Follow-up to the European Parliament non-legislative resolution on the choice of performance indicators for audit and budgetary control in the context of financing measures to support the implementation of future European competitiveness

1. **Rapporteur:** Olivier CHASTEL (RE / BE)

2. **References:** 2025/2034(INI) / A10-0268/2025 / P10_TA(2026)0021

3. **Date of adoption of the resolution:** 22 January 2026

4. **Competent Parliamentary Committee:** Committee on Budgetary control (CONT)

5. **Brief analysis/ assessment of the resolution and requests made in it:**

   The Parliament highlights an insufficiency in current budgetary oversight and reporting regarding European competitiveness. The 2021–2027 performance framework is considered overly complex since it uses over 5,000 fragmented indicators that track spending inputs rather than long-term economic results or impacts. On spending, criticism is directed at the Recovery and Resilience Facility (RRF) for a supposed lack of traceability, transparency and auditability of EU funds. Furthermore, the resolution points to data reliability being compromised by inconsistent definitions and missing baselines at the level of operations and final beneficiaries across Member States.

   The EP makes several requests to improve future tracking and reporting future European policy objectives:

   - Transition to SMART and RACER-compliant indicators that prioritize productivity growth, private capital leverage, and patent filings over mere absorption rates.

   - Implement a "one in, two out" principle to reduce the administrative burden on SMEs.

   - Deploy interoperable IT systems and AI for real-time tracking of funds down to the final beneficiary, while maintaining human oversight.

   - Integrate rule-of-law indicators into the performance framework, as legal certainty is viewed as a prerequisite for investor confidence.

   - Mandate a harmonized set of core indicators for the 2028–2034 Multiannual Financial Framework (MFF) to enable benchmarking across the Union.

6. Response to requests and overview of actions taken, or intended to be taken, by the Commission:

The Commission welcomes the European Parliament's resolution and has already introduced a comprehensive package of proposals for the post-2027 period that directly addresses many of the requests made in the resolution. The Commission's position is reflected in its strategic shift towards a simpler, more impactful, and results-oriented budget.

Horizontal Performance, Streamlining and Sound Financial Management (Ref. Paragraphs 6, 7, 10, 12, 13, 15, 16 and 28)

The Commission has proposed a Regulation establishing a budget expenditure tracking and performance framework (COM(2025)0545) to replace the current fragmented system with a single, horizontal and streamlined tracking and performance architecture. This proposal introduces a harmonized list of intervention fields and a standardized set of output and result indicators applicable across all programmes under the 2028-2034 MFF. This will allow for the aggregation of data at Union level, moving away from the 5,000+ non-aggregable indicators split over the individual programme legislations used in the previous period.

The framework codifies tracking methodologies for horizontal priorities, such as climate, environment, social policies and gender equality, ensuring that data reported is reliable and based on clear coefficients or scores. In addition, the proposed approach is designed with sufficient flexibility to allow the monitoring of expenditure and results for other policies such as competitiveness or the digital transition. This provides a solid basis for a granular assessment of the implementation and performance of the EU budget, where needed. It will strengthen evidence-based policymaking and accountability in building a more cohesive and competitive Single Market.

Detailed provisions in the Performance Regulation (COM(2025)0545) (and the National and Regional Partnership Plans Regulation (COM(2025)565) for shared management) aim at ensuring that, across all management modes, information on beneficiaries and operations will be collected and published, in line with the Financial Regulation. To enhance oversight, the Commission will consolidate performance information into a single online portal and interactive dashboard (Single Gateway), facilitating transparency and traceability down to the level of operations and final beneficiaries.

In addition, the Commission will continue to ensure transparency and accountability in the implementation of the EU budget through effective audits and controls carried out on a risk basis as well as through prevention and detection of double funding, suspension of payments and implementation of financial corrections where necessary. These elements are already in place and continuously strengthened for the 2021-2027 MFF. For the 2028–2034 MFF, the definition and future implementation of these audits and control will further align with the Commission's streamlining and simplification objectives, ensuring efficiency while preserving robust oversight and accountability, as outlined in the Commission's proposal for the 2028-2034 MFF.

The 2028-2034 MFF and European Competitiveness Fund (Ref. Paragraphs 1, 8, 25, 29, and 35)

In its proposal for the next Multiannual Financial Framework (COM(2025)0571), the Commission has prioritised a strategic focus and flexibility. The proposed European Competitiveness Fund (COM(2025)0555) consolidates 14 individual instruments into a single framework with a single rulebook, significantly reducing administrative complexity for applicants. The proposed Fund designed to focus on scaling up innovation and de-risking private capital in strategic sectors like clean technology, health, and defence-related industrial and technological development, all while incorporating the streamlined performance framework and tracking architecture of the performance regulation.

Administrative Burden Reduction and the Omnibus Approach (Ref. Paragraphs 34, 35, and 36)

The Commission is dedicated to doing its part to reach the target to reduce administrative burdens for businesses by 25%, and by 35% for SMEs. This means removing administrative burdens of EUR 37.5 billion by the end of the mandate. The Commission has proposed 10 Omnibus simplification packages in 2025 (Simplification - European Commission) and other simplification proposals to deliver on this commitment. Taken together, they reduce administrative burdens by an estimated EUR 15 billion per year through significant simplification measures, including for smaller companies.