Choice of performance indicators for audit and budgetary control in the context of financing measures to support the implementation of future European competitiveness

2025/2034(INI) - 22/01/2026 - Text adopted by Parliament, single reading

The European Parliament adopted by 318 votes to 247, with 67 abstentions, a 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.

General observations

Parliament stressed that any overarching performance framework for the EU budget should primarily provide **economic results and measurable policy outcomes**. It reaffirmed the need to set and use performance indicators that are specific, measurable, achievable, relevant and time-bound (SMART), ensuring that the EU's resources are spent efficiently, effectively and sustainably in order to monitor and evaluate progress towards achieving EU policy objectives.

In its audits, the Court of Auditors has repeatedly found that most of the performance indicators used for EU funding programmes do not provide relevant information on progress towards achieving the objectives of EU-funded actions. It called on the Commission and Member States to ensure that the indicators used for EU-funded projects are measurable, verifiable, and based on reliable data sources that guarantee the traceability of the underlying data down to the market and final beneficiary levels, and that they are accompanied by clear references and definitions to avoid any divergence in interpretation.

Members stressed in particular that the design of the **Recovery and Resilience Facility** (RRF) does not sufficiently ensure the traceability, transparency, and auditability of the use of EU funds, nor the comparability of results with other EU spending instruments. The Commission is urged to establish a more comprehensive, harmonised, transparent, and verifiable framework of performance indicators for future instruments.

The resolution called on the Commission to **streamline indicators**, simplify templates, avoid duplicate data requests, and apply the 'once-only' principle. Simplifying the performance framework should not compromise transparency and should contribute to streamlining reporting and improving the accessibility and usefulness of information on the performance of EU funding. The Commission should also develop a secure and interoperable IT infrastructure to improve the implementation of actions and facilitate monitoring, reporting, and control.

Members called on the Commission to include, in its performance reporting substantive information on the quality assurance measures used for performance indicators. They believe that the performance framework for the EU budget should also include indicators related to the rule of law, such as the functioning of the judicial system and the fight against corruption.

Performance indicators related to fostering EU competitiveness

Parliament recalled that the **Draghi report** urged the EU to pursue deep reforms to boost competitiveness and focused on innovation, decarbonisation and defence, and called for significant investments in strategic

sectors such as green energy, digital infrastructure and advanced manufacturing, supported by regulatory simplification and enhanced coordination at EU level.

Members stressed that the implementation of the recommendations made in the Draghi report must be monitored using **relevant, robust and transparent performance indicators**. These indicators should reflect not only achievements (e.g., number of projects funded), but also results and impacts (e.g., productivity gains, reduced emissions, number of sustainable and secure jobs created, improved social and territorial cohesion, changes in the trade balance, increased export diversification, leverage effect of Union programmes and strengthening of strategic autonomy), in order to measure the efficiency and effectiveness of EU spending.

The Commission is invited to introduce specific indicators to measure the leverage effect of EU funds in mobilising public and private investment. Furthermore, a comprehensive ex-ante risk assessment framework must be established, particularly for projects with a high-risk, high-reward profile.

In the case of projects promoting innovation and supporting strategic technologies, Members suggested using the following performance indicators: volume of EU and private sector funding mobilised, number of projects funded per sector (e.g. artificial intelligence, quantum, biotech), number of unicorns, start-ups created in the EU and percentage of women-led start-ups that have obtained funding.

Parliament highlighted the key role of excellence-based research and innovation, skills and talent development, industrial resilience, energy security and the relocation of strategic value chains.

Lastly, to accelerate the green and digital transitions, **particular attention should be paid to innovative SMEs**, for which simplification is critical. Simplification should focus on reducing unnecessary red tape and administrative costs for SMEs. The Commission is urged to step up its efforts to reduce the regulatory burden by applying the principle of **‘one in, two out’** in order to achieve a net reduction in the regulatory burden.