reinforce the EU's commitment to equality, diversity, and inclusion in research and innovation. As a cross-cutting priority, gender equality ensures equal opportunities, enhances research quality through diverse perspectives, and is already embedded as a requirement in Horizon Europe. Continuing and strengthening this approach will help sustain progress, improve the societal relevance of research outcomes, and ensure fair participation across the european research area.
Global Europe Instrument	Yes	Gender is relevant for the EU external action funds as it ensures that gender equality is systematically integrated into all aspects of external action policy and programming. Persistent gender disparities have hindered inclusive development, stability, and peacebuilding efforts—areas central to EU external actions. Forward-looking, gender mainstreaming aligns with the EU’s strategic priorities and international commitments, such as the Sustainable Development Goals and the Gender Action Plan III, by promoting equitable outcomes, empowering women and girls, and enhancing the effectiveness, accountability, and sustainability of EU-funded interventions worldwide.
Connecting Europe Facility	No	Gender mainstreaming is not particularly relevant for the Connecting Europe Facility (CEF). In the CEF Transport strand, the primary focus is on large-scale infrastructure projects such as railway corridors, which are fundamentally different from local or regional infrastructure where gender relevance might be more pronounced. Additionally, CEF does not finance passenger train stations, which could have more direct implications for gender equality by affecting passengers. Consequently, the emphasis on large-scale infrastructure projects and the areas funded by CEF present

		limited opportunities for addressing gender-specific needs within this framework. CEF 2021-2027 has been assigned a score of 0 for its contribution to gender equality.
Erasmus – European Solidarity Corps	Yes	Gender mainstreaming is relevant for both Erasmus and European Solidarity Corps. These programmes have aimed to promote inclusion, diversity, and equal opportunities—values that are undermined without a gender-sensitive approach. Forward-looking, gender mainstreaming is essential to foster truly equitable access and participation for all, empower underrepresented groups, and prepare young people to become active, inclusive citizens in a rapidly evolving European society. It strengthens the impact and social fairness of these initiatives.
Creative Europe – Citizens, equality, rights and values	Yes	Gender mainstreaming is relevant for the Creative Europe – Citizens, equality, rights and values fund because it ensures inclusive and equitable participation in cultural and civic life, promotes fair representation, combats stereotypes, and strengthens democracy by fostering inclusion and participation. Integrating gender perspectives enhances the fund's impact, ensuring it supports a vibrant, pluralistic, and just European society.
Union Civil Protection Mechanism	Yes	Gender mainstreaming is relevant for the Union Civil Protection Mechanism because it ensures that disaster risk reduction and response measures address the different needs, vulnerabilities, and strengths of all genders. Historically, women, girls, and other marginalized groups have often faced greater risks and barriers during emergencies due to unequal access to resources, decision-making, and protection. Looking forward, integrating gender perspectives enhances the effectiveness, equity, and sustainability of disaster response by promoting inclusive planning, empowering diverse community roles, and ensuring that no group is left behind in resilience-building efforts.

Single Market Programme +	No	The gender dimension does not seem relevant for this programme, given its objectives. Its target group is national public administrations rather than individuals or legal entities in a socio-economic sense. The programme focuses on administrative efficiency, regulatory compliance, and fraud prevention. As such, it is not expected to have a significant impact on the social situation or position of women and men, and therefore does not present a clear gender-differentiated effect.
Justice programme	Yes	Gender mainstreaming is relevant for the EU Justice programme as it addresses long-standing gender disparities in access to justice, protection from gender-based violence, and equal treatment under the law. It will also support the EU's commitment to equality, non-discrimination, and inclusive justice systems, enabling more effective responses to evolving social challenges. By embedding gender considerations, the programme promotes fairer legal outcomes and strengthens democratic values across member states.
Euratom Research and Training - ITER	No	The gender dimension does not seem relevant for these programmes, given their objectives. The Euratom Research and Training and ITER programmes fund advanced nuclear research, including the development of nuclear fusion technologies. They involve international scientific partnerships, long-term engineering efforts, and support to public research institutions. Unlike other areas of research and innovation, there does not seem to be a clear gender dimension from the perspective of the content of the research.
Instrument for Nuclear Safety cooperation and decommissioning	No	The gender dimension does not seem relevant for this programme, given its objectives. This programme supports actions to improve nuclear safety within the EU and in partner countries, including regulatory cooperation, capacity building, and technical assistance. Its focus is on aligning safety practices with international standards and supporting institutional development in the nuclear sector. Its target group consists of institutional actors. The

		programme does not seem to have a significant gender impact.
Nuclear decommissioning LT	No	The gender dimension does not seem relevant for this programme, given its objectives. This programme supports the safe and efficient decommissioning of nuclear facilities in Lithuania, in line with EU safety standards and environmental protection objectives. Its implementation is highly technical, involving infrastructure dismantling, radioactive waste management, and site remediation. Its target group comprises national implementing bodies and specialised contractors. The programme focuses on technical operations such as dismantling infrastructure and managing radioactive waste. Therefore, it does not generate significant gender-differentiated impacts.
Turkish-Cypriot Community	Yes	Gender mainstreaming is relevant for the EU Turkish-Cypriot Community programme as it ensures inclusive development by addressing historical gender inequalities and promoting equal participation in social, economic, and political life. It acknowledges the underrepresentation and systemic challenges faced by women within the community. By integrating gender perspectives into all stages of programming, the initiative can more effectively meet the diverse needs of the community and contribute to long-term, inclusive growth.
Overseas Countries and Territories (incl. Greenland)	Yes	Gender mainstreaming is relevant for the EU Overseas Countries and Territories (OCTs) programme, including Greenland, both in terms of addressing past inequalities and shaping a more equitable future. Historically, gender disparities in access to resources, decision-making, and opportunities have been prevalent in many OCTs, and gender mainstreaming ensures that policies and projects take these disparities into account. By integrating gender equality into development planning, the EU can foster more inclusive growth and address gender specific challenges, while promoting

		social justice and human rights across its territories.
Pericles	No	The gender dimension does not seem relevant for this programme, given its objectives. The Pericles programme aims to prevent and combat counterfeiting of the euro through training, technical assistance, and the strengthening of operational cooperation among competent national and European authorities. Its beneficiaries are public authorities such as police forces, financial crime units, customs, and judicial institutions. Pericles is narrowly focused on financial security and protection against organised crime. It does not target people. The technical nature of its interventions and the institutional profile of its actors provide no leverage for pursuing gender equality outcomes.

The Performance Regulation will set out dedicated rules regarding the mainstreaming of gender equality across EU budget programmes. It will also include dedicated articles setting out specific provisions for each management mode, providing for the systematic integration of gender equality in Member States and third countries plans, in calls under direct management as well as by implementing partners under indirect management.

Horizontal provisions for application to all programmes		
Commission guidance to help with the implementation Definition of standardised methodology for tracking gender equality expenditures Requirements for gender-disaggregated indicators		
Provisions for application to each management mode		
Direct management	**Indirect management**	**Shared management**
Provisions on the integration of gender equality in e.g. work programmes, calls, procurements or contracts	Provisions on the integration of gender equality in e.g. work programmes, agreements with implementing partners, calls or contracts	Explanation by Member States of the gender dimension of their programmes

6.4 Do No Significant Harm

Following adoption of the IIA for the 2021-2027 MFF – which refers to the contribution of the Union budget to the European Green Deal and the 'do no harm' principle – the 'do no significant harm' (DNSH) principle has been applied across an increasing number of MFF programmes, with the respective approaches listed in the Climate Mainstreaming SWD

(2022)[84]. Specifically the RRF Regulation provides that no measure included in a Member State's Recovery and Resilience Plan (RRP) should lead to significant harm to any of the six environmental objectives within the meaning of Article 17 of the EU Taxonomy Regulation[85]. The InvestEU Fund uses sustainability proofing guidance to operationalise the DNSH principle. In addition, the DNSH principle will be applicable in different forms to the Modernisation and Innovation Fund from 2025 (applying the Taxonomy delegated acts when technical screening criteria have been developed for the concerned activity) and the Social Climate Fund from 2026 (through the development of a dedicated guidance).

The Financial Regulation recast[86] further states that '*programmes and activities shall, where feasible and appropriate in accordance with the relevant sector-specific rules, be implemented to achieve their set objectives without doing significant harm to the environmental objectives of climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems*'.

While the DNSH principle has been applied to most relevant programmes, the approach has not been coordinated nor harmonised between these programmes. A 2023 study by JRC examined the approach to DNSH operationalisation in-depth for a select number of programmes, illustrating the varied landscape of DNSH operationalization under the 2021-2027 policy cycle[87].

Overall, the implementation of the DNSH principle across various EU budget programmes under the 2021-2027 period presents a complex design with varying degrees of integration and operational depth. As the JRC report notes,[88] this heterogeneity in DNSH application may lead to inconsistent results and create challenges for implementation.

Depth and complexity of DNSH implementation: Some programmes have thoroughly integrated DNSH into their operational frameworks, while others have not implemented it or have done so to a lesser extent. The differences can be attributed to the varying legal bases and the specific objectives of each programme. For instance, programmes with a strong environmental focus like LIFE have a more detailed approach, while others, such as the Fiscalis programme, may not address DNSH due to the nature of their activities. In addition, the depth and complexity vary even between programmes with a similar approach towards DNSH.

Inconsistencies and fragmentation across MFF programmes: Due to the variance in approach towards DNSH, there is a notable inconsistency and fragmentation in how DNSH is applied. The same type of interventions might be treated differently across programmes, which

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[84] COMMISSION STAFF WORKING DOCUMENT Climate Mainstreaming Architecture in the 2021-2027 Multiannual Financial Framework

[85] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment

[86] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast)

[87] Beltran Miralles, M., Gourdon, T., Seigneur, I., Arranz Padilla, M. and Pickard Garcia, N., The implementation of the 'Do No Significant Harm' principle in selected EU instruments, Publications Office of the European Union, Luxembourg, 2023, doi:10.2760/18850, JRC135691.

[88] The implementation of the 'Do No Significant Harm' principle in selected EU instruments, Joint Research Center, JRC Publications Repository - The implementation of the 'Do No Significant Harm' principle in selected EU instruments

may generate challenges for beneficiaries eligible under different EU budget programmes. For example, an energy efficiency project might be subject to strict DNSH requirements under the LIFE Programme but not under another programme with a different legal basis. Additional technical guidances for some funds have led to the parallel application of several sets of technical criteria, creating complexities for project implementers who must navigate both the DNSH criteria from EU fund guidance and the EU Taxonomy.

Challenges faced by Member States and beneficiaries: The diverging application of DNSH has resulted in additional administrative burden. Member States and project beneficiaries, including businesses, face heterogeneity in requirements, leading to uncertainties and a lack of predictability. This can impact the competitiveness of sectors supported by EU funds, as they grapple with the administrative complexities associated with different DNSH applications. In addition, inconsistent approaches limit the synergies among EU funding instruments and hinder the overall contribution to the EU climate and environmental objectives. These divergences can prevent the efficient combination of support from different Union funds

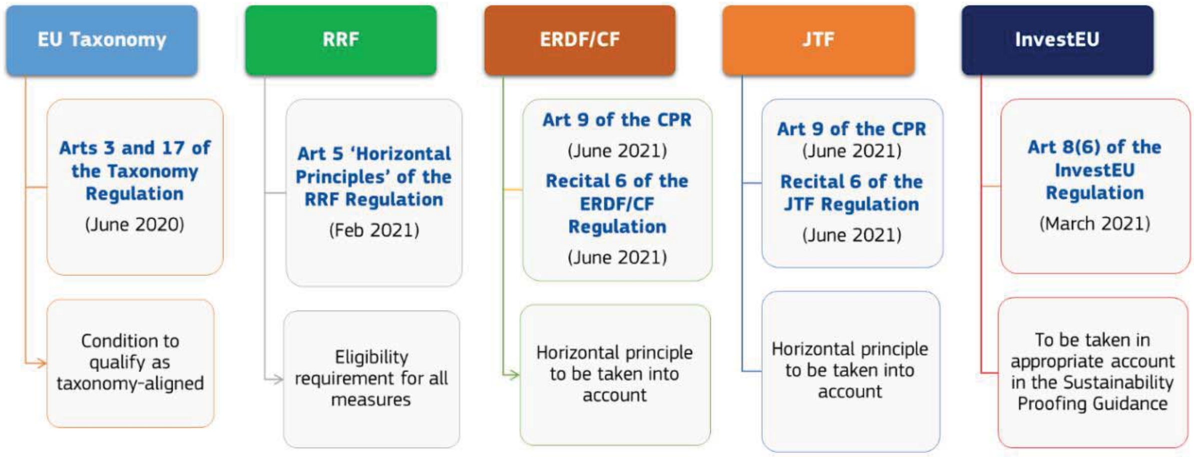
Future applications of DNSH: The financial regulation recast acknowledges the challenges by stipulating that DNSH should be applied where "feasible and appropriate." This provision aims to provide some flexibility and recognizes the need for a balanced approach to applying DNSH across diverse programmes, suggesting a more harmonised and streamlined application in the future.

Table: DNSH application in the 2021-2027 programmes

Programme	DNSH application
Horizon Europe	DNSH is integrated at project level and screened during the co-creation of work programs, though not uniformly applied across all parts of the program.
InvestEU	The InvestEU Regulation establishes the need for the operations to be funded to go through a sustainability proofing process, and the related guidance needs to take appropriate account do no significant harm. The InvestEU Regulation does not lay down that the operations must comply with the DNSH principle. However, the sustainability proofing methodology has integrated to some extent the DNSH principle. There is an exemption from sustainability proofing for projects below a specific threshold (generally 10 million euro)
Connecting Europe Facility (CEF)	Applied through environmental legislation compliance, climate proofing, and sustainability criteria in project selection.
European Space Programme	Incorporates DNSH through specific templates for downstream Copernicus services to ensure they do not harm the environment.
Regional Policy Funds (ERDF, CF, ESF+)	DNSH is operationalized through screenings, environmental assessments, climate proofing, and monitoring within operational programs.

Recovery and Resilience Facility (RRF)	Follows technical guidance on DNSH, with ex ante assessments that national plans do no significant harm to environmental objectives within the meaning of Article 17 of the EU Taxonomy Regulation.
Technical Support Instrument (TSI)	Not directly applicable as the programme provides expertise, i.e. not direct funding, but it ensures that support activities do not contradict DNSH principles.
Common Agricultural Policy (CAP)	Integrated through strategic planning and reviews, with provisions to avoid environmentally harmful activities.
European Maritime, Fisheries and Aquaculture Fund (EMFAF)	Ensures compliance through conditions and exclusion of operations that could cause harm, guided by its regulation.
LIFE Programme	Embeds DNSH in each sub-programme, with stringent screening against the EU Taxonomy's environmental objectives.
Just Transition Mechanism (JTM)	Assigns a 100% climate coefficient to all investments, reflecting the focus on supporting regions transitioning towards a green economy.
Neighbourhood, Development and International Cooperation Instrument (NDICI Global Europe)	Adopts a positive approach, excluding activities not aligned with climate commitments, with mandatory environmental screenings and mainstreaming DNSH through an ex-ante screening of projects.
Social Climate Fund (SCF)	Additional guidance with annexes providing technical screening criteria for activities covered by the fund to comply with DNSH.

Figure: JRC 2023 study on DNSH



DNSH application under the post-2027 programmes

The Performance Regulation will set out dedicated rules regarding the application of the DNSH principle across EU budget programmes, including the development of a technical guidance to support future implementation. It will also include dedicated articles setting out specific provisions for each management mode, providing for the systematic integration of DNSH in Member States and third countries plans, in calls under direct management as well as by implementing partners under indirect management.

Horizontal provisions for application to all programmes
DNSH criteria linked to groups of intervention fields – guidance from the Commission to operationalise

Provisions for application to each management mode		
Direct management	**Indirect management**	**Shared management**
Provisions on the integration of DNSH in e.g. work programmes, calls, procurements or contracts	Provisions on the integration of DNSH in e.g. work programmes, agreements with implementing partners	Provisions applying to Member States to make a DNSH assessment for the orange category

ANNEX 7: MONITORING FRAMEWORK OF THE 2021-2027 BUDGET

7.1 Tracking of expenditures in the EU budget

7.1.1.1 Tracking of expenditures contributing to horizontal priorities

The interinstitutional agreement on the 2021-2027 MFF introduced the following horizontal commitments: a climate spending target (30% of the EU budget), a biodiversity spending target (7.5% in 2024 and 10% in 2026-2027), report on the EU budget contribution to Sustainable Development Goals (SDGs), as well as the requirement to monitor gender equality expenditure. The latter is analysed in detail under subsection 7.1.2 *'Gender equality tracking'*. However, the monitoring of cross-cutting priorities still requires further refinement. While significant progress has been made – figures reflecting the EU budget's contributions to key priorities are now more robust and reliable thanks to substantial structuring efforts – challenges remain.

On the one hand, a unified tracking system to monitor the current crosscutting issues has yet to be established. For green priorities, the Common Agricultural Policy and external funds still do not fully align with the intervention field methodology. External funds continue to rely on the OECD methodology based on Rio Markers, which focuses on the intent behind projects rather than their concrete, expected outcomes. This can lead to inconsistent project tagging and discrepancies in reporting. On the other hand, beyond the horizontal commitments introduced in the interinstitutional agreement, the European Commission is not able to track expenditures of additional cross-cutting priorities such as digitalisation, competitiveness, or defence, thus aligning financial instruments more closely with strategic EU priorities and future-proofing budgetary planning.

On green priorities, agreed in the interinstitutional agreement, methodologies for climate and biodiversity should be developed 'on the basis of an effective, transparent and comprehensive methodology'. To this end, the Commission decided to move away from the 'OECD Rio markers' approach used in 2014-2020 and to develop a new distinct approach based on 'EU coefficients'. This approach is based on a list of activities with specific coefficients decided ex-ante. Such an approach enhances the transparency and accountability of how green expenditures are tracked and diminish the discretionality of the agent assigning the coefficient. As today, this new approach has nonetheless been only partially integrated into the EU budget, as many basic acts and programmes deviate from this approach, as later formalized in the communication on the performance framework of the EU budget under the 2021-2022 multiannual financial framework. The new methodological approach still assigns three different coefficients (0%, 40% or 100%) based on a list of predefined activities, but also integrating the taxonomy where relevant. The Commission has published a climate mainstreaming architecture staff working document[89], where it has outlined the principles of its methodology, including the integration of the 'do no (significant) harm' principle.

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[89] COMMISSION STAFF WORKING DOCUMENT Climate Mainstreaming Architecture in the 2021-2027 Multiannual Financial Framework, 968be999-7fd5-45ac-8c1b-0c9edcce2c15_en

On biodiversity, a dedicated tracking methodology[90] was developed in 2021, using a similar approach to the climate methodology. In 2023, the Commission complemented the tracking methodology with a specific methodology for the Common Agricultural Policy, taking into consideration the adopted strategic plans. More details are available in the Biodiversity Financing and Tracking Report.[91]

On SDGs, although the European Commission, in its 2021 Inter-Institutional Agreement, mandated annual reporting on the EU's contribution to the SDGs92, this requirement has been met with challenges due to the high-level, cross-sectoral nature of the SDGs. Fragmentation across MFF programs is evident, with some EU programs like Horizon Europe explicitly incorporating SDGs in their objectives, while others only reference them indirectly or omit them entirely.[93] This inconsistency undermines a unified, coherent approach to aligning EU financial instruments with global sustainability commitments and makes it difficult to gauge the collective impact of EU programs on the SDGs. Additionally, the annual reports produced by the Commission, as required by the IIA, offer limited added value because of their broad, over-arching nature. These reports present high-level summaries that do not provide the actionable insights necessary to promote policy coherence or address specific gaps in SDG implementation.[94]

Table: Contribution to SDGs in the 2021-2027 programmes

Programme	***Sustainable Development Goal***	***Total***
Horizon	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17*	*17*
Euratom	*/*	*0*
ITER	*SDG: 7, 8, 9, 13, 17*	*5*
InvestEU	*SDG: 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15*	*14*
CEF	*SDG: 7, 9, 11, 13*	*4*
Digital Europe	*SDG: 3, 4, 8, 9, 13, 16*	*6*
Single market	*SDG: 7, 8, 9, 11, 12, 13, 16*	*7*
Anti-fraud	*SDG: 10, 16*	*2*

[90] https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/b29ffe93-f385-4f9b-b6b7-4695a1266edd/details?download=true
[91] European Commission, Biodiversity financing and tracking, Biodiversity financing and tracking - Publications Office of the EU
[92] European Parliament and Council, Interinstitutional Agreement on Budgetary Matters, 2021.
[93] European Commission, Analysis of SDG Mainstreaming in EU Programmes, 2022.
[94] European Commission, Annual Report on SDG Contributions, 2023.

Fiscalis	*SDG: 8, 9*	*2*
Customs	*SDG: 8, 9*	*2*
EU Space	*SDG: 2, 3, 5, 6, 7, 9, 11, 13, 14, 15, 17*	*11*
Secure Connectivity	*SDG: 5, 9*	*2*
Regional policy	*SDG: 1, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13, 15*	*12*
TCC	*SDG: 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, 16*	*13*
RRF	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16*	*16*
TSI	*SDG: 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16*	*14*
Pericles IV	*SDG: 8, 9*	*2*
UCPM	*SDG: 3, 6, 11, 13, 14, 15*	*6*
EU4Health	*SDG: 3*	*1*
ESI	*SDG: 3*	*1*
ESF+	*SDG: 1, 2, 3, 4, 5, 7, 8, 10, 11, 12, 13*	*11*
Erasmus	*SDG: 3, 4, 5, 8, 11, 12, 13, 16*	*8*
ESC	*SDG: 3, 4, 5, 8, 10, 11, 13*	*7*
Justice	*SDG: 3, 5, 10, 16*	*4*
CERV	*SDG: 4, 5, 8, 10, 16, 17*	*6*
Creative	*SDG: 3, 4, 5, 8, 10, 11, 12, 16, 17*	*9*
Communication	*SDG: 2, 3, 4, 5, 6, 7, 8, 9, 11, 13, 14, 15, 16*	*13*
CAP	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 15, 17*	*14*
EMFAF	*SDG: 1, 2, 3, 5, 14*	*5*
Fisheries	*SDG: 14*	*1*
Life	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16*	*16*

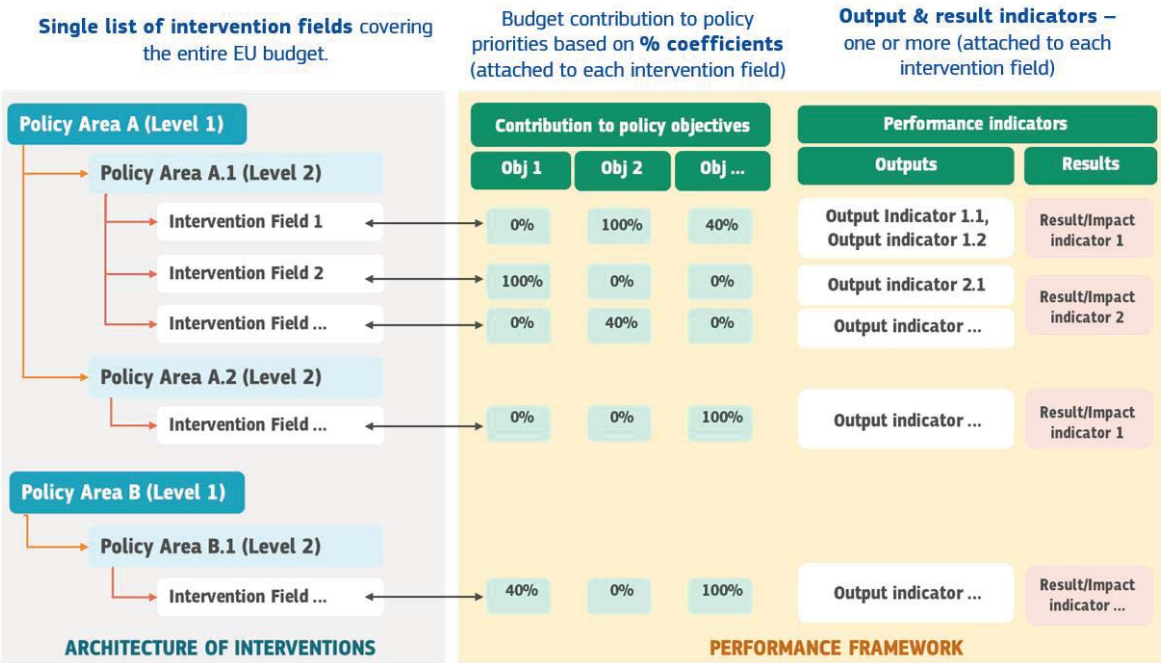
JTM	*SDG: 1, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 15*	*12*
AMIF	*SDG: 3, 4, 10, 15, 16*	*5*
IBMF	*SDG: 10*	*1*
ISF	*SDG: 16*	*1*
ND LT	*SDG: 12*	*1*
NSD	*SDG: 12*	*1*
EDF	*SDG: 7, 8, 9*	*3*
ASAP	*SDG: 9*	*1*
EDIRPA	*/*	*0*
NDICI Global Europe	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17*	*17*
INSC	*SDG: 5, 11, 16*	*3*
HUMA	*SDG: 1, 2, 3, 4, 5, 6, 13, 17*	*8*
CFSP	*SDG: 5, 16*	*2*
OCT	*SDG: 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17*	*17*
MFA	*/*	*0*
IPA III	*SDG: 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17*	*14*
Western Balkans Facility	*/*	*0*
Ukraine Facility	*/*	*0*
EGF	*SDG: 4, 5, 8, 10*	*4*
EUSF	*SDG: 3, 10, 13*	*3*
IF	*SDG: 7, 9, 13*	*3*
BAR	*/*	*0*

Modernisation Fund	*/*	*0*
SCF	*/*	*0*

Digital expenditure tracking remains ad-hoc and inconsistent. Unlike climate and biodiversity, digital tracking does not have a standardised framework and primarily relies on Reporting from the Recovery and Resilience Facility (RRF).[95] This fragmentation complicates efforts to track progress comprehensively across the EU's policy priorities and budget.

Lastly, at present, the European Commission is not equipped to effectively track other horizontal priorities like digitalisation, competitiveness, or security. This is a significant gap, as these areas are increasingly crucial in shaping policies that drive economic growth, enhance regional stability, and ensure the EU's adaptability to global challenges. Tracking these priorities would provide valuable insights into financial allocations and their impacts, guiding strategic investments and policy adjustments. The absence of such tracking mechanisms limits the EU's ability to align its financial strategies with broader socio-economic goals effectively.

Figure: Possible functioning of single methodology to track expenditures through intervention fields, and common set of indicators in the post-2027 programmes



95 European Commission, Ad-hoc Digital Spending Reports, 2023.

Figure: Example of intervention fields, policy priorities and indicators under the single methodology in the post-2027 programmes

		Example intervention fields	Example policy priorities						Example indicators	
PRIORITY	POLICY AREA	INTERVENTION FIELD	MITIGATION	ADAPTATION	BIODIVERSITY	GENDER	DIGITAL	...	OUTPUT INDICATORS	RESULT INDICATORS
ENERGY	HEATING/COOLING & COGENERATION	Cogeneration of heat/cool and power from geothermal energy	100	40	0	0	0		New or additional capacity installed (MW)	GHG emissions avoided
ENERGY	HEATING/COOLING & COGENERATION	Cogeneration of heat/cool and power from solar energy	100	40	0	0	0		New or additional capacity installed (MW)	
ENERGY	HEATING/COOLING & COGENERATION	Cogeneration of heat/cool and power from sustainably sourced bioenergy	100	40	0	0	0		New or additional capacity installed (MW)	
ENERGY	CO2 CAPUTRE STORAGE & TRANSPORT	Construction/Installation and managing of CO2 hubs (e.g., tanks)	100	0	0	0	0		New or additional capacity installed (m3)	
ENERGY	CO2 CAPUTRE STORAGE & TRANSPORT	Construction/Installation of facilities for CO2 capture and post-treatment	100	0	0	0	0		New or additional capacity installed (tonnes)	
HEALTH	LONG TERM CARE	Family and community-based care services	40	40	0	100	40		(1) New/renovated family and community-based care facilities/services (2) New facilities accessible to persons with disabilities (3) Additional healthcare personnel	
DIGITAL TRANSITION	DIGITALISATION OF BUSINESSES	Digitising SMEs or large enterprises (including e-commerce, e-business and networked business processes, digital innovation hubs, living labs, web entrepreneurs and ICT start-ups, B2B) compliant with GHG emission reduction or energy efficiency criteria.	100	40	0	0	100		Number of European Digital Innovation Hubs	(1) Number of private users of the European Digital Innovation Hubs (2) Entities that have been supported by the European Digital Innovation Hubs showing a significant increase in their digital maturity
...										

Figure: Monitoring provisions per management mode in the post-2027 programmes

Horizontal provisions for application to all programmes
Standardised methodology including high-level criteria for intervention fields List of intervention fields with associated indicators and gender scores

Provisions for application to each management mode		
Direct management	**Indirect management**	**Shared management**
Provisions on the use and modalities of assigning intervention fields in e.g. work programmes, calls, procurements or contracts	Provisions on the use and modalities of assigning intervention fields in e.g. work programmes, agreements with implementing partners, calls or contracts	Provisions on the use and modalities of assigning intervention fields under shared management, in agreement with MS

7.1.2. Gender equality tracking

The Interinstitutional Agreement for the 2021-2027 Multiannual Financial Framework (MFF) required the Commission to develop a methodology to measure the relevant EU budget expenditure supporting gender equality. However, the agreement did not set out any spending targets for gender equality, contrary to other priorities (climate and environment). The Commission developed this methodology in the context of the Draft Budget 2023 in 2022 and it has implemented it since. It is based on assigning the following gender scores to budget interventions.

EU budget methodology to estimate expenditure contributing to gender equality:

Gender score 2: Interventions whose principal objective is to improve gender equality;	**Gender score 1:** Interventions that have gender equality as an important and deliberate objective but not as the main reason for the intervention;
Gender score 0: Non-targeted interventions (interventions that are expected to have no significant bearing on gender equality);	**Gender score 0*:** Interventions with potential gender impact, but for which there is insufficient data available

Since its implementation in 2022, the gender tracking methodology has enhanced transparency by identifying budget contributions to gender equality (scores 1 and 2) across EU programmes. This has also led to a significant decline in score 0* from 95% to 20% in 2023, reflecting improved implementation and data availability. Additionally, interventions under scores 1 and 2 have increased substantially, with score 1 quadrupling and score 2 tripling since 2021.

Nevertheless, the introduction of the new gender tracking methodology in 2022, after the adoption of the 2021–2027 programmes basic acts, has led to inconsistencies and difficulties in aligning data, tracking and monitoring with a coherent set of gender equality objectives. This is largely due to the timing and design misalignment. When the methodology was introduced, the basic acts for many programmes had already been finalized, leaving little room to incorporate gender considerations into their structure. As a result, many programmes were not designed with the tracking methodology's requirements in mind, leading to fragmented approaches across different programmes.

This delay and misalignment created a lack of cohesion in the EU's approach to gender expenditures monitoring. Various programmes adopted different tracking methodologies, such as the Common Provisions Regulation tracking methodology, the Recovery and Resilience Facility flagging methodology, and the Common Foreign and Security Policy marker system. These divergent methodologies make it challenging to implement a consistent tracking system across the entire EU budget, further complicating the evaluation of how funds contribute to gender equality.

Consequently, a significant portion of the EU budget – 69% – is assessed as not contributing to gender equality (score 0). This indicates that the potential for the EU budget to support gender equality remains underutilized. Moreover, 20% of the budget is classified as score 0*, representing measures with the potential for significant impact on gender equality, but where the actual impact remains unclear. Notably, a large part of this score 0* budget corresponds to the Common Agricultural Policy, which began implementation under its new regulation in 2023.[96]

Another critical issue is the lack of gender-disaggregated data. Many EU budget programmes do not collect or report data broken down by gender, making it challenging to evaluate the real impact of gender-related investments. This is particularly the case for programmes under shared and indirect management, where the availability of gender-disaggregated data is not necessarily foreseen by programme regulations and implementation agreements. Without such data, it is difficult to measure contributions to gender-equality, assess the effectiveness of programmes, and make informed decisions about future funding. This lack of clarity hampers the EU's ability to ensure that its budget actively contributes to advancing gender equality and adds to the significant challenges in implementing a coherent gender mainstreaming and tracking approach. The absence of such data in the current EU budget has resulted in a significant data gap on gender equality. However, the financial regulation – Article 33.3 – now mandates the collection of gender-disaggregated data, aiming to address this gap and improve the evaluation and impact of gender-related initiatives moving forward.

The Financial Regulation – Article 33 – explicitly mandates that EU budget programmes be implemented, where feasible and appropriate, taking into account the principle of gender equality and in accordance with an appropriate gender mainstreaming methodology.

Gender equality tracking under the post-2027 programmes

A single, harmonised gender equality tracking methodology could be established, building upon the existing Commission gender tracking system. Integrating this methodology into a horizontal framework would ensure that programmes incorporate gender equality requirements and scoring system from the design stage.

A standardised gender tracking methodology would offer significant advantages, particularly in enhancing coherence and reducing administrative burdens for beneficiaries, Member States and EU institutions. A single methodology – based on the existing Commission system and aligned with the OECD framework – would create a harmonised approach, ensuring consistent assessment across all programmes. Such harmonisation would improve data comparability and facilitate more accurate evaluations, leading to stronger evidence-based decision-making. A single methodology would also replace multiple programme-specific tracking methods, streamlining monitoring and reporting processes.

Applying the revised methodology across MFF programmes would also guarantee that gender tracking considerations are integrated from the outset. This proactive approach addresses a fundamental weakness of the current system, where gender tracking is often applied inconsistently or only retrospectively. A single methodology could also help clarify the treatment of complex elements, such as tracking zero-cost reforms, which are currently insufficiently analysed.

Under the single methodology, the tracking of expenditure promoting gender equality in the next MFF would be carried out using the system of gender scores, also making a connection to

[96] Annual Management and Performance Report for the EU budget – Annex I – 3. Horizontal policy priorities in the EU

intervention fields for tracking expenditures. Unlike other areas such as climate and biodiversity, the promotion of gender equality could be done throughout most interventions (e.g. digital trainings could encourage female participation, or grant funding could require enterprises to have a gender equality plan in place). Therefore, the list of intervention fields could include fields for gender score 2 actions specifically i.e. interventions for which gender equality would be the main objective.

Other EU budget interventions – tagged through a dedicated intervention field - would be tagged with a gender score of 0, 1 or 2 based on their specific design. The relevance of working with all intervention fields to identify categories expected to be relevant for gender equality due to their direct impact on persons (score 1) or with potential to support gender equality objectives if implemented in a way that is responsive to gender equality objectives should be explored. This may also be useful for intervention fields non relevant for gender equality (score 0), i.e. the possibility to pre-determine some intervention fields as non-relevant for gender equality should also be considered.

In summary, adopting a unified gender tracking methodology aligned with the OECD framework would resolve the inconsistencies, inefficiencies, and complexities that hinder the current system. This transition provides an opportunity to enhance coherence, improve programme design and implementation, and reduce administrative burden, thereby advancing the EU's commitment to gender equality in a more effective and transparent manner.

Under direct management programmes, the Commission would apply the gender tracking methodology to the EU budget programmes and interventions fields.

Under shared management programmes, national authorities would assign a gender score to interventions – a practice in place already in the Common Provisions Regulation funds in the 2021-2027 period. For instance, the categorisation of the gender equality dimension occurs at the level of a specific objective within a programme, reflecting a targeted approach to ensuring that gender considerations are adequately addressed. Even in cases where an entire programme may not appear to contribute directly to gender equality, Member States managing authorities are responsible for identifying and highlighting actions or smaller sections of the programme specifically aimed at advancing gender equality. Financial data on the cost of selected operations and declared expenditure is reported to the Commission five times per year. This reporting is organised by categorisation dimension, meaning that each submission updates the amounts associated with gender-targeted or gender-mainstreaming actions within cohesion policy programmes. The Commission then reviews this data, enabling regular monitoring of the financial commitment to gender equality and supporting evidence-based adjustments to enhance the integration of gender perspectives across EU-funded programmes. Additionally, for each score, a brief narrative explanation should be provided, particularly for measures categorized as score 0 (not gender relevant), to ensure that these measures do not inadvertently harm gender equality.

Under indirect management, agreements with implementing partners would include specific provisions for applying the methodology. This would include requirements for assessing and tagging gender-relevant measures and conducting impact assessments. The Commission would oversee and verify that implementing partners adhere to the gender analysis requirements and reporting standards.

Finally, the recast Financial Regulation now requires the collection of gender-disaggregated data, where appropriate. Gender-disaggregated indicators would allow for systematic tracking of how resources are allocated and the differential impacts on women and men. Incorporating gender-disaggregated data into performance frameworks would enable to enhance transparency, enable more accurate assessments of gender-related investments, and inform evidence-based decision-making. Ensuring that indicators are disaggregated by gender would strengthen the EU's capacity to measure progress and adjust strategies to meet gender equality objectives effectively.

One of the policy options that is sometimes recommended is to introduce a negative score to track expenditures contributing negatively to gender equality i.e. harming gender equality. The Commission's gender tracking methodology is inspired by the OECD approach, which does not incorporate negative scoring. Maintaining alignment with the OECD is crucial for ensuring consistency with internationally recognized standards. Introducing negative scores would create a divergence from this established framework, undermining the comparability of gender equality efforts at the international level and potentially leading to confusion within EU institutions and among member states. inconsistency could complicate both the tracking and reporting processes, making it more challenging to evaluate progress in a way that aligns with global benchmarks. Introducing negative scoring could have unintended negative consequences. It may discourage innovation by making programme designers hesitant to explore new or unconventional approaches for fear of being penalized for unforeseen gender-related outcomes. Gender equality impacts are often complex and context-dependent, and applying negative scores risks oversimplifying these dynamics. This could lead to misrepresentations of how programmes interact with gender equality objectives, ultimately undermining the nuanced understanding necessary for effective policy making. The emphasis should instead be on enhancing positive contributions to gender equality rather than on penalization. A constructive approach that focuses on identifying and amplifying programmes that contribute positively to gender equality will foster a more supportive and forward-looking policy environment. Programmes can be subjected to continuous monitoring and periodic reviews to ensure they remain aligned with gender equality goals. If any issues arise, adjustments can be made based on these reviews, promoting an adaptive and flexible framework that encourages improvement without resorting to punitive measures. Finally, from a legal and policy coherence perspective, the introduction of negative scoring is unnecessary. The EU already has robust gender equality frameworks and legal commitments in place, and the current methodologies, combined with the emphasis on gender relevance in programme design, are fully aligned with these commitments. Adding negative scoring mechanisms could create unnecessary complexity and legal ambiguities, potentially leading to overlaps or conflicts with other evaluation tools and reporting mechanisms. This could dilute the effectiveness of existing strategies aimed at promoting gender equality. In conclusion, maintaining methodological consistency with the OECD, recognizing the inherent gender relevance in EU budget programmes, and avoiding the potential risks associated with negative scoring all point to the conclusion that such a mechanism is neither necessary nor beneficial. The focus should remain on fostering positive contributions to gender equality through proactive design and continuous improvement rather than through punitive tracking measures.

Adopting a single and harmonised gender expenditure tracking framework would help address the inefficiencies and complexities inherent in the current fragmented system, which relies on a complex patchwork of tracking mechanisms. A unified framework would enable:

1. Simplification and streamlining: By eliminating multiple programme-specific tracking systems, a single methodology would simplify monitoring requirements, reduce administrative burdens, and promote efficiency.

2. Improved coherence and consistency: A harmonised framework, aligned with the OECD standards, would ensure uniform application of tracking methodologies across all EU programmes. This coherence would enhance data comparability, support more accurate progress evaluation, and enable evidence-based decision-making.
3. Proactive integration into programme design: Embedding the unified tracking framework in a single framework upfront would ensure that gender expenditure tracking considerations are incorporated during programme design rather than retroactively. This integration would address inconsistencies and improve the overall impact assessment.

The adoption of such a harmonised gender expenditure tracking framework will be essential for simplifying and streamlining monitoring requirements across the EU budget. It represents a critical step towards achieving greater transparency, efficiency, and alignment with the EU's strategic priorities, thereby ensuring a more effective allocation of resources and advancing overarching policy goals.

7.2 Indicators supporting the monitoring of performance of the EU budget

Performance indicators are defined in programme regulations, in dedicated basic acts, delegated acts as well as in other documents such as staff working documents, work programmes and agreements with implementing partners. As a result, around 1 200 core performance indicators have been introduced, out of which 76 are used to report on the Cohesion Fund, ERDF, EAGF and EAFRD i.e. two thirds of the MFF, with the other ca. 1 100 indicators being used in the context of programmes corresponding to the other third of the MFF and the RRF. In addition, information is being collected based on ca. 7 000 indicators corresponding to milestones and targets under the RRF.

The sheer abundance of information and reporting documents continues to create an overload of data, leading to confusion, potentially inconsistent reporting, and a high administrative burden at all levels: beneficiaries, Member States, implementing partners, and the European Institutions' services, who must collect, compile and review the data and various reports. This situation, already described and criticised by the European Court of Auditors[97], the European Parliament Research Service[98] and the OECD[99] in the period 2014-2020, has been improved in the 2021-2027 period but not fully addressed. It remains a source of questions from beneficiaries, Member States and project beneficiaries, who point out that both the information they are required to provide at the stage of calls for proposals as well as at the stage of reporting causes administrative burden to the point that puts the relevance of participating in such calls to question[100]. A study on administrative costs and burden linked to ESIF funds estimates that gathering information on the progress and results of the project (including financial information and indicator data) and submission of that information to the authorities (monitoring and reporting) is the most burdensome requirement for Member States and beneficiaries[101].

Some indicators are specifically used in the context of direct performance-based budgeting – such as under the RRF, where payments are triggered by fulfilling milestones and targets, or under the CAP, where result indicators are used to establish targets that, if unmet, may lead to payment suspensions or deductions. These indicators play a direct role in EU budget implementation by guiding disbursement decisions. However, programmes using indicators for this purpose are an exception, as the vast majority of indicators are used for information gathering and monitoring purposes. Their number raises questions about the relevance and added value of several indicators, while the management of such indicators data sets generates significant administrative burden for EU institutions, Member States and MFF beneficiaries.

The information thus collected is not always aggregable. This is because indicators were defined separately per programme. As a consequence, a number of MFF programmes, including those that pursue the same or similar policy objectives, use similar yet slightly different indicators to report on sometimes very similar outputs (e.g. measuring numbers of dwellings, buildings or houses, or measuring high-speed connectivity or 5G). This fragmented

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97 https://www.eca.europa.eu/Lists/ECADocuments/annualreports-2017/annualreports-2017-EN.pdf

98 Sapała, M. Briefing European Parliamentary Research Service. Performance budgeting – A means to improve EU spending, March 2018

99 Downes, R., D. Moretti and S. Nicol (2017), "Budgeting and performance in the European Union: A review by the OECD in the context of EU budget focused on results", OECD Journal on Budgeting, vol. 17/1

100 InvestEU and RRF midterm evaluations, among others.

101 https://ec.europa.eu/regional_policy/information-sources/publications/studies/2018/new-assessment-of-esif-administrative-costs-and-burden_en

and heterogeneous approach leads to a proliferation of heterogenous and non-aggregable indicators, which reduces possibilities to measure EU budget impact as a whole and to inform policies. At the same time, in many cases, there are no indicators that could be used to measure the progress towards the core aim of the activity.

In addition to this, impact indicators or even result indicators are not designed in a manner that would facilitate the measurement of long-term outcomes of programmes beyond their expiration. Visibility of programmes performance after their expiration could potentially be improved, particularly for measures funded across the duration of an MFF, such as large-scale infrastructure investments under CEF.

Finally, the balance between output, result and impact indicators remains suboptimal despite having improved compared to previous programming periods. All three levels are essential for a comprehensive assessment of programme performance: output indicators provide insight into what the programme directly finances and its immediate activities (e.g. construction of an electrified railway); result indicators track the immediate effects of these outputs (shift from reliance on fossil fuels to the use of electricity as an energy source.); impact indicators measure the ultimate objectives of the intervention (greenhouse gas emissions avoided). Achieving the right balance among these indicators is crucial, yet this alignment has not been fully realised.

Table 8: Reporting of indicators in the 2021-2027 MFF programmes

Programme	Legal set up	Status	Core performance indicators defined in legal basis	Core performance indicators NOT defined in legal basis	M&E indicators defined in legal basis	Indicators defined in Delegated Acts	M&E indicators used, including those not defined in the legal basis	Total number of indicators[102]
AMIF	Article 33; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Fund towards the achievement of the specific objectives. Indicators are used for the midterm evaluation. Used by Member states for their annual performance report.	15		41			41

[102] Total = number of core performance indicators defined in legal basis **OR** number of M&E indicators defined in legal basis (when data is in the table because M&E indicators include core performance indicators) + number of indicators defined in Delegated Acts + number of M&E indicators used, including those not defined in the legal basis

Anti-Fraud	Article 12; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the programme towards the achievement of the general and specific objectives. Mixed of results and output indicators.	4					4
ASAP	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments							0
BMVI	Article 27; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Fund towards the achievement of the specific objectives. Indicators are used for the midterm evaluation. Used by Member States for their annual performance report.	14		40			40
Brexit Reserve	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments	Output indicators to measure performance will become available through the reports of Member States.						0
CAP	2021/2115: Article 7, 142 2021/2116: Article 42; a delegated act was adopted; indicators impact payments	- Output indicators for monitoring - Result indicators for milestones and targets in CAP strategic plans - Context indicators to assess the baseline situation for preparation of the CAP strategic plans	29		149		11 (context indicators on comm	160

		- Impact indicators for evaluations - Not achieving the targets may result in reduction of payments to MS (Article 41(2) of 2021/2116)					odities)	
CCEI	Article 12; a delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the instrument towards the achievement of the general and specific objectives	5			11		16
CEF	Article 22; no delegated act was adopted; indicators do not impact payments	- Quantitative indicator to report on the progress of the CEF towards the achievement of the general and specific objectives. - Mainly output indicators (number of actions). -Indicators are divided in 3 fields: energy, transport and digital.	16				51	67
Citizens, Equality, Rights and Values	Article 16 ; no delegated act was adopted; indicators do not impact payments	Quantitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Mixed of results and output	17					17
Civil Protection	Article 3; no delegated act was adopted; indicators do not impact payments	Quantitative indicators used for monitoring, evaluating and reviewing as appropriate the application of this Decision	4				20	24

Cohesion (ERDF and Cohesion Fund)	Article 8; no delegated act was adopted; indicators do not impact payments	Indicators used by Member states to report on the progress of the ERDF and CF. Programme-specific indicators can be added. The core set of indicators should be the basis on which the Commission should report on the progress towards the achievement of specific objectives.	47		161			161
Creative Europe	Article 20; no delegated act was adopted; indicators do not impact payments	Report on the progress of the Programme towards the achievement of the objectives	22					22
Customs	Article 13; a delegated act was adopted; indicators do not impact payments	Mainly qualitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Rely on index (gathering of different indicators). In DA, more quantitative indicators	15			28		43
Decision on the Overseas Association, including Greenland	Recital 42; no delegated act was adopted; indicators do not impact payments	Indicators for the evaluation	4					4
Digital Europe Programme	Article 25; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor the	14				298	312

		implementation and to report on the progress of the Programme towards the achievement of the specific objectives. 10 indicators - not foreseen by the legal basis - are for mid-term and ex post evaluation, mainly quantitative; 12 contextual indicators in the framework of the Digital Decade Policy Programme; 276 topic level indicators to monitor performance on a specific topic to capture technical details, or where individual topics are not directly covered by higher level indicators						
EDF	Article 28; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Fund towards the achievement of the specific objectives	10					10
EFSD+	Article 41; a delegated act was adopted; indicators do not impact payments	Indicators will be the framework for carrying out the monitoring and reporting tasks (output, outcome and impact indicators)	19				283	302
EGF	Article 19; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress	13					13

		of the EGF towards the achievement of the objectives. They are also used for the purpose of the final report and biennial report.						
Emergency Support Instrument	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments							0
EMFAF	Article 46; no delegated act was adopted; indicators do not impact payments. Additionally, the Managing authority shall provide the Commission with operation-level implementation data defined in an implementing act.	- For reporting, no impact on payments. - 22 common result indicators and 1 output indicator. There are 12 core performance indicators (some overlap with common result indicators) to be used by the Commission in compliance with its reporting requirement pursuant to paragraph (iii) of point (h) of Article 41(3) of the Financial Regulation. -A total of 27 unique indicators defined in the regulation - Operation level data to be reported are further defined in a CIR.	12		27			27

Erasmus+	Article 23; a delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Mixed of results and output indicators	15			12		27
ERDIPA	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments							0
ESF+	Article 17 - For general support from the ESF+ strand (shared) Article 23 - For Priorities addressing material deprivation (shared) Article 32 - For EaSi strand (direct) No delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor progress in implementation (for Member States). Also use to assess milestones and target (article 17.3). For EaSi strand, to report on the progress of the EaSI strand towards the achievement of the specific objectives. Progress in achieving the milestones is taken into account in the mid-term review (CRR Art. 18(1).	76[103]				3934[104]	4010
EU Secure Connectivity	Article 41; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor the implementation and to report on	39					39

[103] indicators on persons are broken down by gender and all indicators are broken down by category of regions
[104] programme specific indicators (1890 output indicators and 2044 result indicators)

		the progress of the Programme towards the achievement of the specific objectives						
EU Solidarity Fund	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments			2				2
EU Space	Article 101; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor the implementation and to report on the progress of the Programme towards the achievement of the specific objectives and for multiannual plan.	36					36
EU4Health	Article 19; no delegated act was adopted; indicators do not impact payments	quantitative indicators to monitor the implementation and to report on the progress of the Programme towards the achievement of the specific objectives. Several purpose: Core performance to monitor Programme's annual performance and progress towards its objectives. Key performance indicators serve as a reference for the annual performance reporting action-level indicators that are	23				42	65

		available to monitor the outputs and results of each action funded. Other indicators for the EU4Health dashboard						
Euratom	Article 12; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on an annual basis on the progress of the Euratom Programme towards the achievement of the objectives	34					34
European Instrument for International Nuclear Safety Cooperation	Article 14; no delegated act was adopted; indicators do not impact payments	Indicators to measure achievements of the objective of the Instrument. Indicators are included in Multiannual indicative programmes.	3					3
European Solidarity Corps	Article 20; a delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Mixed of results, output and impact indicators	14			5		19
Financial Statement for Macro Financial Assistance	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments							0

Fiscalis	Article 14; a delegated act was adopted; indicators do not impact payments	Mainly qualitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Rely on index (gathering of different indicators). In DA, more quantitative indicators	16			24		40
Fisheries agreements	No specific performance indicators are defined in the SFPAs; indicators do not impact payments	- The progress of the programmes is followed on the basis of quantifiable indicators for periodic monitoring					5	5
Horizon Europe	Article 50; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on an annual basis on the progress of the Programme towards achievement of the objectives, within the framework of a database. Additional indicators can be used to monitor individual Programme parts	30				151	181
Humanitarian Aid Programme	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments						20	20
Innovation Fund	No delegated act was adopted; indicators do not impact payments			14				14

InvestEU	Article 28; a delegated act was adopted; indicators do not impact payments	Output, outcome and impact indicators. No impact on payment. M&E framework to be established to track progress towards the Union's objectives.	36				200	236
IPA III	Article 13; no delegated act was adopted; indicators impact payments	Qualitative and quantitative indicators for monitoring the implementation and progress of IPA III towards the achievement of the specific objectives. The annual assessment of the implementation of the IPA should be done based on indicators. Indicators are included in IPA programming framework. Where the relevant indicators show a significant regression or persistent lack of progress by a beneficiary the scope and intensity of assistance should be modulated accordingly (Article 8). The result framework is used for the annual Commission communication on the Union's enlargement policy and the Commission's assessments of the economic reform programmes.	18				122	140

ISF	Article 27; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Fund towards the achievement of the specific objectives. Indicators are used for the midterm evaluation. Used by Member states for their annual performance report.	15		33			33
ITER	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments			2				2
JTF	2021/1056: Article 12 2021/1229: Article 16; no delegated act was adopted; indicators impact payments	Qualitative and quantitative indicators are used for the final performance report, the Commission may make financial corrections where less than 65 % of the target set out for one or more output indicators is achieved. Programme-specific indicators for territorial just transition fund For loan facility, including output indicators is an eligibility criterion (Article 9 2021/1229). There are also indicators to monitor the implementation of the Facility and	101					101

		its progress towards the achievement of the objectives						
Justice	Article 13; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives. Mixed of results and output indicators	12					12
LIFE	Article 19; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the general and specific objectives and specific project level indicators to be described in multiannual work programmes or calls for proposals for tracking requirement (the latter with a focus on Natura 2000 and the emissions of certain atmospheric air pollutants). Also use for mid-term evaluation.	19				13	32
NDICI Global Europe	Article 41; no delegated act was adopted; indicators impact payments	Qualitative and quantitative indicators to report on progress of the Instrument towards the achievement of the specific objectives. They should be in line with SDGs. Indicators are used to	19				1836	1855

		assess progress within the framework of the annual report and present it. Indicators are used for the final evaluation. Indicators are included in programming documents which shall be results-based and should be linked to targets. Indicators are also included in Multiannual indicative programmes. Disbursement of the budget support shall be based on indicators demonstrating satisfactory progress being made towards achieving the objectives agreed with the partner country.						
Nuclear Decommissioning	Article 10; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the objectives. Should be defined in the multiannual work programme and be related to objectives laid down in this work programme.	2					2
Nuclear Decommissioning (Lithuania)	Article 10; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to report on the progress of the Programme towards the achievement of the objectives. Should be defined in the	2					2

		multiannual work programme and be related to objectives laid down in this work programme.						
Pericles	Article 12; no delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor the implementation and to report on the progress of the Programme towards the achievement of the specific objectives. Used also for the evaluation (final and mid-term)	5					5
Reform and growth facility for the Western Balkans	Article 13; no delegated act was adopted; indicators do not impact payments	The Reform Agendas should be results-based and include indicators for assessing progress towards the achievement of general and specific objectives of the Facility. The indicators shall be expected to contribute to the Commission's monitoring of the Facility. The Reform Agendas set out the reforms to be implemented by the beneficiary concerned, the investment areas to be supported and the payment conditions. shall only be used by the Commission to assess the progress towards the achievement of the general and				13	610	623

		specific objectives, not payment conditions						
RRF	Article 19; a delegated act was adopted; indicators impact payments	Indicators used by Member States to report in the framework of the European Semester, and to report to the Commission. They are also used for the Recovery and Resilience Scoreboard, and the annual report of the RRF made by the Commission.	14				7129	7143
Single market	Article 17; a delegated act was adopted; indicators do not impact payments	Qualitative and quantitative indicators to monitor the implementation and to report on the progress of the Programme towards the achievement of the specific objectives. Mix of output and results indicators	16			53		69
Social Climate Fund	Article 24; no delegated act was adopted; indicators impact payments	Qualitative and quantitative indicators for reporting on the progress and for the purpose of monitoring and evaluation of the Fund towards the achievement of the objectives. Indicators are used in the framework of the Social Climate Plans (additional indicators can be set by plans). Article 20: Where the milestones	39					39

		and targets have not been satisfactorily achieved the Commission shall reduce the amount of the financial allocation proportionately. It should be possible for the Member States to use relevant common indicators to set out the milestones and targets in their Plans.						
TSI	Article 14; no delegated act was adopted; indicators do not impact payments	Quantitative indicators to monitor the implementation and to report on the progress of the Programme towards the achievement of the specific objectives.	5					5
Turkish Cypriot	No indicators in the legal basis; no delegated act was adopted; indicators do not impact payments			5				5
Ukraine Facility	Article 17; no delegated act was adopted; indicators impact payments	The Ukraine Plan shall include indicators for assessing progress towards the achievement of the general and specific objectives. The assessment of the Ukraine Plan determine the reforms and investments to be implemented by Ukraine, the conditions laid down in the Ukraine Plan, the total and annual maximum amounts for	0				150	150

		non-repayable financial support and the total and annual indicative maximum amounts of the loan support, the instalments... the indicators for assessing progress towards the achievement of the general and specific objectives shall be defined in the Council implementing decision						
TOTAL			849	28	450	146	14870	**16212**

Proposed monitoring of performance indicators under the post-2027 programmes

Types of indicators	**Degree of standardisation across EU budget programmes**
Indicators used to monitor the progress in the achievement of objectives, including mainstreamed ones, where relevant (Article 33(2)(b) of the Financial regulation	Standardised No programme-specific indicators
Indicators as referred to in Article 125(1)(a) of the Financial regulation used when the form of the Union contribution is not linked to the costs of the relevant operations, and as referred to in Article 241 of the Financial regulation in the context of budget support.	Standardised as a general rule, with possibility to define ad hoc indicators when necessary
Indicators referred to in Article 16 "Performance framework" of the Common Provision regulation 2021-2027 used by the Member States in the context of the Cohesion funds and the Home funds, and indicators referred to in Articles 7 and 142 of the CAP Strategic plan regulation.	Standardised No additional indicators No Member State-specific indicators
Indicators as referred to in Article 34 of the Financial regulation used for evaluations	Standardised No additional indicators
Indicators as referred to in Article 158(7) of the Financial regulation used in the context of indirect management	Standardised No additional indicators
Project or call level indicators (budgetary related)	Standardised No additional indicators

Thanks to standardisation at the EU budget level, the overall performance of the EU budget could be effectively monitored. Programmes would not be allowed to create specific indicators that cannot be aggregated with those of other programmes. For example, if two programmes support digitalisation, they must use the same set of indicators – such as "additional dwellings and enterprises with broadband access of very high capacity" – rather than varying definitions like "additional households with broadband access of at least 30 megabits per second" or "dwellings with access to very high-capacity internet networks, including 5G networks and gigabit speeds" as done in the 2021-2027 period.

At the same time, this pre-defined list of indicators would be linked to intervention fields used to track expenditures for all programmes. The indicators would be designed so that they would capture specificities of interventions falling under any particular intervention field.

Intervention field	Output indicators	Result indicators
Renewable energy: solar	m^2 of solar panels installed Peak capacity of solar panels installed	Renewable energy produced

Support to the unemployed	Number of participants trained Number of job search services provided	Number of participants in employment after taking part Number of participants reporting salary increase after taking part

Examples for illustrative purpose only

Because of indicators being linked to the intervention field, any type of intervention, regardless of the programme under which it would be implemented, would be monitored by one output and one result indicator. For example, an intervention that involves support to employment would always be monitored by a result indicator that measures how many participants were in employment after taking part (and not for example how many participants were actively looking for employment). This approach would allow to compare and aggregate similar interventions across different programmes. For example, if a similar intervention would be implemented under the Social Climate Fund, a programme supporting youth and a programme supporting rural development, it would be possible to aggregate the data coming from the three programmes and understand how much the EU budget as a whole is contributing towards labour mobility.

The above approach will require designing indicators in a harmonised and coordinated manner, based on the indicators that are already being used. The entire list of indicators and the way they are linked to intervention fields would have to be agreed on simultaneously, before the programmes' implementation would begin. This would necessarily mean that the number of indicators would be much limited than currently, since the same or similar indicators would be defined as one single indicator that would be used across all programmes. Where appropriate, the indicators would have to allow for the calculation of high-level impact indicators, such as GHG emissions avoided. The indicators would be introduced at the beginning of programmes' implementation and would apply to all relevant programmes.

As a general rule, harmonisation will be needed with regards to indicators for triggering payments, for evaluation, or for monitoring implementing partners under indirect management, nor at the call or project level. In principle, only the predefined list of indicators should be used to minimise the administrative burden on final beneficiaries, implementing partners, and Member States while ensuring a comprehensive overview of the EU budget's activities and impact across programmes.

However, the preferred policy option foresees a differentiated operationalization of indicators per management mode. Such an option would allow for the use of tailored indicators, for example in the case of shared management, where e.g. milestones and targets – tailored to Member States specificities and needs – could be integrated into future plans. The single, uniform set of indicators would therefore cater for payments triggered in 'financing not linked to costs' schemes as well as evaluations, enabling streamlined monitoring of performance, effective evaluation of programmes as well as management of programmes.

The list of intervention fields will be developed by identifying relevant policy areas and relevant interventions supported by EU budget programmes. Corresponding output and result indicators will be developed for each intervention field, building upon existing indicators, selecting the most relevant ones, as well as coefficients enabling to track contributions to e.g. climate mitigation, adaptation and environment.

The list of intervention fields relies upon a combination of activity-oriented and policy-oriented intervention fields, along with varying levels of granularity, reflecting the complex nature of the EU budget, varying degrees of information availability, differing levels of implementation and programmable actions, as well as a differentiation between tracking coefficients for climate mitigation, adaptation and environment. The tracking approach also builds upon the intervention field approach developed in the context of the 2021-2027 Common Provisions Regulation, ensuring that all intervention fields as they appear in the current CPR are covered by the proposed list. In addition, data requirements as they are currently existing regarding type of beneficiary have been included, though oftentimes only to a limited and targeted degree. This deviates from a more in-depth data collection approach and has been incorporated in this way to reduce data collection burdens. The tracking approach also relies upon the need for coherence with the OECD DAC classification, used for reporting by external relations programmes.

The Performance Regulation will set out dedicated rules regarding the monitoring of performance across EU budget programmes. It will also include dedicated articles setting out specific provisions for each management mode, providing for monitoring rules in Member States and third countries plans, in calls under direct management as well as by implementing partners under indirect management. The regulation will for example define that Member States will be required to pick one output indicator from the common list to define milestones and targets in their plans, as well as one result indicator to enable for additional performance monitoring.

Horizontal provisions for application to all programmes
Standardised methodology using the 0% - 40% - 100% coefficients List of intervention fields with associated indicators and gender scores

Provisions for application to each management mode		
Direct management	**Indirect management**	**Shared management**
Commission Services to assign intervention fields to calls in e.g. work programmes	Assignment of intervention fields by partners to be discussed – through guarantee agreements?	Member States to tag their measures with intervention fields

The new list of indicators aims at setting up a performance framework for the EU budget while enabling to conduct programme monitoring and evaluation. By establishing a direct link between intervention fields and indicators, the common list will provide more information than currently on the link between '*how much do we spend*' and '*what do we achieve*', which will be relevant in the context of programme monitoring and evaluation. The methodology for developing indicators also focuses on ensuring that indicators are drafted to measure what we actually achieve with EU investments, therefore ensuring a causal link between programmes objectives and the new common set of indicators. Because all management modes and programmes will use the same set of intervention fields and indicators, the new system will enable to compare the effectiveness, efficiency and added value of programmes' budget interventions. The initiative focuses on monitoring outputs and results because of the lack of availability of meaningful long-term impact indicators beyond outputs and results, though some of the result indicators of the common list may also be seen as impact indicators (e.g. GHG emissions avoided).

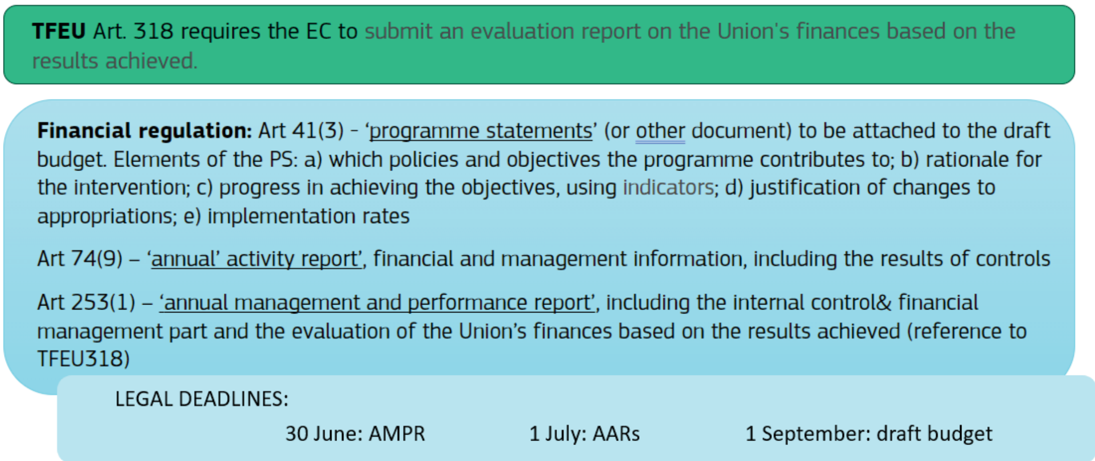
Annex 8: Reporting framework of the 2021-2027 budget

8.1 Reports on performance of the EU budget

The Commission is required to report annually on the performance of the EU budget in the following context:

- **Discharge procedure:** Integrated Financial and Accountability Reporting (IFAR)**, which includes the** AMPR, and its annex 'programme performance statements';
- **Draft Budget procedure**: the Statement of Estimates includes EU budget expenditure for horizontal priorities, and working document 1 includes (the same) 'programme performance statements';
- **Strategic planning and programming cycle (SPP):** which includes the **Annual Activity Reports**, prepared by every single AoD, which describes each service progress on their multiannual policy objectives. The Annual Activity Reports are also a key part of the discharge procedure.
- **Programme regulations:** programme-specific requirements such as the RRF annual report.

Figure: Performance reporting requirements under the 2021-2027 period



The Commission provides extensive reporting on the performance of the EU budget, primarily through the programme performance statements. These statements are annexed to both the Annual Management and Performance Report (discharge) and the Draft Budget, so as to ensure alignment and minimise overlap between the two procedures. Despite this comprehensive reporting, the Commission produces 33 additional annual reports on MFF programmes, which are usually prescribed by the programme-specific regulation. The annual reports are usually a very detailed presentation of facts and figures concerning implementation. In addition to this, budgetary information is included in some other reports, such as the yearly General report.

The proliferation of reports results in overlapping content, as well as unsynchronised timelines and cut-off dates. This high number of reports requires significant resources and increases the risk of inconsistent narratives. These reports are used only to a limited degree as input in preparing decisions on the management of programmes, with the exception of a few programmes such as the RRF and the CAP.

Table 9: Reporting obligations in the 2021-2027 programmes

Programme	Reporting obligations in regulations / Article in the regulation	Nature of the obligation and content of the report	Other report from Commission without legal obligations
Horizon Europe	YES: Article 50	**Nature:** The Commission shall monitor continuously the management and implementation of the Programme. **Data shall also be made publicly available in an accessible manner on the Commission's website** according to the latest update. Database should include: - Data for projects funded - time-bound indicators to report on an annual basis towards achievement of the objectives - information (such as the level of mainstreaming SSH, the ratio between lower and higher TRLs in collaborative research, the progress on the participation of widening countries, the geographical composition of consortia in collaborative projects, the evolution of researchers' salaries, the use of a two-stage submission and evaluation procedure, ...) - the levels of expenditure disaggregated at project level, including per intervention area; - the level of oversubscription, in particular the number of proposals and per call for proposals, their average score, the share of proposals above and below quality thresholds. **Content:**	

		Presenting an overview on evaluated proposals (incl. success rates) and detailed statistics and data on funded projects and their participants in EU R&I programmes, broken down by countries and regions, research domain/programme part, organisation type, etc. https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard	
Euratom Research and Training	YES: Article 12	**Nature:** The Commission shall monitor continuously the management and implementation of the Euratom Programme. Data shall be made publicly available in an accessible manner on the Commission's webpage in accordance with the latest update of those data.	
ITER	NO		
InvestEU	YES: Article 28.3	**Nature:** In accordance with Article 41(5) of the Financial Regulation, the annual report shall provide information on the level of implementation of the Programme with respect to its objectives and performance indicators. Where the Union has granted a budgetary guarantee, the Commission shall attach to the draft budget a working document presenting for each budgetary guarantee and for the common provisioning fund such as reference to the budgetary guarantee and its basic act, the counterparts for the budgetary guarantee, the budgetary guarantee's contribution to the achievement of the objectives of the budgetary guarantee as measured by the indicators established... For that purpose, each implementing partner shall provide on an annual basis the information necessary to allow the Commission to	Commission has developed a dashboard. https://investeu.europa.eu/investeu-programme/investeu-fund/investeu-indicators_en

		comply with its reporting obligations, including information on the operation of the EU guarantee.	
Connecting Europe Facility	YES: Article 12	**Nature:** Biennial report - The Commission shall also present progress reports every two years. Information on the implementation of the CEF, clarifying whether the different sectors are on track, whether the total budgetary commitment is in line with the total amount allocated, whether the on-going projects are sufficiently complete, and whether it is still feasible and appropriate to deliver them.	
Digital Europe Programme	NO		A DIGITAL Dashboard has been developed: https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/CNECT_DIGITAL_dashboard/CNECT_DIGITAL_dashboard.html
Single Market Programme	NO		
EU Anti-Fraud Programme (Anti-Fraud)	YES: Article 12	**Nature:** Annual report - The Commission shall report annually on the performance of the Programme to the European Parliament and to the Council in the framework of its Annual Report on the protection of the Union's financial interests – Fight against fraud. **Content:** Objectives, amount, projects, achievements	

		https://anti-fraud.ec.europa.eu/system/files/2023-07/pif-report-2022_en_0.pdf	
Cooperation in the field of taxation (Fiscalis)	YES: Recital 16	**Nature:** Annual progress reports should be issued to monitor the progress made. Those reports should include a summary of the lessons learnt and, where appropriate, of the obstacles encountered, in the context of the activities of the Programme that have taken place in the year in question. **Content:** Implementation, projects description, lessons learnt, amount, performance indicators https://taxation-customs.ec.europa.eu/document/download/da84bf38-a09f-4747-9c4d-e784da690487_en?filename=SWD_2024_119_F1_STAFF_WORKING_PAPER_EN_V2_P1_3386794.PDF	
Cooperation in the field of customs (Customs)	YES: Recital 20	**Nature:** Annual progress reports should be issued to monitor the progress made. Those reports should include a summary of the lessons learnt and, where appropriate, of the obstacles encountered, in the context of the activities of the Programme that have taken place in the year in question. **Content:** Implementation, projects description, lessons learnt, amount, performance indicators https://taxation-customs.ec.europa.eu/document/download/d98e2e28-5ca8-40cc-982f-	

		c4da233f305a_en?filename=swd_2024_120_f1_staff_working_paper_en_v3_p1_3383195-1.pdf	
European Space Programme	NO		
EU Secure Connectivity Programme	NO		
Regional Policy Funds (ERDF and Cohesion)	NO		High level report - Commission published a Report on economic, social and territorial cohesion. It deals with the European Social Fund (ESF+), the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). It presents the state-of-play of EU Cohesion situation through economic indicators in several fields (diversity, green transition, digital transition, innovation, governance...), explains initiatives led by the EU, some progress and achievements thanks to EU support. One section deals with Cohesion Policy's impacts, but remains high level. https://european-social-fund-plus.ec.europa.eu/en/publications/ni

			nth-report-economic-social-and-territorial-cohesion
Support to the Turkish Cypriot Community (TCC)	YES: Article 10	**Nature:** Annual report - The Commission sends each year a report on the implementation of Community assistance under this instrument. The report shall contain information on the actions financed during the year and on the findings of monitoring work, and shall give an assessment of the results achieved in the implementation of the assistance. **Content:** --> Programming, implementation mechanisms, implementation, progress by objectives, financial execution, monitoring, audit and controls, consultations with government Aid Report 2022	
Recovery and Resilience Facility (RRF)	YES: Article 31	**Nature:** The Commission provides an annual report on the implementation of the Facility. The annual report includes information on the progress made with the recovery and resilience plans of the Member States concerned under the Facility, implementation of the milestones and targets, the status of payments and suspensions thereof, contribution of the Facility to the climate and digital targets, performance of the Facility based on the common indicators, expenditure financed by the Facility under the six pillars. **Content:** Progress with the RRPs at aggregate and MS level, including revision - RePowerEU - Financing through EU bonds and green bonds	

		- Status of M&T and payments - Contribution to climate and digital targets - Performance based on common indicators - Expenditure under the six pillars, and social exp. - Contribution of the facility the key RRF objectives - Available information on final recipients - Policies to improve competitiveness - Controls and audit - Communication and dialogues - Mid-term evaluation 187852c2-07e0-4bef-af3f-5719b9077f2e_en	
Technical Support Instrument (TSI)	YES: Article 15	**Nature:** Annual report - The Commission provides an annual report on the implementation of this Regulation. The annual report shall include information on: -requests for support submitted by Member States -the analysis of the application of the criteria used to analyse the requests for support submitted by Member States; -cooperation and support plans; -special measures adopted; -the implementation of support measures, where appropriate also at national and regional level; and -the communication activities carried out by the Commission. **Content:** Request for support, projects supported, amount, execution of projects, cooperation and support plan, communication activities technical support instrument 2021	
Pericles IV	YES: Article 12	**Nature:**	

		Annual report - The Commission provides annual information on the results of the Pericles IV programme taking into account the quantitative and qualitative indicators set out in the Annex. **Content:** Commitments under annual work programme, implementation of actions, monitoring of the quantitative and qualitative indicators. EUR-Lex - 52024DC0259 - EN - EUR-Lex	
Union Civil Protection Mechanism (UPCM)	YES: Article 34	**Nature:** Biennial report- Every two years, the Commission submits a report on operations and progress made. The report shall include information on progress made towards the Union disaster resilience goals, capacity goals and remaining gaps, taking into account the establishment of rescEU capacities and provide an overview of the budgetary and cost developments relating to response capacities, and an assessment of the need for further development of those capacities. **Content:** Demand of assistance, actions taken, key findings. EUR-Lex - 52024DC0130 - EN - EUR-Lex	
EU4Health Programme	NO		
Emergency Support Instrument (ESI)	YES: Article 8	**Nature:** 12 months after activation report - At the latest 12 months after the activation of the emergency support for a specific situation, the Commission shall present a report and, where appropriate, proposals to terminate it. **Content:**	

		Budget, implementation, communication, actions financed, performance. REPORT FROM THE COMMISSION TO THE COUNCIL	
European Social Fund + (ESF+)	NO		High level report - Commission published a Report on economic, social and territorial cohesion. It deals with the European Social Fund (ESF+), the European Regional Development Fund (ERDF) and the Cohesion Fund (CF). It presents the state-of-play of EU Cohesion situation through economic indicators in several fields (diversity, green transition, digital transition, innovation, governance...), explains initiatives led by the EU, progress and achievements thanks to EU support. One section deals with Cohesion Policy's impacts, but remains high level. https://european-social-fund-plus.ec.europa.eu/en/publications/ninth-report-economic-social-and-territorial-cohesion
Erasmus+	YES: Article 23		An annual report is published by the Commission on Erasmus Erasmus+ annual report 2022 - Publications Office of the EU

European Solidarity Corps (ESC)	YES: Article 230		A report on the period 2021-2023 was published by the Commission with key figures (projects, participants, budget commitments), testimonials, examples of projects. European solidarity corps - Publications Office of the EU
Justice Programme	YES: Article 13	**Nature:** Annual report - The Commission reports on the performance of the Programme annually to the European Parliament and to the Council, within the existing reporting mechanisms, in particular the EU Justice Scoreboard. The Commission reports on the use of the funds allocated to each specific objective, specifies the types of action that have received funding, including actions linked to the promotion of gender equality. **Content:** Key findings on efficiency, quality and independence of justice. THE 2024 EU JUSTICE SCOREBOARD	
Citizens, Equality, Rights and Values Programme (CERV)	NO		
Creative Europe	NO		Annual report - Creative Europe report: state-of-play, political priorities, applications, projects, amounts...

			Creative Europe 2021-2022 - Publications Office of the EU
Common Agricultural Policy (CAP)	YES	**Nature:** Biennial performance review - Based on information from the annual performance reports prepared by MS. In case targets are substantially missed, the Commission is to provide an explanation and follow-up actions. The added value of the performance clearance is considered by Member States and the Commission as low compared to the administrative burden it generates.	
European Maritime, Fisheries and Aquaculture Fund (EMFAF)	NO		
Regional Fisheries Management Organisations and Sustainable Fisheries Partnership Agreements	NO		There are references to the SFPAs and RFMOs in the annual report of the Common Fisheries Policy (e.g. Communication from the Commission to the European Parliament and the Council - Sustainable fishing in the EU: state of play and orientations for 2024 and Commission staff working document accompanying the document Communication from the Commission to the European Parliament and the Council -

			Sustainable fishing in the EU: state of play and orientations for 2024)
Programme for Environment and Climate Action (LIFE)	YES: Article 19	**Nature:** The contribution of the LIFE Programme to Union climate and biodiversity objectives shall be reported regularly in the context of evaluations and the annual report.	
Just Transition Mechanism (JTM)	YES: Article 16	**Nature:** Annual report - By 31 October of each calendar year, starting with 2022, the Commission shall issue a report on the implementation of the Facility. That report shall provide information on the level of implementation of the Facility with respect to its objectives, conditions and performance indicators **Content:** Budgetary framework, implementation, communications activities, lessons learnt EUR-Lex - 52023DC0713 - EN - EUR-Lex	
Asylum, Migration and Integration Fund (AMIF)	NO		The Commission shall ensure that the summaries provided by Member States are translated into all official languages of the Union and made publicly available. (Article 35) https://home-affairs.ec.europa.eu/funding/asylum-migration-and-integration-funds/asylum-migration-and-

			integration-fund-2021-2027_en#annual-performance-reports-from-the-member-state-programmes
Border Management and Visa Instrument	NO		The Commission shall ensure that the summaries provided by Member States are translated into all official languages of the Union and made publicly available. (Article 29) https://home-affairs.ec.europa.eu/funding/borders-and-visa-funds/integrated-border-management-fund-border-management-and-visa-instrument-2021-27_en#annual-performance-reports-from-the-member-state-programmes
Customs Control Equipment Instrument	YES: Recital 26	**Nature:** Annual Report - Annual progress reports should, as part of the performance reporting system, be issued to monitor the implementation of the Instrument. Those reports should include a summary of the lessons learnt and, where appropriate, of the obstacles encountered, and shortfalls discovered in the context of the activities of the Instrument that took place in the year in question. Those annual progress reports should be communicated to the European Parliament and the Council.	

		Content: Implementation, project description, lessons learnt, amount, performance indicators. https://taxation-customs.ec.europa.eu/document/download/ef4ea7c1-dc66-4a92-99fc-2baf6f102e85_en?filename=SWD_2023_251_F1_STAFF_WORKING_PAPER_EN_V2_P1_2823669.PDF	
Internal Security Fund (ISF)	NO		The Commission shall ensure that the summaries provided by Member States are translated into all official languages of the Union and made publicly available. (Article 30) https://home-affairs.ec.europa.eu/funding/internal-security-funds/internal-security-fund-2021-2027_en#annual-performance-reports-from-the-member-state-programmes
Nuclear Decommissioning (Lithuania)	YES: Article 10	**Nature:** Annual report - At the end of each year, the Commission shall draw up a progress report on the implementation of the work carried out in the previous years, including the rate of activities resulting from calls for tenders, and shall present it to the European Parliament and to the Council. **Content:** Programme framework, budgetary implementation, progress, performance, activities from call tenders.	

		NDAP Progress report 2021	
Nuclear Safety and Decommissioning (NSD)	YES: Article 10	**Nature:** Annual report - At the end of each year, the Commission shall draw up a progress report on the implementation of the work carried out in the previous years, including the rate of activities resulting from calls for tenders, and shall present it to the European Parliament and to the Council. **Content:** Programme framework, budgetary implementation, progress, performance, activities from call tenders. NDAP Progress report 2021	
European Defence Fund (EDF)	NO		The Commission shall monitor the implementation of the Fund on a regular basis and shall report annually on progress made, including how lessons identified and lessons learned from the EDIDP and the PADR are taken into account in the implementation of the Fund, to the European Parliament and to the Council. To that end, the Commission shall put in place necessary monitoring arrangements. (Article 28)
Regulation on Supporting Ammunition	YES: Article 23	**Nature:** Evaluation report - By 30 June 2024, the Commission shall draw up a report evaluating the implementation of the measures set out in this Regulation and their results, as well as the opportunity to extend their	

Production (ASAP)		applicability and provide for their funding, particularly with regard to the evolution of the security context. The evaluation report shall build on consultations of the Member States and key stakeholders and be communicated to the European Parliament and to the Council. **Content:** Implementation, work programme and calls preparation, application and progress, evaluation and recommendations. defence-industry-space.ec.europa.eu/document/download/d980180b-0749-45d5-b857-e7864adef4b2_en?filename=ASAP_Implementation Report.pdf	
EU Defence Industry Reinforcement Through Common Procurement Act (EDIRPA)	YES: Article 14	**Nature:** Evaluation report - The Commission shall monitor the implementation of the Instrument and shall report on progress made. To that end, the Commission shall put in place the necessary monitoring arrangements. By 31 December 2026, the Commission shall draw up a report evaluating the impact and effectiveness of the actions taken under the Instrument (the ‘evaluation report’) and shall submit it to the European Parliament and to the Council. The evaluation report shall build on consultations with Member States and key stakeholders and shall assess the progress made towards the achievement of the objectives set out in Article 3. It shall evaluate potential bottlenecks in the functioning of the Instrument and, in particular, the contribution of the Instrument to: (a)cooperation between Member States and associated countries, including the creation of new cross-border cooperation; (b)the participation of SMEs and mid-caps in the actions; (c)the creation of new cross-border cooperation between contractors and subcontractors in supply chains throughout the Union;	

		(d)the strengthening of the EDTIB's competitiveness and the adaptation, modernisation and development to allow it to address, in particular, the most urgent and critical defence products needs; (e)the overall value of common procurement contracts for the most urgent and critical defence products supported by the Instrument.	
Neighbourhood, Development and International Cooperation Instrument (NDICI Global Europe)	YES: Article 41	**Nature:** The Commission shall examine the progress made in implementing the Instrument. Starting from 2022 onwards, the Commission shall, in a timely manner by 30 November each year, submit an annual report on progress towards the achievement of the objectives of the Instrument by means of indicators, including, but not limited to, those set in Annex VI, reporting on the ongoing activities, results delivered and the effectiveness of the Regulation. That report shall also be submitted to the European Economic and Social Committee and to the Committee of the Regions. The regulation foresees further details which should be include in this report; **Content:** Achievements and reporting on SDGs, implementation, and detailed annexes on results and financial statistics, including detailed SDG reporting. 2023 Annual report on the implementation of the European Union's external action instruments in 2022 - Publications Office of the EU	
European Instrument for International Nuclear	NO		

Safety Cooperation (INSC)			
Humanitarian Aid (HUMA)	YES: Article 19	**Nature:** Annual report - At the close of each financial year, the Commission submits an annual report with a summary of the operations financed in the course of that year. The summary shall contain information concerning the agencies with which humanitarian operations have been implemented. The report shall also include a review of any outside assessment exercises which may have been conducted on specific operations. **Content:** Achievements and reporting on SDGs, implementation 2023 Annual report on the implementation of the European Union's external action instruments in 2022 - Publications Office of the EU	
Common Foreign and Security Policy (CFSP)	NO		
Overseas Countries and Territories (OCT) (including Greenland)	YES: Article 86	**Nature:** Annual report - The Commission submits a report every year starting in 2022 on the implementation and results of that financial cooperation. **Content:** Achievements and reporting on SDGs, implementation... 2023 Annual report on the implementation of the European Union's external action instruments in 2022 - Publications Office of the EU	

Macro-financial Assistance (MFA)	YES – Example: Covid – Article 8	**Nature:** Annual report - By 30 June of each year, the Commission shall submit to the European Parliament and to the Council a report on the implementation of this Decision in the preceding year, including an evaluation of that implementation. The report shall: (a) examine the progress made in implementing the Union's macro-financial assistance; (b) assess the economic situation and prospects of the partners, as well as progress made in implementing the policy measures referred to in Article 3(1); (c) indicate the connection between the economic policy conditions laid down in the MOU, the partners' on-going economic and fiscal performance and the Commission's decisions to release the instalments of the Union's macro-financial assistance. **Content:** Implementation, disbursements, operational assessment, evaluation EUR-Lex - 52024DC0240 - EN - EUR-Lex	
Instrument for Pre-accession Assistance (IPA III)	YES: Article 13	**Nature:** Annual report - Article 41 of Regulation (EU) 2021/947 in relation to monitoring and reporting shall apply to this Regulation mutatis mutandis. The annual report referred to in Article 41(5) of Regulation (EU) 2021/947 (NDICI Global Europe) shall also contain information on commitments and payments per instrument (IPA, IPA II and IPA III). In addition, the annual report shall contain information on the commitments for specific objectives. **Content:** Achievements and reporting on SDGs, implementation	

		2023 Annual report on the implementation of the European Union's external action instruments in 2022 - Publications Office of the EU	
Reform and growth facility for the Western Balkans	YES: Article 25	**Nature:** Annual report - The Commission shall provide an annual report to the European Parliament and the Council on progress towards the achievement of the objectives of this Regulation. That annual report shall also address synergies and complementarities of the Facility with other Union programmes, in particular support provided under Regulation (EU) 2021/1529, with a view to avoiding the duplication of assistance and double funding.	
Ukraine Facility	YES: Article 39	**Nature:** Annual report - The Commission shall provide simultaneously to the European Parliament and the Council an annual report on progress towards the achievement of the objectives.	
European Globalisation Adjustment Fund for Displaced Workers (EGF)	YES: Article 21	**Nature:** Biennial report - By 1 August 2021 and every two years thereafter, the Commission shall submit to the European Parliament and to the Council a comprehensive, quantitative and qualitative report on the activities. The regulation foresees further details which should be include in this report; **Content:** Applications submitted, decisions adopted, measures funded, results achieved, financial execution, qualitative assessment. EUR-Lex - 52023DC0482 - EN - EUR-Lex	
European Union Solidarity Fund (EUSF)	YES: Article 12	**Nature:** Annual report - Before 1 July the Commission shall present to the European Parliament and to the Council a report on the activity of the Fund in the previous year. This report shall in particular contain information relating to Articles 3, 4 and 8 of the regulation.	

		Content: Applications, financing and closures. COM_COM(2020)0034_EN.pdf	
Innovation Fund (IF)	YES: Article 10a	**Nature:** Annual report - By 31 December 2023 and every year thereafter, the Commission shall report to the Climate Change Committee referred to in Article 22a(1) of this Directive, on the implementation of the Innovation Fund, providing an analysis of projects awarded funding, by sector and by Member State, and the expected contribution of those projects towards the objective of climate neutrality in the Union	
Brexit Adjustment Reserve (BAR)	YES: Article 17	**Nature:** By June 2024, the Commission shall inform the European Parliament and the Council on the state of play of the implementation process of this Regulation, based on available information. By 30 June 2027, the Commission shall carry out an evaluation to examine the effectiveness, efficiency, relevance, coherence and Union added value of the Reserve. The Commission may make use of all relevant information already available in accordance with Article 128 of the Financial Regulation. By 30 June 2028, the Commission shall submit to the European Parliament, to the Council, to the European Economic and Social Committee and to the Committee of the Regions a report on the implementation of the Reserve. **Content:** Implementation, allocation, next steps, measures undertaken... SWD_2024_154_Officially_TRANSMITTED_20.06.2024.pdf	

Social Climate Fund (SCF)	NO		

Reporting requirements under the post-2027 programmes

Under the preferred policy option, all reporting requirements would be simplified and consolidated through the Annual Management and Performance Report. This would first require consolidating and aligning legal provisions regulating all aspects of reporting, financial, performance and activity of services.

The reporting would be done at the same period. This would mean that under the current provisions of the Financial regulation and taking into account current practice, where the draft budget is presented early[105], the reporting deadline would be 30 June each year, which includes any information that needs to be provided along with the draft budget.

Reporting would be consolidated at the level of the entire budget. All information related to implementation, financial or substantive, would be reported within one report, allowing for correlations between financial and substantive implementation to be made where relevant. No separate reporting would be done at the programme level. If more detailed information is necessary or where information needs to be updated more frequently, dashboards could be used to allow this.

Some separate reporting would be kept because the object of reporting is technically not implementation of budgetary interventions, such example being the Annual Activity Report. No information provided in one report would be repeated in another report. Rather, cross-cutting references to clusters of information between reports could be included when necessary. This would require that all reporting is produced roughly within the same timeframe.

The above approach would reduce the reporting burden, since it would reduce the need to multiply the effort on providing the same type of information in view of different cut-off dates and potentially different methods of calculation. The possibility of error would decrease, both because data would no longer be provided in several reports, as well as because services could provide more resources to reporting if it is to be done less often. The insight and useability of such reporting could increase because information would be gathered at one place. By maintaining financial and performance reporting being bundled with draft budget, they could have a true impact on budgetary decisions, as well as on management of programmes, leading to a true performance-based budgeting.

To a degree, some parts of reporting have already been consolidated by linking the preparation of the Annual Management and Performance Report to the draft budget. The experience with such approach is positive as administrative burden is less than it would be had an additional document have to be produced to be attached to the draft budget.

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[105] Under the Financial regulation, the deadline for presenting the draft budget is 1 September each year

8.2 Reporting tools and systems

There are at least 20 dashboards providing information related to the EU budget and its performance. In addition to the four dashboards published by DG Budget[106], there are 16 programme-specific dashboards publicly available. They can be roughly categorised in three groups: a) Qlik Sense-based dashboards, b) cohesion-related dashboards, and c) others.

The organisation of the information they provide – as well as the type and granularity of data – is not standardised. The dashboards generally provide output data, with some exceptions – e.g. the Common Agricultural Policy dashboard provides a number of contextual indicators, such as the prices of agricultural commodities.

Because the type of information that is provided depends on the programme, as well as because the organisation of the data is not standardised, it is not possible to easily compile information thus obtained. Moreover, the information included in the dashboards, even if compiled, does not provide information on contribution to cross cutting policy objectives. Indicators programmes are also often not standardised.

For example, it is not possible to obtain information as to how many beneficiaries obtained funding for education across all EU programmes; or how many kilometres of railways were built. From these dashboards, it is also not possible to obtain information as to how much funding was provided towards cross-cutting objectives, such as climate action or gender equality. Similarly, information cannot be grouped by categories such as time-period (i.e. how many outputs of certain type were provided across the budget in a certain timeframe) or by place of implementation (e.g. how many EU-funded activities took place in a certain Member State, region or city).

Providing information in a fragmented way or providing the same information via different dashboards also increases risks of publishing incoherent information or leading to misinterpretation. Lastly, such multiplication of effort is inefficient as far as use of EU Institutions resources is concerned.

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[106] The four dashboards published by DG BUDGET are EU Financial Transparency System; EU Funded projects | EU Funding & Tenders Portal; EU Spending and Revenue 2021-2027; Programme Performance Statements

Table: Reporting dashboards in the 2021-2027 MFF programmes

	Programme	Content Summary	Link
1.	EU Financial Transparency System	Qlik Sense dashboard	https://ec.europa.eu/budget/financial-transparency-system/index.html
2.	EU Spending and Revenue 2021-2027	Qlik Sense apps in a webpage	https://commission.europa.eu/strategy-and-policy/eu-budget/long-term-eu-budget/2021-2027/spending-and-revenue_en
3.	Programme Performance Statements		https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/programme-performance-statements_en
4.	EU Funded projects | EU Funding & Tenders Portal		EU Funded projects | EU Funding & Tenders Portal
5.	Horizon Europe	Presenting an overview on evaluated proposals (incl. success rates) and detailed statistics and data on funded projects and their participants in EU R&I programmes, broken down by countries and regions, research domain/programme part, organisation type, etc.	https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard
6.	InvestEU	The graphs show the implementation of the InvestEU Fund. Data are based on the operational reporting of the InvestEU implementing partners and are regularly updated as data are available. Non-interactive graphs but also a link to Qlik Sense	https://investeu.europa.eu/investeu-programme/investeu-fund/investeu-indicators_en
7.	Connecting Europe Facility (CEF)	CEF Data Hub: The dashboard presents data about all Grant Agreements (GA) managed by the European Climate, Infrastructure and Environment Executive Agency (CINEA)	https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/sense/app/3744499f-670f-42f8-9ef3-0d98f6cd586f/sheet/4c9ea8df-f0f9-4c0d-b26b-99fc0218d9d9/state/analysis

8.	Digital Europe Programme	The Dashboard currently features two profiles: the DIGITAL Country Profile and the DIGITAL Projects Profile.	https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/CNECT_DIGITAL_dashboard/CNECT_DIGITAL_dashboard.html#country
9.	Regional Policy Funds (ERDF and Cohesion Fund)	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/erdf/21-27 https://kohesio.ec.europa.eu/fr/
10	Recovery and Resilience Facility	The Recovery and Resilience Scoreboard gives and overview of how the implementation of the Recovery and Resilience Facility (RRF) and the national recovery and resilience plans is progressing. NextGenerationEU Green Bond Dashboard: Information about the NextGenerationEU green bonds allocations across Member States, expenditure categories and intervention fields.	https://ec.europa.eu/economy_finance/recovery-and-resilience-scoreboard/index.html https://commission.europa.eu/strategy-and-policy/eu-budget/eu-borrower-investor-relations/nextgenerationeu-green-bonds/dashboard_en
11	European Social Fund+	Comprehensive overviews of the EU's main agricultural products, in the form of dashboards, integrating in one view graphs and tables of relevant market data for selected products, such as production, prices, trade, use and stocks.	https://cohesiondata.ec.europa.eu/funds/esf_plus/21-27
12	Erasmus+	Qlik Sense. Presents regularly updated data stories of the Erasmus+ programme to provide an easy-to-use overview of the programme's activities and results.	https://webgate.ec.europa.eu/eacdashboard/sense/app/c553d9e9-c805-4f7a-90e4-103bd1658077/overview
13	Common Agricultural Policy	Two parts: 1. Financing part, non-interactive but downloadable graphs/charts 2. Comprehensive overviews of the EU's main agricultural products, in the form of dashboards, integrating in one view graphs and tables of relevant market data for selected products, such as production, prices, trade, use and stocks.	https://agridata.ec.europa.eu/extensions/DataPortal/dashboards.html https://agriculture.ec.europa.eu/data-and-analysis/financing/cap-expenditure_en EU budget execution - overview | Cohesion Open Data

14	European Maritime, Fisheries and Aquaculture Fund	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/emfaf/21-27 https://emff-datahub.eismea.eu/
15	LIFE	Qlik Sense dashboard	https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/sense/app/8298c020-48a6-4b84-91f4-f6f2665c0f99/overview
16	Just Transition Mechanism	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/jtf/21-27
17	Asylum, Migration and Integration Fund	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/amif/21-27
18	Integrated Border Management Fund	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/bmvi/21-27
19	Internal Security Fund	Cohesion Open Data Platform An aggregated presentation of Cohesion Policy 2021-2027 (ERDF / ESF+ / CF / JTF) under the "investment in jobs and growth" goal is available on this page.	https://cohesiondata.ec.europa.eu/funds/isf/21-27
20	Innovation Fund	Qlik Sense dashboard	https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/sense/app/6e4815c8-1f4c-4664-b9ca-8454f77d758d/sheet/bac47ac8-b5c7-4cd1-87ad-9f8d6d238eae/state/analysis

The recast of the Financial regulation also reinforces transparency requirements across the EU budget as from the next MFF, in particular by requiring to make available on a centralised website information on recipients of funds financed from the budget. Article 38 of the regulation provides several details regarding the content of the information to be published, the process of publishing, and the rules for processing of data, including personal data. A number of EU budget programmes under direct and indirect management publish such information through the Financial Transparency System. However, there is no comprehensive reporting of information on beneficiaries for programmes under shared management. While the process of obtaining the necessary information remains subject to sector-specific rules, information still has to be centralised through a single website as required by the Financial regulation. In addition to this, reporting for programmes under shared management needs to be provided for.

Displaying performance information via a single portal under the post-2027 programmes

The preferred policy option foresees the centralisation of performance data on the EU budget through a single online dashboard. This platform would provide comprehensive insights, including budget implementation information, expenditure monitoring by intervention field and horizontal priorities, and key performance indicators. Additionally, it could feature information on beneficiaries. The dashboard would be modelled after the existing Open Data Platform for cohesion policy funds and the Recovery and Resilience Scoreboard, ensuring transparency and ease of access.

This option will require a detailed mapping of the information displayed via existing dashboards, and an assessment of what information needs to be included. A uniform design of the dashboard could be developed, as well as functionalities that would allow for displaying an overview of performance information across the EU budget. Such a dashboard could include relevant analytical tools enabling to analyse data across Member States and objectives.

Such a dashboard would build upon the new standardised system of intervention fields and performance indicators. Taking into account presentation and IT systems upfront would allow to design a dashboard with relevant options for data presentation and analysis.

Stakeholders would have access to a wider array of information, meeting diverse needs regardless of the reason for their visit to the dashboard. This information would be of higher quality, offering a comprehensive view of performance data and enhancing transparency and accountability toward stakeholders. Furthermore, maintaining a single dashboard is likely to require fewer resources and reduce administrative burden on the Commission.

The preferred policy option also foresees increased alignment with the Financial Regulation requirements regarding the collection, storage and publishing of data on beneficiaries and operations supported by the EU budget. All EU budget programmes – under all management modes – would publish such information through the new single dashboard.

While facilitating access to information via a single dashboard, the preferred policy option foresees a differentiated operationalization per management mode or programme, whereby the single dashboard would enable to display specific data regarding dedicated areas and sectors, and performance information presenting specific programmes achievements.

8.3 Portals informing project promoters and potential applicants about funding opportunities

Currently, information about EU funding opportunities is fragmented and not readily available to project promoters. There is no single website, nor portal that comprises an overview of all EU funding opportunities.

The preliminary mapping of portals and one-stop-shops – informing potential beneficiaries about EU funding opportunities – and their current expansion demonstrate the need for a more user-centric approach (see table below).

The proliferation of information portals addressing the needs of specific constituencies is essentially dictated by the complexity of the EU budget implementation framework, namely the large number of MFF programmes, 140 different types of actions and a lack of harmonisation of publication modalities across the three management modes.

While the Funding & Tender Portal covers information about grants and procurements under directly and some indirectly managed programmes, information on upcoming funding opportunities at national level is published on Member States national portals and calls are published on regional websites (around 400). Information about other repayable forms of funding (equity, loans, guarantees) that are channelled through implementing partners – i.e. the EIB group, national promotional banks and the network of local financial intermediaries acting across the European Union – are spread across multiple websites. To remediate this situation, the Access to EU Finance portal redirects users to the local financial intermediaries in the Member States while the InvestEU Portal, which brings together investors and project promoters under a single EU-wide platform, provides visibility and matchmaking opportunities for investment projects within the EU, Norway and Iceland.

Extensive outreach and a dedicated survey answered by some 500 industry organizations and private companies implemented by the Commission STEP Task Force in 2024 has shown that:

- A significant majority of users, regardless of their experience with EU funds, **struggle to understand and identify available funding opportunities**;
- The current dispersion of information across multiple websites and one-stop-shops **hinders accessibility**;
- Most project applicants rely heavily on external assistance (i.e., consultants) to navigate EU funding opportunities, resulting in **additional costs for stakeholders before they even begin the application process**.

The preliminary mapping of portals – informing potential beneficiaries about EU funding opportunities – shows that the Commission and/or implementing partners currently operate at least 11 portals. Additionally, 6 new portals are under development (see table below).

From a technical point of view, the lack of harmonisation and standardisation of publication requirements as well as the lack of inter-operability of databases of funding opportunities across management modes prevents development of an intelligent search engine that would provide project promoters with an exhaustive guidance on the specific EU funding opportunities for which their projects may be eligible.

For example, information about EU funding opportunities for programmes in direct and indirect management is made available under the Funding & Tender Portal[107]. However, navigating the funding landscape to access relevant documents is time-consuming and difficult without extensive knowledge, due to the numerous sources and absence of a centralised repository[108]. It can lead to missed opportunities or oversight of critical details, rendering the efforts of potential applicants inefficient. There is also no structured service to orient the applicants towards the appropriate form of support (grant, equity, loan). Therefore, potential applicants must already be familiar with the specific programmes that could support their projects to apply. This lack of visibility undermines the ability of project promoters to access financing under EU budget programmes and results in unequal access to EU funding, in particular small organizations such as SMEs which are likely to have less resources to navigate existing portals and access procedures[109].

To address such complexity, public and private organizations in the Member States have developed services, resulting in a highly diverse national offer. Certain countries, such as France (e.g. via BPI France) and the Netherlands (e.g. via InvestNL), have established national service points and allocated significant resources to facilitate access to EU funding for national companies. However, not all Member States offer such services. Additionally, national promotional banks, institutions, and networks of financial intermediaries have invested in specific tools to navigate the EU financial landscape (e.g. Unicredit in Italy).

Specific advice is also available at EU level, notably through programmes such as the Horizon Policy Support Facility, LIFE, EU4Health, the Innovation Fund, and the InvestEU Advisory Hub. In doing so, the Commission supports potential applicants through various 'one-stop-shops' often focusing on individual sectors or areas (e.g., bio-, clean-tech). At EU level, there is no effective user-centric IT tool available to support project promoters across the whole EU funding landscape. Potential applicants must search by programme or groups of programmes, which assumes that they know which programmes objectives fit their investment needs in the first place. There is no systematic coordination between the various actors (experts in the Member States, in executive agencies, or in financial institutions) delivering access to funding support. This also leads to the duplication of information linked to funding opportunities and/or calls under the same programmes under several portals. As illustrated below, programmes such as InvestEU are reflected under multiple portals.

To summarise, the current landscape of portals generates confusion, undermines transparency and reduces project promoters' ability – including local organizations and SMEs – to identify suitable funding sources.

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[107] EU Funding & Tenders Portal
[108] In the 2024 STEP Task Force industry outreach, 24% of stakeholders reported difficulties in accessing and navigating EU funding. When asked, *"Is information on EU funding easy to find?"*, respondents who only searched for information rated it 4.95/10, while those with both search experience and application experience rated it slightly higher at 5.6/10.
[109] In the 2024 STEP Task Force industry outreach, stakeholders highlighted that SMEs struggle with a lack of clear information on funding opportunities and often rely on external consultancies due to the high resource demands of the process.

Table: Portals and One-Stop-Shops on EU funding opportunities in the 2021-2027 period

Portal	Commission DG in charge	Type of funding	Content
Funding and Tenders Portal	RTD	Direct	The Funding & Tenders Portal is the main entry point for funding programmes and procurement options managed by the European Commission and other EU institutions and agencies. **Programmes involved**: approx. 40 programmes (e.g., AMIF, CEF, CREA, ERASMUS, EU4H etc.) **Link**: https://ec.europa.eu/info/funding-tenders/opportunities/portal/
Strategic Technologies for Europe Platform (STEP)	BUDG	Direct + Indirect + Shared	The STEP funding dashboard below is an **interactive guide, offering a continuously updated state-of-play of funding opportunities supported by the EU budget and dedicated to projects related to strategic technologies contributing to STEP objectives**. **Programmes involved**: STEP uses resources across 11 EU funding programmes (Horizon, EU4Health, IF, EDF, DEP, ERDF, CF, ESF+, JTF, RRF, InvestEU) **Link**: https://strategic-technologies.europa.eu/get-funding_en
Net-Zero Europe Platform	GROW	Direct + Indirect + Shared	**Under development.** The Net-Zero Industry Act (NZIA) establishes the Net-Zero Europe Platform (Platform) to support the implementation of NZIA. The platform includes representatives from the Commission and the EU countries, with the Commission chairing. It **monitors** progress towards the **Act's objectives**.

Net-Zero Desk	CLIMA	tbd	**Under development.**
Access to EU Finance	GROW	Indirect	The portal helps to apply for loans and venture capital supported by the European Union. **EU funds**: InvestEU, ESIFs, EIB, EIF, RRF. EFSE **Link**: https://youreurope.europa.eu/business/finance-funding/getting-funding/access-finance/search/
Batteries One-Stop-Shop	GROW	Direct + Shared	Access to EU public finance for start-ups and scale-ups in the battery value chain. Co-founded by the EU in cooperation with EIT InnoEnergy. (European Battery Alliance) **Link**: https://www.eba250.com/one-stop-shop/
Hydrogene One-Stop-Shop	GROW	Direct	**Under development**.

InvestEU Advisory Hub	ECFIN	Indirect	The InvestEU Advisory Hub is the central entry point for project promoters and intermediaries seeking advisory support and technical assistance. **EU Funds**: InvestEU **Link**: https://investeu.europa.eu/investeu-programme/investeu-advisory-hub_en
Enterprise Europe Network	GROW	Direct + Shared	The Enterprise Europe Network offers comprehensive support to small and medium-sized enterprises (SMEs) in accessing and applying for various EU funding programmes: - Identify EU funding programmes; - Guidance through the funding process; - Finding research partners; - Business innovation strategies **EU funds:** Horizon Europe, LIFE, Erasmus+, Single market Programme, ERDF **Link**: https://een.ec.europa.eu/about-enterprise-europe-network/advice-support/access-eu-funding-programmes
Innospace Platform	RTD / EIC +EISMEA	Direct	Innospace Platform is a computer platform which aims to provide for an AI-based virtual European Innovation Space (the Innospace) open to all interested stakeholders and parties, and include a specific EIC AI-based sub-platform (the EIC Space) providing for the implementation and management of all EIC instruments and operations.

			On hold
New European Innovation Agenda	RTD	Direct	The New European Innovation Agenda aims at providing access to finance for deep tech scale-ups **On hold**
EU Rural toolkit	AGRI / JRC	Direct + Indirect + Shared	The EU Rural toolkit is a portal which guides to EU funding and support opportunities for rural areas in the European Union. It aims to help local authorities, institutions and stakeholders, businesses and individuals to identify and take advantage of existing EU funds, programmes and other funding and support initiatives, and to foster development in rural territories. **EU funds:** Single Market Programme (SME pillar, Euroclusters), Citizens, Equality, Rights and Values programme, LIFE, Horizon Europe (Cluster 2, 5 and 6), CEF (5G), JTF, Creative, European Solidarity Corps, AMIF, Erasmus+, EMFAF, ERDF, ESF+, Interreg, CF, EAFRD, InvestEU Link: https://funding.rural-vision.europa.eu/finder?lng=en
InvestEU Guarantee & Equity products	ECFIN / EIF	Indirect	The InvestEU Guarantee & Equity Products is a portal describing and providing information on guarantees categories offer by the programme by the EIB within the framework of InvestEU.

			EU funds: InvestEU https://engage.eif.org/investeu/guarantees
Biotech One-Stop-Shop	GROW	tbd	**Under development.** Better support for scale-up and ease of navigating regulations: the Commission is developing the EU Biotech and Biomanufacturing Hub, an operational tool for biotech and biomanufacturing companies to navigate through the regulatory framework and identify support to scale up.
Erasmus+ and European Solidarity applications	EAC	Direct	Portal for application for Erasmus+ and European Solidarity Corps actions managed by the Erasmus+ National Agencies. **EU funds:** Erasmus+ and European Solidarity Corps Erasmus+ and European Solidarity Corps platform
Procurement, grants, and prizes organized by EUSPA	EU Agency for Space Programme	Indirect	List of procurement opportunities and grants financed under Space regulation and launched by EUSPA. **EU funds:** EU Space Programme, Horizon Europe

			Procurement, grants, and prizes | EU Agency for the Space Programme
Transnational calls portal	European Competence Centre for Social Innovation	Direct	List of calls related to social experimentation and social innovation. **EU funds:** ESF+ (EaSI strand) https://socialinnovationplus.eu/transnational-calls/funding/transnational-calls/

Displaying funding opportunities – available under EU funds – via a portal under the post-2027 programmes

The preferred policy option involves transitioning from the current fragmented system of multiple portals to a unified, single portal that centralises all EU funding opportunities and calls, following the approach used with the Strategic Technologies for Europe Platform (STEP) portal. This centralised system would address many of the shortcomings identified in the current system, such as the complexity of navigating multiple portals, lack of interoperability, and unequal access to funding information, particularly for SMEs and small organisations.

The new portal would consolidate the data from all current portals into a single, unified database, integrating funding opportunities from the various EU funding programmes and across management modes. A centralised IT platform would host the portal, ensuring that all users (public and private sector, SMEs, research institutions, etc.) access the same database and interface, for which the STEP Portal is a testing ground experiment. This would require developing the IT infrastructure, including scalable cloud-based solutions, to handle potentially large volumes of data and users. Here, the EU Funding & Tender Portal[110], for example, could be used as a starting point. The implementation could be designed in stages, starting with the harmonised publication of funding opportunities by all contracting authorities. To that end, the new portal would need to:

- make available standardised electronic forms and templates in all official languages of the Union (following the example of the TED portal for procurements);
- allow for an electronic exchange of data, in accordance with Article 148 of the Financial Regulation, enabling the encoding and transmission of information by all contracting authorities;
- allow for the automatic allocation of unique identifiers for each publication; develop virtual assistance for the identification of relevant EU funding opportunities by project applicants.

With a single entry point, beneficiaries would no longer need to navigate multiple, disparate portals. The portal would act as a one-stop shop where all funding opportunities and calls are listed in a centralised location, with a more intuitive and user-friendly interface, similar to what has been done with the STEP portal. This would vastly improve user experience by reducing the need to search through multiple systems. There would be fewer instances of duplicated content, and beneficiaries would be able to access the correct, up-to-date information without encountering redundant or conflicting data.[111]

By simplifying access to EU funding opportunities, the portal would help address the issue of unequal access, particularly for small and medium-sized enterprises (SMEs) and less-resourced organisations. These organisations would find it easier to identify and apply for relevant funding opportunities without the burden of navigating complex systems.

[110] https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home
[111] In the 2024 STEP Task Force industry outreach, 72% of respondents saw value in a one-stop-shop integrating EU and national funding, citing benefits such as easier discovery, time savings, and greater clarity. Additionally, nearly 89% of users reported finding the information they needed on the STEP Portal.

In the second stage of implementation, the single portal would provide a single entry point enabling applicants to directly submit their project applications in one place and in line with harmonised rules of procedure.

The portal conceived as an ‘EU funding shopping mall’ could offer advanced search functions and personalized recommendations, helping users find the most relevant opportunities based on their specific projects and needs. The portal could also integrate AI-driven tools, such as chatbots and virtual assistants, to provide real-time guidance on the available funding options, helping users navigating the system and answering frequently asked questions about eligibility, application processes, and requirements. It could feature an advanced guidance system that leads beneficiaries through a step-by-step process to identify the most suitable funding programs for their needs (e.g., grants, loans, equity) and provide access to sector-specific support through dedicated advisory services (e.g. include links to specialized EU-level support services, such as Horizon Europe advisory services for research, or InvestEU advisory services for investment projects).[112] This would ensure that users are not overwhelmed by the complexity of funding options and can receive tailored advice. Key features would include user-friendly design, direct application, smart filtering of opportunities, automatic notifications, updates across the application process, and dynamic profiling.

A key technical requirement would be to standardise the data from current portals. This would involve creating common data formats and metadata across different funding programs to ensure consistency and accuracy. For example, aligning the way funding calls are categorised (e.g., by type of support, sector, or target group) across all programs. All funding calls, deadlines, eligibility criteria, and application details would be presented in a standardised format, making it easier for users to compare opportunities across different programs. Automatic integration of data on all Union programmes would ensure that beneficiaries always have access to the most up-to-date information, reducing the risk of missed opportunities due to outdated data.

The centralisation will also enable the Commission to reduce administrative burden and management costs by consolidating resources and streamlining operations. This approach will lead to greater operational efficiency and cost savings, while ensuring that the data remains accurate, up-to-date, and consistent across all funding initiatives.

A centralised portal would allow for better tracking and monitoring of user engagement, funding application trends, and system performance contributing to enhanced business intelligence. This could guide future policy decisions and improvements to the portal’s functionality, ensuring that the system evolves to meet the needs of users.

The preferred policy option foresees a differentiated operationalization per management mode or programme, whereby the single portal would enable to display programme-specific information regarding available funding opportunities. The portal would also include links redirecting users to more specific sources such as thematic or national portals hosted e.g. by Member States and regions.

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[112] In the 2024 STEP Task Force industry outreach, users identified AI's greatest value in keeping them informed (74.7%), supporting them during onboarding (76%), and assisting with applications (69.6%).

ANNEX 9: ANALYSIS OF IMPACTS OF POLICY OPTIONS

1. Assessment of impacts of policy options P1, M1 and R1 (baseline)

A. Economic impacts

For EU budget beneficiaries, Member States, partner countries and implementing partners:

Policy option	Economic impacts
P1: Baseline – Programme-specific rules on DNSH and gender equality	This option corresponds to using different DNSH requirements and guidances across MFF programmes. As a result, in cases where the same type of projects are eligible for funding under different EU funds, different DNSH requirements may apply depending on the rules applying under each programme. Such heterogeneity can help better adapting DNSH requirements to the specificities of each programme, but can generate costs linked to the complexities and implementation burden expected to be faced by Member States, partner countries and project beneficiaries such as businesses which have to deal with divergent requirements sometimes for a single project. This option also foresees programme-based gender equality requirements. For Member States and beneficiaries – such as businesses – eligible under different EU budget programmes, this is expected to generate complexities and administrative burden, as they would have to manage and implement heterogeneous rules. ***Competitiveness:*** Implementing heterogeneous DNSH requirements may generate price pressures i.e. navigating such complex requirements is likely to increase production costs, which may lead to higher prices for goods and services. This can reduce businesses competitiveness, especially if competitors – inside or outside the EU – are not subject to the same stringent requirements or are able to absorb these costs more easily. Compliance with heterogeneous DNSH requirements may also lead to reducing market access and ultimately reduce competitiveness. While some markets may value and even require sustainable practices, others may prioritise cost over sustainability. For businesses, especially those in highly price-sensitive markets, adherence to complex DNSH provisions can limit market access or the ability to compete effectively on pricing. The heterogeneity of DNSH requirements from one programme to the other is also expected to generate uncertainties and a lack of predictability for beneficiaries such as businesses, which is likely to negatively impact the competitiveness of economic sectors supported by EU funds. ***Small and Medium Enterprises:*** SMEs are expected to be directly confronted with such challenges. SMEs often have limited financial resources compared to larger companies i.e. implementing complex and heavy DNSH requirements is likely to require investments in new processes which can be costly. Navigating the regulatory requirements associated with DNSH can be complex, requiring significant time and effort to understand and implement compliant practices. As SMEs are likely to lack the necessary expertise and manpower to comply with complex DNSH requirements, hiring external consultants or dedicating existing staff to such activities can be a significant burden. In some cases, adhering to the DNSH principle may require substantial changes to existing business models, production processes, or

	supply chains, which can be expensive and disruptive, even though a change of business model to be DNSH compliant may also have a positive long-lasting impact on the sustainability of the company's business model. Developing or adopting innovative solutions to align with complex DNSH provisions may also require IT, and research and development capabilities, that SMEs might not possess. Overall, while the DNSH principle aims to promote sustainable practices, the costs and compliance challenges associated with the heterogenous requirements – in place in the 2021-2027 period – can disproportionately affect SMEs, potentially hindering their growth and competitiveness in the market. The adaptation of the sector-specific guidances developed under the 2021-2027 period to the architecture and new programmes in the post-2027 MFF would also trigger one-off costs linked to the transition required for MFF beneficiaries – including businesses such as SMEs – to adapt to the new guidances.
M1: Baseline – Programme-specific rules for defining tracking methodologies and performance indicators	This option would result in programme-specific methodologies to track expenditures supported by the EU budget, as well as multiple sets of performance indicators across MFF programmes. Member States, partner countries and beneficiaries – including businesses – would deal with multiple expenditure tracking and indicators monitoring systems. The reporting burden is expected to remain relatively high and generate costs associated with project monitoring, though the new architecture of the post-2027 MFF and the reduction of the number of EU budget programmes is expected to slightly reduce reporting burdens. ***Competitiveness:*** Maintaining a relatively heterogeneous and complex approach to reporting performance via indicators in contracts or grant agreements under EU budget programmes is expected to perpetuate administrative burdens and hinder the competitiveness of economic sectors and companies supported by EU budget programmes. Different – and sometimes heavy – sets of indicators for each programme may create a complex reporting environment, in particular for large organisations and companies supported by various EU budget programmes. Under direct and indirect management programmes, diverse reporting standards may require beneficiaries to develop extensive data management infrastructures and expertise to ensure compliance. This can lead to higher compliance costs associated with hiring specialised staff or consultants and investing in multiple reporting systems. Complex reporting frameworks may also increase the likelihood of errors in data collection and reporting. Mistakes can lead to compliance issues, delays in funding disbursement, and potential penalties, negatively impacting financial stability and reputation of EU budget beneficiaries. Overall, a complex reporting environment can limit the ability of businesses to innovate, grow, and remain competitive in the global market. Simplification and harmonisation of indicators reporting standards would therefore be beneficial for beneficiaries, including businesses. ***Small and Medium Enterprises:*** SMEs, which often operate with limited staff and financial resources, can be disproportionately affected by the complexity of indicators reporting requirements under EU budget programmes. The need to comply with heavy requirements may divert resources from innovation and business development, thus stifling growth potential. The complexity of reporting requirements may also deter SMEs from participating in EU-funded programmes. The perceived or actual administrative burden may outweigh the benefits, restricting access to valuable funding opportunities.

R1: Baseline – Programme-specific reporting requirements, dashboards and portals	This option would result in maintaining the current costs linked to maintaining a programme-specific approach to the reporting of performance information across the EU budget, maintaining the current system of multiple dashboards displaying performance information, and maintaining existing portals informing beneficiaries about funding opportunities. This option is expected to result in a continuation of the costs currently allocated by Member States, budgetary authorities and interested stakeholders to having to navigate and process multiple reports, dashboards and portals on the performance of EU budget programmes and funding opportunities. ***Competitiveness:*** Maintaining multiple portals displaying information on the performance of EU budget programmes and funding opportunities is expected to maintain the current costs of navigating and using several sources of information, ultimately hindering the competitiveness of businesses supported by EU budget programmes. This option is expected to rely upon several entry points for relevant data and resources, maintaining potential navigation challenges for businesses and resource implications related to the time and effort spent searching for information across multiple platforms. Businesses would continue to face costs associated with managing multiple accounts, software tools, and consulting services needed to track and apply for diverse funding opportunities. This option is therefore expected to maintain the challenges observed during the 2021-207 period for beneficiaries – including businesses – thereby limiting the competitiveness of economic sectors supported by EU budget programmes both a European and global scale. ***Small and Medium Enterprises:*** SMEs, which often operate with limited staff and financial resources, are disproportionately affected by the complexity of existing EU portals displaying information on funding opportunities. Under this baseline option, SMEs would continue to face challenges in accessing information, limiting their ability to be responsive to new support opportunities and hindering their access to funding under EU budget programmes.

For EU institutions:

Policy option	**Economic impacts**
P1: Baseline – Programme-specific rules on DNSH and gender equality	This option corresponds to using different DNSH requirements and guidances across MFF programmes. This would require adapting the sector-specific guidances developed under the 2021-2027 period to the architecture and new programmes in the post-2027 MFF, which would trigger significant costs linked to the development and implementation of such guidance by the Commission.
M1: Baseline – Programme-specific rules for defining tracking methodologies and performance indicators	This option would result in programme-specific methodologies to track expenditures supported by the EU budget, as well as multiple sets of performance indicators across MFF programmes. Having programme-specific methodologies may allow a more granular monitoring tailored to specific programmes, and indicators that are closely aligned with the intervention logic of each programme. At the same time, such an approach would result in relatively significant costs and administrative burden – in particular for the Commission – linked to the development and management of several ad hoc methodologies to track expenditures across programmes, as well as linked to the collection of data, management and processing of a large number of heterogeneous and non-aggregable performance indicators.

R1: Baseline – Programme-specific reporting requirements, dashboards and portals	This option would result in maintaining the cost observed in the 2021-2027 period linked to multiple requirements on performance reporting, which would not enable the Commission to achieve efficiency gains nor reduce the resources allocated to preparing such reports, maintaining duplication of information and reporting processes. It would also result in EU institutions – e.g. European Parliament – continuing to face costs allocated to having to navigate and process multiple reports on the performance of EU budget programmes. Maintaining the current system would is likely to result in maintaining an intermediate level of transparency and data utilisation for policy decisions. This option would also result in a continuation of the costs linked to the management of several online dashboards and portals displaying EU budget performance information and information on available funding opportunities centralising all information under the EU budget. This would maintain the costs currently faced by the Commission to manage multiple dashboards and portals.

B. Social impacts

Policy option	Social impacts
P1: Baseline – Programme-specific rules on DNSH and gender equality	Under this option, gender equality mainstreaming provisions would be applied at programme level. While progress has been made in integrating gender equality into the 2021–2027 Multiannual Financial Framework (MFF), gender mainstreaming would remain fragmented and inconsistent across programmes. This reliance on heterogeneous tools such as earmarking and conditionality has led to uneven results, with some initiatives achieving notable success while others exhibit limited or no focus on gender equality. This option risks perpetuating these challenges, undermining the EU's broader commitment to gender equality.
M1: Baseline – Programme-specific rules for defining tracking methodologies and performance indicators	This option would result in programme-specific methodologies to track EU budget expenditures supporting gender equality, as well as performance indicators that cannot systematically be disaggregated by gender. This option would therefore limit the Commission's ability to achieve social outcomes as it would make it more difficult to assess the contribution of EU budget programmes to gender equality.
R1: Baseline – Programme-specific reporting requirements, dashboards and portals	Maintaining multiple reporting requirements – through several performance reports – would result in maintaining the level of transparency of information regarding the performance of the EU budget observed during the 2021-2027 period, including regarding the EU budget contribution to social priorities such as gender equality. Such an approach is likely to achieve no additional social outcomes as it would not enable to increase access to information for budgetary authorities and Member States on how the EU budget contributes to gender equality, which may ultimately limit policymakers' ability to adopt more inclusive and equitable policies as part of the management of EU budget programmes. This option would also result in maintaining the level of access to information on EU budget funding opportunities, through multiple portals. Access by beneficiaries looking for support in the field of social objectives such as equality – including gender equality – would be maintained as under the 2021-2027 period, which is expected to have no positive social impact.

C. Environmental impacts

Policy option	Environmental impacts
P1: Baseline – Programme-specific rules on DNSH and gender equality	Under this option, the complexity of DNSH requirements and guidances – across EU budget programmes – is expected to result in uneven and insufficient implementation of the DNSH principle across the EU budget. Such a system is expected to lead to potentially detrimental environmental effects and may increase the risk of support of potentially environmentally harmful activities by the EU budget.
M1: Baseline – Programme-specific rules for defining tracking methodologies and performance indicators	This option would result in programme-specific methodologies to track EU budget expenditures supporting environmental objectives – such as climate mitigation, adaptation, and biodiversity. This option would therefore limit the Commission's ability to achieve environmental outcomes as it would make it more difficult to assess the contribution of EU budget programmes to environmental objectives.
R1: Baseline – Programme-specific reporting requirements, dashboards and portals	This policy option would result in maintaining the level of transparency of information regarding the performance of the EU budget observed during the 2021-2027 period, including regarding the EU budget contribution to climate mitigation, adaptation, and biodiversity. This policy option would also result in maintaining the level of access to information on EU budget funding opportunities, including for beneficiaries looking for support in the field of environmental objectives.

2. Quantitative analysis of impacts of policy options

The analysis presents the estimated quantitative impacts of the policy options considered in the context of the impact assessment of the performance framework for the post-2027 Multiannual Financial Framework. It aims at quantifying the impacts of each policy option, the ultimate objective being to assess options 2 and 3 against the baseline i.e. option 1. This analysis of expected reductions of administrative costs supports the analysis of efficiency of each policy option as presented under Section 7.2 of the impact assessment.

The analysis focuses on the costs of each policy option, and potential cost savings and efficiency gains resulting from reduced administrative burden linked to a harmonised and simplified performance framework across the EU budget. In contrast with impact assessments linked to specific EU budget programmes, where investments impacts are typically predicted based on macro-economic modelling, this quantitative analysis assesses reductions of administrative costs and burdens for EU Member States, including national administrations and beneficiaries. The analysis does not include an assessment of the impacts of the policy options on non-EU countries supported by EU external action funds due to a lack of available data, but it is expected that the policy options will also have significant impacts on programming, monitoring and reporting requirements in partner countries.

The quantitative analysis addresses the three dimensions of the impact assessment:

- **programming and mainstreaming of horizontal priorities and principles:** the analysis focuses on the administrative burden linked to implementing the Do No Significant Harm (DNSH) principle;

- **monitoring of performance:** the analysis focuses on the administrative burden linked to the monitoring of performance through a single list of intervention fields and performance indicators;
- **reporting of performance information:** the analysis focuses on the administrative burden linked to the development of a single portal displaying performance information and funding opportunities available under the EU budget.

The quantitative impacts presented in this analysis are based on a set of assumptions and estimates made by the Commission, derived from available data, and should be considered indicative, considering the lack of available data. The actual impacts of policy options may vary depending on future developments and the availability of new information.

A. Programming of horizontal priorities and principles

The policy options foresee three levels of harmonising DNSH requirements across the EU budget, from a programme-based approach (P1) to a fully harmonised DNSH approach across all programmes (P3).

The quantitative analysis focuses on the anticipated reduction of administrative burden for Member States administrations resulting from the simplification of DNSH requirements, compared to a programme-specific approach requiring compliance with several different DNSH guidance and systems, sometimes for the same type of projects. The analysis relies upon a quantification of the number of full-time equivalent (FTE)[113] employees or consultants in charge of the operationalization of the DNSH principle in the 27 Member States administrations for a duration of 7 years. Such operationalization tasks may include contribution to the design of DNSH guidance at EU level, transposing EU level guidance into national systems, providing guidance and training to national stakeholders and beneficiaries, checks of DNSH compliance, developing national assessment tools, as well as reporting and coordination of implementation at EU level.

A reduction factor is applied to policy options P2 and P3, reflecting the expected simplification of DNSH implementation and the corresponding decrease in administrative burden. This reduction factor is an estimate by the Commission in the absence of quantified data, reflecting the reduction of administrative burden achieved by reducing the number of DNSH guidances and approaches, moving from a programme-based approach to a harmonised activity-specific approach based on a single guidance applying to all EU budget programmes. The single guidance reduces the risks of confusion and allows projects to be subject to a single set of DNSH conditions irrespective of the programme providing support. Compared to option P3, the reduction factor applied to policy option P2 further reflects the proportionate approach foreseen under this option, expected to further reduce administrative burden. This includes the exemption of DNSH checks foreseen for defence and security, and the differentiated operationalization per management mode and type of action (internal vs. external) which is expected to further facilitate implementation.

[113] The average cost of an FTE policy officer in EU Member State administrations is estimated at EUR 50,273 per year, based on Eurostat's 2020 average hourly labour cost for public administration, reflecting variations across EU Member States.

The estimation also includes an entry costs factor corresponding to the costs of transitioning to policy option 2 or 3. The entry cost factor attached to option P2 is lower than the entry cost factor attached to option P3, because P3 would entail the development of technical DNSH guidance by the Commission in consultation with Member States for all interventions and sectors of the common list of intervention fields, and the deployment and training of Member States covering the scope of such an extensive guidance. Comparatively option P2 applies DNSH checks to less interventions and projects, entailing lower entry costs for Member States.

Policy option P1 (baseline)	**Policy option P2** (harmonised but proportionate DNSH)	**Policy option P3** (fully harmonised DNSH)
Number of EU Member States: 27 Number of FTEs per year and per MS: 18[114] MFF duration (years): 7 **Total cost: EUR 171 million**	Number of EU Member States: 27 Number of FTEs per year and per MS: 18 MFF duration (years): 7 Reduction factor: 0.5[115] Entry costs factor: 1.1 **Total cost: EUR 94 million**	Number of EU Member States: 27 Number of FTEs per year and per MS: 18 MFF duration (years): 7 Reduction factor: 0.8 Entry costs factor: 1.2 **Total cost: EUR 151 million**

Based on the above analysis, **policy option P2 appears to deliver the greatest benefits** in terms of reducing costs linked to administrative burden.

[114] The average number of 18 FTEs – per year and per Member State – corresponds to FTEs dedicated to DNSH implementation for all EU budget programmes (including RRF, cohesion policy funds, InvestEU) and for all national administrations i.e. both national and sub-national administrations of the Member States. This estimation is based on an extrapolation of data from the Technical Support Instrument assistance in implementing the DNSH principle in selected Member States (Spain, Italy, Cyprus) (source: SG REFORM).

[115] The reduction factors applied to policy options P2 (0.5) and P3 (0.8) are assumptions based on estimations by Commission services. These factors reflect anticipated efficiencies in administrative processes due to the simplification and harmonisation of DNSH requirements, representing the best available estimate in the absence of comprehensive data. The factors used in the case of options P2 and P3 reflect the expected reduction of costs linked to programme-specific DNSH approaches and guidances from 13 in the 2021-2027 period to a single approach and guidance applying to all EU budget programmes post-2027. The factor attached to option P3 could therefore have been set at 1/13, but this was considered as a strong underestimation of costs due to uncompressible administrative costs below a certain number of DNSH approaches, hence the factor was set at 0.8. The factor applied to P2 (0.5) reflects a further reduction of the number of projects expected to be subject to DNSH compliance checks.

Under policy options P2 and P3, significant reductions of administrative burden are also expected at the level of EU budget beneficiaries, including businesses such as Small and Medium Enterprises (SMEs), but quantifying such a reduction was not possible due to a lack of available data. Significant cost reductions are nonetheless foreseen for beneficiaries, as a simplified approach to DNSH would streamline compliance processes, reduce the complexity and time required to navigate varying programme-specific requirements, and lower the costs and resources needed for documentation, reporting, and verification, facilitating access to EU budget programmes.

B. Monitoring of performance

The policy options foresee three levels of harmonising the monitoring of expenditures and performance indicators across the EU budget, from a programme-based approach (M1) to a fully harmonised list of intervention fields and performance indicators across all programmes (M3).

The quantitative analysis focuses on the reduction of administrative burden expected to be achieved by Member State administrations as a result of simplifying expenditure tracking and indicator monitoring requirements. This is compared to the current programme-specific approach, which relies on a large number of indicators under the various EU budget programmes, requiring extensive monitoring and reporting. The analysis therefore assesses the costs linked to each policy options in relation to a the tasks carried out by Member States administrations, such as contributing to the design and management of indicators at EU level, transposing EU level indicators system into national systems, data collection and management at national level, data verification, providing guidance and training to national stakeholders and beneficiaries having to report against such indicators, developing national tools and systems, reporting and coordination of implementation at EU level.

The analysis relies upon a quantification[116] of the administrative costs linked to reporting and monitoring tasks for the Common Provisions Regulation funds in the 2021-2027 period, extrapolated to the entire EU budget[117]. The analysis would have ideally required specific data on administrative costs for other EU budget programmes, including funds under direct or indirect management, but such data was not available. A similar analysis was conducted following a slightly different approach, based on the number of full-time equivalent (FTE) employees or consultants in charge of the monitoring and reporting of indicators, using the mid-term evaluation of the Recovery and Resilience Facility, which led to results of a similar order of magnitude.

Similar to section A, a reduction factor is applied to policy options M2 and M3, reflecting the expected simplification of expenditure tracking and reduction in the number of unique indicators, e.g. from ca. 5 000 in the 2021-2027 period to ca. 900, resulting in a reduction of the administrative burden. This reduction factor is an estimate by the Commission in the

[116] Draft study ‘ASSESSMENT OF THE ADMINISTRATIVE COSTS AND ADMINISTRATIVE BURDEN IN THE MANAGEMENT OF THE COMMON PROVISIONS REGULATION FUNDS 2021-2027’ March 2025.
[117] The size of the post-2027 MFF being unknown at the stage of drafting the impact assessment, the estimate uses the size of the 2021-2027 MFF as a proxy for the size of the post-2027 MFF.

absence of further quantitative data, which captures expected efficiency gains, including reduced data collection and quality control efforts through the adoption of standardised metadata, the automatic processing of some indicators by the Commission, reduced follow-up on Member States and an improvement in procedural clarity. The reduction factor used in the case of option M3 is lower than the factor used for M2, because M3 is expected to achieve significant higher reduction of the number of performance indicators and of the administrative burden linked to performance monitoring across EU budget programmes. The estimation also includes an entry cost factor corresponding to the costs of transitioning to policy option M2 or M3. The entry cost factor attached to option M2 is lower than the entry cost factor attached to option M3, reflecting higher costs of transitioning to a fully harmonised system of performance monitoring.

Policy option M1 (baseline)	**Policy option M2** (single list of intervention fields, single non-mandatory list of indicators + limited set of common indicators)	**Policy option M3** (single list of intervention fields, fully harmonised list of indicators + limited set of common indicators)
Estimated costs of reporting, monitoring and evaluation, in EUR per million EUR spent: EUR 1 957 Ratio corresponding to monitoring and reporting costs: 2/3[118] Size of 2021-2027 MFF: EUR 1 074 000 million **Total cost: EUR 1 401 million**	Estimated costs of reporting, monitoring and evaluation, in EUR per million EUR spent: EUR 1 957 Ratio corresponding to monitoring and reporting costs: 2/3 Size of 2021-2027 MFF: EUR 1 074 000 million Costs reduction factor: 0.8[119] Entry costs factor: 1.2	Estimated costs of reporting, monitoring and evaluation, in EUR per million EUR spent: EUR 1 957 Ratio corresponding to monitoring and reporting costs: 2/3 Size of 2021-2027 MFF: EUR 1 074 000 million Costs reduction factor: 0.5 Entry costs factor: 1.3

[118] This ratio corresponds to an assumption based on estimations by Commission services whereby, out of the amount of EUR 1957 spent for the purpose of reporting, monitoring and evaluation per million EUR spent, 2/3 is dedicated to the tasks in the scope of policy options M2 and M3 i.e. tracking of expenditures and monitoring of indicators (including management and data collection).

[119] The reduction factors applied to policy options M2 (0.8) and M3 (0.5) are assumptions based on estimations by Commission services. These factors reflect anticipated efficiencies in administrative processes due to the simplification and harmonisation of performance monitoring requirements, representing the best available estimate in the absence of comprehensive data. The factor used in the case of option M3 reflects the expected reduction of costs linked to programme-specific monitoring approaches and sets of indicators, reflecting a reduction of indicators from over 5 000 in the 2021-2027 period to less than 1 000 post-2027. The factor attached to option M3 could therefore have been set at 0,2, but this was considered as a strong underestimation of costs due to uncompressible administrative costs below a certain amount of indicators, hence the factor was set at 0.5. The factor applied to M2 (0.8) reflects a more limited expected reduction of administrative burden due to the fact that programmes would keep the flexibility to adopt – a potentially significant number of – programme-specific indicators in addition to the common list.

	Total cost: EUR 1 345 million	**Total cost: EUR 911 million**

Based on the above analysis, **policy option M3 appears to offer the greatest benefits** in terms of reducing the costs associated to administrative burden.

Under policy options M2 and M3, significant reductions of administrative burden are also expected at the level of EU budget beneficiaries, including businesses such as Small and Medium Enterprises (SMEs), which would result from streamlined monitoring and reporting requirements, in particular under direct management programmes. Quantifying such a reduction of administrative burden was nonetheless not possible due to a lack of available data. Significant cost reductions are nonetheless foreseen for beneficiaries, as simplifying monitoring requirements under EU budget programmes would decrease the number of indicators tracked, simplifying data collection and submission processes, and saving time and resources, particularly for small businesses with limited capacity, reducing resources required for extensive compliance documentation.

C. Reporting of performance information

This section focuses on dashboards enabling to report performance information and portals displaying information on available funding opportunities.

1. *Dashboards displaying performance information*

The policy options foresee three levels of harmonising the reporting of performance information across the EU budget, from a baseline situation whereby performance information is displayed through several – often programme-specific – dashboards (R1) to a single and fully harmonised dashboard (R3).

The quantitative analysis focuses on the reduction of costs linked to the development and management of performance dashboards, expected to be achieved by the Commission as a result of merging dashboards into a single one, compared to maintaining the current system which relies on approximately 20 performance dashboards. The analysis is based on a quantification of the costs of developing and maintaining performance dashboards, using the costs of existing dashboards as a benchmark[120].

A factor is applied to policy option R2, to account for the expected costs linked to the integration or development of specific pages displaying data related to dedicated areas and sectors. The analysis also assumes higher annual management and maintenance costs per dashboard in the case of a single – larger – dashboard than in the case of several – smaller – dashboards.

Policy option R1	Policy option R2	Policy option R3

[120] Including performance SAP BPC tool and dashboards (source: DG BUDG)

(baseline)	(single dashboard with harmonised performance information across the EU budget + pages displaying specific data regarding dedicated areas and sectors)	(single dashboard with fully harmonised performance information across the EU budget)
Initial development costs: EUR 0 Annual management costs per portal: EUR 0.2 million Number of portals: 20 MFF duration (years): 7 **Total cost: EUR 28.0 million**	Initial development costs: EUR 0.65 million Annual management costs per portal: EUR 0.4 million Number of portals: 1 MFF duration (years): 7 Factor reflecting the costs of displaying specific data regarding dedicated areas and sectors[121]: 2 **Total cost: EUR 6.9 million**	Initial development costs: EUR 0.65 million Annual management costs per portal: EUR 0.4 million Number of portals: 1 MFF duration (years): 7 **Total cost: EUR 3.5 million**

Based on the above analysis, policy option R3 appears to offer the greatest benefits in terms of reducing costs associated with the development and maintenance of the performance information dashboard.

Under policy options R2 and R3, significant reductions of administrative burden are also expected at the level of Member States and budget authorities as well as beneficiaries and stakeholders, which would benefit from facilitated access to performance information compared to the current system which requires navigating several dashboards. Quantifying such a reduction of administrative burden was nonetheless not possible due to a lack of available data.

2. *Portals displaying information on available funding opportunities*

The policy options foresee three levels of harmonising portals displaying information on available funding opportunities across the EU budget, from a baseline situation whereby performance information is displayed through several – sometimes programme-specific – portals (R1) to a single and fully harmonised portal replacing Member States portals (R3).

[121] The factor applied to policy option R2 (2) is an assumption based on estimations by Commission services. This factor reflects the expected increase of costs for the Commission to develop the necessary IT adaptations so that the single dashboard would enable to display specific data regarding dedicated areas and sectors supported by the EU budget.

The quantitative analysis focuses on the reduction of costs linked to the development and management of portals expected to be achieved by the Commission as a result of merging existing portals into one compared to maintaining the current system which relies upon ca. 12 portals on funding opportunities. The analysis relies upon a quantification of the costs of developing and maintaining existing portals developed by the Commission, using as a benchmark the costs of existing portals[122].

A factor is applied to policy option R3, reflecting the expected costs linked to the integration of Member States portals into an EU-wide system, rather than a simple re-direction towards Member States portals as foreseen under policy option R2. The analysis also assumes higher annual management and maintenance costs per portal in the case of a single – larger – portal than in the case of several – smaller – portals.

Policy option R1 (baseline)	**Policy option R2** (single portal with harmonised information on funding opportunities across the EU budget + redirection to Member States portals)	**Policy option R3** (single portal with harmonised information on funding opportunities across the EU budget + integration of Member States portals)
Initial development costs: EUR 0 Annual management costs per portal: EUR 0.5 million Number of portals: 12 MFF duration (years): 7 **Total cost: EUR 42 million**	Initial development costs: EUR 3 million Annual management costs per portal: EUR 1 million Number of portals: 1 MFF duration (years): 7 **Total cost: EUR 10 million**	Initial development costs: EUR 3 million Annual management costs per portal: EUR 1 million Number of portals: 1 MFF duration (years): 7 Factor reflecting the expected costs of the integration of Member States portals into an EU-wide system[123]: 3 **Total cost: EUR 30 million**

Based on the above analysis, policy option R3 appears to deliver the greatest benefits in terms of reducing costs associated with the development and maintenance of the funding opportunities portal

[122] Including Funding and Tenders portal and YourEurope (source: DG RTD, DG BUDG)
[123] The factor applied to policy option R3 (3) is an assumption based on estimations by Commission services. This factor reflects the expected increase of costs for the Commission to develop the necessary IT adaptations so that the single portal would integrate Member States portals into an EU-wide system.

Under policy options R2 and R3, significant reductions of administrative burden are also expected at the level of beneficiaries, which would benefit from facilitated access to information on available funding opportunities across EU budget programmes compared to the current system which requires navigating several portals. Quantifying such a reduction of administrative burden was nonetheless not possible due to a lack of available data.

3. *Total costs of policy options on reporting*

Policy option R1	Policy option R2	Policy option R3
Total cost: EUR 70.0 million	Total cost: EUR 16.9 million	Total cost: EUR 32.8 million

Overall **policy option R2 appears to deliver the greatest benefits** in terms of reducing costs associated with the development and maintenance of the performance dashboard and the funding opportunities portal**.**

D. Overview table of costs per policy option and percentage of reduction of administrative burden costs

Policy options	P. Programming and mainstreaming	M. Monitoring	R. Reporting
1	P1: EUR 171 million 0%	M1: EUR 1 401 million 0%	R1: EUR 70.0 million 0%
2	P2: EUR 94 million 45%	M2: EUR 1 345 million 4%	R2: EUR 16.9 million 77%
3	P3: EUR 151 million 12%	M3: EUR 911 million 40%	R3: EUR 32.8 million 57%

E. Sensitivity analysis

The above quantitative analysis should be nuanced due to the uncertainty attached to certain assumptions used in the calculation:

- In contrast with impact assessments linked to specific EU budget programmes, where impacts are typically predicted based on macro-economic modelling (RHOMOLO model), the quantitative analysis of this impact assessment focuses on assessing reductions of administrative costs for MS administrations. The analysis particularly faced data availability limitations, as quantitative information on administrative burden linked to performance is scarce beyond the qualitative findings of e.g. programmes evaluations.

- The analysis is based on a combination of data available from studies and estimates by Commission services, including reduction factors enabling to calculate expected reductions of administrative costs for each policy option. Any variations in the assumptions underpinning such factors is likely to have significant impacts on the costs estimated for each policy option.
- While the quantitative analysis focused on assessing reductions of costs for EU institutions and MS authorities, significant reductions of administrative burden are also expected – from options P2, P3, M2, M3, R2, R3 – at the level of beneficiaries, including businesses. Quantifying such reductions was nonetheless not possible due to a lack of available data.
- The quantitative analysis would also have benefitted from data on the administrative costs of monitoring performance in the case of direct and indirect management. These shortcomings should be addressed in the future so as to fill the data gap, in particular in the context of new Commission priorities and the commitment to reduce administrative and reporting burden (cf. section 9).