Budget expenditure tracking and performance framework

2025/0545(COD) - 16/07/2025 - Legislative proposal

PURPOSE: to establish a single, enhanced framework for monitoring budgetary expenditure and performance based on the post-2027 multiannual financial framework (MFF).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: access to clear, reliable, and timely information on how the EU budget is used and what is achieved with its support is essential for transparency and accountability. Such data is also essential for decision-making, in terms of strengthening the link between the budget and EU political priorities.

The 2021-2027 performance framework has been modernised, but **there is still room for improvement**. The current system is based on a mosaic of programme-specific rules that are sometimes complex and inconsistent. This results in a heavy administrative burden for Member States, implementing partners and beneficiaries.

The post-2027 Multiannual Financial Framework (MFF) offers a unique opportunity to establish a uniform framework for monitoring expenditure and performance across all Union programmes to contribute to these simplification efforts by reducing the administrative costs associated with its implementation, for the Commission, Member States, third countries, implementing partners and beneficiaries.

CONTENT: the proposed regulation aims to establish **a single enhanced framework for monitoring budgetary expenditure and performance** from the post-2027 MFF onwards, in a simpler, more consistent and less burdensome way than is currently the case. Its main objectives are:

- standardise provisions to support horizontal principles across the EU budget (e.g. the 'do no significant harm' principle and gender equality), which will reduce complexity for beneficiaries and enhance the coherence of EU action;

- streamline and harmonise the system for monitoring EU spending and budget implementation, enabling data from all programmes to be aggregated, increasing transparency and reducing costs for stakeholders;

- harmonise and streamline the reporting of performance information and the provision of information on funding opportunities across the EU budget, increase transparency for stakeholders and facilitate access to EU funds for potential beneficiaries.

All these objectives must be implemented in accordance with the principles of economy, efficiency and effectiveness, and without compromising the achievement of the objectives of a programme or activity, as set out in the Financial Regulation.

Horizontal principles

The proposed regulation establishes:

- rules for monitoring the budget's contribution to **climate and biodiversity objectives**, as well as a climate and environment spending target with appropriate mechanisms to ensure that this target is achieved;

- common rules for the implementation of the principle of '**do no significant harm**' by means of single, simplified guidelines;

- rules on **social policies** to ensure that programmes and activities are implemented in compliance with the working and employment conditions provided for by applicable legislation, and that the budget's contribution to social policies is subject to control;

- rules for applying the **principle of gender equality** and a gender equality methodology.

Budget expenditure tracking and performance framework, monitoring, reporting, evaluation and transparency

The proposed regulation establishes:

- **a budgetary expenditure and performance monitoring framework** based mainly on a single list of policy areas, EU coefficients assigned to policy areas to determine their contribution to policies and performance indicators (in terms of outputs and results) associated with each policy area;

- rules on monitoring the implementation of **programmes financed by the budget**, on evaluations by the Commission and on evaluations by Member States in the context of programmes implemented under shared management;

- **a public website** (the single gateway) containing information on the financial implementation and performance of the budget, on the beneficiaries of funds financed by the budget, on high-potential operations that have received special distinctions or a sign of excellence, on current and future calls for proposals and tenders financed by the budget, and on consultancy and business support services financed by the budget;

- rules on horizontal principles and performance monitoring with regard to **plans drawn up by Member States or third countries**;

- rules for implementation under direct management, such as the inclusion of gender equality in the criteria used to evaluate proposals, where feasible and appropriate;

- common rules on information, communication and visibility of EU support.