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### **COVER NOTE**

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From: Mr Tony MURPHY, President of the European Court of Auditors  
date of receipt: 24 February 2026  
To: Mr Makis KERAVNOS, President of the Council of the European Union

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Subject: 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  
*- Opinion of the European Court of Auditors*

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Delegations will find attached the European Court of Auditors' opinion No 10/2026 concerning the 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.

The opinion will shortly be available in 24 EU languages and can be accessed for consultation or downloading on the Court's website<sup>1</sup>.

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<sup>1</sup> <https://www.eca.europa.eu/en/publications/OP-2026-10>.

**OPINION 10/2026**

(pursuant to Article 322(1), TFEU)

EN

**concerning the 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**



EUROPEAN  
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OF AUDITORS



EU budget  
2028-2034

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# Introduction

## Why we provide this opinion

### Legal basis

- 01** On 16 July 2025, the Commission published its proposal for a regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities<sup>1</sup> (the “proposal”). The legal basis of the Commission’s proposal means that consultation with the European Court of Auditors (ECA) is mandatory<sup>2</sup>. The European Parliament and the Council of the European Union requested that the ECA provide an opinion (on 6 November 2025 and on 19 September 2025 respectively). This document fulfils the consultation requirement. We provide this opinion to support the legislative process concerning the design, implementation and potential risks of the proposed horizontal rules. [Annex I](#) lists the ECA publications that are referenced in this opinion.

### Context

- 02** The proposal brings together the performance provisions currently found in the rules for over 50 programmes available for the 2021-2027 period. According to the Commission’s explanatory statement, the Commission devised this proposal in order to comply with the

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<sup>1</sup> COM(2025) 545.

<sup>2</sup> Treaty on the Functioning of the European Union, Article 322(1).

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requirements of the recently revised [Financial Regulation](#)<sup>3</sup>, especially regarding transparency and accountability, and to:

- make consistent the provisions to support horizontal principles across the EU budget (e.g. “do no significant harm” and gender equality);
- streamline and harmonise the system for monitoring EU spending and the performance of the budget;
- harmonise and make the reporting of performance information and information about funding opportunities more efficient and transparent.

**03** The Commission proposes decreasing the number of funded programmes from 52 to 16<sup>4</sup> and reducing the number of indicators from more than 5 000<sup>5</sup> to around 900. The indicators to be used for monitoring the implementation of the programmes are linked to a single set of intervention fields and listed in [Annex I](#) of the proposal. In duly justified cases and in agreement with the Commission, member states can use additional performance indicators.

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<sup>3</sup> 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), especially Articles 33, 34, 38 and 253.

<sup>4</sup> Factsheet on MFF summary: An ambitious budget for a stronger Europe 2028-2034, slide 2.

<sup>5</sup> Impact assessment report to the legislative proposal to which we provide this opinion, “8.1 Preferred policy option” heading, p. 42.

## Main messages

- 04** We have identified a number of main messages. These are listed below in **Box 1** and further developed in the following sub-sections.

### Box 1

#### Main messages at a glance

- The proposed performance regulation creates conditions to improve processes for performance reporting and integration of EU horizontal policy priorities. However, our analysis highlights several design weaknesses such as: broadly defined and sometimes overlapping intervention fields; output indicators that in certain cases reflect procedural steps (e.g. adoption of legislation, approval of strategies, establishment of administrative structures) rather than clearly defined outputs; missing correlation between intervention fields and policy objectives; and insufficiently specified methodologies for setting baselines and targets. Using a unified set of rules with indicators and EU coefficients linked to a single set of intervention fields has the potential to contribute to reducing the administrative burden. Overall, simplification may be achieved mainly between the Commission and member states, while the degree of administrative burden at national, regional and beneficiary level may remain unchanged or even increase.
- The proposal does not include impact indicators, even though they are clearly stated in the better regulation guidelines. This will complicate subsequent evaluations. In addition, we identified weaknesses in a number of indicators and around 25 % of the proposed intervention fields do not include result indicators. Consequently, the proposed performance framework risks measuring progress in implementation rather than whether the EU objectives have been achieved.
- The proposal defines centrally the EU coefficients for all intervention fields to be applied when calculating the expenditure contributions to horizontal environmental and social priorities. However, as the programmes' contributions

are based on estimates only and not on actual spending and some proposed EU coefficient values are in our opinion not correct, there is a risk that the EU contribution to horizontal priorities will be overstated.

- The proposed framework, read together with the Commission's sectoral proposals for funding programmes, does not provide a clear link between funding and results. In addition, the proposal does not include provisions regarding the collection of information on public expenditure for interventions supported by the EU budget, although it is important to assess the efficiency and economy.
- The proposal aims to streamline the annual performance reporting through a single performance report, but does not set out its content in a detailed manner. We also see a risk that not all relevant information currently available under the sectoral reports will be covered under the single performance report.
- The proposal discontinues the concept of core performance indicators. As a consequence, there are no pre-determined indicators on which all member states would have to report. This can complicate the aggregation of performance information as different indicators can be used to record performance for the same type of activity.
- The proposal does not contain a sufficiently clear control and accountability framework for the reliability of reported performance information. For instance, under the proposed system, the Commission would not make mandatory checks of regularity (milestones and targets) before payment, in contrast to the Recovery and Resilience Facility. The Commission should also establish methodologies for setting targets, milestones, and baselines to ensure value for money from EU funding and a consistent level of ambition among member states.
- In our work on the Recovery and Resilience Facility, we repeatedly highlighted lessons to be learned to enhance the performance-orientation, accountability and transparency in future performance-based instruments. Overall, we observe that relevant issues remain unaddressed, the most prominent being the need to focus on results rather than outputs.

## EU added value

- 05** We stressed<sup>6</sup> in our recent work the need to clearly define EU added value in the legislation and apply the concept consistently and systematically when allocating EU funds to programmes and initiatives, and to ensure that EU added value is evaluated *ex post*.

<sup>6</sup> Review 03/2025: Opportunities for the post-2027 Multiannual Financial Framework, p. 7.

- 06** The Financial Regulation<sup>7</sup> requires that retrospective evaluations assess performance, including aspects such as EU added value. The legislative financial and digital statement<sup>8</sup> accompanying the proposal describes the concept of “added value of EU involvement” (as the value resulting from EU action that is additional to the value that would have been created by member states alone). While this is in line with the meaning ascribed to such a concept in the non-legally binding [Commission’s better regulation guidelines](#), the proposal does not legally define EU added value. There is therefore a risk that EU added value is interpreted differently across interventions, resulting in EU added value assessments that are not comparable across different programmes. Furthermore, the proposal does not identify the minimum data requirements necessary to enable EU added value assessments.
- 07** The proposal<sup>9</sup> specifically requires the Commission to examine EU added value when carrying out evaluations; it provides<sup>10</sup> that member states may cover EU added value in their evaluations but does not set it as an obligation. We consider that the proposed framework does not provide a sound basis for ensuring systematic and consistent assessments of EU added value.

## Simplification of procedures

- 08** By using a unified performance framework, the proposal aims to reduce the administrative burden linked to performance reporting. The extent to which the proposed framework will achieve its simplification objective will ultimately depend on the actual reduction in the administrative burden for member states, regions and beneficiaries. In addition, the proposed replacement of mid-term evaluations of the EU programmes with implementation reports<sup>11</sup> should further contribute to reducing administrative burden as, instead of evaluating performance, it is the progress made towards achieving objectives<sup>12</sup> that will be assessed. However, since the proposal does not introduce requirements for the content of these mid-term implementation reports, there is a risk of non-standardised reporting, and that insufficient formal evaluations will be available when the Commission has to propose the post-2034 MFF. We also noted certain inconsistencies in key definitions

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<sup>7</sup> Article 34(3).

<sup>8</sup> Point 1.5.2, “Added value of EU involvement”.

<sup>9</sup> Article 10.

<sup>10</sup> Article 11.

<sup>11</sup> Explanatory memorandum of the legislative proposal, p. 7, and Recital 21 and Article 10(2).

<sup>12</sup> *Ibid.*, Recital 21 to the proposal.

between this proposal and the proposed European Fund Regulation, such as what constitutes an operation, measure or final recipient (see also paragraphs 36-38 and 52).

- 09** Reporting on the EU budget contribution to selected horizontal policy priorities will be streamlined, as the requirements are specified in a single regulation, with EU coefficients set for each intervention field. The Commission's proposal is consistent with the requirements of the Financial Regulation for horizontal priorities. We previously reported<sup>13</sup> that the extent of incorporation of horizontal priorities into spending programmes "differed significantly between priorities".
- 10** The proposal<sup>14</sup> provides that the Commission must inform the Council and the Parliament annually on the level of implementation of the programmes and activities in a single performance report<sup>15</sup>, instead of the current 32 programme-specific reporting requirements<sup>16</sup>. We note that the proposal does not set out in a detailed manner the content of the future annual performance reporting by the Commission. We see a risk that not all relevant information currently available under the sectoral reports will be covered under the newly introduced single performance report. In our opinion on the proposal for Global Europe<sup>17</sup> we also highlight that the streamlined public reporting requirements for the Commission could lead to the loss of information that is relevant for the implementation of the instrument. Therefore, we draw attention to the need to balance simplification with the provision of relevant targeted performance information.
- 11** The proposal to establish the Single Gateway portal will include information on financial implementation, funding opportunities, and performance of the budget, merging over 30 portals and dashboards<sup>18</sup>. This aim to reduce complexity and increase traceability is in line with our previous messages<sup>19</sup>. We highlight that combining a diversified reporting system to create the Single Gateway will require substantial efforts in terms of funding and resources.

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<sup>13</sup> 2021 annual report on performance, paragraph 2.62.

<sup>14</sup> Article 9(2).

<sup>15</sup> Impact assessment report, p. 24, first paragraph under the "Reporting on performance" heading.

<sup>16</sup> Ibid., p. 12.

<sup>17</sup> Opinion 07/2026 (pursuant to Article 322(1) TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing Global Europe, paragraph 22.

<sup>18</sup> Ibid., p. 4, first visual under the "Problem definition" heading.

<sup>19</sup> Review 03/2025, Box 2(2) and 5(6).

## Performance framework

- 12** We repeatedly highlighted lessons to be learned to enhance the performance-orientation, accountability and transparency in future performance-based instruments: these lessons should be considered in the design of performance framework established through this proposal. Overall, we observe that relevant issues remain unaddressed, the most prominent being the need to focus on results rather than outputs.
- 13** The proposed performance framework, with harmonised indicators, methodologies and reporting arrangements, creates conditions to improve the comparability of performance data across the EU funds. While the set of predefined indicators focuses on output and result indicators, a quarter of the intervention fields do not have result indicators, in many cases linked to “reforms” intervention fields. Moreover, there are no impact indicators to facilitate an analysis of retrospective evaluations and in some cases we do not agree with the Commission’s classification of the indicators. This means that the proposed list of indicators will not be sufficient to provide a comprehensive overview of whether EU objectives have been achieved (see paragraphs 48 and 49).
- 14** Furthermore, we identified weaknesses in a number of output and result indicators presented in Annex I of the proposal. In particular, some indicators are vague regarding their scope and content, or focus on procedural or administrative steps, rather than on the delivery of tangible outputs or results<sup>20</sup>. These are weaknesses we already identified in our Recovery and Resilience Facility (RRF) work<sup>21</sup>. In our opinion on the Horizon Europe proposal, we observed that research and innovation indicators relate to outputs (e.g., the number of supported companies) rather than results or impacts and thus are not sufficient for evaluating performance. We also noted that the proposed indicators would not easily allow for the collection of company/beneficiary-specific data<sup>22</sup>.
- 15** The proposed performance framework is not sufficiently well designed to allow for the assessment and assurance of performance<sup>23</sup>. For example, the proposal requires that measures under the national and regional partnership (NRP) plans be linked, through intervention fields, to output and result indicators, with final milestones and targets being

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<sup>20</sup> [Opinion 09/2026](#) on the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security, paragraphs 81 and Annex III.

<sup>21</sup> [2024 annual report](#), paragraph XXXVII.

<sup>22</sup> [Opinion 02/2026](#) concerning the proposal for a regulation of the European Parliament and of the Council establishing Horizon Europe, the Framework Programme for Research and Innovation, paragraph 46.

<sup>23</sup> [Opinion 09/2026](#), paragraphs 28-29.

output indicators. Intervention fields are in many cases vaguely defined and subject to interpretation, allowing completely different measures to be linked to the same field. In addition, output and result indicators are often not clear and focused on inputs or activities, leaving significant scope for interpretation as regards their content and coverage. With these weaknesses, which are similar to those identified in the RRF, in the design of the performance framework, it will be difficult to assess performance and to provide assurance on the fulfilment of milestones and targets. In our [review 02/2025](#), we also noted that the use of financing not linked to costs does not in itself make it a performance-based instrument.

- 16** We have regularly reported that the current monitoring systems for shared management have not provided sufficient information<sup>24</sup> on performance at EU level: programme-specific indicators could not be aggregated at EU level, there was a limited number of common indicators, and the use of existing indicators was inconsistent. We consider that, overall, the current proposal is a positive step in addressing these concerns. Still, the proposed application of harmonised intervention fields and performance indicators to the budget will be a complex task, especially for member states and implementing partners, requiring clear guidance and explanations from the Commission (see paragraphs [18](#), [52](#), [53](#)).
- 17** We note that the proposal discontinues core performance indicators (i.e. indicators on which all member states are obliged to report) used in the current multiannual financial framework (MFF). Even though the single list of indicators is intended to simplify matters, we still see a risk of difficulties in aggregating performance information, as different output indicators can be used to record performance for the same types of activity.
- 18** While the proposed set of pre-defined indicators supports transparency and simplification, it might also reduce the level of detail for the Commission or member states to monitor the implementation of the NRP plans or measures. Therefore, the proposal enables<sup>25</sup> member states to assign output indicators not included in Annex I in duly justified cases with the agreement of the Commission. At the same time, assigning an output or result indicator not included in Annex I might complicate data aggregation at EU level. In our view, the use of indicators outside Annex I should be limited to the strict minimum. We see a clear need for the Commission to issue early the guidance and reporting requirements

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<sup>24</sup> [Review 04/2025](#): The future of EU cohesion policy, paragraphs 81-86; [special report 04/2024](#): Reaching EU road safety objectives, paragraphs VII, 33, 34 and 98; [special report 24/2021](#): Performance-based financing in Cohesion policy, paragraph 42; [special report 14/2021](#): Interreg cooperation, paragraphs 74, 77, 79.

<sup>25</sup> Article 14(2)(a).

referred to in the proposal<sup>26</sup> to facilitate the overall assessment of the EU budget's performance.

- 19** The proposal<sup>27</sup> states that “proportionate reporting requirements shall be imposed on recipients of Union funding” but does not provide further details. It contains a similar requirement specifically for funds under indirect management<sup>28</sup>. Agreements signed between the Commission and implementing partners should contain appropriate provisions on the reporting of performance data in line with the Performance Regulation. However, current practice shows that implementing partners tend to use their own indicators<sup>29</sup>, which may lead to variations, affecting the feasibility of aggregating performance data.
- 20** We have consistently reported<sup>30</sup> that EU-funded performance-based models should only be applied when funding is clearly linked to results. We consider that the proposed framework does not provide for such a link. Performance in terms of results will not be a condition for payment, because payments are based on the achievement of milestones and targets, which are defined by output indicators<sup>31</sup>. A performance framework should go beyond specifying payment conditions, such as milestones and targets, and include all the necessary elements to assess effectiveness, efficiency and economy. The proposal does not include provisions to collect information on public expenditure for interventions supported by the EU budget, although it is important for assessing efficiency and economy, as defined

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<sup>26</sup> Articles 8(3) and 9(1).

<sup>27</sup> Article 9(1).

<sup>28</sup> Article 17(3).

<sup>29</sup> [Special report 20/2025](#): Commission support to fight hunger in sub-Saharan Africa, paragraph 69.

<sup>30</sup> [Opinion 06/2022](#) (pursuant to Article 322(1), TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast), paragraph 25; [special report 26/2023](#): The Recovery and Resilience Facility's performance monitoring framework, paragraphs 22-51; [review 02/2025](#): Performance-orientation, accountability and transparency, paragraphs 24-42, [review 03/2025](#), Box 5; [review 04/2025](#), paragraph 64.

<sup>31</sup> Article 14(2)(a).

by the Financial Regulation<sup>32</sup>. We have pointed to this in our reports on the Recovery and Resilience Facility<sup>33</sup>.

- 21** We provide more details on the payment conditions under financing not linked to costs model in our opinions concerning the European Fund proposal and the Global Europe proposal<sup>34</sup>. In the opinion on the European Fund<sup>35</sup>, we note that the delivery model relies on output related milestones and targets to trigger payments. This means that it focuses on implementation progress rather than results. Robust cost estimates are necessary, but the proposal lacks appropriate safeguards in this respect. Member states are not required to report on public expenditure per operation. Milestones and targets must, therefore, be precisely defined to provide clarity on when they can be considered to be achieved. Differences in design, ambition and interpretation across member states risk reducing comparability, equal treatment and overall assessment of the performance of EU spending.
- 22** As funding in the member state plans will be linked to the achievement of milestones and targets, setting appropriate values for those milestones and targets so that they address needs, reflect progress towards the instruments' objectives and match the implementation period of the measures funded<sup>36</sup>, is essential to ensure value for money from EU funding. The methodologies for setting targets and milestones, and baselines and estimated values for result indicators, are not established by this proposal, nor by the Commission's proposals for the specific programmes.
- 23** We highlight the importance of establishing such a methodology to ensure a consistent level of ambition among member states and that EU funding can deliver value for money. It is crucial to ensure that payment conditions are defined in a harmonised way and applied consistently to all member states to guarantee equal treatment, as we have identified in our previous audit work varying levels of ambition for similar projects<sup>37</sup>. Furthermore, we have previously highlighted that measures funded by the member states

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<sup>32</sup> Article 33 of the Financial Regulation.

<sup>33</sup> Review 02/2025, paragraph 35; special report 14/2024: Green transition, paragraph IV and recommendation 4; special report 26/2023, paragraph 102 and recommendation 4(b).

<sup>34</sup> Opinion 09/2026, paragraphs 30-36, 117, 134-137; opinion 07/2026, paragraphs 24 and 81.

<sup>35</sup> Opinion 09/2026, 6<sup>th</sup> indent of main messages box.

<sup>36</sup> Review 02/2025, box on p. 12, second bullet point.

<sup>37</sup> Ibid., paragraph 30, Figure 3.

plans should address challenges identified, for example in the context of the European Semester<sup>38</sup>.

- 24** We would also like to recall our assessment of the risks and opportunities associated with the use of financing not linked to costs for the sound financial management of the budget. In view of our previous audit findings on the lessons for the next MFF ([review 03/2025](#)) and the Recovery and Resilience Facility ([review 02/2025](#)), the Commission should carefully assess, on a case-by-case basis, whether this funding option is suitable for the bulk of the proposed spending. We elaborate on this risk in our opinion on the European Competitiveness Fund<sup>39</sup>, the opinion on Horizon Europe<sup>40</sup> and the opinion on the Single Market and Customs Programme<sup>41</sup>. Furthermore, in our opinion on the Union Civil Protection Mechanism<sup>42</sup>, we point to the risk when such instruments are used in conjunction with different EU funding programmes that finance similar measures and actions during the same timeframe.

## Aligning spending objectives with EU-wide policy priorities

- 25** We have previously noted that objectives need to be clearly defined and reflected in the allocation of EU funding to maximise the impact<sup>43</sup>. The proposal integrates the new Financial Regulation requirement that all programmes be implemented without doing significant harm to the environment, respect working and employment conditions and apply the principle of gender equality. Overall, it provides a clearer framework for

<sup>38</sup> *Ibid.*, box on p. 12, 1<sup>st</sup> bullet point, paragraphs 04 and 07.

<sup>39</sup> [Opinion 01/2026](#) (pursuant to Article 322(1) TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund (“the ECF”), paragraph 56.

<sup>40</sup> [Opinion 02/2026](#) (pursuant to Article 322(1) TFEU) concerning the proposal for a regulation of the European Parliament and of the Council establishing Horizon Europe, the Framework Programme for Research and Innovation, for the period 2028-2034, paragraph 31.

<sup>41</sup> [Opinion 08/2026](#) (pursuant to Article 322(1) TFEU) concerning the proposal for a regulation of the European Parliament and of the Council establishing the Single Market and Customs Programme for the period 2028-2034, paragraph 43.

<sup>42</sup> [Opinion 06/2026](#) (pursuant to Article 322(1) TFEU) concerning the proposal for a regulation of the European Parliament and of the Council on the Union Civil Protection Mechanism and Union support for health emergency preparedness and response, paragraph 40.

<sup>43</sup> [Review 02/2025](#), box on p. 8, 4<sup>th</sup> bullet point, paragraphs 13 and 31.

reporting on the performance of horizontal priorities (see paragraphs 39-40, 44). However, we provide a number of concrete suggestions to address weaknesses regarding timely guidance on do no significant harm and consistency in approach to gender mainstreaming (see paragraphs 43, 45 and 46).

- 26** The proposal<sup>44</sup> defines a three-tier system of EU coefficient values (0 %, 40 % and 100 %) to be applied when calculating the expenditure contributions to horizontal policies. The proposal will enable the consistency of climate expenditure tracking and performance monitoring to be improved by defining the EU coefficients horizontally for all intervention fields. However, the proposal does not address a recurrent weakness, that programmes' contributions to the different priorities are based on estimates and not actual spending. Our audits on climate mainstreaming<sup>45</sup> found that the Commission's reported spending for the 2014-2020 MFF was overstated. We consider there is still the risk of overstatements of some coefficients in the new proposal (see paragraph 42).
- 27** The proposal's 35 % target combines climate and environmental objectives (including biodiversity), while in the current MFF climate and biodiversity objectives are separated. Thus, the percentages are not comparable (see paragraphs 39 and 41). We note that the proposal does not include coefficients for Sustainable Development Goals and digital transformation as priorities to be tracked. According to the Commission, the proposed system of intervention fields should allow expenditure supporting those policies to be monitored, but the proposal does not explain how it will take place. The Sustainable Development Goals are an important Commission priority<sup>46</sup>, and spending on digital transformation is a horizontal priority in the current MFF.

## Transparency, accountability and traceability of the funds spent

- 28** The Commission receives performance data from many different stakeholders (e.g. member state authorities at national, regional and local level, beneficiaries, Commission departments, decentralised agencies, various EU bodies, third countries, international organisations and other partner organisations outside the EU). Ensuring the reliability and the quality of performance data is one of the greatest challenges for performance

<sup>44</sup> Article 8 and Annex I.

<sup>45</sup> Special report 09/2022: Climate spending in the 2014-2020 EU budget, paragraphs VI-VII, 57 and 60; special report 14/2024, paragraph IV and 23.

<sup>46</sup> Political guidelines: "A Union that strives for more – My agenda for Europe", see also EU Voluntary Review on the Implementation of the 2030 Agenda (EUVR).

management. We have previously identified that, in some instances, performance data submitted by member states was not fully reliable<sup>47</sup>, and the Commission has also recognised this. We have also found gaps in the traceability of the data underlying performance indicators that was reported by the Commission<sup>48</sup>, and we have regularly identified<sup>49</sup> that the lack of reliable performance data has hampered the usefulness of evaluations.

**29** The proposal lists the result and output indicators at the start of the MFF by embedding the performance reporting in a single legal act. However, the proposal does not contain a clear control and accountability framework for performance data in order to ensure its quality and reliability. Since these arrangements normally depend on the management mode, sectorial regulations should specify clear control and accountability arrangements. This should also include a process to systematically check the fulfilment of contractual obligations, when they take the form of performance indicators, to be complied with by EU beneficiaries after receiving EU payments<sup>50</sup>. We provide more details on the control and accountability arrangements in our opinions concerning the European Fund proposal and the European Competitiveness Fund proposal<sup>51</sup>. Nevertheless, and regardless of which delivery and funding options are ultimately used, we wish to emphasise the importance of ensuring a satisfactory level of compliance, transparency, accountability and traceability as well as a sound financial management in the way the funds are spent.

**30** The lessons learnt from the RRF<sup>52</sup> covered also the traceability, accountability and transparency of the funds spent. In particular, we referred to the management and control systems and the regularity of payments, including compliance with EU and national rules, in a financing not linked to the cost system. These aspects are not part of this legislative

<sup>47</sup> 2023 annual report, paragraph 3.59; special report 25/2025: LIFE strategic projects, paragraph 11 and recommendation 2; special report 16/2025: EU funding to tackle forest fires, paragraphs 56-57; special report 26/2023, paragraph VI.

<sup>48</sup> 2024 annual report, paragraph 3.80.

<sup>49</sup> Review 04/2025, paragraphs 21, 89, Box 5 (opportunity (4)); special report 05/2025: Cohesion's Action for Refugees in Europe, paragraphs III, 78, 86; special report 14/2023: Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe; special report 17/2024: The EU trust fund for Africa, recommendation 4; special report 26/2024: Integration of third-country nationals in the EU, paragraphs 79-82, 104.

<sup>50</sup> 2023 annual report, recommendation 6.3, p. 266.

<sup>51</sup> Opinion 09/2026, paragraphs 40-41 and 102-109; opinion 01/2026, paragraph 67.

<sup>52</sup> Review 02/2025, box on p. 10.

proposal, but they are covered in our opinion on the proposal for a European Fund<sup>53</sup>. To provide a complete picture we summarise the main points.

- *Conditions for member states to receive payment should include compliance with EU and national rules.* We consider that the European Fund proposal should outline how compliance of underlying operations with applicable EU and national law – including public procurement, state aid and other horizontal requirements – will be assessed and ensured. The regulation should clarify that compliance with EU and national law is compulsory and that non-compliance should result in financial consequences for the member state. As the Commission remains ultimately responsible, it should establish effective control and audit requirements. Without explicitly specifying the consequences of non-compliance, especially as regards financial corrections and recoveries, there is a risk that the Commission’s assurance may not provide a sufficient basis to confirm the legality and regularity of EU spending<sup>54</sup>.
- *Appropriate control systems should be in place in member states and checked by the Commission before implementation starts.* The European Fund proposal is largely based on the assumption of continuity in terms of the way in which NRP plan authorities and the management and control system function, potentially underestimating the scale of adaptation. An early examination of the systems in place should be required to reinforce the Commission’s capacity to provide the necessary assurance<sup>55</sup>.
- *Payment suspension methodology should be based on objective criteria rather than subjective considerations.* The European Fund proposal provides the possibility to apply suspensions in the event of a risk to the effective implementation of measures, and in the case of “serious non-compliance” with applicable law at the level of operations. The proposal allows the Commission and member states to mutually agree to extend the procedure, which may delay the application of financial corrections<sup>56</sup>.

**31** The proposal does not define data governance issues such as interoperability of IT systems (including member state systems), record-keeping, minimum verification requirements and responsibilities for data quality. Without clear definitions, rules, guidance and harmonised checks, as well as consequences for delayed, incomplete or inaccurate data submissions,

<sup>53</sup> [Opinion 09/2026](#), paragraphs 40-47.

<sup>54</sup> *Ibid.*, paragraph 42.

<sup>55</sup> *Ibid.*, paragraph [44].

<sup>56</sup> *Ibid.*, paragraphs 135-137.

practices may vary across member states, third countries, international organisations and other stakeholders, and there is a risk that data reliability and comparability issues will persist<sup>57</sup>. We underline that these elements are critical for accountability, financial control and audit purposes.

- 32** The proposal includes a single website for reporting the progress of the different funds and providing information on recipients of EU funds and on operations: the Single Gateway (see paragraph 11). This will improve transparency, as it will bring together the information currently held in several online portals. The proposal provides<sup>58</sup> that the Single Gateway will be updated regularly. Our assessment of the reporting of the RRF has shown that timely and transparent information about what contribution funding has made towards achieving the instrument's objectives, and how, would be needed to improve transparency<sup>59</sup>.
- 33** Therefore, we consider it important that the Commission establishes how often the Single Gateway will be updated and how the system will allow the extraction of data regarding specific time periods. We have identified such time-related issues in the Commission's performance reporting, when the details behind the numbers reported were available only for the reporting date itself, after which the data changed because of new entries<sup>60</sup>. The proposal, and the proposals for the specific programmes, do not specify how the reliability and the quality of the performance data in the Single Gateway (see paragraph 29) will be ensured.
- 34** Developing and maintaining the Single Gateway and other digital solutions entails technical risks, such as system failures, cybersecurity threats, and interoperability issues with existing systems. Implementing robust IT security measures, and regular system testing, and having contingency plans can help address technological risks. Information systems supporting transparency and performance reporting should be designed to allow full access for audit and control purposes<sup>61</sup>. Moreover, they should ensure traceability over time, and remain adaptable to evolving analytical tools, including data analytics and artificial intelligence.

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<sup>57</sup> 2023 annual report, paragraph 3.49.

<sup>58</sup> Article 12(5).

<sup>59</sup> Review 02/2025, paragraph 39, box 2.

<sup>60</sup> 2024 annual report, chapter 3, paragraph 3.54.

<sup>61</sup> Review 02/2025, box on p. 8, 5<sup>th</sup> bullet point, paragraph 42.

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## Publication date of the annual management and performance report

**35** We previously reported<sup>62</sup> that the publication date of the annual management and performance report by 30 June of the following year restricts our coverage of this report in our annual report. The proposal provides<sup>63</sup> that the Commission must report annually on performance, and refers to the obligations stemming from the Financial Regulation. Maintaining the 30 June deadline will significantly constrain the ECA's ability to provide a comprehensive assessment of the annual management and performance report in time for the discharge.

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<sup>62</sup> Review 04/2024: The Commission's 2023 annual management and performance report for the EU budget, paragraph 04.

<sup>63</sup> Article 9(2).

## Specific comments

### Chapter 1 – General provisions (Articles 1-3)

- 36** Clear definitions are necessary to avoid different interpretations among the various parties involved in the implementation of EU funds, at the level of the member states as well as the Commission and other EU institutions. This will be particularly important for EU instruments disbursed on the basis of quantitative or qualitative achievements, such as the proposed European Fund Regulation. Our work on the RRF showed that vague definition of payment conditions, such as milestones or targets, lead to different possible interpretations about their fulfilment<sup>64</sup>. All payment and eligibility conditions need to be clearly and comprehensively defined, based on objectively verifiable criteria in order to reduce the risk of differing and discretionary assessments of legal requirements.
- 37** The definition of “operation” in Article 2 of the proposal is different from the definition in Article 4 of the proposed European Fund Regulation and does not refer to contracts. This means that, under the proposed European Fund Regulation, a contract would represent an operation contributing to the output or result indicators defined in Annex I, whereas this may not be the case according to the Performance Regulation proposal. Furthermore, there is no requirement for the Single Gateway to provide information about contracts since these are not considered to be operations under the Performance Regulation proposal. The concept of “measure” is defined differently under this proposal and the proposed European Fund Regulation. To overcome these inconsistencies, we propose that the definition of “operation” in the new MFF proposals package be harmonised (see also [Annex II](#)).

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<sup>64</sup> 2024 annual report, paragraph XXXVII.

**38** The proposal stipulates<sup>65</sup>, among other things that the Single Gateway will provide the information on recipients that is referred to in Article 38 of the Financial Regulation. The definition of “recipient” in the proposed European Fund Regulation is different from the definition in the Financial Regulation. The proposed Performance Regulation does not define them, although it mentions the term “final recipient” when defining “operations” and requires proportionate reporting requirements to be imposed on recipients of EU funding. Lastly, “beneficiary” is not defined in the proposal either, although it is referred to in Article 18. This entails the risk of inconsistent reporting. We therefore propose a definition of “recipient” and “beneficiary” be added or a reference made to a definition in other relevant legislation (see also *Annex II*).

## Chapter 2 – Horizontal principles (Articles 4-7)

**39** The proposal<sup>66</sup> sets a minimum target of 35 % of the overall MFF expenditure (excluding security and defence) to be allocated for climate action and environmental objectives. In the current MFF, the EU planned to commit at least 30 % of its budget to climate-relevant expenditure. There was also a separate target of 7.5 % for biodiversity in the 2024 annual budget and 10 % in 2026 and 2027, and there were overlaps in spending contributions to both targets. As the proposal’s 35 % target for climate action and environmental objectives include also biodiversity, we would like to point out that the expenditure targets for the two MFFs are not comparable. The proposal<sup>67</sup> includes a provision on “appropriate measures” to be taken where there is insufficient progress, to ensure that spending meets the overall 35 % target, in line with the Interinstitutional Agreement for the 2021-2027 MFF.

**40** The proposal<sup>68</sup> allocates separate EU coefficients to climate mitigation, and climate adaptation and resilience. This is in line with previous recommendations in the ECA’s special reports<sup>69</sup>. The contribution to the target for climate action and environmental objectives will be calculated by using the highest coefficient amongst climate mitigation, climate adaptation and resilience, and environment. This should prevent the double counting of multiple priorities in the same programmes or activities.

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<sup>65</sup> Article 12(1)(b).

<sup>66</sup> Article 4(2).

<sup>67</sup> Article 4(5).

<sup>68</sup> Article 4(2).

<sup>69</sup> Special report 09/2022, paragraph 41; special report 14/2024, paragraph 23.

- 41** While tracking “biodiversity” is mentioned in Article 4(1), there is no longer an EU target for biodiversity spending, and there are no references to biodiversity in Annex I. The Commission’s impact assessment report<sup>70</sup> says that the tracking of EU budget expenditure contributing to biodiversity will be improved, but it is not clear from the proposal how this will be done.
- 42** The proposal<sup>71</sup> defines a three-tier system of EU coefficient values (0 %, 40 % and 100 %) to be applied when calculating the expenditure contributions to horizontal policies. We highlight that our audits have found that for 2014-2020, some coefficients were overestimating the contribution of their intervention fields to climate action and environmental objectives<sup>72</sup>. We consider that in some cases, the proposed EU coefficient values to track climate and environment expenditure are again overstated. As an example, intervention field “Energy infrastructure of cross border relevance in line with the TEN-E Regulation” contributes according to the Commission to climate change and mitigation 100 %, but according to the ECA’s assessment only 40 %, since our [special report 09/2022](#) assessed the contribution of electricity transport projects to climate action to be moderate.
- 43** The Commission’s proposed European Fund Regulation provides that member states can submit draft plans to the Commission starting from June 2027. However, it is not clear from the proposal discussed in this opinion and from the proposed European Fund Regulation what criteria member states and the Commission should use to assess compliance with the do no significant harm principle. It is also not clear at what level (plan, policy area, activity or measure) the assessment will be carried out. Therefore, the timely production of the do no significant harm guidance – to be provided by 1 January 2027<sup>73</sup> and which will be the basis for the application and assessment of compliance with this principle, is critical<sup>74</sup> (see [Annex II](#)).
- 44** The proposal<sup>75</sup> sets scores reflecting the extent to which activities financed by the EU budget support gender equality, and in Annex IV lists programmes and activities mainstreaming gender. This is consistent with our recommendation from the 2021 report

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<sup>70</sup> [Impact assessment report](#), p. 62.

<sup>71</sup> Article 8 and Annex I.

<sup>72</sup> [Special report 09/2022](#), paragraph IV.

<sup>73</sup> Recital 5 to the proposal.

<sup>74</sup> [Review 04/2025](#), Box 3(1), paragraphs 15 and 32, [special report 14/2024](#), Recommendation 3.

<sup>75</sup> Article 7.

on the performance of the EU budget<sup>76</sup>. We note that the proposal<sup>77</sup> requires the Commission to produce relevant technical guidance (see [Annex II](#)).

**45** We also found that Annex I includes identical indicators that are split by gender in some intervention fields only, e.g. indicator “number of jobs sustained or created” is disaggregated by gender under intervention field “Investments in blue economy, including smart specialisation” but not under intervention field “Investments in agriculture and forestry (other than green or to improve animal health, biosecurity and animal welfare)” (see [Annex II](#)).

**46** The proposal does not set a minimum share of actions in support of gender equality. Recital 44 to the current Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-Global Europe) Regulation states that “at least 85 % of new actions implemented under the Instrument should have gender equality as a principal or a significant objective, [...]. At least 5 % of those actions should have gender equality and women’s and girls’ rights and empowerment as a principal objective”. Without setting a minimum share of actions in support of gender equality in the area of external action, there is a risk that the policy objective of equality will lose its importance.

### **Chapter 3 – Budget expenditure tracking and performance framework, monitoring and reporting, evaluation and transparency (Articles 8-12)**

**47** Annex I of the proposal includes policy areas and intervention fields but not policy objectives. Therefore, it does not show explicitly the correlation between intervention fields and EU policy objectives. In the field of external action and development, and specifically the preparation of candidate countries for EU accession and the strengthening of foreign partnerships, we note that intervention fields and indicators do not cover all policy objectives, e.g. relating to the enlargement process or capacities for strategic communication. The mapping/correlation between Global Europe’s policy objectives and the standardised intervention fields is not clear.

**48** The proposal<sup>78</sup> provides for two types of performance indicators: output indicators and result indicators. The Commission’s better regulation guidelines<sup>79</sup> identify four types of performance indicators: input, output, result and impact indicators. While recognising the simplicity of focusing on two types of indicators, this will complicate subsequent

<sup>76</sup> [2024 annual report](#), chapter 3, part 3 and Annex 3.6.

<sup>77</sup> Article 7(3).

<sup>78</sup> Article 8(1).

<sup>79</sup> [Better regulation toolbox](#), p. 362, “2.1 Identify what to monitor” heading.

retrospective evaluations, as impact performance indicators are not included in the proposal. We stress that impact indicators are necessary to enable member states and the Commission to identify the data necessary for collecting the information on impacts, so that this information is available by the time of the retrospective evaluation. We note that the Regulatory Scrutiny Board also criticised the lack of impact indicators in their review<sup>80</sup> of the Commission's impact assessment, to which the Commission replied that there was a lack of availability of meaningful long-term impact indicators beyond output and results.

- 49** We analysed the indicators proposed by the Commission in Annex I. We consider that most of them are correctly categorised as output or result indicators. However, 134 (25 %) of the 543 intervention fields do not have result indicators, nearly half of which related to reforms. This undermines the focus on results. For 4 % of the result indicators, we consider the indicators defined as result indicators to be in fact output indicators (for example, “number of people trained” or “number of people benefitting”). For 7 % of the output indicators, we believe that the indicators defined as output indicators are closer to input indicators, according to the definition in the better regulation guidelines (e.g. “number of operations” and “number of funding agreements”).
- 50** The proposal requires<sup>81</sup> the publication of information about operations financed by the budget, having due regard to confidentiality and security considerations, and with the exception of support provided through financial instruments or budgetary guarantees for an amount lower than €500 000. This is in line with the provisions from the Financial Regulation. Nevertheless, we underline that, since the InvestEU+ under the European Competitiveness Fund, and the Global Europe instrument are primarily focused on small and medium-sized enterprises and microfinance, a substantial portion of the supported operations is likely to fall below this threshold.
- 51** Article 12(2) lists the content of the Single Gateway related to the progress of the financial implementation and performance of the budget, and Article 12(3) lists the content for operations financed by the budget through plans by member states. Plans by third countries are not specifically mentioned in this article (see *Annex II*).

#### Chapter 4 – Implementation (Articles 13-17)

- 52** The proposal<sup>82</sup> states that “at least one intervention field from Annex I” should be assigned to each measure. There is an inconsistency with the proposed European Fund Regulation,

<sup>80</sup> Impact assessment report, pp. 48-50.

<sup>81</sup> Article 12(1)(c).

<sup>82</sup> Article 14(2).

which provides that member states assign an intervention field to each measure in their NRP plans (Annex V (Template for the NRP plans), point 7). That proposal lists the requirements for the NRP plans to be assessed by the Commission. If the assignment of multiple intervention fields is possible, there is a risk of unclear attribution of outputs or results and related funding.

- 53** The proposal<sup>83</sup> describes performance monitoring and reporting requirements for the three management modes: shared, indirect and direct. The monitoring process for shared management is described in more detail compared to the other two modes and has specific instructions for choosing the output and the result indicators. The proposal<sup>84</sup> does not describe how to select output and result indicators for direct and indirect management. It is therefore unclear how the performance framework will be applied in practice as regards these two management modes.
- 54** Article 15 of the proposal deals with performance monitoring and reporting when plans are implemented by third countries. The proposal for the Global Europe instrument (Article 31) states that the Commission will adopt further implementing rules “in relation to the design and content of the performance-based plans, performance, structures and control systems to be set up in preparation of accession”. The first sentence of Article 15(1) of the performance framework proposal provides that, to the extent possible, the Commission will ensure that, in their plans, third countries use the performance indicators set out in the proposal. We recognise that the non-EU context is more challenging. Therefore, there is a risk that this flexibility may result in the setting of heterogeneous indicators that are not comparable from one partner country to another, thus hampering the aggregation of results. Each plan by third country should provide a baseline and an estimated value for the result indicator assigned to each measure, as well as the expected year of achievement of that value, which is not the case in the proposal (see [Annex II](#)).
- 55** Article 17(2) – “Implementation under indirect management” – does not fully address our recommendations regarding reporting on budgetary guarantees<sup>85</sup>. In particular, the proposal does not contain provisions regarding the reporting on equity investments outside the EU and on the transfer of benefits from EU budgetary guarantees.
- 56** Furthermore, Article 17(2) does not include audit arrangements or the rights of the ECA, the European Anti-Fraud Office, or the European Public Prosecutor’s Office to access

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<sup>83</sup> Articles 14-17.

<sup>84</sup> Articles 16 and 17.

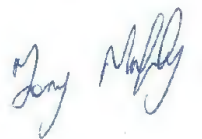
<sup>85</sup> [Special report 07/2025: The European Fund for Strategic Investments](#), recommendations 4 and 5.

documentation, even though these are established in other legal provisions (Article 263 of the Financial Regulation for the ECA and Article 129 of the Financial Regulation for the European Anti-Fraud Office and the European Public Prosecutor's Office). Current practice – particularly in external action – has already shown significant difficulties in ensuring proper oversight<sup>86</sup>.

**57** In *Annex II*, we make specific suggestions for the European Parliament, Council and Commission to consider before the final act is adopted.

This opinion was adopted by the Court of Auditors in Luxembourg at its meeting of 12 February 2026.

*For the Court of Auditors*

A handwritten signature in blue ink, appearing to read 'Tony Murphy', is positioned above the printed name and title.

Tony Murphy  
*President*

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<sup>86</sup> 2024 annual report, paragraphs 8.13, and 9.14-9.16, and 2024 annual report on the European Development Funds, paragraphs 25 and 26.

# Annexes

## Annex I – List of ECA publications referenced in this opinion

**Annual reports on the implementation of the EU budget: 2023 and 2024 financial years**

**2024 annual report on the European Development Funds**

**Annual report on the performance of the EU budget – status at the end of 2021**

**Opinion 06/2022** (pursuant to Article 322(1), TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (recast)

**Opinion 01/2026** (pursuant to Article 322(1) TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund (“the ECF”), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, and amending Regulation (EU) [EDIP] (SEC(2025) 555 final; SWD(2025) 555 final; SWD(2025) 556 final)

**Opinion 02/2026** (pursuant to Article 322(1) TFEU) concerning the proposal for a regulation of the European Parliament and of the Council establishing Horizon Europe, the Framework Programme for Research and Innovation, for the period 2028-2034, laying down its rules for participation and dissemination, and repealing Regulation (EU) 2021/695 [COM(2025) 543 final]

**Opinion 06/2026** (pursuant to Article 322(1)(a) TFEU) concerning the proposal for a regulation of the European Parliament and of the Council on the Union Civil Protection Mechanism and Union support for health emergency preparedness and response, repealing Decision No 1313/2013/EU (Union Civil Protection Mechanism) (COM(2025) 548 final)

**Opinion 07/2026** (pursuant to Article 322(1) TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council on establishing Global Europe [COM(2025) 551 final]

**Opinion 08/2026** (pursuant to Article 322(1), TFEU) concerning the proposal for a Regulation of the European Parliament and of the Council establishing the Single Market and Customs Programme for the period 2028-2034, repealing Regulations (EU) 2021/444, (EU) 2021/690, (EU) 2021/785, (EU) 2021/847 and (EU) 2021/1077 (COM(2025) 590 final)

**Opinion 09/2026** (pursuant to Article 322(1), TFEU) concerning the proposal 2025/0240 (COD) for a regulation of the European Parliament and of the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509 (COM(2025) 565 final/2)

**Review 04/2024:** The Commission's 2023 annual management and performance report for the EU budget

**Review 02/2025:** Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF

**Review 03/2025:** Opportunities for the post-2027 Multiannual Financial Framework

**Review 04/2025:** The future of EU cohesion policy – Drawing lessons from the past

**Special report 14/2021:** Interreg cooperation – The potential of the European Union's cross-border regions has not yet been fully unlocked

**Special report 24/2021:** Performance-based financing in Cohesion policy – worthy ambitions, but obstacles remained in the 2014-2020 period

**Special report 09/2022:** Climate spending in the 2014-2020 EU budget – Not as high as reported

**Special report 14/2023:** Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe – Comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring

**Special report 26/2023:** The Recovery and Resilience Facility's performance monitoring framework – Measuring implementation progress but not sufficient to capture performance

**Special report 04/2024:** Reaching EU road safety objectives – Time to move up a gear

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**Special report 14/2024:** Green transition – Unclear contribution from the Recovery and Resilience Facility

**Special report 17/2024:** The EU trust fund for Africa – Despite new approaches, support remained unfocused

**Special report 26/2024:** Integration of third-country nationals in the EU – Relevant support from the Asylum, Migration and Integration Fund but its impact could not yet be demonstrated

**Special report 05/2025:** Cohesion’s Action for Refugees in Europe – Increased flexibility but insufficient data hinders future assessment of effectiveness

**Special report 07/2025:** The European Fund for Strategic Investments – Contributed substantially to addressing the investment gap, but had not fully reached the €500 billion target in the real economy by the end of 2022

**Special report 16/2025:** EU funding to tackle forest fires – More preventive measures, but insufficient evidence of results and their long-term sustainability

**Special report 20/2025:** Commission support to fight hunger in sub-Saharan Africa – Commendable but insufficient focus on sustainability and impact

**Special report 25/2025:** LIFE strategic projects – Bridge the gap between strategy and implementation, but impact not entirely clear

## Annex II – Suggested changes with comments

Table 1 | Suggested changes with comments

Text of the proposal	Suggested change	Comments
Article 2 – Definitions “(1) ‘operation’ means any of the following: (a) a project, action or group of projects or actions implementing one or more activities;”		The definition of “operation” in the proposed European Fund Regulation includes a reference to “contracts” (“operation” means: (a) a project, contract, action or group of projects or group of actions selected in the context of implementing a measure in the Plan”), while the one in the proposal on the performance framework does not. We propose that the definition of “operation” in the new MFF proposals package be harmonised. See paragraph 37.
Article 2 – Definitions “(1) ‘operation’ means any of the following: [...] (b) in the context of financial instruments and budgetary guarantees, the amount of reimbursable financing provided to final recipients and supported by the Union budget;”		The term “recipients” is used several times in the proposal but this term is not defined. We propose that either a definition be included in Article 2, or reference be made to a definition in other relevant legislation. See paragraph 38.
Article 2 – Definitions “(3) ‘measure’ means a reform, an investment or any other intervention included in plans drawn by		The proposal specifies that a measure may consist of one or more activities, which is not the case for the proposed European Fund Regulation. (where

Text of the proposal	Suggested change	Comments
member states or third countries, which may consist of one or more activities;”		“measure” means a reform, an investment or another intervention at national or subnational level supported under the NRP plan or the Interreg Plan”). We propose that the definition of “measure” is harmonised with the proposed European Fund Regulation. See paragraphs 37 and 52.
Article 2 – Definitions		The proposal uses the term “beneficiary” in Article 18. We propose that a definition of “beneficiary” be added, or a reference be made to legislation where this term is defined. See paragraph 38.
Article 4 – Climate and biodiversity “1. The contribution from the budget to climate and biodiversity shall be monitored by means of the budget expenditure tracking and performance framework laid down in Article 8, including by means of EU coefficients.”	Article 4 – Climate <u>action and biodiversity environmental objectives</u> “1. The contribution from the budget to climate <u>action and biodiversity environmental objectives</u> shall be monitored by means of the budget expenditure tracking and performance framework laid down in Article 8, including by means of EU coefficients.”	We propose that the text be amended to more accurately reflect the lower prioritisation of biodiversity, for which there is no longer a spending target, and for which there is no coefficient in Annex I. See paragraph 41.
Article 5 – “Do no significant harm” to environmental objectives “1. A streamlined application of the “do no significant harm” principle as referred to in Article 33(2), point (d), of Regulation (EU, Euratom) 2024/2509, shall be facilitated by a single and	Article 5 – “Do no significant harm” to environmental objectives “1. A streamlined application of the “do no significant harm” principle as referred to in Article 33(2), point (d), of Regulation (EU, Euratom) 2024/2509, shall be facilitated by a single and	The deadline for the do no significant harm guidance is mentioned in recital 5 but not in the article itself. We propose including this information in the article. See paragraph 43.

Text of the proposal	Suggested change	Comments
simple guidance (“do no significant harm guidance”).	simple guidance (“do no significant harm guidance”). <u>The Commission should provide this technical guidance by 1 January 2027.</u>	
Article 7 – Gender equality “3. The Commission shall provide technical guidance on the methodology referred to in paragraph 2 to determine the categories and corresponding gender equality scores, aiming to ensure consistency across all programmes.”	Article 7 – Gender equality “3. The Commission shall provide technical guidance <u>by dd/mm/yyyy</u> on the methodology referred to in paragraph 2 to determine the categories and corresponding gender equality scores, aiming to ensure consistency across all programmes.”	We propose adding a deadline to the technical guidance given its importance for designing programmes. See paragraph 44.
Article 8 – Budget expenditure tracking and performance framework Annex I – Intervention fields and indicators		We propose that an indicator that is disaggregated by gender in one intervention field should be also disaggregated by gender in all the other intervention fields for which it is assigned. See paragraph 45.  Given the importance of result indicators to measure performance, we propose significantly reducing the share of intervention fields without such result indicators. See paragraphs 13, 48 and 49.  The Commission should check whether the indicators in Annex I cover external action. See paragraph 47.

Text of the proposal	Suggested change	Comments
Article 9 – Budget performance monitoring and reporting “1. [...] Data shall be collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding. Data shall be collected regularly and stored electronically.”		The proposal does not include specific measures to ensure the data quality of performance information. The lack of a clear control and accountability framework risks affecting future reporting on performance. We propose that clear requirements to ensure the quality, reliability and comparability of performance information and deadlines be added, or such requirements be put in the proposals for specific programmes. See paragraphs 28, 29 and 31-33.
Article 9 – Budget performance monitoring and reporting “2. The Commission shall inform annually the European Parliament and the Council on the level of implementation of the programmes and activities [...]”		For the current MFF, the Commission issues its annual management and performance report for a particular year by 30 June of the following year. This does not give us enough time to examine it adequately before our annual report. See paragraph 35.
Article 10 – Evaluations by the Commission “2. The Commission shall publish an implementation report for each programme or activity no later than four years after the start of its implementation.”	Article 10 – Evaluations by the Commission “2. The Commission shall publish an implementation report for each programme or activity no later than four years after the start of its implementation. <u>These reports shall include an assessment of progress made towards achievements of objectives based on quantitative and qualitative evidence of performance, and proposals for changes, where appropriate.</u> ”	We propose that minimum requirements for these implementation reports be specified. See paragraph 08.

Text of the proposal	Suggested change	Comments
<p>Article 12 – Transparency – Single Gateway</p> <p>“2. With regard to the function referred to in paragraph 1, point (a), of this article, the Single Gateway shall contain, as appropriate, information on the following elements:</p> <p>(a) information on the activities financed by the budget, including on the progress of the financial implementation and performance, broken down by programme and by chapter of a plan by a member state where relevant;</p> <p>[...]</p> <p>(5) The Single Gateway shall be updated regularly.”</p>	<p>Article 12 – Transparency – Single Gateway</p> <p>“2. With regard to the function referred to in paragraph 1, point (a), of this Article, the Single Gateway shall contain, as appropriate, information on the following elements:</p> <p>(a) information on the activities financed by the budget, including on the progress of the financial implementation and performance, broken down by programme and by chapter of a plan by a member state where relevant; <u>and also by a third country where relevant.”</u></p>	<p>We propose that the Single Gateway also record progress in budget implementation by third countries where relevant. See paragraph 51.</p> <p>Details on how to ensure the timeliness, reliability and quality of the performance data included in the Single Gateway should also be specified. See paragraphs 31-33.</p>
<p>Chapter 4 – Implementation</p> <p>Articles 13-17</p>		<p>Articles dealing with implementation of the performance framework do not specify the arrangements to ensure the quality of performance information.</p> <p>We propose that the proposal include specific requirements to ensure the quality of performance information, or reference is made to the sectoral legislation containing such requirements, so that an accurate assessment of performance can be made. See paragraphs 28, 29 and 31-33.</p>
<p>Article 14 – Implementation through plans by member states – performance monitoring and reporting</p>		<p>See our comment on Article 9 above, and paragraphs 28, 29 and 31-33.</p>

Text of the proposal	Suggested change	Comments
<p>“1. Each member state shall have in place a monitoring and reporting system to allow for the monitoring of performance and the automated transmission of information based on the relevant elements of the expenditure tracking and performance framework referred to in Article 8(1). The member states shall make that information available to the Commissions in an interoperable way through the electronic data exchange system between the member states and the Commission referred to in Annex XVI to Regulation .../... [National and Regional Partnership Plans – SFC 2028].”</p>		
<p>Article 14 – Implementation through plans by member states – performance monitoring and reporting</p> <p>“2. Each plan submitted by a member state, and any amendment thereof, shall include for each measure the proposed assignment of at least one intervention field from Annex I and, for each intervention field assigned to that measure, the following performance indicators as appropriate, which shall be subject to the agreement by the Commission.”</p>		<p>The reference in the proposal to “at least one intervention field” should be harmonised with the requirement of the proposed European Fund Regulation, which refers to an intervention field, see paragraph 52.</p>
<p>Article 15 – Implementation through plans by third countries – performance monitoring and reporting</p>	<p>Article 15 – Implementation through plans by third countries – performance monitoring and reporting</p>	<p>We propose that, to better compare progress between third countries in meeting enlargement conditions, the requirement to use the set</p>

Text of the proposal	Suggested change	Comments
<p>“1. For each measure of a plan by third countries, the Commission shall assign at least one intervention field from Annex I and, to the extent possible, shall ensure that, in their plans, third countries use the performance indicators referred to in Article 8(1), first subparagraph, point (c).”</p>	<p>“1. For each measure of a plan by third countries, the Commission shall assign at least one intervention field from Annex I and, <del>to the extent possible,</del> shall ensure that, in their plans, third countries use the performance indicators referred to in Article 8(1), first subparagraph, point (c).</p> <p><u>Each plan shall provide the baseline and an estimated value for the result indicator assigned to each measure in accordance with Article 14(2), including the expected year of achievement of that value.”</u></p>	<p>performance indicators be strengthened. See paragraph 54.</p>
<p>Article 16 – Implementation under direct management</p> <p>“3. Reporting requirements imposed on recipients of Union funds shall be proportionate and shall aim to ensure that data for monitoring implementation and results are collected efficiently, effectively and in a timely manner.”</p>		<p>The proposal should be expanded to include clear and proportionate requirements for the Commission to ensure the quality of performance information.</p> <p>See our comment on Article 9 above, and paragraphs 28, 29 and 31-33.</p>
<p>Article 17 – Implementation under indirect management</p> <p>“2. Agreements signed between the Commission and persons or entities implementing Union funds and budgetary guarantees pursuant to Article 62(1), first subparagraph, point (c) of Regulation (EU, Euratom) 2024/2509 shall contain appropriate provisions on:</p>	-	<p>The proposal should be expanded to include following elements.</p> <ul style="list-style-type: none"> <li>For future EU programmes guaranteeing equity investments, the Commission and implementing partners should report the list of countries, and the aggregated amount provided to final recipients located outside the EU.</li> </ul>

Text of the proposal	Suggested change	Comments
[...]”		<ul style="list-style-type: none"> <li>The Commission should provide for collection of quantifiable data, which would enable an evaluation of the scale and type of benefits transferred under debt products by intermediaries to final recipients of EU budgetary guarantees.</li> </ul> <p>See paragraph 55.</p>
<p>Article 17 – Implementation under indirect management</p> <p>“3. Reporting requirements imposed on recipients of Union funds [...] shall be proportionate and shall aim to ensure that data for monitoring implementation and results are collected efficiently, effectively and in a timely manner.”</p>		<p>The proposal should be expanded to include clear and proportionate requirements for the implementing partners to ensure the quality of performance information. See our above comment for Article 9, and paragraphs 28, 29 and 31-33.</p> <p>We recognise that under indirect management, provisions will have to be negotiated in order to establish sets of commonly agreed performance indicators including baselines and targets.</p>

Source: ECA, based on the proposal.

## Abbreviations

Abbreviation	Definition/Explanation
<b>MF</b>	Multiannual financial framework
<b>NDICI-Global Europe</b>	Neighbourhood, Development and International Cooperation Instrument – Global Europe
<b>NRP plan</b>	National and regional partnership plan
<b>RRF</b>	Recovery and Resilience Facility
<b>TFEU</b>	Treaty on the Functioning of the European Union

## Glossary

Term	Definition/Explanation
<b>Direct management</b>	Management of an EU fund or programme by the Commission alone, as opposed to shared management or indirect management.
<b>European Fund Regulation</b>	Proposed successor to the Common Provisions Regulation for the 2028-2034 period, setting out common rules for many EU funds involving national allocations from the EU budget, including the four cohesion policy funds.
<b>European Competitiveness Fund</b>	Proposed EU fund that includes a specific programme for defence research and innovation activities.
<b>European Public Prosecutor's Office</b>	Independent EU body responsible for investigating and prosecuting crimes affecting the EU's financial interests.
<b>European Anti-Fraud Office</b>	Commission body that conducts administrative investigations into fraud, corruption, and irregularities affecting the EU budget.
<b>External action</b>	EU activity that consists in providing assistance to and developing relations with non-EU countries, including through multilateral agreements, as well as with regional or global organisations.
<b>Financial Regulation</b>	Main set of rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.
<b>Global Europe</b>	The EU's proposed external action strategy for 2028-2034.
<b>Indirect management</b>	Method of implementing the EU budget whereby the Commission entrusts implementation tasks to other entities (such as non-EU countries and international organisations).
<b>InvestEU</b>	Mechanism to mobilise private investment in projects of strategic importance for the EU. Succeeded the European Fund for Strategic Investments in 2021.
<b>Multiannual financial framework (MFF)</b>	The EU's spending plan setting priorities (based on policy objectives) and ceilings, generally for seven years. Provides the structure within which annual EU budgets are set, limiting spending for each category of expenditure.
<b>Performance Regulation</b>	Proposed regulation establishing a budget expenditure tracking and performance framework and other general rules for EU programmes and activities.
<b>Programme</b>	Means by which specific EU policy objectives are delivered, generally through co-financed projects.
<b>Recovery and Resilience Facility (RRF)</b>	The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and stimulate recovery, and to meet the challenges of a greener and more digital future.
<b>Regulatory Scrutiny Board</b>	Independent body within the Commission that assesses the quality of all impact assessments and major evaluations.

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Term	Definition/Explanation
<b>Shared management</b>	Method of spending the EU budget in which, in contrast to direct management, the Commission delegates to the member state while retaining ultimate responsibility.
<b>Sound financial management</b>	Management of resources in accordance with the principles of economy, efficiency and effectiveness.

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## HOW TO CITE

European Court of Auditors, [opinion 10/2026](#) “concerning the 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”, Publications Office of the European Union, 2026.

This opinion, issued pursuant to Article 322(1) TFEU, which provides for the European Court of Auditors to be consulted on proposals relating to EU's financial rules and instruments. It concerns the proposed new regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities which was presented by the European Commission on 16 July 2025.

The purpose of this opinion is to provide observations on the design of the proposed framework and its potential implications for tracking EU spending and the reliability of performance information.

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