

Annual Activity Report 2025

DIRECTORATE-GENERAL
ENLARGEMENT AND EASTERN NEIGHBOURHOOD

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DG ENEST IN BRIEF

The **mission** of the Directorate-General for Enlargement and Eastern Neighbourhood ⁽¹⁾ (hereinafter DG ENEST) is to take forward the EU's neighbourhood and enlargement policies. It has 1300 **staff members** ⁽²⁾, with staff almost evenly split between Headquarters and EU Delegations/Offices in partner countries.

DG ENEST is responsible for coordinating the implementation of the EU's **enlargement policy** and **European Neighbourhood Policy** (ENP). In the enlargement area, DG ENEST assists those countries with a perspective of joining the EU in meeting the criteria defined by the Treaty on European Union and the European Council. It closely monitors the progress of enlargement countries and supports accession negotiations. It manages the bilateral relations of the Union with these countries, frontloading reforms on rule of law, economic governance and strengthening democratic institutions, including through public administration reform. Under the ENP, DG ENEST supports political and economic reforms in the Eastern Neighbourhood countries, with the aim of creating a space of stability, security and prosperity.

Under the 2021-2027 Multiannual Financial Framework (MFF), DG ENEST manages the Union's financial assistance to the enlargement countries (**Instrument for Pre-Accession Assistance - IPA III**) ⁽³⁾ and the Eastern Neighbourhood (**Neighbourhood, Development and International Cooperation Instrument - NDICI**) ⁽⁴⁾, and support to Syrian refugees and host communities in Türkiye, amounting to approximately EUR 25 billion. In 2025, DG ENEST also continued to lead work on the implementation of the **Ukraine Facility** (2024-2027), the EUR 50 billion multiannual financing instrument providing **bilateral assistance for Ukraine**, the EUR 6 billion **Reform and Growth Facility for the Western Balkans** (2024-2027) as well as the EUR 1.9 billion **Reform and Growth Facility for Moldova** (2025-2027).

DG ENEST is responsible for implementing part of the **European Fund for Sustainable Development Plus** (EFSD+, 2021-27) including the assessment, approval and implementation follow-up of blended finance operations and guarantees. This has significantly reinforced the capacity of the EU to support socio-economic development in the neighbourhood and enlargement countries. DG ENEST's institution-building instruments - **Technical Assistance and Information Exchange (TAIEX)** ⁽⁵⁾ and **Twinning** ⁽⁶⁾ - strategically supported the implementation of the Commission's priorities in DG ENEST partner countries and beyond.

⁽¹⁾ DG ENEST was formed on 1 February 2025 after Directorate-General for Neighbourhood and Enlargement Negotiations was divided into DG ENEST and Directorate-General for the Middle East, North Africa and the Gulf.

⁽²⁾ As of 31 December 2025, excluding external providers, trainees and interims.

⁽³⁾ OJ L 330, 20.9.2021.

⁽⁴⁾ OJ L 209, 14.6.2021.

⁽⁵⁾ Technical Assistance and Information Exchange. TAIEX Website - <https://ec.europa.eu/taieux>

⁽⁶⁾ Twinning is a European Union instrument for institutional cooperation between Public Administrations of EU Member States and of beneficiary or partner countries. Twinning Website - <https://ec.europa.eu/twinning>

EXECUTIVE SUMMARY

The annual activity report is a management report of the Director-General of DG ENEST to the College of Commissioners. Annual activity reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties ⁽⁷⁾.

A. Key results and progress towards achieving the Commission’s general objectives and DG ENEST specific objectives

General Objective 1: A new plan for Europe’s sustainable prosperity and competitiveness	
Specific Objective 1.1	Economic development and reforms in the partner countries are strengthened
Specific Objective 1.2	Ukraine’s short-term recovery, and medium-term reconstruction and modernisation are supported
General objective 2: A new era for European defence and security	
Specific Objective 2.1	Resilience of partner countries is increased and migration is managed
General objective 5: Protecting our democracy, upholding our values	
Specific Objective 5.1	Rule of law, fundamental rights and democracy in partner countries are strengthened
General objective 6: A global Europe: leveraging our power and partnerships	
Specific Objective 6.1	Countries with EU perspective are brought closer to the EU based on a credible, merit-based accession perspective and application of the enlargement methodology
Specific Objective 6.2	A sustainable basis for improved relations with Türkiye is ensured
Specific Objective 6.3	The Eastern Neighbourhood countries are supported, including through regional connectivity and the Black Sea strategy

A new plan for Europe’s sustainable prosperity and competitiveness (general objective 1)

In addition to the implementation of the **Instrument for Pre-accession Assistance (IPA III)** and the **Neighbourhood, Development and International Cooperation Instrument (NDICI)**, DG ENEST is responsible for implementing three tailor-made EU financing instruments specifically designed to boost ENEST partner countries’ economic development: the **Ukraine Facility**, the **Western Balkans Reform and Growth Facility**, and the **Moldova Reform and Growth Facility**. Under these facilities, funds are disbursed conditional upon the fulfilment of agreed reforms. By combining grants and loans, EU funds are also leveraged to unlock more public and private investment.

The **Western Balkans** Reform and Growth Facility supporting the Growth Plan for the Western Balkans adopted in November 2023 to accelerate economic convergence with the EU and in the region itself, became operational during 2025 by moving from set-up to delivery, with Reform Agendas adopted by all partners, and with the first two reporting cycles completed in 2025.

DG ENEST continued to provide support for economic development and reforms in the **Eastern Neighbourhood** countries. In March, the Reform and Growth Facility for the Republic of

⁽⁷⁾ Article 17(1) of the Treaty on European Union.

Moldova ⁽⁸⁾ was established to provide support for socio-economic and fundamental reforms to be undertaken to accelerate growth and convergence with the EU. Negotiations with the national authorities on the implementation of the second segment of the **Armenia** Resilience and Growth Plan covering 2025 to 2027 including a multi-sector budget support element is ongoing.

In 2025, the **Ukraine Facility** remained the core instrument under DG ENEST responsibility to support Ukraine's short-term recovery, and medium-term reconstruction and modernisation. Under pillar I, the Facility contributes to Ukraine's macro-financial stability with a combination of non-repayable support and highly concessional loans disbursed against the fulfilment of pre-agreed conditionalities ('steps') set out in the **Ukraine Plan**. At the same time, DG ENEST continued to deploy the **Ukraine Investment Framework (UIF)** under pillar II of the Facility as a de-risking mechanism available to investors through international financial institutions and aimed at scaling up public and private sector investment in Ukraine. DG ENEST continued to represent the Commission in the Steering Committee of the **Ukraine Donor Platform**.

A new era for European defence and security (general objective 2)

Strengthening the **security, preparedness and resilience** of all DG ENEST partner countries continued in 2025, including through actions on the protection of democratic institutions and critical infrastructure, disaster risk management, energy security, Foreign Information Manipulation and Interference (FIMI), fighting corruption and fighting organised crime. Resilience of candidate countries was further strengthened by ensuring access to tools and instruments to address cyber and hybrid threats and through the Preparedness Union Strategy. DG ENEST supported engagement of its partner countries in the coordination of the external dimension of the European Multidisciplinary Platform Against Criminal Threats (EMPACT). Similarly, closer cooperation between partner countries and EU Agencies working in the security and migration field, was encouraged. DG ENEST continued to promote **migration management**, and alignment with EU legislation such as the Migration and Asylum Pact, the Schengen acquis, and ongoing reforms including enhanced returns policy and strengthened border controls to stem illegal migration.

Protecting our democracy, upholding our values (general objective 5)

The **2025 Enlargement Package report**, published on 4 November, presented a comprehensive assessment of the progress made by the enlargement partners over the previous twelve months. The report underscored the enduring importance of rule of law, fundamental rights, and the functioning of democratic institutions as part of the **'fundamentals'** of the EU accession process. Credible and sustained reforms in these areas, with consolidated results, are crucial to advance on their EU accession path.

Progress on the reforms linked to the fundamentals was noted particularly in Montenegro, Albania, Moldova and Ukraine in 2025, while the fundamentals drastically eroded in Georgia.

In 2025, Albania, North Macedonia, Montenegro and Serbia continued to be covered in the annual **Rule of Law report** alongside EU Member States, having been included for the first

⁽⁸⁾ Regulation (EU) 2025/535 of 18 March 2025

time in 2024. Candidate countries and potential candidates were also integrated into key initiatives under the **European Democracy Shield** and **EU Civil Society Strategy**.

A global Europe: leveraging our power and partnerships (general objective 6)

2025 was **a significant year for the EU's enlargement policy**, with the delivery of important reforms allowing for next steps to be taken on the respective accession processes. The **2025 Enlargement Package** reaffirmed that momentum for enlargement stands high on the priority agenda of the EU and **confirmed that the accession of new Member States is increasingly within reach**.

Montenegro provisionally closed a further six negotiating chapters in 2025, bringing the total to 12 as of end-December 2025, while **Albania** reached a significant milestone with the opening of the four remaining thematic clusters of negotiating chapters. The 'screening' process for **Ukraine** and **Moldova**, the first step in the accession negotiations before thematic clusters are formally opened, was also finalised in September 2025.

The EU's full toolbox of financial and technical assistance has been oriented in support of enlargement countries' accession ambitions. In particular, the **Technical Assistance and Information Exchange (TAIEX)** instrument underwent a strategic prioritisation exercise in support of *acquis* alignment, allowing for the delivery of 576 interventions in support of ENEST countries in 2025. In parallel, the development of an innovative **Artificial Intelligence tool called 'eAccession'** was finalised, with a view to help candidate countries accelerate regulatory approximation, saving time and resources.

High level engagement with **Türkiye** continued in line with the recommendations of the Joint Communication on EU-Türkiye political, economic and trade relations and the High-Level Economic Dialogue resumed after a 5-year gap. The European Investment Bank also resumed its lending mandate. No progress has been made in the accession negotiations and serious concerns remain in relation to backsliding in the area of the rule of law and fundamental rights.

In the **Eastern Neighbourhood**, the Eastern Partnership (EaP) continues to be the overarching policy framework to enhance regional cooperation, to promote stability and economic growth, as well as bringing partner countries closer to the Union. The EU's strategic approach to the Black Sea region adopted in May includes a **Connectivity Agenda** linking Europe with Central Asia through the South Caucasus. The agenda was endorsed at the Cross-regional Ministerial Meeting in Luxembourg in October and the Transcaspien Transport Corridor and Connectivity Investors Forum in Tashkent in November. Bilateral relations with Armenia, Azerbaijan and Moldova with the EU continued whereas no bilateral relations are in place with Belarus and Russia, although support to the citizens is ongoing. With respect to Georgia, no activities with or in support of the Government were undertaken although support to the citizens was provided.


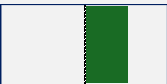
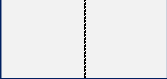



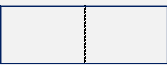
Cross-cutting efforts – implementation and simplification agenda

With a view to enhance the implementation of the Enlargement and Eastern Neighbourhood policies, Commissioner Kos convened two Implementation Dialogues – one with private sector representatives and the other with civil society. Additional

implementation efforts focused on the rollout of the performance-based Facilities for the Western Balkans, Ukraine and Moldova. As regards the simplification agenda, DG ENEST has contributed to the Omnibus II proposal concerning EU investments and has simplified its cooperation with International Financial Institutions by merging contracts and adjusting reporting requirements, thereby reducing administrative burdens on implementing partners. The Annual Progress Report on implementation and simplification was submitted to the European Parliament and the Council in November 2025. As DG ENEST is not a legislative or regulatory DG and is therefore not responsible for EU *acquis*, no reality checks or stress testing were conducted.

B. Key performance indicators

The key performance indicators (KPIs) presented in the following tables mirror those set in DG ENEST 2025-2029 Strategic Outlook.

KPI #	KPI Title	Baseline (2024)	2025		Interim milestone (2027)	Target (2029)
Specific objective 1.1: Economic development and reforms in the partner countries are strengthened						
1.1.1	Amount of support channelled to Western Balkans partners (EUR billion)	0.00	0.40		3.01	4.52
Specific objective 1.2: Ukraine's short-term recovery, and medium-term reconstruction and modernisation are supported						
1.2.1	EU contribution to Ukraine's macro-financial stability through the Ukraine Facility (EUR billion)	16.1	27.1		37.0	38.3
Specific objective 2.1: Resilience of partner countries is increased and migration is managed						
2.1.1	Alignment of visa-free lists of the Western Balkan partner countries and Moldova (number of countries)	0	0		2	5
Specific objective 5.1: Rule of law, fundamental rights and democracy in partner countries are strengthened						
5.1.1	Level of preparation of enlargement partners on Chapter 23 of the <i>acquis</i> – Judiciary and fundamental rights (number of countries with increased level of preparedness)	0	1		2	4
Specific objective 6.1: Countries with EU perspective are brought closer to the EU based on a credible, merit-based accession perspective and application of the enlargement methodology						
6.1.1	Level of preparation of enlargement partners on EU approximation and <i>acquis</i> (1=early stage; 5=well advanced)	2.52	2.62		Increase	Increase
Specific Objective 6.2: A sustainable basis for improved relations with Türkiye is ensured						
6.2.1	High level engagement between the EU and Türkiye (number of dialogues)	3	5		4	5
Specific Objective 6.3: The Eastern Neighbourhood countries are supported, including through regional connectivity and the Black Sea strategy						
6.3.1	Number of key bilateral agreements in place with Eastern Neighbourhood partners	4	4		5	5

Comments:

KPI 1.1.1: Amount of support channelled to Western Balkans partners

By the end of 2025, EUR 396 million in total were released, combining pre-financing and disbursements adopted in July 2025 and October 2025 to Albania, Montenegro and North Macedonia. The Reform Agendas adopted by all partners comprise 731 steps. 38% of reform steps were formally completed in the first two 2025 reporting cycles.

KPI 1.2.1: EU contribution to Ukraine's macro-financial stability through the Ukraine Facility

Performance was largely evolving as expected, and on track to reach the interim milestone of 2027 (EUR 37 billion). The performance-based mechanism of the Plan proved to be effective: Ukraine managed to catch up with 2 out of 7 missed steps already before year-end; 5 reforms remained pending, that could still unlock payments for up to EUR 1.8 billion. For the first time in 2025, the Facility subsidised the borrowing costs Ukraine owes for the loans in support of the Plan, which freed up an equivalent fiscal space in Ukraine's State budget (EUR 321 million).

KPI 2.1.1: Alignment of visa-free lists of the Western Balkan partner countries and Moldova

Moldova's list of visa-free countries diverged by 11 countries from that of the EU acquis and Schengen Agreement. The visa regime was reinstated for one country in March. Further progress on visa policy alignment is required. None of the **Western Balkans** was fully aligned with the EU visa-free list. Most of the Western Balkans' Reform Agendas include steps towards termination of visa-free agreements with countries whose nationals require visas to enter the EU and some of these steps were achieved in 2025.

KPI 5.1.1: Level of preparation of enlargement partners on Chapter 23 of the acquis – Judiciary and fundamental rights ⁽⁹⁾

Montenegro saw its level of preparation upgraded from 'Moderately prepared' to 'Moderate to good level of preparation'. In addition, some progress on the reforms linked to the fundamentals was noted in Albania, Moldova and Ukraine in 2025, while backsliding was observed in Georgia and Türkiye. No progress was observed in Bosnia and Herzegovina, North Macedonia and Serbia, while limited progress was noted in Kosovo.

KPI 6.1.1: Level of preparation of enlargement partners on EU approximation and *acquis* ⁽¹⁰⁾

The average level of preparation of enlargement partners on EU approximation and *acquis* increased from 2.52 to 2.62 in 2025.

⁽⁹⁾ Overall state of play, meaning how prepared the enlargement partner is to assume the obligations of EU membership, is classified in five levels. The levels are as follows: Early stage, some level of preparation, moderately prepared, good level of preparation and well advanced.

⁽¹⁰⁾ The value is given as an average of all enlargement partners and is measured on a scale from 1 to 5, namely early stage of preparation, some level of preparation, moderately prepared, good level of preparation, and well advanced, with the possibility to have in-between grades.

KPI 6.2.1: High level engagement between the EU and Türkiye

Five high-level engagements were undertaken including the High-Level Economic Dialogue which resumed after a 5-year hiatus. High level dialogues on trade, migration and security, climate, and on science, research, technology and innovation also took place.

KPI 6.3.1: Number of key bilateral agreements in place with Eastern Neighbourhood partners ⁽¹¹⁾

Armenia: the EU and Armenia continued their cooperation under the EU–Armenia Comprehensive and Enhanced Partnership Agreement (CEPA), reconfirmed by the new Strategic Agenda for the EU–Armenia Partnership adopted at the EU–Armenia Partnership Council on 2 December 2025.

Azerbaijan: The Partnership Priorities expired in 2024. Negotiations on a new framework agreement were relaunched in September. Negotiations are ongoing.

Georgia: The Association Agenda covering the period 2021-2027 (last updated in 2022) remains valid.

Moldova: The EU-Moldova Association Agenda for 2021-2027 adopted on 22 August 2022 remains valid.

Ukraine: The Association Agenda (last update in 2015) remains valid.

<p>KPI 8: Estimated risk at closure (residual error rate) and share of low-risk performance-based expenditure</p> <p>Explanation: The estimated risk at closure is based on the results of the Residual Error Rate (RER) study, which provides a conservative estimation of the residual errors not detected by the internal control system, in order to conclude on its effectiveness.</p> <p>For performance-based expenditure, DG ENEST has introduced in 2025 a new target of 80% of low-risk performance-based expenditure incurred during the year.</p> <p>Source of data: DG ENEST annual activity report</p>			
Baseline (2019)	Interim (2022)	Milestone	Target (2025)
0.53%	< 2% of relevant expenditure		< 2% of relevant expenditure 80% of low-risk performance-based expenditure (new 2025 target)
<p>Latest known results (2025):</p> <p>2025: estimated risk at closure: 0,49%.</p> <p>Global RER rate DG ENEST: 0.79%. In 2025, the target for this KPI was achieved, as the estimated risk at closure of DG ENEST stayed below the 2% materiality threshold.</p>			

⁽¹¹⁾ Partnership priorities, Association Agendas, or equivalent documents.

Low risk performance-based expenditure incurred during the year 2025: 100%

Performance evolution: Overall, this KPI shows a consistent trend since 2016: the estimated risk at closure remained below the materiality threshold of 2% for the whole period.

C. Key conclusions on internal control and financial management

In line with the Commission's Internal Control Framework, DG ENEST has assessed its internal control systems during the reporting year and has concluded that it is effective and the component and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to internal control principles 10 ⁽¹²⁾ and 12 ⁽¹³⁾. Section 2.3 provides further details.

The transition in 2025 to the Commission's new accounting system (SUMMA) has required the adjustment to the new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to ensure sufficient data quality. In some cases, this has contributed to lower performance of some financial indicators such as the timely payments.

DG ENEST has systematically examined the available control results and indicators, including those from pillar-assessed entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Section 2 on Internal Control and Financial Management provides further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the identified internal control deficiencies described in section 2.3. Relevant measures and reinforcements are being implemented, as explained in section 2. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of assurance albeit qualified by a **reservation** concerning external restrictions to control financial programmes in Ukraine (non-quantified reservation).

⁽¹²⁾ ICP 10 - The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

⁽¹³⁾ ICP 12 - The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.

D. Provision of information to the Commissioner

In the context of the regular meetings during the year between the Director-General of DG ENEST and the Commissioner on management matters, the main elements of this report and assurance declaration, including the reservation, have been brought to the attention of Commissioner Kos, responsible for Enlargement and Eastern neighbourhood.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DEPARTMENT

1.1. General objective 1: A new plan for Europe's sustainable prosperity and competitiveness

Specific objective 1.1: Economic development and reforms in the partner countries are strengthened

As part of its overall effort to provide a credible economic offer to partners and support key structural reforms and investments, DG ENEST pioneered a new method of engaging with the private sector in 2025, by launching open and transparent **Calls for Expressions of Interest to identify transformative investments** in ENEST regions across priority sectors, including renewable energy, digital, agri-food, manufacturing, biotech. Calls were launched for **Ukraine**, the **Western Balkans** and **Moldova**, with a view to enter into a dialogue with private companies from the EU, EEA and ENEST partner countries on concrete investment opportunities and related constraints in the respective regions. Based on relevant assessment criteria, including alignment with EU strategic objectives and priorities, subsequent contact with partner Financial Institutions may be facilitated for potential cooperation. Engagement with companies also provided **valuable market intelligence**, allowing to better focus EU financial and technical assistance in support of strategic investments in ENEST countries.

The Calls for Expression of Interest were accompanied by a number of investment conferences, including the **first regional EU-Western Balkans Investment Forum** (Tirana, 13-14 October 2025) and bilateral investment fora in **Moldova** (15-19 September 2025) and **Montenegro** (14-15 October 2025). These events brought together representatives from the private sector, governments, International Financial Institutions (IFIs), investment agencies and EU Member States, and resulted in a number of major investment declarations.

Commissioner Kos also held an **Implementation Dialogue on private sector investments** in June 2025, aiming to identify investment constraints in ENEST regions and opportunities for strategic and policy-first investments in consultation with companies and business support organisations.

In 2025, DG ENEST continued implementing all four pillars of the Growth Plan for the **Western Balkans**: 1) integration into the EU's single market; 2) improving regional cooperation through the Western Balkans Common Regional Market; 3) facilitating fundamental reforms necessary for EU accession; and 4) providing financial assistance through the Reform and Growth Facility for the Western Balkans to support these initiatives.

Specifically, work continued on **integrating the Western Balkans into the EU single market**, for example with additional support to make border crossings faster, more efficient, safe and secure through the EU-Western Balkans Green Lanes, through the adherence to the

Single Euro Payments Area (SEPA), or by the extension of the EU's Roam like at Home initiative to the Western Balkans.

As regards **regional integration**, DG ENEST continued to deliver technical and financial support towards the implementation of the newly adopted Common Regional Market Action Plan 2025-2028.

As regards **the Reform and Growth Facility**, the disbursement of the prefinancing to Albania, Montenegro, North Macedonia and Serbia was completed by June 2025. With the support of other Commission services, DG ENEST conducted the assessment of the reform steps (reported by partner countries in mid-March and mid-July) leading to 5 regular disbursements of funds in 2025, namely twice to Montenegro, twice to North Macedonia, and once to Albania. A Commission Implementing Decision adopting the Reform Agenda for Bosnia and Herzegovina was successfully concluded in November 2025.

Single Euro Payments Area (SEPA) in the Western Balkans

The regional project "Supporting the development of a modern payment system and a regional investment area in the Western Balkans", implemented by the World Bank, supports the Western Balkan partners to join the Single Euro Payments Area (SEPA). In 2025 North Macedonia and Serbia joined SEPA's geographical scope, after Albania and Montenegro who had already joined at the end of 2024. As of October 2025 Albania, Montenegro and North Macedonia started enjoying SEPA's concrete benefits by joining its payment schemes. This resulted in faster transactions and in a reduction of transaction costs by up to ten times. It is estimated that full SEPA's implementation in the Western Balkan region could potentially save up to EUR 500 million per year for individuals and businesses.



DG ENEST continued to provide support to economic development, contributing to increased competitiveness, resilience and economic integration in the **Eastern Neighbourhood** region. In part, this was undertaken through the EU4Business initiative implementing assistance across three complementary pillars, namely, improving access to finance; enhancing business development services; and strengthening the business-enabling environment through policy dialogue and regulatory reform. Over 80 000 SMEs were supported across the region, helping them generate EUR 950.6 million in additional income and leading to the creation of almost 121 000 new jobs. Access to finance for SMEs was a major driver of these results, with over 55 900 businesses receiving loans worth around EUR 1.9 billion.

The **gradual integration** of **Eastern Neighbourhood** countries into the Digital Single Market through the EU4Digital umbrella initiative also continued. 250 Eastern Partnership Research

and Education Institutions benefitted from high-speed and secure connectivity with their EU counterparts, providing over 730 000 students, teachers and scientists with a package of cutting-edge digital services for cross-border cooperation. The regional 'EU4Digital academy' platform continued to be developed to provide free-of-charge courses on cyber-security, digital marketing, digitalisation of business and e-commerce to more than 10 000 SMEs and individual users. A meta-study in the fields of transport, trade, digital and energy was undertaken to leverage the economic potential of the Trans-Caspian Transport Corridor under the EU's Connectivity Agenda through assessing the findings of 60 existing studies and 215 investment projects.

The EU adopted Regulation (EU) 2025/535 establishing the Reform and Growth Facility for the Republic of **Moldova** worth EUR 1.9 billion for the period 2025–2027. The Facility supports the Moldova Growth Plan which is underpinned by a Reform Agenda setting out socio-economic and fundamental reforms to be undertaken by Moldova to accelerate growth and convergence with the EU. As part of the Facility, EUR 314.9 million was released in 2025.

Implementation of the **Armenia** Resilience and Growth Plan (2024–2027) of EUR 270 million continued. The plan focusses on increasing socioeconomic resilience by 1) boosting connectivity and business by fostering trade and energy diversification; 2) bringing Armenia closer to the EU with a focused on the visa liberalisation reforms; 3) investing in a resilient society and inclusive society, accelerating employment and education reforms, and the integration of Karabakh-Armenians. Negotiations on the implementation of the second segment covering 2025 to 2027 (EUR 202.5 million) are ongoing with the national authorities.

Specific objective 1.2: Ukraine's short-term recovery and medium-term reconstruction and modernisation are supported

In 2025, the **Ukraine Facility** remained the core instrument under DG ENEST responsibility to support Ukraine's short-term recovery, and medium-term reconstruction and modernisation.

The Facility contributes to Ukraine's macro-financial stability with a combination of non-repayable support and highly concessional loans disbursed against the fulfilment of pre-agreed conditionalities ('steps') set out in the **Ukraine Plan**. In 2025, DG ENEST led, in close coordination with other Commission departments, the positive assessment of 45 steps, underpinning four payments to Ukraine's state budget, as planned (EUR 10.7 billion). Since the roll-out of the Facility, DG ENEST has disbursed in total EUR 26.8 billion against 68 steps. The scoreboard for the Plan, established in February 2025, provides easy public access to the assessment of reforms as captured in the Council Implementing Decisions underpinning payments. For the first time in 2025, the Facility subsidised the borrowing costs Ukraine owes for the loans in support of the Plan, which freed up an equivalent fiscal space in Ukraine's State budget (EUR 321 million).

At the same time, the **Ukraine Investment Framework** (UIF) allocated up to EUR 5.5 billion in guarantee cover and blended finance, with 12 eligible financing institutions submitting successful proposals to the UIF Steering Board. In total, DG ENEST has allocated up to EUR 6.9 billion in the form of EU contribution and guarantee cover (70% of the UIF overall capacity), which is expected to enable EUR 21.8 billion of public and private investments. In line with new policy developments, the UIF will extend financing tools to industries that reinforce Ukraine's

resilience in critical strategic sectors, including dual-use production, with focus on integrating Ukraine into EU value chains.

Project-based assistance under pillar III complements this architecture: the 'Technical Cooperation Facility' (TCF) remained the key mechanism to deliver, inter alia, technical assistance related to EU acquis or structural reforms, capacity building for national, regional and local authorities, direct support to civil society.

During 2025, the Ukraine Facility attracted **additional financial resources** from EU Member States and third countries. This is a strong political acknowledgement of the EU's role in channelling a coordinated response to Ukraine's financing needs, aimed to address war-related developments while remaining firmly anchored in the longer-term perspective of integration in the EU market and the EU accession path.

DG ENEST continued to represent the Commission in the Steering Committee of the **Ukraine Donor Platform**, which held 4 formal meetings in 2025. Established in 2023, the Platform plays a key role for coordinating Ukraine's financing needs and future economic recovery and reconstruction. DG ENEST continued to host the Brussels office of the Platform's secretariat, while also ensuring information-sharing and coordination with EU Member States in a Team Europe approach to supporting Ukraine.

1.2. General Objective 2: A new era for European defence and security

Specific Objective 2.1: Resilience of partner countries is increased and migration is managed

DG ENEST continued to promote the integration of all partner countries in new **security policy initiatives and architecture**. These included the Preparedness Union Strategy, the ProtectEU: European Internal Security Strategy, the new EU Agenda for preventing and countering terrorism and violent extremism, the Drugs Strategy and the EU Action Plan against drug trafficking, all of which also dedicate special attention to enlargement countries as well as their accelerated integration.

Advancing **mutual resilience** with candidate countries was undertaken through the implementation of Action 25 of the Preparedness Union Strategy. Work also continued to ensure access by partner countries to tools and instruments to address cyber and hybrid threats, in particular in close cooperation with DG CNECT. Moldova was the first non-EU country to carry out all necessary steps to be granted access to the EU Cybersecurity Reserve. Hybrid Rapid Response Teams are a key instrument supporting EU member states, and partner countries in countering hybrid threats, and for the first time ever, one was mobilised in Moldova to complement existing efforts and to provide support up to and during the elections.

The coordination and engagement of DG ENEST partner countries in the **IMPACT** platform continued. Support provided through the Fight against Organised Crime in the EaP, TOPCOP, WB PACT, EU 4 FAST programmes enabled partner countries to achieve operational results in cooperation with Europol and EU Member States in various key crime fighting areas.

DG ENEST forged closer cooperation between partner countries and **EU Agencies** working in the cross-border crime, anti-terrorism, security and migration fields, by promoting a strengthened mandate for their cooperation with ENEST Partner countries.

Support to the Eastern Partnership (EaP) countries in enhancing their **cyber resilience and countering disinformation** continued to be undertaken through three regional programmes. Similarly in the Western Balkans support was provided for cyber resilience, cybersecurity, and countering cybercrime, while supporting alignment with **EU cybersecurity legislation**. A new regional programme to strengthen societal resilience to disinformation and FIMI was launched in December to support civil society organisations and independent media in the Eastern Neighbourhood, particularly in Armenia, to identify, monitor and counter disinformation.

Partner countries were supported to improve their **migration management**, and to ensure alignment with EU legislation such as the Migration and Asylum Pact, the Schengen acquis, and ongoing reforms such as enhanced returns policy. The integration of partner countries in new migration policy initiatives, as well as their alignment with the EU *acquis*, was supported. Through ongoing contacts with leading international partners, the interests and contexts of ENEST partner countries was ensured. DG ENEST continued to assist partner countries in developing systems and institutions for the identification and registration of migrants upon arrival at the borders, as well as for referral, protection, and return. Furthermore, support to strengthen the technical capacities of partners to conduct border checks and surveillance through specialised training, provision of equipment, and building of regional networks was continued.

The Western Balkans partners adopted a **Joint Action Plan on Countering Terrorism and Violent Extremism** on 30 October at the EU-Western Balkans Justice and Home Affairs Ministerial meeting in Sarajevo.

The Visa Liberalisation Dialogue launched with Armenia in September 2024 continued to be implemented, with the delivery of a **visa liberalisation action plan** to the Armenian authorities in November.

The EU continued to support Moldova through the **energy crisis** brought about by Russia's weaponisation of energy supplies. In February, the Commission and Moldova agreed on a 2-year Comprehensive Strategy for Energy Independence and Resilience with support accounting to EUR 250 million. The EU also disbursed EUR 30 million in emergency assistance to purchase gas to cover the basic needs of the population in the Transnistrian region.

1.3. General objective 5: Protecting our democracy, upholding our values

Specific Objective 5.1: Rule of law, fundamental rights and democracy in partner countries are strengthened

Rule of law, fundamental rights and democracy are core EU values and principles. As such, they are, and will continue to be, cornerstones of the Enlargement Policy, as part of the **"fundamentals"** of the EU accession process.

As set out in the latest edition of the annual **Enlargement Package**, published on 4 November, the year 2025 saw some progress on reforms linked to the fundamentals, particularly in Montenegro, Albania, Moldova and Ukraine. In particular, the Commission's assessment concluded that Ukraine and Moldova have met the conditions required to open negotiations on Cluster 1 – Fundamentals. As part of the 'fundamentals first' approach, whereby progress on these core principles determines the overall pace of accession, all countries are encouraged to intensify reforms under **Chapter 23 – Judiciary and fundamental rights** and **Chapter 24 – Justice, freedom and security** with a view to meet relevant benchmarks on the rule of law. This is key for unlocking future progress on the accession path.

In 2025, four enlargement partners – Albania, North Macedonia, Montenegro and Serbia – continued to be included in the **annual Rule of Law Report**, which also covers EU Member States. Indeed, the Political Guidelines confirmed that as enlargement partners make progress on the rule of law and in the formal accession process, they will be progressively added to this exercise to comply with the **commitment to maintain high rule of law standards** throughout their accession path and as future Member States. The Enlargement Package nonetheless remains the main point of reference for assessing progress and is the only document to issue recommendations to candidate countries and potential candidates on their accession processes.

Candidate countries and potential candidates were also integrated into the **European Democracy Shield** and **EU Civil Society Strategy**, adopted on 12 November 2025. These initiatives set out a series of concrete measures to **empower, protect, and promote strong and resilient democracies**, and to **engage, protect and support Civil Society Organisations (CSOs)**. Candidate countries and potential candidates will participate on par with EU Member States across a number of key workstreams, including the European Centre for Democratic Resilience and stakeholder platform under the Democracy Shield. During Commissioner Kos' Implementation Dialogue with CSOs in November 2025, civil society representatives welcomed the Strategy, in particular the move to **institutionalise CSO consultations in enlargement countries**.

Finally, **gradual integration** measures, such as integration into the geographical scope of the Single Euro Payments Area (SEPA) and the EU's 'Roam like at Home' regime, as well as payments under the Facilities for the Western Balkans, Moldova and Ukraine have been **conditioned on the pace of key reforms**, such as, among others, upholding the rule of law, fundamental rights, democracy, and the fundamentals of the accession process more broadly.

1.4. General objective 6: A global Europe: leveraging our power and partnerships

Specific objective 6.1: Countries with EU perspective are brought closer to the EU based on a credible, merit-based accession perspective and application of the enlargement methodology

2025 was **a significant year for the EU's enlargement policy**, and for the accession processes of candidate countries.

The Commission's assessment of progress in the accession negotiations of all candidate countries and potential candidates is set out in the **annual Enlargement Package report**, the 2025 edition of which was published on 4 November. The 2025 package reaffirmed that momentum for enlargement stands high on the priority agenda of the EU and **confirmed that the accession of new Member States is increasingly within reach**. As well as highlighting progress, this edition of the package was also significant in its **forthright tone as regards deficiencies and backsliding**, notably in the case of Georgia but also Türkiye.

Montenegro cemented its position as EU enlargement 'frontrunner' in 2025, **provisionally closing a further 6 negotiating chapters** over the course of the year, namely Chapters 3 (right of establishment and freedom to provide services), 4 (free movement of capital), 5 (public procurement), 6 (company law), 11 (agriculture and rural development) and 13 (fisheries). This brought the **total number of chapters provisionally closed to 12** as of December 2025, putting the country on a path to meet its ambitious objective of concluding accession negotiations by the end of 2026, subject to the pace of reforms being maintained.

Albania's accession process also saw significant impetus in 2025, with the **opening of the final four thematic clusters of negotiating chapters** (out of 6 in total). Accession Conferences in 2025 served to formally open negotiations on Clusters 2 (Internal Market), 3 (Competitiveness & Inclusive Growth), 4 (Green Agenda & Sustainable Connectivity) and 5 (Resources, Agriculture & Cohesion). Benchmarks for the provisional closure of each chapter were set during the respective Accession Conferences, providing tangible steps for Albania to meet its ambitious but achievable objective of concluding negotiations by the end of 2027.

The 'screening' process for **Ukraine** and **Moldova**, the first step in the accession negotiations, was finalised in September 2025. Consisting of the presentation of the EU acquis to the candidate country and a joint assessment of their level of preparedness on each of the 35 negotiating chapters, **this process was completed in just over 18 months overall**, representing a significant streamlining while **maintaining its thoroughness and integrity**. This record delivery was achieved notably through intensified engagement with the national authorities and strengthened coordination across the DG and Commission. While decisions on the next steps, namely the opening of negotiations for Cluster 1 followed by the remaining Clusters, are in the hands of the Council, DG ENEST is supporting the Ukrainian and Moldovan authorities in **advancing necessary reforms**, in line with required benchmarks.

The EU's institution-building instruments also continued to make a significant contribution to the accession process throughout 2025. In particular, the **Technical Assistance Information and Exchange (TAIEX) instrument** was reoriented towards targeted support to enlargement partners' EU *acquis* alignment. Indeed, in the context of the increased momentum of enlargement, TAIEX Roadmaps were developed for Montenegro, Albania, Moldova, North Macedonia, Serbia and Kosovo, focusing on **accelerating the accession process**, supporting Reform Agenda steps, and delivering on gradual integration. This has **substantially increased the delivery capacity** of the TAIEX instrument and at the same time ensured alignment with key priorities. The approach will be further consolidated in 2026 and extended to cover Ukraine, Armenia and potentially Bosnia and Herzegovina. In 2025, **576 TAIEX interventions** were organised for beneficiaries from ENEST countries, including workshops, screening meetings, study visits, expert missions and 'work from home' legislative reviews.

Specific Objective 6.2: A sustainable basis for improved relations with Türkiye is ensured

Enlargement negotiations with **Türkiye** remain at a standstill. The latest annual enlargement report noted that serious concerns over the rule of law and fundamental rights remain, and backsliding has resumed. There is also noticeable divergence from EU values and standards and most of the recommendations from previous enlargement reports remain unaddressed.

High-level engagement in **areas of common interest** continued in line with the recommendations of the Joint Communication on EU-Türkiye political, economic and trade relations of November 2023 and the April 2024 European Council conclusions tasking to advance on these. The **High-Level Economic Dialogue** resumed after a 5-years hiatus and four others on trade, migration and security, climate, and on science, research, technology and innovation took place.

Assistance through the **multi-annual bilateral programme** covering the period 2025 to 2027 covered civil society, fundamental rights, people-to-people contacts, climate change, environment, energy, transport, as well as competitiveness, employment and social policies and EUR 100.4 million was committed for 2025. In addition to the bilateral programme, funds were also allocated to support the IPA-Rural Development Programme (IPARD), the Civil Society Facility and for cross-border cooperation amounting to EUR 310.7 million for 2025-27.

Türkiye continued its outstanding efforts to host more than 2.5 million **refugees** from Syria and other countries in the region. The programming of additional refugee support took into account the changing situation in Syria, with some EUR 300 million allocated in 2024-25 to support voluntary returns. Through the Refugee Facility and additional refugee support, approximately 1.6 million refugees in Türkiye continue to receive support for their basic needs, while some 843,000 refugee children benefit from educational support. Moreover, healthcare and protection services are being delivered to millions of refugees.

Discussions on the re-engagement of the **European Investment Bank** (EIB) in Türkiye culminated in November with an agreement on two energy and green industry-related operations of approximately EUR 200 million. EIB's re-engagement is particularly important in view of the cross-regional Connectivity Agenda in Türkiye which is expected to mobilise investments of up to EUR 1 billion.

In July, the EU also introduced a **visa cascade system** to the benefit of bona fide Turkish travellers to the EU.

Specific Objective 6.3: The Eastern Neighbourhood countries are supported, including through regional connectivity and the Black Sea strategy

In the Eastern Neighbourhood, the **Eastern Partnership** (EaP) remains the overall policy framework to foster regional cooperation, bringing partner countries closer to the EU, supporting their European aspirations and promoting stability, economic growth and prosperity across the region. The EaP continues to serve to deepen engagement, encourage political agreement, and to provide support for the EU membership perspectives of Ukraine and Moldova.

On 28 May the **Joint Communication on the EU's strategic approach to the Black Sea region** (the Black Sea Strategy) was adopted to include three flagship initiatives. One of these being a **Connectivity Agenda** linking Europe with Central Asia through the South Caucasus. This aims to boost economic growth, competitiveness and regional integration, while aligning with the extended Trans-European Networks, the EU's decarbonisation goals and international commitments and to address geopolitical challenges. The Agenda was politically endorsed by the EU and partner countries at the Cross-regional Ministerial Meeting in Luxembourg in October and the Transcaspiian Transport Corridor (TCTC) and Connectivity Investors Forum in Tashkent in November.

Assistance through the **multi-annual action programmes** covering the period 2025 to 2027 was approved in July and commitments in the amount of EUR 394.73 million were adopted for the Eastern Neighbourhood (excluding bilateral funding for Ukraine) in 2025.

Support for **governance and values reforms** including on democracy, the rule of law, public administration reform, anti-corruption, fight against organised crime, reconciliation, civil protection, human rights and the fight against disinformation, continued throughout the year. The **EU4Youth** programme continued to encourage the participation of young people in society and economy. Support to countering gender stereotypes and strengthening the integration of women into the labour market were provided under the **EU4Gender Equality** programme. Intensive activities to support civil society and independent media were undertaken throughout the year.

Activities under the ongoing **EU4Energy** programme to streamline the diverse regulatory environments hindering interconnection and energy market integration were implemented. **Environmental and climate** resilience programmes continued to support the partner countries with policy reforms and institutional capacity, strengthening to deliver socio-economic benefits. Support to local authorities under the third phase of the **Covenant of Mayors East** programme in accessing finance to implement their Sustainable Energy and Climate Action Plans continued.

Cooperation with **Armenia** further deepened in 2025. The second segment of the Resilience and Growth Plan focussing on export diversification, visa liberalisation and the rule of law, jobs skills and social inclusion was adopted and in September a mechanism to monitor reforms was established through a High-Level Policy Dialogue. A visa liberalisation action plan was handed over to the Armenian authorities in November and negotiations were finalised on an ambitious **Strategic Agenda for the EU–Armenia Partnership**, which was adopted by the Partnership Council in December. Cooperation on regional connectivity was also stepped up, in line with the Connectivity Agenda and Armenia's Crossroads of Peace initiative.

Relations with **Azerbaijan** have taken a more positive trajectory following the Washington peace agreement, with high-level engagement intensifying in areas of mutual interest, including energy, transport, and mine action. New EU–Azerbaijan **Partnership Priorities for 2025–2030** were submitted (the previous ones having expired in 2024). Engagement on the Connectivity agenda has accelerated to include a review of EU–Azerbaijan transport cooperation and the development of the Nakhchivan railway. Assistance to civil society organisations and independent media continues to be provided despite the increasingly restrictive environment.

During 2025, **Belarus** pardoned 309 political prisoners, however over 509 individuals were imprisoned during the same period and at least 1,100 political prisoners remain behind bars. Hybrid attacks particularly along the border with Lithuania, have continued and Belarus continues to support Russia’s war of aggression against Ukraine. The EU continues to support civil society, independent media and the people of Belarus in their democratic aspirations.

Georgia’s EU-accession remains de-facto halted with continued backsliding on democratic standards leading the country away from its European path. The amendments to the Law on grants, the Law on broadcasting, and the Foreign Agents Registration Act, created a restrictive legal framework. This has created an environment of fear, where CSOs and journalists have also been subjected to other repressive measures. In response, support to civil society and independent media has been stepped up.

Throughout the year **Moldova** continued to make significant progress on its European path with the first EU-Moldova Summit, the conclusion of the bilateral screening exercise and the start of technical negotiations on three clusters. In March, the EUR 1.9 billion **Reform and Growth Facility** which is underpinned by a Reform Agenda setting out socio-economic and fundamental reforms was adopted. Moldova was supported through the energy crisis brought about by Russia’s weaponisation of energy supplies and in February, a 2-year Comprehensive Strategy for Energy Independence and Resilience and an assistance package for the Transnistrian region were agreed.

In Russia, internal repression intensified. The EU introduced nineteen sanctions packages against Russia which are now impacting at household level. Support to Russian **civil society and independent media** has continued, which has been crucial in helping them to continue their work.

EU4Youth – Building skills, creating impact: youth-led initiatives in Vardenis, Armenia

Nestled in one of Armenia’s most remote border communities, the Vardenis Skills and Knowledge for Youth Empowerment (SKYE) Club, established under the EU4Youth programme, has become a symbol of growth, opportunity, and hope for local youth. Over 200 young people have directly benefitted from workshops, training courses, and community projects, gaining confidence, improving their employability, and developing stronger communication and teamwork skills. The Vardenis SKYE Club has also carried out two major community projects that tackle key local challenges and inspire youth-led change. The first, ‘Empowering Youth through Soft Skills Development’, focused on strengthening the leadership, teamwork, and communication abilities of young people. The second, ‘Eco-Bags for a Greener Future’, promoted environmental awareness and sustainable alternatives to plastic use and introduced young people to the basics of social entrepreneurship, combining environmental care with creative business thinking.



1.6. Assessment of the reliability of the performance information

Regarding the reliability of the performance information and respective programme results, the values for Global Europe Results Framework (GERF) ⁽¹⁴⁾, ELI Results Framework (EURF) ⁽¹⁵⁾, IPA Performance Framework (IPA PF) and IPA III Results Framework (IPA III RF) ⁽¹⁶⁾ are subject to two levels of quality checks and validations. Firstly, responsible services (all delegations and thematic or geographic units) formally review and approve the progress report including the values provided for the logframe indicators and ensure that these values are correctly encoded in the Operational Information System (OPSYS). Additionally, all values encoded for GERF, EURF, IPA PF and IPA III RF indicators are subject to central quality control (verification of the existence of valid sources of verification, standard consistency checks, and double counting corrections). If an issue with data quality (double counting, encoding errors, misinterpretation of methodology) is encountered at any of the two levels, it is addressed immediately and directly with the operational manager to ensure that the data is reliable. These controls are being carried out with a view to implement the criteria for a strengthened common control approach on the reliability of performance information on EU financial programmes and to detect possible significant weaknesses. No issues were identified.

1.7. Cross-cutting efforts – implementation and simplification agenda

DG ENEST organised two **Implementation Dialogues** between Commissioner Kos and selected stakeholders in 2025. Implementation Dialogues are a consultation tool at the political level which aim to seek feedback from stakeholders to facilitate better implementation of EU policies and the simplification of EU rules and spending programmes.

Commissioner Kos' first Implementation Dialogue took place on 10 June 2025, with a focus on **private sector investments** ⁽¹⁷⁾. The discussion with companies and business support organisations highlighted a number of opportunities for transformative investments while providing valuable feedback on the EU's support to private sector and investment mobilisation. It also highlighted accession-related reforms as a vector for positive improvements to the overall investment and business climate. The dialogue raised a number of issues that the Commission will seek to address, including in the framework of future regional and bilateral business fora and calls for expressions of interest for EU, EEA and local companies interested in investing in the Enlargement and Eastern Neighbourhood regions.

Commissioner Kos' second Implementation Dialogue focused on **the role of Civil Society Organisations** in the delivery of the EU's enlargement policy ⁽¹⁸⁾. The purpose of the dialogue was to explore how the enlargement policy can better support an enabling environment for civil

⁽¹⁴⁾ https://capacity4dev.europa.eu/resources/results-indicators/eu-rfi_en

⁽¹⁵⁾ https://capacity4dev.europa.eu/resources/results-indicators/eu-rfi_en

⁽¹⁶⁾ https://neighbourhood-enlargement.ec.europa.eu/commission-staff-working-document-instrument-pre-accession-assistance-ipa-iii-results-framework_en

⁽¹⁷⁾ https://enlargement.ec.europa.eu/news/implementation-dialogue-private-sector-investment-eu-enlargement-and-eastern-neighbourhood-countries-2025-05-28_en

⁽¹⁸⁾ https://enlargement.ec.europa.eu/news/implementation-dialogue-civil-society-enlargement-2025-10-20_en

society and strengthen cooperation between governments and civil society in the accession process. Additionally, it aimed to identify best practices for civil society to promote EU values and foster positive narratives about EU enlargement, and to outline the Commission's role in supporting these efforts. Participants notably commended the whole-of-society and fundamentals-first approaches to enlargement, while arguing for more structured, inclusive and meaningful dialogue with the Commission, both locally and in Brussels. Options to this end will be explored by the Commission, including in the framework of the EU Civil Society Strategy.

DG ENEST's implementation efforts also included the rollout of the new **performance-based Facilities** for Ukraine, the Western Balkans and Moldova. With payments only made upon proven delivery of pre-agreed reform steps, which focus on the key structural reforms necessary for the EU accession process as well as economic growth and an effective public administration, these instruments have introduced an important innovation in the EU's financial support to enlargement partners. Delivery under the Facilities moved ahead in 2025, with EUR 396.4 million released in 2025 under the **Reform and Growth Facility for the Western Balkans** (against the achievement of 39 steps) and a total of EUR 314.9 million released in 2025 under the **Reform and Growth Facility for Moldova** (against the achievement of 4 steps) ⁽¹⁹⁾. Third, fourth, fifth and sixth regular payments were also made under the **Ukraine Facility** in 2025, bringing total disbursements to EUR 26.8 billion since March 2024.

As concerns **simplification**, DG ENEST worked in close cooperation with other Commission services to propose a number of measures to **simplify the European Union's investments**, in particular for the External Action Guarantee. The most significant of the measures proposed is the possibility to assign surpluses from the legacy European Fund for Sustainable Development (EFSD) to its successor instrument, the European Fund for Sustainable Development Plus (EFSD+). At the same time, adjustments to reporting requirements for International Financial Institutions implementing EU guarantee agreements and the consolidation of multiple guarantee agreements with the same entity into single agreements have significantly reduced administrative burdens, allowing partners and European civil servants to focus more time and resources on mobilising investments and developing concrete pipelines of transformative projects, in line with the Commission's political and policy priorities.

No reality checks or stress-tests were undertaken as DG ENEST is not a legislative or regulatory DG.

A comprehensive overview of implementation and simplification efforts in DG ENEST between January and August 2025 ⁽²⁰⁾ can be found in [Commissioner Kos' Annual Progress Report](#), which was submitted to the European Parliament and the Council in November 2025.

⁽¹⁹⁾ The 'release' of sums under the Facilities for the Western Balkans and Moldova refers to the authorisation for payment given by Commission Implementing Decision following the assessment of the relevant steps for the repayable component, and the authorisation for contracting for the non-repayable component. Execution of payments comes at a later date, in the form of repayable component (loans) to national treasuries/banks. The non-repayable (grants) component are paid under the relevant contract under Western Balkans Investment Framework or Neighbourhood Investment Platform upon submission of the payment request of the relevant international financial institutions. The figures provided here for the Western Balkans and Moldova refer to sums released in 2025.

⁽²⁰⁾ Activities undertaken between September and December 2025 will be addressed in the 2026 report, to be published in Q3 2026.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. Annex 7 provides detailed information on the reports considered. The results of the above assessment are explicitly documented and reported to the Director-General.

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG ENEST.

This section covers the control results and other relevant elements that support management's assurance.

2.1. Control results

Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- **Effectiveness:** the level of error found, based on the controls carried out.
- **Efficiency:** the average time taken to inform or pay.
- **Economy:** the proportionality between the costs of controls and the funds managed.

2.1.1. Overview of the budget and relevant control systems (RCS)

DG ENEST has categorised its portfolio and described six major relevant control systems (RCS) corresponding to methods of implementation ⁽²¹⁾. These RCS cover 71% of the overall payments and contributions, and 87% of the payments ⁽²²⁾.

The breakdown of the total payments and contributions processed in 2025 by DG ENEST is presented in the table below ⁽²³⁾:

RCS	Relevant Control System	2025 payments and contributions (EUR)	
		EU Budget	%
1	Grants in Direct Management	916,595,861	18%
2	Procurement in Direct Management	210,846,639	4%
3	Budget Support	160,456,667	3%
4	Indirect Management with Beneficiary Countries	220,545,169	4%
5	Indirect Management with Entrusted Entities (IMEE)	1,489,749,149	30%
6	Performance-based	601,252,880	12%
Other payments	Other contracts/payments	549,002,968	10.9%
Total payments		4,148,449,334	82%
Contributions	EU Trust Funds	0	0%
	Common Provisioning Fund (CPF)	887,705,723	18%
Total payments and contributions		5,036,155,056	100%
RCS coverage on payments and contributions			71%
RCS coverage on payments			87%

Under “other payments” DG ENEST reports administrative expenditure and the amounts paid for “Ukraine Facility - Pillar III Borrowing costs subsidy” and “Macro-Financial Assistance to Ukraine - Interest Rate Subsidy” (EUR 496 million in 2025), which are ancillary to the loans.

Since January 2021, the Common Provisioning Fund (CPF) manages the safety buffers (provisions) for budgetary guarantees and financial assistance programmes underpinned by the Union budget in one common portfolio. The provisions held in the CPF constitute the capital buffer for absorbing claims arising from project defaults or other losses experienced by

⁽²¹⁾ The description of the RCS is provided in Annex 6.

⁽²²⁾ 82% is obtained by comparing the payments for the 6 RCS (EUR 4 148 449 334) to the overall payments excluding contributions to CPF (EUR 887 705 723).

⁽²³⁾ The table does not include transactions under the technical code LIGA (Liquidity Fund for Guarantee Agreements) related to the financial guarantees from the External Lending Mandate (ELM). These transactions (paid from the Common Provisioning Fund - CPF - following guarantee calls) are already captured under the CPF provisioning (in the same or previous years). Accordingly, for the purpose of the AAR, the amounts corresponding to budgetary guarantees should be reported only on the side of the provisioning of the CPF rather than on that of the guarantee calls paid out of the CPF.

implementing partners in respect of investment operations or from financial assistance loans supported by EU guarantees.

In 2025, DG ENEST made also **payments outside the EU budget** for the Ukraine Facility, the Western Balkans Growth and Reform Facility and the Reform and Growth Facility for Moldova:

- Ukraine Facility: EUR 10.05 billion
- WBGRF: EUR 184.4 million, for loans channelled to the treasuries of the beneficiary countries.
- Moldova Facility: 288.9 million

DG ENEST relies on the residual error rate (RER) study to identify residual errors not detected by the internal control system, and to conclude on its effectiveness. The RER study covers all types of payments made by DG ENEST, except administrative expenditure (representing 1% of the overall payments and contributions) and payments under performance-based expenditure (12%).

Information about non expenditure items (assets, liabilities and off balance) is provided in section 2.1.2.d.

The **six major relevant control systems** (RCS) are defined in terms of *methods of implementation*. DG ENEST has developed risk indices to better support this assessment by RCS, as recommended by ECA. Annex 6 provides more detail on the RCSs for budget implementation.

Under **Direct Management**, funds are channelled to the final recipients through contracts signed directly by the Commission as the contracting authority. The control environments are the following:

- Grants (RCS 1),
- Procurement (RCS 2) and
- Budget Support (RCS 3)

Under **Indirect Management**, the final recipient receives EU funds through a contract signed with an intermediary to whom the Commission has entrusted the tasks of selecting the final recipients and managing the resulting contracts (budget-implementation tasks). The recipient is either a country (Indirect Management with Beneficiary Countries, IMBC) or an entrusted entity (Indirect Management Entrusted Entity, IMEE), such as an international organisation or Member State's Agency. The significant control environments identified are:

- IMBC (RCS 4)
- IMEE (RCS 5) which includes budgetary guarantees, financial instruments and blending operations.

Under **Performance-based expenditure (RCS 6)**, the funds provided by the Commission to beneficiary countries are based on achieved policy results. These are measured against pre-agreed qualitative and quantitative milestones and targets ("steps"). Unlike the implementation modes covered by RCS 1, 2, 4 and 5, under PBE, the beneficiaries of EU funds are not reimbursed on costs incurred for the reforms and investments included in the underlying Plans

adopted by each beneficiary Country. Hence, the basis of the legality and regularity of the expenditure is the satisfactory fulfilment of agreed milestones and targets.

In its risk analysis of the steps for the Ukraine Facility, DG ENEST categorised all steps as low, medium or high risk, depending on their nature. In general, low-risk steps require the entry into force of a law or the adoption of a strategy; medium-risk are related to the deployment of IT systems and recruitments; high-risk steps concern spending on investment projects.

In the case of the Western Balkan Facility, all steps were categorised as either low or high risk – with low-risk steps relating to legislative reforms and high-risk steps to investment projects or the development of IT services.

While the proportion for low, medium and high risk steps is different for each country, the underlying principle is that all high risk and a sample of medium risk steps will be subjected to ex post audits to assess the reliability of the data reported by the national authorities to the Commission, as well as to verify that no steps have been reversed.

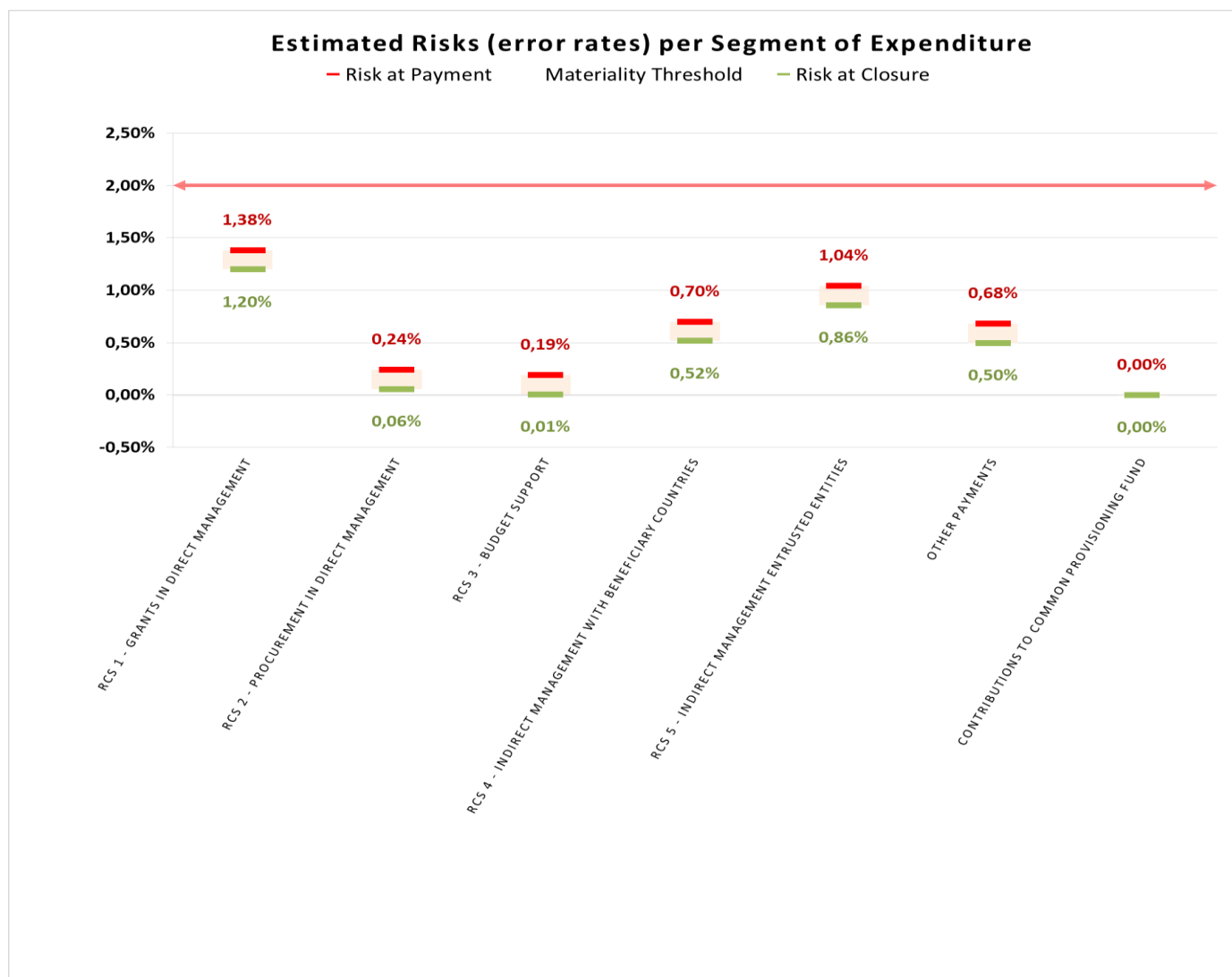
In 2024 and 2025, DG ENEST reported a **global error rate** of 0.74% and 0.79% respectively, below the materiality threshold of 2%. For this reason, its expenditure is assessed as low risk, except for the segment “grants” which is considered as medium risk.

DG ENEST’s portfolio consists indeed of segments with a relatively low error rate (budget support, IMBC, and PBE which has no error rate), and a segment historically characterised by an error rate slightly above 2% (grants in direct management). However, since 2021, the grant error rate is below 2%, thanks to enhanced ex ante controls and communication with grant beneficiaries to raise awareness on recurrent errors. Still, vigilance on the implementation of grants remains high, as they are more prone to errors than the other implementation modalities.

DG ENEST’s error rates are based on the results of ex post controls on a representative sample of contracts closed in a done year, for which all controls have already taken place. The errors on individual transactions reported by the European Court of Auditors in its Annual report refer to ongoing contracts, which are still subject to controls and corrections by the Commission.

2.1.2. Effectiveness of controls

a) Assessment of control results per segment of expenditure



The **Residual Error Rate (RER) study** allows for the evaluation of the effectiveness of the overall control framework. The RER indicator is designed to reveal residual errors not detected by the internal control system, and to conclude on its effectiveness. A residual error rate below the materiality threshold of 2% is a strong indicator that the controls put in place at all levels of the DG are effective. Moreover, besides the overall error rate, the RER study identifies the common types of error, thus contributing to preventing recurrent errors.

The RER study is an agreed upon procedure, which reports on factual findings. It is not an audit providing an audit opinion, but an ex post control on closed contracts to identify errors that evaded all previous controls. However, the DG can reach its conclusions and take possible corrective and contingency measures based on the auditor's report of factual findings.

The detailed procedures describing the work performed in the RER exercise are set out in the “Methodology and Instruction Manual”. DG ENEST regularly updates the RER methodology, taking account of the recommendations by the Court of Auditors and the IAS, as well as lessons learned from the previous years. The RER methodology was updated before the beginning of the 2025 RER study to reflect the changes in the sampling procedures (all sample taken at once instead of in three phases) as well as the reporting period (closed contracts from 1 July 2024 to 30 June 2025).

A notional indicative error rate for each RCS is calculated, based on the average of the last three years, to add information on risks in the various methods of implementation.

Moreover, as of 2019, following a high error rate in grants under direct management, the **number of grant transactions was increased** ⁽²⁴⁾ and more precise guidelines on checking second-level procurement were given to the RER contractor.

The main error rate includes all relevant control systems, except IMBC IPA (Indirect Management with Beneficiary countries under IPA) for which a separate error is calculated. The combination of the main and the IMBC rates provides the global (derived) error rate, which serves as basis for the DG’s declaration of assurance. Additionally, the grant error rate is calculated on the results of ex post controls on grants from the additional sample. In 2025, the grant error rate is equal to 1.28% hence below materiality.

The residual error rate for the DG (global error rate), is **below materiality** (0.79%).

DG ENEST residual error rates in 2025 (with estimation)	
Main	0.90%
IMBC IPA	0.40%
Grants	1.28%
Global (DG derived) error rate	0.79%

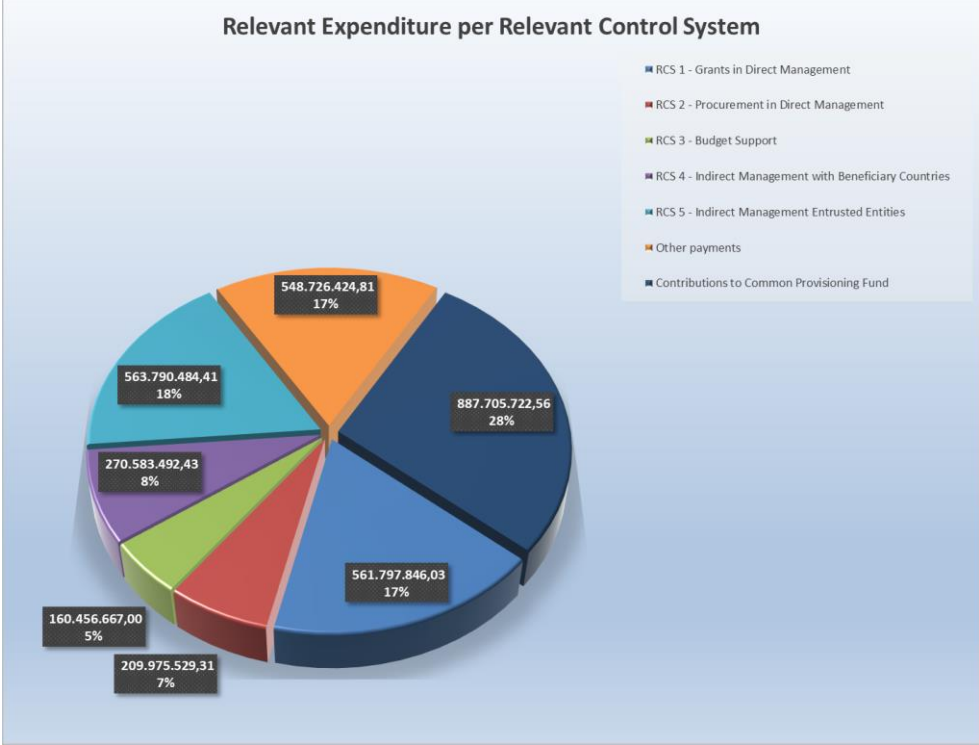
The RER study is based on a sample (drawn by monetary unit sampling) of a minimum of 456 sampling intervals. The multiannual nature of DG ENEST’s programmes is taken into account in this methodology, as the contracts closed during the period and considered for the monetary unit sampling were implemented over a period of several years.

From the 2025 RER population, no old contracts were identified and thus no exclusions were made in the 2025 study.

In addition, from 2022 to 2023, the RER ex post controls for contracts implemented in Ukraine, Russia and Belarus were suspended, due to the political situation and the subsequent

⁽²⁴⁾ The number of grant transactions included in the global rate was increased in response to a recommendation issued by the ECA in its annual report for 2017. The purpose of the additional grant sample is to provide the Commission with corroborative information complementing the grant-related information provided by the main sample.

impossibility to communicate with and obtain cooperation from the national authorities and the majority of beneficiaries in these countries. In 2024, controls in Ukraine resumed. Hence, the contracts previously excluded from the RER population related to **projects in Ukraine have been re-introduced in the population** ⁽²⁵⁾. The situation did not change concerning Russia and Belarus, where the suspension of controls remains in force.



Control results for performance-based expenditure and final assessment of low, medium, and high-risk categories of expenditure for 2025 payments

The specificities of the PBE model do not allow to calculate meaningful error rates comparable to those reported for cost-based EU-funded programmes. For PBE, DG ENEST determines a level of risk for each payment, based on its ex ante and ex post controls (audits), and taking into account the audits on payments by ECA. Depending on the extent of the financial exposure and the *de minimis* threshold, the Authorising Officer by Delegation decides if a reservation must be raised in relation to high-risk payments made in the reporting year.

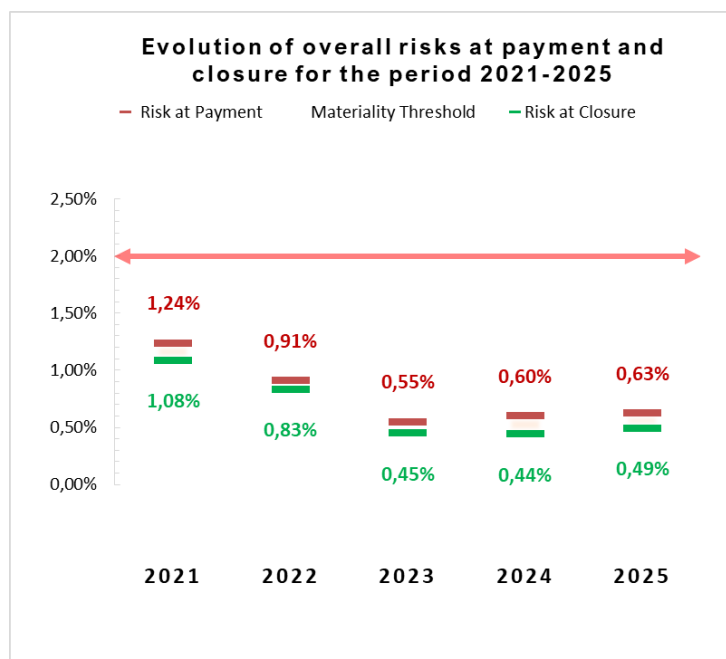
For the reporting year 2025, no payments or part of payments related to the fulfilment of the steps are considered as high risk, based on three layers of assurance: controls by the Ukrainian authorities; ex ante controls by the Commission on each request for payment received; DG ENEST audits.

⁽²⁵⁾ The reservation covering the situation in Ukraine is maintained and a deficiency having a major impact on the internal control has been registered (ref. section 2.3).

b) Estimation of the overall risk at payment and risk at closure

For all comparative tables included in this AAR, it is essential to consider the limitations of the comparison of figures and percentages reported by DG ENEST in 2025 and DG NEAR in 2024 (and before), due to the substantial differences in the portfolio of the two Directorates-General.

Based on all the above, DG ENEST presents in the following Table the evolution of the overall risks at payment and closure for the period 2021-2025.



The estimated overall risk at payment for 2025 expenditure is the AOD's best conservative estimate of the amount of relevant expenditure during the year which is not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

The estimated overall risk at payment for 2025 expenditure amounts to EUR 20.05 million (EUR 43.63 million in 2024 and EUR 22.44 million in 2023), representing 0.63% of the DG's total relevant expenditure for 2025 (slightly increasing from 0.60% in 2024 and from 0.55% in 2023). The estimated risk at payment for each RCS is based on the average error rates per RCS (based on the last three years) from the main sample. Due to the nature of the underlying transactions, the *Contributions to CPF* are considered as not affected by risk of error.

This expenditure will subsequently be subject to ex post controls, and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2025 expenditure amount to EUR 4.24 million (EUR 11.65 million in 2024 and EUR 4.14 million in 2023).

The difference between those two amounts results in the estimated overall risk at closure ⁽²⁶⁾ of EUR 15.81 million (lower than EUR 31.98 million in 2024 and EUR 18.3 million in 2023), as estimated risk at closure in percentage increased slightly (from 0.44% in 2024 to 0.49% in 2025).

DG ENEST mobilised significant resources over the reporting year for the implementation of controls, including the annual residual error rate study, to ensure accurate preparation and daily follow-up of controls with the implementing partners. This led to a better response rate for the documents to be provided for the RER study and thus, fewer errors due to non-provision of documents.

For an overview at Commission level, the departments' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

c) Quantitative benefits of controls: Preventive and corrective measures

With its ex ante and ex post controls, DG ENEST has an effective mechanism in place for detecting and correcting errors, reaching in total EUR 23.29 million of preventive and corrective measures for 2025. Ex ante controls resulted in preventive measures of EUR 21.44 million and ex post controls resulted in corrective measures of EUR 1.85 million. In 2025, due to the transition to SUMMA, only preventive measures exceeding EUR 500,000 are reported. More details are provided in Annex 3.

Following the split of DG NEAR and the creation of two Directorates-General (DG ENEST and DG MENA) in 2025, it is not possible to compare the 2025 figures reported by DG ENEST to the 2024 figures reported by DG NEAR (EUR 68.3 million and EUR 18 million respectively), because DG ENEST has a smaller portfolio of countries compared to the DG NEAR portfolio, which included also the operations now in the remit of DG MENA.

d) Assessment of control results for non-expenditure items (if applicable)

The financial assets of DG ENEST consist of the following elements:

- Pre-financing, long-term and short-term;
- Holdings in financial instruments, plus cash and cash equivalents associated with those financial instruments.

In order to protect the budget of the Union, DG ENEST procedures require the proper management of its pre-financing (pre-financing paid kept to the minimum possible, clearing completed regularly on the basis of the financial reports and audits or contractual benchmarks).

⁽²⁶⁾ This is the AOD's best, conservative estimation of the expenditure authorised during the year that would remain not in conformity of applicable regulatory and contractual provisions by the end of implementation of the programme.

In addition, DG ENEST requests and keeps in safe custody appropriate guarantees on pre-financing. Partner International Financial Institutions also submit annual reports on the financial instruments (including any associated cash holdings). Cash payments to these financial instruments reflect the minimum required for operational effectiveness.

The table below shows the value of assets, liabilities and off balance, in case they are above the established thresholds for being reported in the AAR. The other items from and off the Balance Sheet are presented in Annex 3.

Assets, Liabilities and Off Balance items		TOTAL EU Budget
ASSETS	Cash and cash equivalent	€215,893,728
	Non-Current Financial Assets	€1,309,075,102
	Current Financial Assets	€1,662,338,375
LIABILITIES	Current Financial Liabilities	€807,945,058
OFF BALANCE	Other Significant Disclosures	-€44,405,908,435

For **Non-Current financial assets** the biggest amounts are linked to long-term prefinancing with public bodies, Financial Instruments Financial Assets, Long-term prefinancing IMBC.

For **Current financial assets** the biggest amounts are linked to short-term prefinancing Public bodies, short-term prefinancing IMBC, short-term prefinancing Private bodies.

For **Current Financial Liabilities** the biggest amounts are linked to budgetary guarantees short term, CPF for EFSD +, GFEA and Ukraine facility.

An important control objective relates to the credit risk involved in the contingent liabilities created through budgetary guarantees agreements. The credit risk team (common unit ENEST/INTPA) independently assesses, before and during the lifetime of the guarantee agreements, the credit risk for the Commission related to each operation or portfolio of operations, so that the risk is kept to an acceptable level (more details are provided in section 6.2.2 of Annex 6).

e) Fraud: prevention, detection, and correction

DG ENEST has built upon the anti-fraud legacy of its predecessor (DG NEAR), continuing to develop and implement its own anti-fraud strategy based on the methodology provided by the European Anti-Fraud Office (OLAF) Strategy.

The DG ENEST Anti-Fraud Strategy covers the period 2025-2027 and considers the evolving legal and financial framework in which EU funds entrusted to DG ENEST are implemented, as well as emerging risks.

The implementation of the strategy is closely monitored, and progress is reported to management through annual action plans and bi-annual reports. The 2024 action plan was implemented until the adoption of the new strategy and its action plan (all actions implemented).

As “co-lead service” for actions under the Commission Anti-Fraud Strategy action plan of July 2023, in 2025 DG ENEST played a pivotal role in shaping and endorsing the Commission's action plan, through its contribution to five key actions, focusing on reinforcing the protection of the financial interests of the European Union for projects implemented under indirect management and in external relations.

Corrective measures adopted by DG ENEST to address OLAF recommendations are reported in the context of the annual monitoring led by OLAF, as per Article 11 of Regulation 883/2013 ⁽²⁷⁾. During 2025, 100% of applicable OLAF recommendations were assessed within the deadline, and the follow-up of implementation of these recommendations was ensured.

As part of its continuous efforts to combat fraud and ensure the integrity of its operations, DG ENEST achieved significant results during 2025:

- central coordination of anti-fraud matters encompassing the monitoring of OLAF files, reporting to the Commissioner and senior management, and input for monitoring exercises to OLAF
- regular update of the database on OLAF cases and the provision of two updates by AOSDs on the implementation of OLAF recommendations, including progress on financial recoveries and the monitoring of recommendations with financial implications
- adoption of a new structure aimed at enhancing anti-fraud management reporting, taking into account the establishment of DG ENEST
- coordination between OLAF and EPPO for general anti-fraud matters as well as for coordination of cases
- organisation of awareness-raising initiatives, including four training sessions on fraud detection and prevention, a training session conducted by OLAF for the EU Delegation to Ukraine, and presentations during seminars and conferences
- dissemination of information through newsletters, promotional videos, and regular update of the anti-fraud intranet page and factsheets
- revision of the Anti-fraud manual and communication to staff on ethics and anti-fraud, as well as on compulsory attendance to anti-fraud training and information sessions.

These efforts demonstrate DG ENEST's commitment to preventing and combating fraud, and its dedication to ensuring the effective implementation of its anti-fraud strategy and action plan.

Based on the available information, DG ENEST has reasonable assurance that the anti-fraud measures in place are effective overall.

⁽²⁷⁾ [REGULATION \(EU, EURATOM\) No 883/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office \(OLAF\) and repealing Regulation \(EC\) No 1073/1999 of the European Parliament and of the Council and Council Regulation \(Euratom\) No 1074/1999](#)

2.1.3. Efficiency of controls

The Financial Regulation requires reporting on three efficiency indicators:

1. **time-to-inform** (Art. 197.2 FR), which measures the average time taken to inform applicants of the outcome of the evaluation of their application (from the final date for submission of complete proposals); a maximum of six months should elapse;
2. **time-to-grant** (Art 197.2 FR), which measures the average time taken to sign grant agreements or notify grant decisions (from the date of informing applicants that they have been successful); a maximum of three months should elapse;
3. **timely payments** (Art 116.1 FR), as represented by the Commission standard "timely payments (%)" indicator (the percentage of the amount paid on time - within the contractual payment deadline - on the overall amount paid), as reported also in the Financial Scorecard (Annex 4).

In addition, DG ENEST monitors 24 key performance indicators (KPIs) on an annual basis grouped around three objectives:

1. Sound Financial Management and Efficient Use of EC Resources (KPI 1 to 13);
2. Effectiveness of Internal Controls (KPI 14 to 19);
3. Effectiveness of Audit systems (KPI 20 to 24).

These indicators represent an additional layer in the internal control structure of the DG, monitoring that the achievement of the general objectives is sound, efficient and effective. The KPIs are periodically reviewed and adapted, in agreement with DG INTPA. For each KPI, targets/benchmarks are set at the beginning of the year against which each entity managing funds within the DG (Delegation/Unit/Directorate) needs to deliver. The delivery by all entities contributes to the overall results of the DG and allows the detection of areas where follow up is required. More details are provided in Annex 7.

Time-to indicators - Results 2025

All three indicators are within the respective benchmarks.

The average **time-to-inform** in 2025 was 83.66 days, compared to 94.01 days in 2024. This result represents an improvement compared to the previous year.

The average **time-to-grant** in 2025 was 77.87 days, compared to 46.05 days in 2024 and below the benchmark of 3 months/90 days ⁽²⁸⁾.

The **timely payments** result in 2025 was 87%. It shows that DG ENEST still ensured efficient processing of payments within the legal deadlines. However, the transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. This has required careful management to

²⁸ Both the time-to-inform and time-to-grant indicators are calculated in case of published calls for proposals.

ensure the same data quality as in previous years. In some cases, this may have resulted in lower performance for some standard financial indicators such as the timely payments.

Other efficiency indicators – Key Performance Indicator Results 2025

5 out of 6 Financial Scorecard indicators measured by DG BUDG are strong and above 90% for DG ENEST in 2025 with only Timely Payments indicator having moderate result of 87% (details are provided in Annex 4).

In 2025, 15 out of 23 ⁽²⁹⁾ KPIs met the set targets corresponding to an overall success rate of 65%. This result shows that the global performance of DG ENEST declined in comparison to the previous year ⁽³⁰⁾, with more underperforming KPIs out of the total number of benchmarked indicators.

The KPI results deteriorated in sound financial management indicators, while effectiveness of internal controls and audit systems were moderately strengthened. One of the main reasons for this situation is the migration from ABAC to the new SUMMA accounting IT system, which took place in the first half of the year. This created widespread delays due to technical instability, permission and encoding issues, and a surge in Helpdesk tickets that slowed financial processing. Specific issues required invoices to be cancelled and encoded again, further delaying registration processes.

The split of DG NEAR into DG ENEST and DG MENA further compounded these challenges, delaying the reopening of DG ENEST operational IT system OPSYS until early April and causing a temporary standstill in operational implementation. In parallel, the delayed synchronization between SUMMA and OPSYS required joint troubleshooting with DG DIGIT and DG INTPA, extending the backlog and affecting end-to-end transaction flows. As a result, five KPIs, especially related to timeliness of financial transactions, were strongly affected and could not meet their set targets. Additionally, due to technical difficulties encountered in adapting KPI 13 “Reduction of the backlog of expired recovery orders” to the new SUMMA IT system, the reporting for this KPI was suspended for 2025.

The following 8 KPIs did not meet their targets in 2025: **KPI 5** (Timely registration of invoices) declined from 96.10% in 2024 to 47.65% in 2025, falling below the target of at least 90%. **KPI 6** (Timely payments) decreased from 94.80% in 2024 to 76.67% in 2025, remaining below the benchmark of at least 90%. **KPI 7** (Timely Invoice Pre-Financing Clearing) declined from 94.51% in 2024 to 74.80% in 2025, falling below the target of at least 85%. **KPI 8** achieved 92.58% in 2024 against the benchmark of at least 85% but declined to 62.31% in 2025. Similarly, **KPI 9** achieved 36.83% reduction in old RAL in 2024, exceeding the target of at least 35%, but decreased to 29.84% in 2025. **KPI 10** (The percentage of ongoing primary interventions with a red traffic light for current performance) worsened from 2.98% in 2024 to 45.69% in 2025, exceeding the target threshold of no more than 30%. **KPI 17** (Prevention of ineligible expenditure by ex ante controls) achieved 1.13% in 2024 but slightly improved to 1.94% in 2025, remaining marginally below the target of at least 2%. **KPI 23** (Timely

⁽²⁹⁾ In 2025 out of 24 KPIs 23 were actively monitored – KPI13 was excluded from 2025 exercise.

⁽³⁰⁾ The 2025 DG ENEST KPIs results are compared to the 2024 DG NEAR KPIs results, since it is not possible to recalculate the 2024 KPIs for DG ENEST only. This is only possible for the results of Delegations, which are presented in a dedicated table in Annex 7.

completion of audit follow-up) declined from 65.14% in 2024 to 27.12% in 2025, falling below the target of at least 50%. The detailed KPI analysis is provided in Annex 7.

2.1.4. Economy of controls

In 2025, the **cost of controls** ⁽³¹⁾ in DG ENEST has been estimated at EUR 75.8 million (EUR 111.5 million in 2024 for DG NEAR). The estimation is based on spending for human resources dedicated to control activities, as well as evaluation, monitoring and audit costs.

- **Human resource** spending on control is projected to be at EUR 65.8 million, including direct, indirect and overhead costs. The estimation is based on the number of officials, contract, local agents and seconded nationals (across both headquarters and EU Delegations), on allocation keys for each unit and on the average standard staff costs. The results show a decrease of around 34 % compared to the previous year (EUR 100 million in 2024) largely due to the decrease in staff numbers following the split of DG NEAR and the set-up of DG ENEST and DG MENA.
- **Evaluation, monitoring and audit (including expenditure verification and Residual Error Rate study)** costs have been estimated at EUR 10 million (EUR 11.5 million in 2024). This decrease is consistent with the decrease in projects following the above-mentioned split.

The estimation does not include the costs incurred by partner countries' authorities related to implementation under Indirect Management with Beneficiary Countries authorities or by implementing partners under Indirect Management, such as the management fees allocated to entrusted entities (up to max 7% ⁽³²⁾).

The cost of controls as a proportion of the total of 2025 payments is equal to 1.85%, slightly higher than the result of previous years, constantly below the target of 5% set in the management plan ⁽³³⁾. The total cost of controls is assessed also in relation to the benefits of controls (sound financial management as represented by a global residual error rate below 2%) and the financial benefits of controls (as reported in section 2.1.2.a).

The specific cost of controls related to each of the six relevant control systems (RCS) ⁽³⁴⁾ in proportion of the total payment remains below 5% for all RCS.

⁽³¹⁾ Control is defined as per Article 2 of the Financial Regulation.

⁽³²⁾ The entrusted entities' cost of control has been estimated at around EUR 39.37 million, calculated by applying the average management fee (5.8%) to the total relevant expenditure under RCS 5 Indirect management with entrusted entities. These management fees include however other costs than control costs in the strict sense.

⁽³³⁾ Because of the nature of the underlying transactions, the cost of controls related to Contributions to CPF is considered negligible or covered already by a specific RCS; therefore, to keep a consistent approach with previous years and with the target in the management and strategic plans, contributions are not considered in the analysis. Additionally, payments made under Type III co-delegation are also excluded.

⁽³⁴⁾ More information on the calculation of the cost of controls per method of implementation is provided in Annex 7.

Relevant Control System (RCS)		Total Payments MEUR	Cost of controls MEUR	Ratio (%)
RCS1	Grants in Direct Management	916,60	21,8	2,4%
RCS2	Procurement in Direct management	210,85	7,6	3,6%
RCS3	Budget Support	160,46	2,5	1,6%
RCS4	Indirect Management with Beneficiary Countries	220,55	3,6	1,6%
RCS5	Indirect Management Entrusted Entities	1489,75	23,9	1,6%
RCS6	Performance based	601,25	8,8	1,5%
-	Other payments	500,64	7,6	1,5%
Total RCS		4100,08	75,8	1,8%

Based on the above, the cost of controls is considered reasonable. The ratio is slightly higher than it was last year for DG NEAR (1.4%) mainly due to higher cost of controls for the implementation of Facilities for which some disbursements are not part of the payments made by DG ENEST, as they are made by Directorate-General for Budget.

2.1.5. Conclusion on the cost-effectiveness of controls

Based on the most relevant key indicators and control results reported above, DG ENEST has assessed the effectiveness, efficiency and economy of its controls of its financial management and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG ENEST monitors and builds upon the effectiveness of its control system, which ensures the prevention of errors to a large extent. The **residual error rates** (RER) and the derived DG ENEST global rate are below materiality

In terms of **fraud** prevention, detection and correction, the **DG Anti-Fraud Strategy and the related action plan** have been adopted in December 2025.

In terms of **efficiency**, the time-to indicators and the KPIs show continuity and stability compared to last year. In 2025, **15 out of 23 KPIs reached the target**.

In terms of **economy**, the control strategy has a global percentage of cost of controls (1.85%), which is below the corporate ceiling (5%) and is stable over time.

The control strategy is continuously reassessed through KPIs, RER and other elements, to enhance control on the riskiest transactions, while keeping a balance between the financial/reputational impact of errors and the cost of controls. One reservation is maintained in 2025: a **non-quantifiable reservation** due to external restrictions to control financial programmes in **Ukraine**.

For the other areas, the Authorising Officer by Delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control put in place give the necessary guarantees concerning the legality and

regularity of the underlying transactions.

2.2. Audit observations and recommendations

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related to **performance and to internal control and financial management**. Further details for IAS and ECA audits can be found in Annex 8.

Where an audit has detected weaknesses affecting any internal control principle or the department's assurance, a detailed analysis is provided further below, in sections 2.3 and 2.4, accordingly.




Internal Audit Service (IAS)

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
2025	Control results provided by partners (management declarations)	Very important: 1. design of the control framework for management declarations		
2025	Control results provided by partners (management declarations)	Very important: 2. effectiveness and efficiency of management declarations as a control measure		
2024	Allocation of Human Resources in EU Delegations	Very important: 2. Design and Implementation of the WLAD		
2024	Risk at payment	Very important: 13. Calculation of the risk at payment by the sampled entities		
2023	Intervention-level evaluations	Very important: 11. Implementation of the evaluation process		
2023	Intervention-level evaluations	Very important: 15. Monitoring, overview, and reporting at headquarters' level		
2023	Contractual expenditure verifications	Very important: 3. Objective and design of CEV as a control*		
2023	EFSD guarantee	Very important: 2. Assurance building*		
2023	EFSD guarantee	Very important: 1. Governance*		
2023	EFSD guarantee	Very important: 4. Guarantee agreement clauses*		
2023	EFSD guarantee	Very important: 6. Performance monitoring and reporting*		

State of play	Assurance
Action plan implemented or awaiting review from IAS	No impact on the assurance
Action plan implementation is ongoing	Impact on the assurance
Preparation of the action plan	
* Action Plan led by DG INTPA; DG ENEST is one of the associated Directorates-General.	

European Court of Auditors (ECA)

Reported	Audit Title	Accepted recommendations	State of play in 2025	Impact on the assurance for 2025
2025	Statement of assurance (DAS)	2		<input checked="" type="checkbox"/>
2024	Facility for refugees in Turkey	4		<input checked="" type="checkbox"/>
2022	EU support for the rule of law in the Western Balkans	4	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
2021	Reducing grand corruption in Ukraine	7	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

State of play		Assurance	
<input checked="" type="checkbox"/>	Action plan implemented	<input checked="" type="checkbox"/>	No impact on the assurance
	Action plan implementation is ongoing		Impact on the assurance
	Preparation of the action plan		

During 2025, DG ENEST has ensured the coordination, quality control and follow-up of implementation of the recommendations of the ECA (European Court of Auditors), IAS (Internal Audit Service), EP (European Parliament) and Council.

Conclusion

In 2025, DG ENEST reported on the implementation of actions to address ECA/EP/Council recommendations and IAS recommendations largely according to schedule. All critical or very important recommendations addressed to DG ENEST from audits completed until the end of 2025 have been closed or are still within their targeted timelines, except one that was slightly delayed (third recommendation in the table above, stemming from the IAS audit on Allocation of Human Resources in EU Delegations). More information about its implementation is provided in Annex 8.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards ⁽³⁵⁾.

DG ENEST has adapted the Internal Control Framework to their specific characteristics and organisational structure. The internal control systems are suited to achieving DG ENEST policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

DG ENEST has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified in relation to internal control principles 10 and 12.

ICP 10 The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels

The **minor** deficiency stems from the IAS very important recommendations that have not yet been implemented, issued in the framework of the following engagements:

- **Audit on Allocation of Human Resources in EU Delegations** (one recommendation remains open) and
- **Limited review on control results provided by partners (management declarations)** (two recommendations are open).

The final audit reports of the two audits were issued in November 2024 and in December 2025, respectively. DG ENEST adopted without delay and started implementing the corresponding action plans. Sections 2.2 and Annex 8 provide more details.

The weaknesses of the internal control system related to other IAS audits listed in section 2.2. (Intervention-level evaluations; Contractual expenditure verifications and EFSD guarantee) have a limited impact, as all the recommendations have been implemented throughout 2025 and reported to the IAS in the second half of 2025.

ICP 12 The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action

The **major** deficiency under this ICP stems from **external restrictions to control of financial programmes due to uncertainties and impacts created by geopolitical events**, most notably Russia's war of aggression against Ukraine.

This deficiency is recurrent and inherent to the instable political situation in certain countries

⁽³⁵⁾ The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

and regions where DG ENEST operates. This heightens volatility, prevents from the full implementation of standard monitoring, evaluation and control activities without discontinuing urgent and essential delivery of financial assistance. In response to these challenges, DG ENEST remains committed to ensuring sound implementation to the extent possible by:

- vigilantly monitoring ground-level developments, and assessing their impact on the execution of control plans in the affected countries;
- swiftly responding to significant delays and disruptions, acting with agility to address emerging issues, for example by reorienting financial assistance;
- intensifying dialogue with partners, other donors and audit and control providers to foster collaboration and share insights;
- implementing proactive mitigating measures and conducting additional or alternative controls, considering operational and access constraints, for instance by adopting hybrid or remote modality;
- resuming fully the controls that were affected or suspended once security arrangements permit a safe and secure environment.

In particular, restriction of access in Ukraine hampers the appropriate monitoring of EU-funded projects in the country. Mitigating measures were put in place but do not fully mitigate the impact on the assurance of the corresponding expenditure. For example, remote or hybrid control methods must complement or substitute field visits and on-the-spot checks (for example in the case of Result Oriented Monitoring - ROM - and expenditure verifications). Although in 2025 significant progress has been made in monitoring and oversight mechanisms, the persistent constraints led to a reservation in the context of the 2025 AAR.

In terms of improvements or remedial measures, the Action Plan proposed in the 2025 AAR reservation has been followed and an updated version was drafted for the renewed reservation issued in the current report (provided in Annex 9). Without Commission presence on the ground, these measures will mitigate the systemic risks related to the operations, even if the countries remain active conflict zones.

Finally, the SG continuously monitors delivery on the Political Guidelines and annual Commission work programmes and prepares and supports timely political-level decisions when new circumstances change priorities which provided additional comprehensive corporate mitigating actions. c

For all other aspects, there is reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated, and improvements of the measures in place are continuously sought. Annex 8 provides more details.

2.4. Conclusions on the assurance

This section reviews the assessment of the elements from previous sub-sections 2.1., 2.2. and 2.3. and the sub-conclusions already reached. It draws an overall conclusion to support the

declaration of assurance and whether it should be qualified with reservations. The split of DG NEAR into two separate DGs (ENEST and MENA) on 1 February 2025 has no impact on the assurance of DG ENEST, as the authorising officer by delegation remains the same. A thorough handover report from DG NEAR to the new DGs was prepared, in line with Commission guidance.

In general, the information in section 2.1 stems from the results of reviews by management and auditors. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the reported information and results in a comprehensive coverage of the budget delegated to the Director-General of DG ENEST, as the control instruments cover the entire budget expenditure managed by the DG.

DG ENEST has described **six major control environments** (Relevant Control Systems - RCS), covering 71% of the total payments and contributions and 87% of the payments.

The **residual error rates (RER)** are below materiality. Each RCS has been assessed as low or moderate risk.

In terms of **fraud** prevention, detection and correction, the **DG Anti-Fraud Strategy and the related action plan** have been adopted in December 2025.

In terms of **controls' efficiency**, the time-to indicators and the KPIs show continuity and stability compared to last year.

In terms of **controls' economy**, the control strategy has a global percentage of cost of controls, which is well below the corporate ceiling (5%) and stable over time.

Continuous efforts have been made throughout 2025 to address past **internal (IAS) and external (ECA)** audit recommendations. Efforts to implement the remaining open IAS and ECA recommendations will continue in 2026.

The **internal control system** is effective, except regarding internal control principles 10 and 12, which need major improvement. Mitigating actions have been and will be put in place and where necessary a reservation was made.

Overall Conclusion

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, effective controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance, albeit qualified by a reservation concerning external restrictions to control financial programmes in **Ukraine**.

Recapitulative Table

Reservation Title	Financial Impact (in m EUR)	Residual error rate	Evolution	
External restrictions to control financial programmes in Ukraine	N/A	N/A	N/A	Maintained

2.5. Declaration of Assurance [and reservations]

Declaration of Assurance

I, the undersigned,

Director-General of DG ENEST,

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁽³⁶⁾.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution.

However, the following reservations should be noted: External restrictions to control financial programmes in Ukraine. More details are provided in Annex 9.

Brussels, 31 March 2026

“Signed”

Gert Jan Koopman

⁽³⁶⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

3. A MODERN AND SUSTAINABLE PUBLIC ADMINISTRATION

3.1. Human resource management

As outlined in the objectives of the Management Plan 2025, human resources activities in DG ENEST in 2025 continued as planned.

The Action Plan underpinning the local HR strategy entered its final implementation phase in 2025. The vast majority of the 35 actions identified were either completed or firmly embedded in DG ENEST's HR practices. Work in 2025 focused on consolidating flagship initiatives launched in previous years, notably DG ENEST's talent management programme and the FUTURE SKILLS LAB, while ensuring continuity and coherence of HR processes.

Throughout 2025, DG ENEST delivered on its strategic and operational HR responsibilities ensuring continuity, coherence and reliability of HR support during a year of exceptional transition for DG ENEST following the reorganisation of the DG.

DG ENEST also pursued the broader measures to enhance the fitness for purpose of EU Delegations, while ensuring continuity of earlier complex operations.

Finally, 2025 was marked by the continued preparation by DG ENEST for the move to a new, fully renovated building, that provides a dynamic collaborative working environment.

Working as one - Leadership, coordination and collaboration

To further boost collaboration and information flows in and across teams, DG ENEST continued implementing a variety of meeting formats and Internal Communication actions such as knowledge-sharing sessions on topical issues, with close involvement of EU Delegations.

Townhall meetings at Directorate-General level with all staff were organised to regularly update staff on the DG strategic objectives, as well as extended Management Meetings and joint unit meetings.

3.1.1. A reinforced focus on working conditions in Delegations

DG ENEST aimed at further reinforcing the links between Headquarters and Delegations by enhancing mobility opportunities for contract agents, notably to return to headquarters during their career. In this context, DG ENEST continued to contribute to the reflections in the European Commission Task Force on Careers for Contract Agents in Delegation all through 2025.

In parallel, an in-depth screening exercise to examine the skills and profiles as well as future needs of staff both in Headquarters and Delegations was finalised in 2025 leading to

recommendations to update and reprofile posts as appropriate and in line with the DG's mandate.

The DG also engaged in the modernisation of the Delegations' Network in its region and pursued ways forward to streamline and render the network more effective and better fit for purpose in view of the priorities of the Commission.

3.1.2. Enhanced and pro-active talent management

To support colleagues in their career development, the second edition of the annual tailor-made ENEST talent management programme was launched.

Also, to enable a better alignment between workforce and needs and support staff in managing their careers proactively by re- and upskilling, a training package, the 'future skills lab' was developed, focusing on priority areas for DG ENEST, such as Enlargement, Programming tools, financial instruments & budgetary guarantees, Migration and Energy.

Furthermore, the Contract Agent Strategy with an extensive Support Package for colleagues with limited contracts was implemented successfully and a new learning and development plan was developed and implemented in 2025.

3.1.3. An inclusive workplace and focus on well-being

DG ENEST organised new well-being events and actions focusing both on mental and physical wellbeing also in the Delegations.

3.2. Digital transformation and data management

In 2025, DG ENEST made significant strides in implementing the European Commission's Digital Strategy by adopting a local IT and Systems Strategy for 2026-2027. This strategy focuses on five key objectives: stabilising financial operations, supporting the enlargement agenda, reinforcing cybersecurity, promoting investment and connectivity, and enhancing the digital culture of the DG, including the use of Artificial Intelligence. A dedicated 2026 work programme was established to ensure effective implementation of these initiatives.

Strategic Objectives for Digital Transformation

1. Digital Culture DG ENEST has prioritised digital skills development and cybersecurity awareness, including AI training and the adoption of sovereign AI technologies in tools like eAccession. The department has promoted the use of collaboration tools such as Teams and M365 to enhance digital workplace efficiency. Notably, the use of Teams and SharePoint Online within DG ENEST has continued to increase, with high uptake of training sessions indicating a collective need to become more proficient in these platforms.

2. Digital-Ready Policymaking The modernisation of local applications, including IESAq and IPA-APP, has supported digital-ready policymaking. The successful pilot and subsequent cloud transition of eAccession under the EU4Digital facility demonstrate DG ENEST's commitment to leveraging digital tools for policy implementation. These initiatives ensure that policymaking processes are agile, data-driven, and aligned with Commission-wide digital standards.

3. Business-Driven Digital Transformation DG ENEST has improved business processes through the integration of SUMMA with the RELEX IT ecosystem and the enhancement of IPA-APP with new payment and disbursement modules. Data openness and interoperability have been strengthened through the development of a statistical platform designed to gather quantitative and qualitative data on corruption and organised crime in enlargement countries. This platform supports structured assessments of rule of law performance, contributing to evidence-based policymaking.

4. Seamless Digital Environment The department has modernised its IT landscape by migrating systems to the cloud, including eAccession and other local applications. The phase-out of legacy systems like MIS and the attestation of GRC controls have ensured a more efficient and secure digital environment. These efforts align with the Commission's cloud strategy, promoting a green, resilient, and secure infrastructure.

5. Green, Secure and Resilient Infrastructure DG ENEST has advanced its cloudification journey in collaboration with DIGIT, contributing to a greener, more resilient IT infrastructure. Cybersecurity has been reinforced through the endorsement of eAccession by the EC IT Cyber-Security Board and adherence to corporate security standards.

Data Management

- **Data Management** DG ENEST remains actively engaged in the RELEX Data Governance Board, chaired by DG INTPA, to ensure alignment with broader Commission data governance frameworks. The department has revised and aggregated its data assets in the EC Data Catalogue, following DG INTPA's approach as the RELEX family's data activities coordinator. This initiative enhances data discoverability and interoperability across the Commission.
- **Data Skills** To strengthen data literacy within the department, DG ENEST has promoted data management training programmes. These initiatives equip staff with the necessary skills to handle data effectively, ensuring compliance with Commission-wide data governance standards and best practices.
- **Data Ownership and Responsibilities** Clear ownership and accountability for data management are maintained through structured participation in the RELEX Data Governance Board. This collaboration ensures that DG ENEST's data assets are properly managed, aligned with Commission policies, and contribute to the broader RELEX family's data governance objectives.
- **Data Quality** By revising and aggregating data assets in the EC Data Catalogue, DG ENEST has taken steps to improve data quality and consistency. Ongoing participation in the RELEX Data Governance Board further supports the maintenance of high-quality, reliable data, ensuring its effective use in policymaking and operational activities.

Concerning **digitalisation of DG ENEST way of working**, electronic signatures (Qualified Electronic Signature, QES) continued to be promoted. Consequently, their use has increased significantly. 87.5% of the authorising officers by sub-delegation in HQ have been provided with QES. The provision of QES certificates to colleagues in delegations by the EEAS, extended the number of use cases in which electronic signatures are used. Concerning **data protection** In 2025, DG ENEST continued the implementation of the **Commission's Data Protection Action Plan** (C (2018) 7432 final) as reviewed in 2020 (C (2020) 7625 final) ⁽³⁷⁾ in order to align the processing of personal data with the requirements of Regulation EU 2018/1725 on the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data. DG ENEST continued to ensure and document compliance with data protection requirements by reviewing public records of processing operations and ensure that all staff is aware of the data protection requirements. In 2025, ENEST reviewed and re-published 3 records out of the 9 existing published records. A wide range of centrally organised data protection trainings activities (general and specific) was made available to DG ENEST staff. Also, in 2025, the DPC provided an information session on data protection awareness as part of the induction training on procedures for new commers with the participation of 35 staff (both in HQ and Delegations), maintaining the target of 100% ⁽³⁸⁾ DG ENEST staff participation in data protection awareness training activities by the end of 2025.

⁽³⁷⁾ Details are provided in Annex 10.

⁽³⁸⁾ These statistics focus on DG ENEST staff in headquarters as DG ENEST staff in Delegation receive systematically data protection awareness provided by EEAS.

3.3. Sound environmental management

In 2025, DG ENEST continued to play an active and constructive role in the Commission's EMAS framework, contributing to all key corporate initiatives, including the **BEST action**, and further embedding sustainability principles into its daily operations.

A major milestone was the **finalisation of the design and relocation to the new M034 building**, which is now fully **BREEAM-certified** and conceived as a model for sustainable working environments. From the outset, EMAS principles were fully integrated into the building concept and its daily functioning, notably through advanced systems for **energy efficiency, waste reduction and water management**. This transition has provided DG ENEST with a modern, environmentally responsible workplace and a tangible contribution to the Commission's green objectives.

In parallel, DG ENEST continued to promote resource-efficient ways of working, including the systematic reduction of paper use and the further roll-out of digital tools. Teleworking and flexible working arrangements remained an important driver in reducing commuting-related emissions and office waste. Efforts to support a "digital by default" culture were sustained through guidance, awareness-raising and hands-on support to staff, ensuring that remaining paper processes are handled responsibly and recycled in an environmentally sound manner.

Overall, 2025 marked a year of consolidation and visible progress for DG ENEST under EMAS, combining behavioural change, digital transformation and sustainable infrastructure to deliver measurable environmental benefits.

