

# Annual Activity Report 2025

Directorate-General for  
Communications Networks, Content and  
Technology

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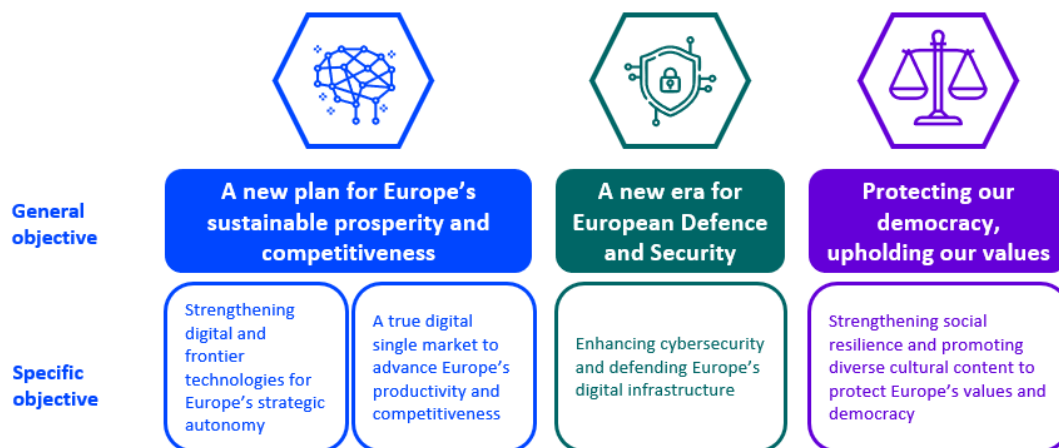
# CONNECT IN BRIEF

The **Directorate-General for Communications Networks, Content and Technology** (CONNECT) is carrying forward and enforcing digital policies, developing the European vision for the digital transformation and delivering a broad set of programmes and standards.

Building on this role and given the increasingly complex environment in which Europe’s digital transformation unfolds, CONNECT’s mission is clear: to empower Europe to lead in the digital age – not only by regulating but by simplifying rules and enabling, innovating, and defending a digital transition that is competitive, sustainable, democratic, and sovereign. The road ahead requires unity of purpose, strategic clarity, and the collective resolve to act decisively.

Over the 2025–2029 period, CONNECT contributes to three general objectives through four specific objectives that are backed by clear, measurable key performance indicators:

## DG CONNECT STRATEGIC PRIORITIES 2025-2029



These objectives are mapped onto the transformational imperatives of the Competitiveness Compass: closing the innovation gap and reducing excessive dependencies and increasing security. Compass imperatives are also key for the EU to preserve its social model. They also reinforce the five horizontal enablers: simplifying the regulatory environment, reducing burden and favouring speed and flexibility; fully exploiting benefits of scale offered by the single market by removing barriers; financing through a Savings and Investments Union and a refocused EU budget; promoting skills and quality jobs while ensuring social fairness and better coordinating policies at EU and national level by integrating governance, investment and monitoring.

In 2025, CONNECT managed an overall budget of EUR 1 996 million, implementing directly 34% of the overall budget and delegating budget implementation tasks mainly to four executive agencies, to the Chips Joint Undertaking, the Smart Networks and Services Joint Undertaking, the European High Performance Computing Joint Undertaking and the European Cybersecurity and Competence Centre. CONNECT, together with these entities, implemented several programmes, namely Digital Europe, Horizon Europe, Connecting Europe Facility II – Digital and Creative Europe – Media. The implementation of the InvestEU programme was

delegated to DG Economic and Financial Affairs and deployed by several financial institutions acting as implementing partners.

To achieve its objectives, CONNECT also works closely with two decentralised agencies, namely the European Union Agency for Cybersecurity and the Office of the Body of European Regulators for Electronic Communications.

The EU has developed a network of digital partnerships and alliances with countries and regions around the world, allowing for concrete joint projects and initiatives in fields such as secure connectivity, artificial intelligence, semiconductors, digital public infrastructure, and platforms.

CONNECT interacts with many other Commission Directorates-General (DGs). Given the digitalisation of all sectors of the economy, the importance of collaboration between CONNECT and several other DGs is set to increase.

# EXECUTIVE SUMMARY

## A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

In 2025, CONNECT progressed towards the delivery of its three general objectives: A new plan for Europe's sustainable prosperity and competitiveness; a new era for European Defence and Security; and protecting our democracy and upholding our values.



The work of CONNECT was guided by the vision and objectives of the **Digital Decade Policy Programme 2030**, which seeks to empower businesses and people in a human-centred, sustainable and more prosperous digital future and is aligned with the transformational imperatives of the Competitiveness Compass: closing the innovation gap and reducing excessive dependencies

and increasing security.

The Commission adopted the **Apply AI Strategy**, which serves as the EU's comprehensive sectoral strategy for artificial intelligence. Its aim is to boost competitiveness in strategic sectors while strengthening the EU's technological sovereignty. The strategy principally focuses on increasing AI adoption and fostering innovation, particularly among SMEs, with European Digital Innovation Hubs evolving into AI Experience Centres.



Further expanding the EU's technological ambitions, the Commission released the **EU Quantum Strategy**, which outlines actions in five key areas: quantum technology research and innovation, development of infrastructures, strengthening the quantum ecosystem, dual-use and space quantum technologies, and nurturing skills and talent in the area of quantum. This strategic focus positions Europe towards enhanced quantum capabilities.

The proposal for a **Digital Networks Act (DNA)** followed the review of the European Electronic Communications Code. It aims to create a single market for connectivity and streamline EU spectrum policy. The Act was adopted with a slight delay in January 2026, allowing for significant simplification of current rules.

The Commission published its proposal for a **Regulation establishing European Business Wallets**, which anticipates substantial economic benefits and savings of up to EUR 5 billion in administrative costs between now and 2029.

As part of the Digital Package adopted in November 2025, the Commission issued a **report analysing the interplay between DSA and other regulatory frameworks** affecting digital services, including consumer protection, market surveillance, data protection, and content regulation, enhancing coherence across the EU's digital rulebook.

Still under the digital simplification agenda, a call for evidence and a public consultation were launched to kick off a **Digital Fitness Check**, which will analyse cumulative impacts and interplays of the EU digital rulebook and look for further areas for potential simplification.



In tune with security concerns and efforts to enhance the security and resilience of Europe's submarine cable networks, the **2025 EU Action Plan on Cable Security** already resulted in the publication of the Submarine Cables EU mapping, a coordinated risk assessment and stress test guidance.

Cybersecurity in the healthcare sector was strengthened through the **European Action Plan on the cybersecurity of hospitals and healthcare providers**. The Commission also established the **Health Cybersecurity Advisory Board** to provide strategic advice and expertise on strengthening cybersecurity across the health sector. Overall, important progress was made in the **transposition and implementation of the NIS2 Directive** contributing to the increased level of cybersecurity and resilience of critical infrastructure across the EU.

CONNECT prepared the **Data Union Strategy** to strengthen competitiveness by unlocking data value, completing the Single Market for data, and fostering an AI-driven economy.

Regarding **enforcement of digital regulations**, under the **Digital Services Act (DSA)**, investigations into Very Large Online Platforms and Search Engines were initiated for compliance issues. The **Digital Markets Act (DMA)** proceedings reached key milestones, with decisions affecting major entities like Apple and Meta, alongside investigations involving Google.

CONNECT prepared the proposals for the **digital omnibus** to simplify and streamline existing digital legislation, reduce administrative burden, and ensure a more coherent and effective regulatory framework that supports innovation and competitiveness.

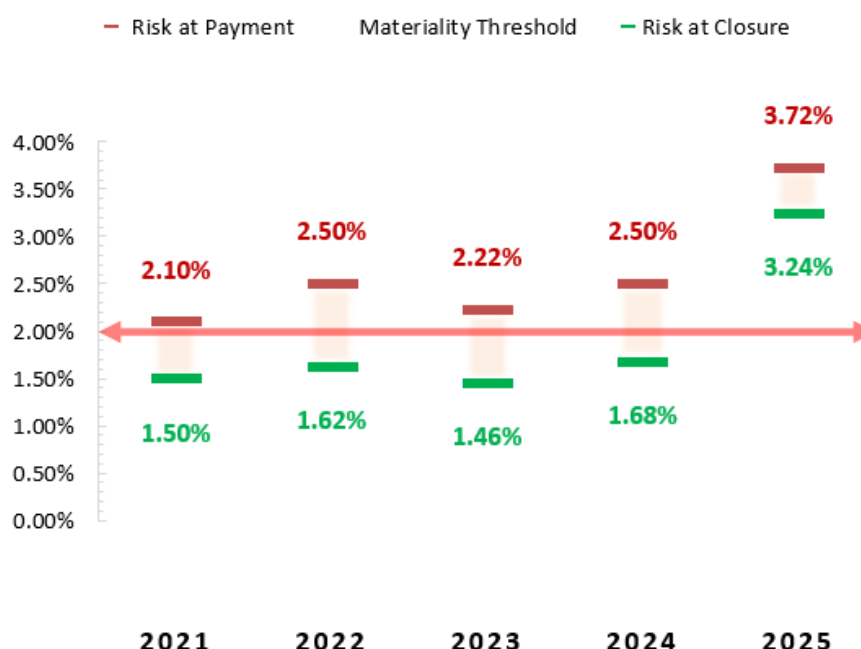
Finally, CONNECT continued working with the signatories of the **Code of Conduct on Disinformation under the DSA** on the implementation of their commitments of regular reporting on the Russian war of aggression against Ukraine.

## B. Key performance indicators

Each CONNECT KPI is on track to meet its interim milestone.

KPI #	KPI Title	Baseline (2024)	2025	Interim milestone (2027)	Target (2029)
<b>Specific objective 1.1: A new plan for Europe's sustainable prosperity and competitiveness</b>					
1.1.1	Percentage of enterprises using at least one artificial intelligence technology.	8.00% (2023)	19.90%	59.00%	71.00%
<b>Specific objective 1.1: A new plan for Europe's sustainable prosperity and competitiveness</b>					
1.1.1	Impact of the data economy on EU GDP	4.40% (2024)	4.80%	4.90%	5.41%
<b>Specific objective 2.1: Enhancing cybersecurity and defending Europe's digital infrastructure</b>					
2.1.1	Number of cybersecurity infrastructures, services and/or tools (projects) supported with DEP	38 (2025)	281	250	350
<b>Specific objective 3.1: Strengthening social resilience and promoting diverse cultural content to protect Europe's values</b>					
3.1.1	Number of people accessing European audiovisual works from countries other than their own supported by Creative Europe MEDIA.	17 (2022)	18	increasing	20

### Evolution of overall risks at payment and closure for the period 2021-2025



The increase in the overall risk at payment and risk at closure since 2024 is explained by the increase in the residual error rate for *Horizon Europe* and *Digital Europe* grants for which first audit results have become available, combined with the overall increase of CONNECT's relevant expenditure for these programmes. Further details are provided in section 2.1.2 Effectiveness of controls and Annex 9.

## **C. Key conclusions on internal control and financial management**

CONNECT has systematically examined the available control results and indicators, including those from supervised 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.

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 ensure the same data quality as in previous years.

All the above elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer for further details to section 2 on Internal Control and Financial Management.

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 internal control principles 4 "The Commission demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives", principle 6 "The Commission specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives", principle 10 "Selects and develops control activities", principle 11 "*The Commission selects and develops general control activities over technology to support the achievement of objectives*" and principle 12 "Deploys through policies and procedures". The Director-General, in his capacity as Authorising Officer by Delegation, has signed the Declaration of Assurance albeit qualified by a reservation concerning the rate of the residual error within grant payments in the Horizon Europe programme and a reservation for the Digital Europe programme, implemented directly and indirectly by CONNECT.

## **D. Provision of information to the Executive Vice-President**

In the context of the regular meetings during the year between CONNECT and the Executive Vice-President on management matters, the main elements of this report and assurance declaration, including the reservations envisaged, have been brought to the attention of Executive Vice-President Virkkunen, responsible for Tech Sovereignty, Security and Democracy.

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

To deliver on its objectives, CONNECT follows the path set in the digital compass communication for Europe's digital transformation by 2030.

The **Digital Decade Policy Programme 2030** is a monitoring and cooperation mechanism to achieve common targets for Europe's digital transformation by 2030 that revolves around four areas: a) improve citizens' basic and advanced digital skills; b) improve the take-up of new technologies, like artificial intelligence, data and cloud, in the EU businesses, including in small businesses; c) further advance the EU's connectivity, computing and data infrastructure; and d) make public services and administration available online.

The annual **State of the Digital Decade report** (published in June 2025) provides an evidence-based assessment of progress towards the digital targets and objectives set out in the Digital Decade Policy Programme together with concrete recommendations to each Member State and horizontally. The analysis is aligned with the pillars of the Competitiveness Compass in the area of technological sovereignty, security and competitiveness, digital for the green transition, and horizontal enablers such as skills and simplification.

In CONNECT, policymaking is closely interlinked with financing from EU funding schemes and financial instruments. The programmes of the 2021-2027 Multiannual Financial Framework are in full speed: **Horizon Europe**, the research framework programme, **Connecting Europe Facility II – Digital** supporting investment in 5G and fibre infrastructures – especially in areas where the market alone is not able to deliver adequate quality of connectivity, **Creative Europe – Media** supporting the audiovisual and news media sectors and **Digital Europe**, which aims to build the strategic digital capacities of the EU and facilitate wide deployment of digital technologies, such as supercomputing, artificial intelligence, cybersecurity and advanced digital skills <sup>(1)</sup>. **InvestEU** is being implemented, with several financing and investment operations on strategic digital technologies, digital connectivity, and media and audiovisual sectors. CONNECT supported the implementation of the Recovery and Resilience Facility of **NextGenerationEU** making sure that digital technologies contribute to the short-term recovery and long-term prosperity.

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<sup>(1)</sup> More details on the achievements, EU added value of the programmes and work programmes are available in the programme statements ([Programme Performance Statements - European Commission](#)). The updated programme statements will be available in the proposal for the draft budget of the European Union for the financial year 2027.

An **interim evaluation of Digital Europe** was carried out to assess its impact and effectiveness, and to collect insights from end users of funded projects. The evaluation highlighted the programme's significant progress in advancing the EU's digital capabilities through large-scale infrastructure deployments and the adoption of cutting-edge technologies.

CONNECT has entrusted the implementation of parts of programmes under its responsibility to executive agencies. Based on the information available to the DG, no substantial issues were reported that would affect the implementation of programmes entrusted to them <sup>(2)</sup>. The feedback provided by the executive agencies from project implementation for policy purposes is of considerable value to help the DG achieve its objectives. Furthermore, CONNECT is responsible for the supervision of two decentralised agencies and other entrusted entities. Information in its possession does not reveal any particular issues <sup>(3)</sup>.

With a view to implement the criteria for a strengthened common control approach on the reliability of performance information on EU financial programmes, CONNECT has put in place an assurance process based on the control framework and the procedures to identify possible significant weaknesses. No issues were identified.

The success of CONNECT's activities depends significantly on actions of Member States. Therefore, it continued its effort together with other Commission services in monitoring the application of EU law, referring cases to the European Court of Justice when needed.



CONNECT opened 2 non-conformity **infringement cases** for missing nominations and empowerment of digital service coordinators and 19 cases for missing national body nominations under the Digital Services Act and the Data Governance Act. 31 cases have been closed (16 non-communication cases, 1 non-conformity case and 14 cases concerning regulations) mainly as Member States complied with obligations to nominate and empower national regulatory or redress bodies. At year end, there were 38 on-going infringement cases within the remit of CONNECT. Finally, CONNECT collected financial sanctions for an amount of EUR 28,7 million pursuant decisions of the Court of Justice of the European Union in non-communication cases, where Member States were condemned for late transposition of directives.

CONNECT made extensive use of the Commission's better regulation instruments to ensure that policy design and implementation were based on solid evidence, transparency, and stakeholders' engagement.

In November 2025, CONNECT put forward the **proposal for a digital omnibus**. Aligned with the Commission target of reducing administrative burden by at least 25% for all businesses and 35% for SMEs, this initiative optimises compliance by removing overlaps, outdated provisions and unnecessary reporting. Estimates project at least EUR 5 billion of cost savings for businesses by 2029.

The omnibus amendments restructure the data acquis and aim to overcome practical obstacles for innovation and data availability, streamline the compliance with cybersecurity incident

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<sup>(2)</sup> For details see section 2.1.1 Control results.

<sup>(3)</sup> For details see section 2.1.1 Control results.

reporting obligations, and make targeted adjustments to ensure the optimal application of the Artificial Intelligence Act from the offset. The Staff Working Document accompanying the digital omnibus proposals present the underlying evidence base, cost calculations, and the views gathered from stakeholders.

Still under the digital simplification agenda, a call for evidence and a public consultation were launched in November 2025 to kick off a **digital fitness check**, which will analyse cumulative impacts and interplays of the EU digital rulebook and look for further areas for potential simplification.

**Implementation dialogues** on data policy and on cybersecurity policy with stakeholders were held respectively on 1 July and 15 September; the Annual Progress Report on simplification, implementation and enforcement was delivered to Parliament and Council in September.

**Communicating with the European citizens** is a central priority for CONNECT. In addition to press releases and exchanges with journalists, the DG sought to create a direct link with citizens, in particular by boosting efforts on communication outreach, delivering graphic and audiovisual materials and multilingual communication. CONNECT promoted content via an increased use of the DigitalEU social media channels as well as more innovative channels such as the Digital EU Ambassadors, collaboration with influencers, third-party endorsement and paid promotion where appropriate. CONNECT further supported its public outreach through the use of its DigitalEU social media accounts, through cooperation with Commission central services, Youth Policy Dialogues, active participation in selected events on digital issues and participation in the EU Open Day. In campaign terms, CONNECT raised awareness around the EU approach to AI (Apply AI, AI Continent, AI Factories and AI Gigafactories) and the implications of platform legislation, and continued communication around cybersecurity, high performance computers, EU digital identity wallet and business wallet and other key digital topics.

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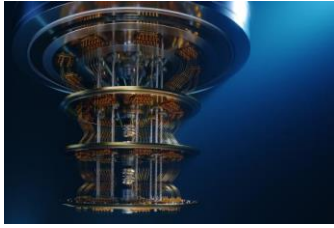
## **General Objective 1**

### ***A new plan for Europe's sustainable prosperity and competitiveness***

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#### ***Specific objective 1: Strengthening digital and frontier technologies for Europe's strategic autonomy.***

2025 brought many important developments in strengthening the **European High Performance Computing and AI infrastructure** to meet the growing demands for computing capacity for scientific communities and businesses. **Jupiter**, the first European supercomputer to reach exascale performance (allowing for one quintillion calculations per second), was inaugurated in October. The European High Performance Computing Joint Undertaking (EuroHPC JU) procured the second European exascale supercomputer and signed agreements to host two additional mid-range supercomputers.



**4 new quantum computers** were integrated into EuroHPC JU's high-performance computing infrastructure. The access to this new quantum infrastructure will be gradually open to academia and industry. New R&D and deployments grants under Horizon Europe and Digital Europe were awarded to projects in quantum sensing capabilities in sectors like healthcare, environment, and geophysics.

To enhance industrial uptake, the Commission and the EIC continued to support quantum start-ups and scale-ups. The approximate EUR 300 million budget earmarked under the Chips Act for start-ups and scale-ups in the quantum and semiconductors sectors has been deployed through the EIC Fund. Under the **STEP Challenge programme**, a handful of quantum companies were successful for investment tickets up to EUR 30 million.

The EuroHPC JU Governing Board selected 19 **AI Factories** to be hosted in 16 Member States and 13 **AI Factory Antennas** to be hosted in 8 Member States and 5 non-EU participating states of the EuroHPC JU. 12 of the 19 AI Factories have already started offering services in 2025.

CONNECT published the **Apply AI Strategy** which forms the EU's overarching artificial intelligence (AI) sectoral strategy and is designed to enhance the competitiveness of strategic sectors and strengthen the EU's technological sovereignty. It aims to boost AI adoption and innovation across Europe, particularly among small and medium-sized enterprises. In particular, European Digital Innovation Hubs are evolving to become **AI Experience Centres**.

CONNECT also launched the **AI Service Desk** in 27 languages and proposed simplification of the implementation of the AI Act as part of the digital omnibus.

Implementation of the vision laid out by the 2024 White Paper "How to master Europe's digital infrastructure needs?" started and Horizon Europe finances a **large-scale pilot on telco-edge-cloud** and a coordination and support action. CEF Digital finances **6 new projects supporting the deployment of 5G along transport corridors**, and indirectly the development of connected and automated mobility services in Europe.

Under Digital Europe, CONNECT awarded the first project under the **Open Internet Stack** which will deliver a set of sovereign open-source building blocks and solutions for the use of the telecom edge cloud sectors, as well 4 projects that will pilot mature open-source solutions in real use cases in the area of Web 4.0. CONNECT also launched the **European Digital Infrastructure Consortium on Digital Commons**, where a core group of Member States are committed to advance the development and deployment of open source including in the public sector. This work fed into the preparations for the EU Open-Source Strategy.

The **European quantum communication infrastructure** (EuroQCI) uses the latest quantum enhanced encryption techniques to enable public administrations to transmit and store information and data very securely, and safeguard critical infrastructures like hospitals and energy grids across the EU. EuroQCI will be gradually integrated into IRIS<sup>2</sup>, the new EU space-based secure communication system.

CONNECT and other Commission services and the European Space Agency continued to work together to plan the launch of the satellites that will form the **EuroQCI's space segment**, ensuring that its secure communication services cover the entire EU.

In July 2025, the Commission released the **EU Quantum Strategy** which addressed five strategic areas: research and innovation in quantum technologies, infrastructures, strengthening the quantum ecosystem, space and dual-use quantum technologies, quantum skills and talent. The implementation of the actions proposed in the strategy are under way.

All components of the **Chips for Europe Initiative** are being implemented; cooperation with Member States via the European Semiconductor Board notably on economic security and risk assessments continued. In the context of the **Chips Act's evaluation and review**, CONNECT organised targeted consultations and workshops with different types of stakeholders (including Member States of the European Semiconductors Board and the Chips Joint Undertaking's Public Authorities Board, industry associations, companies, research organisations).

Together with the Chips Joint Undertaking, CONNECT led the launch of the **European Connected and Autonomous Vehicle Alliance (ECAVA)** as part of the Automotive Action Plan. ECAVA members and participants include 81 EU-headquartered entities covering the full automotive value chain. Preparatory work for the establishment of thematic working groups was completed, paving the way for the start of operational activities in early 2026.

In December 2025, the Commission and the Virtual Worlds Association signed a Memorandum of Understanding to formalise the **European Partnership for Virtual Worlds**, which aims at developing an innovation ecosystem that enables the realisation of virtual worlds, contributing to the European economy and society. Its Strategic Research and Innovation Agenda sets out the main priorities, challenges, actions and expected impacts in terms of research and innovation for the virtual worlds industry.

### ***Specific objective 2: A true digital single market to advance Europe's productivity and competitiveness.***

CONNECT has taken numerous actions to foster a true digital single market to advance Europe's productivity and competitiveness.

The **Data Union Strategy** was adopted on 19 November 2025. It aims to strengthen Europe's competitiveness in an AI-driven global economy by unlocking the value of high-quality data. It seeks to complete the single market for data by improving access to data for businesses, researchers, and innovators, while reducing legal complexity and compliance costs. **Data labs** will serve as trusted, operational environments where high-value public and private datasets can be securely accessed, combined, and tested for AI development and innovation.

CONNECT is developing the **Cloud and AI development act** and **the EU-wide cloud policy for public administrations and public procurement**. The DG conducted a good part of the better regulation preparatory steps ahead of proposing such measures: public consultation, call for evidence, preparatory study that included extensive stakeholder engagement, and submission of an impact assessment report. These preparatory steps pave the way for an adoption of both initiatives in the first half of 2026.

Following the review of the European Electronic Communications Code, CONNECT prepared the proposal for a **Digital Networks Act (DNA)** to create an integrated single market for connectivity and a more coordinated EU spectrum policy. The DNA, which was adopted in January 2026, aims to improve market incentives to build the digital networks of the future and to reduce burden and compliance costs. Preparatory work included a call for evidence, an evaluation of the current legal framework and an impact assessment.

In November 2025 the Commission published its proposal for a **Regulation establishing European Business Wallets** as part of a broader digital package under the Commission's 2025 Work Programme. The proposal now awaits adoption by co-legislators through the ordinary legislative procedure. After adoption, all levels of public administration across the Union, including EU institutions, bodies and agencies, will have two years to enable the use of the Business Wallets. The proposal establishes core functionalities such as secure identification, electronic signing and sealing, and the ability to transmit and receive documents by means of a qualified electronic registered delivery service. It is estimated that simplification efforts will save up to EUR 5 billion in administrative costs between now and 2029. Moreover, the Business Wallets should unlock at least EUR 160 billion in savings for businesses each year.



Under the **Digital Services Act (DSA)**, there are currently 22 Very Large Online Platforms (VLOPs) and 2 Very Large Online Search Engines (VLOSEs) designated. The Commission formally initiated 4 proceedings to investigate compliance with the DSA obligations by providers of VLOPs and VLOSEs, adopted preliminary findings (6 cases) and decision making commitments binding upon one provider. In December 2025, the first non-compliance decision was adopted. The Commission issued a fine of EUR 120 million to X for breaching its transparency obligations under the DSA.

In February 2025, the European Board for Digital Services published an **elections toolkit**, which provides instruments, best practices, and lessons learnt for digital services coordinators on how the DSA Election Guidelines can be applied during elections.

As part of the 2025 digital package, the Commission issued a **report** in November 2025 **analysing the interplay between DSA and other regulatory frameworks affecting digital services, including consumer protection, market surveillance, data protection, and content regulation**. This assessment enhanced coherence across the EU's digital rulebook. The report also assesses the DSA designation process for VLOPs and VLOSEs. The report confirmed that the designation criteria for VLOPs and VLOSEs including the threshold of 45 million average monthly active recipients, remain fit-for-purpose and well-suited to the dynamic digital environment.

In 2025, several **Digital Markets Act (DMA)** proceedings reached key milestones. The Commission adopted two specification decisions for Apple and issued non-compliance decisions against Apple ("steering") and Meta Platforms ("pay or consent"), while closing another Apple investigation. Preliminary findings were sent to Alphabet Inc. over Google Search self-preferencing and app steering restrictions to other channels. The Commission opened a non-compliance investigation into a potential non-compliance by Alphabet with the obligation to provide fair, reasonable and non-discriminatory conditions of access to Google Search by demoting media publishers' content in search results. The Commission also launched market

investigations on cloud into Amazon Web Services and Microsoft Azure, opened a public consultation on the DMA review.

In September 2025, the Commission published the second **European Media Industry Outlook** on main supply and demand trends impacting the audiovisual and news media industries, pointing to digital innovation and user centric models. The outlook offers key insights for the future scaling up, competitiveness, independence and appeal of European media.

CONNECT launched a study to assess the feasibility of a registry of opt-outs from the text and data mining exception. In addition, the **Copyright chapter of the General Purpose AI Code of Practice**, issued in July 2025, contributes to the implementation of the copyright-related obligations included in the AI Act by setting out measures requiring signatories to establish a policy to comply with EU copyright rules. The Commission continued engaging with Member States and stakeholders on questions related to the international application



of EU copyright law, to explore solutions to address the concerns of music producers, performers and broadcasters in several Member States. The **assessment of the 2023 Recommendation on combating online piracy of sports and other live events** issued in November 2025 showed that, while the recommendation has prompted positive developments, it has not resulted in a considerable curbing of the overall level of piracy of live events.

In June 2025, CONNECT signed a framework contract to develop and operate a **state-of-the-art digital platform for advanced virtual human twin (VHT) models' integration and validation**, funded under Digital Europe. The platform will offer access to data, assets, computing power and resources to support researchers and innovators to develop, validate, connect and combine VHT models.

The Connecting Europe Facility Digital supports **large scale 5G pilots** and 13 projects which will benefit from EUR 106 million EU co-funding. Digital Europe will finance three **digital skills academies in quantum, AI and Virtual worlds**, which will expand education, and training offers at all levels, scale up successful training programmes, and foster talent ecosystems. The **call for the European league of advanced digital skills academies** was opened in November 2025, aiming to federate EU initiatives on advanced digital skills and ensure a cohesive approach, together with the call for the European Advanced digital skills competitions.

The **Joint Communication on the EU-India Strategic Agenda** announced the setting up of the first pilot European Legal Gateway Office in India for ICT talent. The main objective of the initiative is to support the expansion of legal, skilled workforce mobility between the EU and India in the ICT sector. This will contribute to fill the advanced digital skills gap that poses a direct risk to Europe's competitiveness, resilience and technological sovereignty. CONNECT co-leads the project with Directorate-General Migration and Home Affairs.

The Commission published the **interim evaluation of the Creative Europe programme**, which confirmed that Creative Europe has successfully contributed to safeguarding cultural diversity and strengthening competitiveness of the audiovisual sector.

The Creative Europe MEDIA and cross-sectoral calls resulted in 739 grants signed under MEDIA for an amount of EUR 182 million and 26 grants under the cross-sectoral strand, totalling EUR

27 million. MEDIAinvest signed 2 new partnerships in 2025, bringing the total to 4, with EUR 95 million investment.

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## **General Objective 2**

### **A new era for European defence and security**

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#### **Specific objective 3: Enhancing cybersecurity and defending Europe's digital infrastructures.**



To deliver on key actions from the 2025 EU Action Plan on Cable Security, and following the 2024 Cables Recommendation, the Commission published in October 2025 a **Submarine Cables EU mapping, coordinated risk assessment and stress test guidance**, in a report prepared with an expert group composed of representatives of national authorities from the Member States.

The Connecting Europe Digital Call 4, which included the Global Gateways topic, resulted in the selection of 25 projects benefiting of EUR 186 million EU contribution. These projects, many of which use secure equipment and smart capabilities, are expected to boost resilience and **security of submarine cable networks**, as well as of key terrestrial connections, within Europe and linking the Union to other regions.

As part of the implementation of NIS2 Implementing Regulation (EU) 2024/2690 on security measures for certain digital cross-border providers, the Commission (CONNECT and the Joint Research Centre), in collaboration with the European Union Agency for Cybersecurity (ENISA), published a call for expression of interest to set up the **multistakeholder forum on internet standards** to identify best available internet standards and deployment techniques to support uptake and compliance with security requirements. The call was very well received and the forum kicked off its work with over 90 experts from several organisations in January 2026.

CONNECT together with the Directorate-General for Health & Food Safety worked to implement the **European action plan on the cybersecurity of hospitals and healthcare providers**. The Commission allocated funding for ENISA to establish a support centre and established the **Health Cybersecurity Advisory Board**. These activities and the comprehensive stakeholder consultation on the action plan contribute towards further recommendations, which were delayed to 2026 to better integrate the updated legal framework following the proposals for the digital omnibus, the Cybersecurity Act and the Medical Devices regulation that were adopted in the last quarter of 2025.

The Commission is fostering the transition to **post-quantum cryptography**, a new kind of cryptography that will be crucial to safeguarding sensitive communications and infrastructures in the coming years. Based on the 2024 Commission Recommendation, the NIS Cooperation Group (i.e. Member States with the support of the Commission) published in June 2025 a first iteration of the **coordinated roadmap for the transition to post-quantum cryptography**.

CONNECT carried out the **evaluation of the Cybersecurity Act** and worked on a legislative proposal for a new Cybersecurity Act to address evolving security concerns driven by an aggravated cybersecurity threat landscape, in view of reinforcing Europe's preparedness, and to implement the simplification agenda of the Commission. Preparatory work was supported by an implementation dialogue in September 2025 to foster feedback and alignment with the implementation of key cybersecurity legislation, and by an impact assessment, ensuring that new policy measures are proportionate, evidence-based, and responsive to emerging threats.

**Simplification measures for incident reporting** were proposed by CONNECT as part of the digital omnibus.

In June 2025, the Council adopted a Council recommendation on an **EU blueprint for cyber crisis management** that the Commission had proposed in February. This recommendation reinforces the Union's resilience against growing cyber threats by defining roles and responsibilities, detailing the key actors and mechanisms involved at all stages of a crisis. It enhances information sharing and response coordination at political and technical levels throughout a crisis.

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### **General Objective 3**

#### **Protecting our democracy, upholding our values**

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**Specific objective 4: Strengthening social resilience and promoting diverse cultural content to protect Europe's values and democracy.**

In July 2025, the Commission published **guidelines on the protection of minors**, setting out a non-exhaustive set of measures that platforms can implement to provide a high level of privacy, safety, and security for minors. CONNECT has already taken the first investigatory steps under the guidelines by preparing requests for information to several platforms.

In July 2025, the Commission released the first version of an **EU white-label age-verification blueprint**, as a basis for a user-friendly and privacy-preserving age verification method across Member States. This blueprint is being tested and further customised in collaboration with 6 front-running Member States (CY, DK, EL, ES, FR, IT), online platforms and end-users.

To prepare the **action plan against cyberbullying**, planned for adoption in early 2026, CONNECT, with the support of the Directorate-General for Justice and Consumers (DG JUST) and The Directorate-General for Education, Youth, Sport and Culture (DG EAC) consulted a wide variety of stakeholders, including more than 6000 children and young people, through targeted and public consultations.

Following its integration into the DSA framework, CONNECT continued to oversee the implementation of the **Code of Conduct on Disinformation**, emphasising transparency, accountability, and cooperation. Signatories of the Code provided detailed public reports on the implementation of their commitments including on their election-specific actions and responses to the Russian war of aggression against Ukraine.

Following the **integration of the Code of Conduct on Countering Illegal Hate Speech Online in the DSA framework** in January 2025, CONNECT in close cooperation with DG JUST has monitored the implementation of the Code. As part of their exclusive competence to supervise the providers of Very Large Online Platforms (VLOPs) and Search Engines (VLOSEs) and their adherence to the DSA, CONNECT has received and analysed audit reports by the VLOPs and VLOSEs on commitments undertaken pursuant to the Code.



Most of the provisions of the **European Media Freedom Act** became applicable in August 2025 and CONNECT closely engaged with Member States concerning the readiness of their legal and institutional frameworks. A letter of formal notice was sent to Hungary. CONNECT furthermore ensured that the **European Board for Media Services** was operational with a fully staffed secretariat and consulted stakeholders on the guidelines under Article 18 of the European Media Freedom Act which sets out requirements to assess and mitigate risks related to media pluralism and editorial independence in the activities of VLOPs and VLOSEs. CONNECT contributed to the **media freedom and pluralism pillar of the Rule of Law 2025 Report**, focusing on core areas such as independence of the media regulatory authorities, transparency of media ownership, transparency and fairness in the allocation of state advertising, the safety of journalists and access to information.

CONNECT monitored the implementation of the **Audiovisual Media Services Directive** (AVMSD) across the EU and commissioned an independent study to support the evaluation of the Directive and help CONNECT to prepare an impact assessment of the review.

CONNECT issued the **review report evaluating the Marrakesh Directive and Regulation**, which aim to improve access to published works for blind, visually impaired, or otherwise print-disabled persons. Overall, the report concludes that the framework has been effective in enhancing access to works and provides clear EU added value, while not creating disproportionate administrative burdens.

CONNECT sustained its support to the independent community of the **European Digital Media Observatory (EDMO)** by funding its central platform and its hubs. With a new hub established to support Ukraine and Moldova, among others, the EDMO network now comprises 15 hubs.

**Media literacy initiatives** remained a priority and are set to scale further to help citizens recognize and counter information manipulation, in line with the Commission upcoming rollout of measures announced in the European Democracy Shield. CONNECT launched a new call for proposals under the Creative Europe for innovative cross-border media literacy projects.

The annual calls pertaining to multimedia actions notably support the provision of content through pan-European audiovisual media, the provision of services in countries where media pluralism is at risk, the provision of EU digital reporting content and the setup of European media hubs. The calls relating to content creation and distribution were implemented as the key part of Creative Europe MEDIA budget. Similarly, CONNECT launched under the cross-sectoral strand calls to promote transnational journalistic partnerships and in support of media pluralism.

## 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. In annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

This section explains how the DG delivered on the achievements described in the previous section. It covers the control results and other relevant elements that support management's assurance. It is structured into 2.1 Control results, 2.2 Audit observations and recommendations, 2.3 Effectiveness of internal control systems, and resulting in 2.4 Conclusions on the 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.

Controls are cost-effective when they are **effective** to fulfil the internal control objectives in an **efficient** manner and at a reasonable **cost**. To conclude on the cost-effectiveness of the controls, it is therefore necessary to assess their effectiveness, efficiency and economy.

This section presents the control results and other relevant information and underlying evidence that support management's assurance of achieving the internal control objectives and conclude on the cost-effectiveness of controls. Then it provides a summary of observations and recommendations from the internal and external auditors. Finally, it assesses the effectiveness of the internal control systems before presenting conclusions on the assurance.

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

CONNECT's relevant control systems are, in respect of the most significant activities of the DG, **budget entrusted to other entities** <sup>(4)</sup> and **grant management**. These are presented in detail in annex 6 which outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the controls. annex 5 presents the materiality criteria in respect of the legality and regularity of underlying transactions.

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<sup>(4)</sup> RCS 1- Grants and RCS 2 – Entrusted entities; details in annex 6.

In 2025, CONNECT implemented an **overall budget of EUR 1 996.14 million <sup>(5)</sup>**. CONNECT implemented directly 33.85% of the overall budget (EUR 675.71 million). The remaining 66.15% was implemented by entrusted entities which have been delegated budget implementation tasks by CONNECT (EUR 1 320.43 million). In the past two years, there has been a shift in budget implementation, with a decreasing share managed directly by CONNECT and a growing share delegated to entrusted entities.

The overall payments made in 2025 slightly increased as compared to 2024 (i.e. EUR 1 810.44 million). This is primarily due to a higher level of payments made by entrusted entities (e.g. Chips JU and ECCC).

CONNECT's payments made in respect of **grant management** represented 77.31% of CONNECT's payments under direct management. Therefore, grant management represents the main relevant control system of the DG <sup>(6)</sup> in direct management.

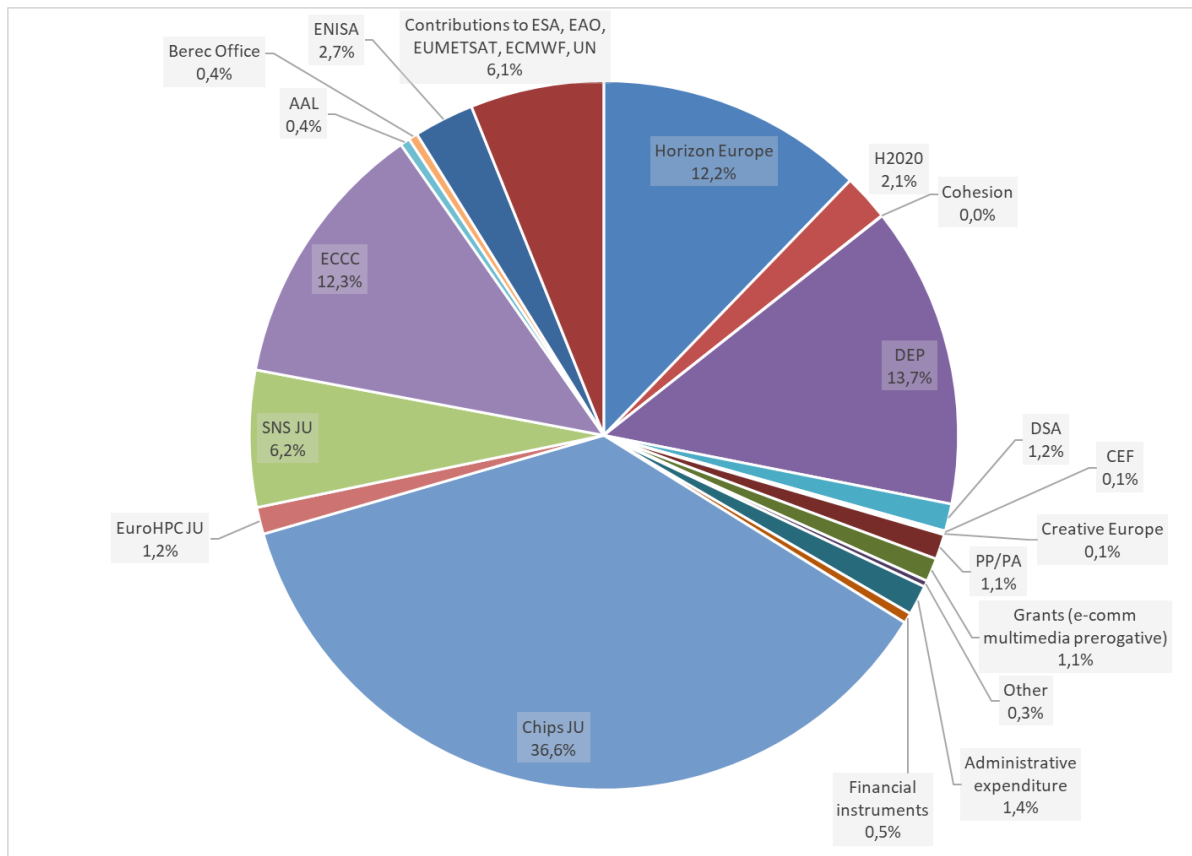
<b>Budget implemented by CONNECT (EUR million)</b>	
Horizon Europe (HE)	244,07
Horizon 2020 (H2020)	42,34
Digital Europe (DEP)	274,40
Connecting Europe Facility 2-Digital (CEF 2-Digital)	1,48
Connecting Europe Facility 1-Telecom (legacy)	0,39
Creative Europe-Media	1,64
Pilot Projects and Preparatory Actions (PP/PA)	22,77
Financial instruments (CEBF)	9,01
Other	52,34
Administrative expenditure	27,26
<b>Sub-Total</b>	<b>675,71</b>
<b>Budget implementation tasks entrusted to other DGs and entities (EUR million)</b>	
<b>1- Implementing Bodies</b>	
Chips Joint Undertaking (Chips JU)	731,34
European High-Performance Computing Joint Undertaking (EuroHPC JU)	24,50
Smart Networks and Services Joint Undertaking (SNS JU)	124,23
Ambient Assisted Living (AAL) Association	8,82
Body of European Regulators for Electronic Communications (BEREC) Office	8,35
European Union Agency for Cybersecurity (ENISA)	54,78
European Cybersecurity Competence Centre (ECCC)	246,30
Contributions to ESA, EAO, EUMETSAT, ECMWF, UN, OECD	121,63
Financial Instruments - CCSGF	0,47
<b>Sub-Total</b>	<b>1.320,43</b>

Note 1: The amounts in the table above represent the 'payments made' during the year.

<sup>(5)</sup> Payments made during the reporting year 2025.

<sup>(6)</sup> Annex 6 presents the relevant control systems of the DG in detail.

## Overview of 2025 CONNECT budget implementation (as payments made)



CONNECT is **parent DG for four executive agencies (7)** which processed operational payments during 2025 for a value of EUR 564.55 million linked to CONNECT activities.

CONNECT has in its portfolio revenue, non-expenditure items (i.e. assets) and off-balance sheet items. Related reporting is included in section 2.1.2 d) 'Assessment of control results for non-expenditure items'. CONNECT's **revenue** during 2025 amounts to EUR 447.11 million out of which the main component of EUR 320 million concerns fines on undertakings for infringements of Regulation (EU) 2022/1925 (Digital Markets Act) and Regulation (EU) 2022/2065 (Digital Services Act). As concerns assets, CONNECT reported in the balance sheet 2025 a total of **intangible assets** amounting to EUR 41.13 million and which represent computer software. The DG put in place the structures, governance, reporting lines and specific controls to effectively manage the non-expenditure items.

(7) European Health and Digital Executive Agency (HaDEA), European Education and Culture Executive Agency (EACEA), European Innovation Council and SMEs Executive Agency (EISMEA), European Research Executive Agency (REA),

## 2.1.2. Effectiveness of controls

Controls are considered effective when they ensure that the five internal control objectives <sup>(8)</sup> as described by Article 36 of the Financial Regulation are met.

The effectiveness of the control systems is demonstrated by:

- an assessment of control results per RCS in terms of error rates;
- an estimation of the overall risk at payment and risk at closure;
- results from preventive and corrective measures;
- an assessment of control results for non-expenditure items; and
- results from fraud prevention, detection and correction efforts.

CONNECT uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

Details related to aspects of legality and regularity of transactions for the programmes implemented directly by CONNECT or delegated for implementation to entrusted entities are included in annex 7.

The Research and Innovation (R&I) family, of which CONNECT is part, operates on a common audit strategy intended to contribute to the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systemic and systemic errors.

For Horizon 2020 and Horizon Europe, the Common Audit Service of the Common Implementation Centre carries out all the financial audits <sup>(9)</sup>, including those concerning grants managed by the executive agencies, the joint undertakings and the European Union Agency for the Space Programme (EUSPA).

The **main indicators** on legality and regularity of EU Framework Programmes for Research and Innovation are the **cumulative representative detected error rate**, and the **cumulative residual error rate** <sup>(10)</sup>.

The **targets as** set out in annex 5 materiality criteria are respectively:

- For Horizon 2020, to ensure that the cumulative detected error rate remains within a range of 2-5%, aiming to be as close as possible to 2%.
- For Horizon Europe, to ensure that cumulative detected and residual error rates do not exceed 2%.

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<sup>(8)</sup> Article 36.2 FR: 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments.

<sup>(9)</sup> Except audits for article 185 bodies.

<sup>(10)</sup> CONNECT's assurance building, indicators and materiality criteria are outlined in annual activity report annex 5.



The graph presents the risks at payment and closure per segment of expenditure.

In the following sections we present the assessment of the control results for the two relevant controls systems <sup>(12)</sup> including the most relevant key indicators and their values.

### *Assessment of the control results of budget implemented directly by CONNECT*

#### **Horizon 2020 Framework Programme**

The error rates based on the audit work for *Horizon 2020* on 31 December 2025 are:

- **Cumulative representative detected error rate** for the Framework Programme: **3.83%** <sup>(13)</sup>;
- **Cumulative residual error rate** for the Framework Programme: **1.78% (1.78% for CONNECT)** <sup>(14)</sup>.

In 2025, CONNECT cumulative residual error rate for *Horizon 2020*, calculated at 1.78%, is below the materiality threshold. Even if the error rate is lower than the materiality criteria, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

The relatively stable level of error in Horizon 2020 grants is linked to the applicable funding model, which is based on the reimbursement of eligible actual costs. Most of the errors continue to relate to incorrect claims for personnel costs that are mainly due to beneficiaries' lack of thorough understanding of the inherently complex rules.

Since R&I Framework Programmes are multi-annual, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the implementation of the audit results over time has proven to be effective in 'cleaning' the budget of any ineligible amounts declared by and paid to beneficiaries. This 'cleaning effect' becomes even more relevant given the extension of audit findings to non-audited grants of the same beneficiary.

These error rates are calculated on the basis of the audit results available when drafting the annual activity report. The yearly fluctuation of the detected error rate in Horizon 2020 exhibits no identifiable correlation with the maturity of the programme.

There is evidence that the simplifications introduced under Horizon 2020, along with the ever-increasing experience, helped in reducing the number of errors made by the beneficiaries, especially when compared to the Seventh Framework Programme where the error rate was higher and varied from close to 5% to around 5.5% over time. Notwithstanding these efforts, beneficiaries still make errors. Simplification measures for actual costs under Horizon 2020

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<sup>(12)</sup> Relevant control systems: 1) Grant management (direct) and 2) 'Budget entrusted to other entities'

<sup>(13)</sup> Based on the 930 representative results out of the 948 expected in the six Common Representative Samples.

<sup>(14)</sup> It should be noted that in 2021 most of Horizon 2020 grants managed by CONNECT were delegated to executive agencies. Hence, this figure is based only on the actions that remained with the DG.

have however reached their limits. Actions carried out to address these weaknesses are reported in annex 7.

### Horizon Europe Framework Programme

2025 was the fifth year of implementation of Horizon Europe. Horizon Europe extends the use of simplified cost options and lump sum funding, the latter having an adapted approach to ex-post control.

The error rates based on the results of ex-post controls for the Horizon Europe Framework Programme for Research and Innovation on 31 December 2025 are:

- **Cumulative representative detected error rate** for the Framework Programme: **4.38%** <sup>(15)</sup>
- **Cumulative residual error rate** for the Framework Programme: **4.05%** (4.06% for CONNECT).

These error rates are calculated based on the ex-post financial audits and ex post technical reviews results available when drafting the annual activity report. Due to the still relatively small number of completed audits and technical reviews, the error rate calculation is highly sensitive to extreme results.

As for Horizon 2020, most of the errors continue to relate to incorrect claims for actual personnel costs that are mainly due to beneficiaries' wrongful application of the Horizon Europe rules, despite the introduced simplifications. Newcomers and small and medium enterprises (SMEs) remain those more prone to errors in comparison to the more experienced/large size beneficiaries.

As for Horizon 2020, the Horizon Europe error rates—and in particular the residual one—should be considered within a time perspective. The implementation of the audit results and extension of audit findings over time will tend to lower the cumulative residual error rate, thereby increasing its difference with the representative detected error rate.

Although there is an action plan to address some causes of errors<sup>16</sup>, a reservation is issued in the annual activity report as the cumulative residual error rate is, at the end of 2025, above the 2% materiality threshold.

The reservation in the declaration of assurance for the Horizon Europe expenditure is addressed in annex 9.

### Digital Europe

Like for Horizon Europe, 2025 was the fifth year of implementation of the Digital Europe programme. The first ex-post audits for Digital Europe were launched in the second half of 2024 once a meaningful number of payments was available for audit and in line with the Programme's ex post audit strategy.

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<sup>(15)</sup> Based on the 89 representative audits and 29 representative technical reviews out of the 177 expected audits and 30 technical reviews in the first Common Representative Sample.

<sup>(16)</sup> See annex 7.

The European Health and Digital Executive Agency (HaDEA) in its role of audit centre for the whole Digital Europe family implements the ex-post audit strategy for all granting authorities managing Digital Europe grants and calculated the overall residual error rate for the whole Digital Europe family.

The error rates based on the results of ex-post controls for Digital Europe on 31 December 2025 are:

- **Detected error rate (DER)** for the audits at family level finalised in 2025 <sup>(17)</sup>: **2,22%**
- **Residual error rate (RER)** for the audits at family level finalised in 2025: **2,21%**

These results stem from the initial 20 audits (23 participations) carried out so far, representing just 2.25% of the total Digital Europe population at the end of 2025. As most of the audits were closed in the last quarter of 2025, the implementation of the audit results is ongoing and could not yet lead to a reduction of the residual error rate as compared to the detected error rate.

As set out in the Digital Europe audit strategy <sup>(18)</sup>, given that the number of audits will be limited during the first years of the implementation of the programme and that the resulting Digital Europe error rate will therefore not be representative, the error rate of the Horizon Europe programme will be used as a reference for reporting purposes.

Digital Europe and Horizon Europe have similar grant conditions and in particular similar cost eligibility criteria and a comparable profile of beneficiaries. An analysis performed in early 2025 shows that Digital Europe is the programme (together with Erasmus 2027) that shares the most beneficiaries with Horizon Europe (approx. 48% of DEP unique beneficiaries). Both programmes therefore present a relatively similar risk of error.

Consequently, in the 2025 annual activity report, the Horizon Europe error rates (4.38% DER, 4.06% RER) will be used for the estimation of the amount at risk for the Digital Europe grant expenditure.

A reservation is issued in the annual activity report as the residual error rate is, at the end of 2025, above the 2% materiality threshold.

### **Creative Europe – Media**

The payments made by CONNECT for *Creative Europe - Media* (i.e. EUR 1.64 million) during 2025 were very limited. The associated level of error is estimated as low, as the implementation was done mainly through procurement <sup>(19)</sup>.

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<sup>(17)</sup> Based on a first batch of 20 audits (corresponding to 23 participations) finalised in 2025 which concerned CONNECT and HaDEA participations, no participation managed by other DEP stakeholder having been audited in 2025.

<sup>(18)</sup> Digital Europe Ex-Post Audit Strategy par. 4.5.1.

<sup>(19)</sup> The payments made in 2025 related to procurement amounted EUR 1.3 million. The associated level of error is estimated as low (0.50%). The payments made in 2025 related to grants for *Creative Europe – Media* were limited (EUR 0.36 million). EACEA, which is responsible

## Connecting Europe Facility (CEF) II - Digital and CEF Telecom (legacy)

The payments made during 2025 for *CEF II - Digital* (EUR 1.48 million) and *CEF Telecom* (EUR 0.39 million) were very low. The associated level of error is estimated as low (0.50%) as the implementation was done through procurement.

### Pilot Projects & Preparatory Actions

Considering the higher risk profile of these actions, CONNECT took a cautious approach and estimated a residual error rate of 3.00%. Given the limited payments made for grants of EUR 19.65 million and the financial impact of EUR 0.51 million, the *de-minimis* rule applies.

CONNECT established an audit strategy in 2023 to control its pilot projects and preparatory actions. The sampling methodology is based on risk criteria. The audit results from 2023 and 2024 do not demonstrate any systemic issue questioning the estimated residual error rate.

### *Assessment of control results related to budget implemented by entrusted entities and CONNECT's supervision/coordination role*

CONNECT has entrusted parts of its budget to the Chips Joint Undertaking, to the European High-Performance Computing (EuroHPC) Joint Undertaking and to the Smart Networks and Services Joint Undertaking (SNS JU); to the Agency for Support for the Body of European Regulators for Electronic Communications (BEREC Office), and to the European Union Agency for Cybersecurity (ENISA); to the European Cybersecurity Competence Centre (ECCC), the Ambient Assisted Living (AAL) Association <sup>(20)</sup>, and to executive agencies, i.e. the European Health and Digital Executive Agency (HaDEA), the Research Executive Agency (REA), the European Innovation Council and SMEs Executive Agency (EISMEA) and the European Education and Culture Executive Agency (EACEA). CONNECT has also entrusted budget to the European Space Agency (ESA), the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT), the European Centre for Medium-Range Weather Forecasts (ECMWF), the United Nations Department of Social and Economic Affairs (UNDESA), the European Audiovisual Observatory (EAO), to the Organisation for Economic Co-operation and Development (OECD), to Europol, to the EU Intellectual Property Office (EUIPO) and to the European Investment Bank (EIB) and the European Investment Fund (EIF) <sup>(21)</sup> in respect of financial instruments.

The total amount of **payments made by CONNECT to these entities amounts to EUR 1 320.43 million**. In addition, EUR 564.55 million were delegated by CONNECT to executive agencies. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control system.

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for the programme, reported a residual error rate of 0.84% in its 2025 annual activity report. CONNECT took a cautious approach and estimated an error rate of 1.50%-2.00%.

<sup>(20)</sup> Body pursuant to Article 185 of the TFEU.

<sup>(21)</sup> The CEF Debt Instrument (CEF DI) is managed by the EIB and the Cultural and Creative Sectors Guarantee Facility (CCS GF) is managed by the EIF.

Entity	Legal form	Payments made (EUR million)
Chips JU	Joint Undertaking	731,34
Smart Networks and Services JU	Joint Undertaking	124,23
European High-Performance Computing (EuroHPC) JU	Joint Undertaking	24,50
Agency for Support for BEREC (BEREC Office)	Decentralised Agency	8,35
European Union Agency for Cybersecurity (ENISA)	Decentralised Agency	26,71
European Union Agency for Cybersecurity (ENISA)	Contribution Agreements	28,06
European Cybersecurity Competence Centre (ECCC)	Union body	246,30
Ambient Assisted Living (AAL) Association	Private Law Body	8,82
ESA, EAO, EUMETSAT, ECMWF, UN, OECD	Contribution Agreements	121,63
Culture and Creative Sectors Guarantee Facility (CCSGF)	Financial Instrument	0,47
<b>TOTAL</b>		<b>1.320,43</b>

Executive Agency (EA)	Legal Form	Operational payments implemented directly by the EAs linked to CONNECT activities (EUR million)
European Health and Digital Executive Agency	Executive Agency	301.12
Education, Audiovisual and Culture Executive Agency (EACEA)	Executive Agency	220.80
European Innovation Council and SMEs Executive Agency (EISMEA)	Executive Agency	39.08
Research Executive Agency (REA)	Executive Agency	3.55
<b>TOTAL</b>		<b>564.55</b>

The supervision arrangements for CONNECT's main entrusted entities (executive agencies, JUs, decentralised agencies, Union bodies) are based on the **principle of controlling 'with' the relevant entity** and are described in annex 6. For further details on the supervision arrangements and on the control results of each of the entrusted entities please see annex 7, section 1, point B.

### Executive Agencies

The **executive agencies (i.e. HaDEA, EACEA, EISMEA and REA)** for which CONNECT is parent DG reported in their 2025 annual reports that they have in place cost-effective control systems and reported positive control results for the year 2025. More details are available in the executive agencies' annual activity reports.

**HaDEA** reported in its 2025 annual activity report reasonable assurance qualified by reservations for the Horizon Europe and for the Digital Europe programmes for which the cumulative residual error rate exceeded the 2% materiality threshold. CEF Telecom DSI legacy programme 2014-2020 had a residual error rate of 3.02%, the 'de minimis' criteria for

reporting applies. For CEF Digital, as no audits are available yet on these programmes, the detected error rates used is 2%. As regards Horizon 2020 grants, HaDEA reported a residual error of 2.14%, which is within the programme materiality range of 2-5%. HaDEA 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 following the reservations for the Horizon Europe and Digital Europe programmes.

**EACEA** provided in its 2025 annual activity report an unqualified declaration on assurance. The residual error rate reported for Creative Europe, delegated by CONNECT is 0.84%, well below the 2% threshold.

**EISMEA** reported in its 2025 annual activity report a high level of error for Horizon Europe which exceeded the 2% materiality threshold and consequently included a reservation on assurance accordingly. EISMEA also included a reservation on reputational grounds concerning weaknesses affecting the award decision process. For *Horizon 2020*, the Agency reported a cumulative residual error rate of 2.9% within the materiality range of (2-5%). EISMEA 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 deficiencies were identified.

**REA** reported reasonable assurance qualified by a reservation for Horizon Europe for which the residual error rate exceeded the 2% materiality threshold.

CONNECT's supervision related to the programmes delegated to the executive agencies is considered effective.

The supervision arrangements for the executive agencies are described in detail in annex 7, section 1, point B.

### **Joint Undertakings**

The EuroHPC, SNS and Chips joint undertakings, for which CONNECT is parent DG, implement parts of *Horizon Europe*, *Horizon 2020* and *Digital Europe* delegated by the DG.

All three JUs received unqualified audit opinions on the reliability of the annual accounts and unqualified audit opinions on the legality and regularity of the payments underlying the annual accounts for 2024 by the ECA in their annual report on EU Joint Undertakings for the financial year 2024 <sup>(22)</sup>.

The level of error estimated for the implementation of Horizon Europe and Digital Europe by the three JUs exceeded the materiality threshold as well. They will report on it in their annual activity report which will be published later during the year.

The **Chips JU** implemented during 2025 EUR 731.34 million in respect of *Horizon Europe*, *Horizon 2020* and *Digital Europe*. In their 2024 annual activity report <sup>(23)</sup>, the Chips JU reached

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<sup>(22)</sup> ECA JU 2024: [Annual report on EU joint undertakings for the 2024 financial year](#)

<sup>(23)</sup> [https://www.chips-ju.europa.eu/File/download.aspx?entity=shv\\_library&attribute=shv\\_file&ID=a2db03c6-4257-f011-877b-000d3ab2b856](https://www.chips-ju.europa.eu/File/download.aspx?entity=shv_library&attribute=shv_file&ID=a2db03c6-4257-f011-877b-000d3ab2b856)

an overall positive conclusion on the effectiveness of the internal control systems with several main improvements needed and reported unqualified reasonable assurance.

The **EuroHPC JU** implemented during 2025 EUR 24.5 million in respect of Horizon 2020, Horizon Europe and Digital Europe delegated programmes. In their 2024 annual activity report <sup>(24)</sup>, EuroHPC JU reported reasonable assurance that, overall, the internal control system is present and adequately functioning. The ECA in their annual report on EU joint undertakings for the 2024 financial year <sup>(25)</sup> give a clean opinion for EuroHPC JU in respect of legality and regularity of transactions and on reliability accounts, with an emphasis of matter on the latter which does not modify the opinion.

The **SNS JU** implemented EUR 124.23 million in respect of Horizon Europe. In the SNS JU's consolidated annual activity report <sup>(26)</sup>, the management reported reasonable assurance that, overall, suitable controls are in place and working as intended, risks are being appropriately monitored and mitigated, and necessary systems and reinforcements are being implemented. The ECA in their annual report on EU joint undertakings for the 2024 financial year <sup>(27)</sup> give a clean audit opinion in respect of legality and regularity of transactions and on reliability accounts.

The supervision arrangements for the joint undertakings are described in detail in annex 7, section 1, point B. CONNECT, in its supervisory role, did not identify any other particular issues to report upon in this report.

### **Decentralised agencies**

CONNECT is partner DG to two decentralised agencies, ENISA and BEREC Office. CONNECT has delegated budget implementation tasks through contribution agreements to ENISA.

**ENISA**, in its 2024 consolidated annual activity report <sup>(28)</sup> concluded positively on the assessment of the effectiveness of its internal control systems, noting, however, that improvements are needed in certain areas in order to increase effectiveness and ensure proper implementation of the internal controls in the future. In its annual report on EU agencies for the financial year 2024 <sup>(29)</sup>, the ECA issued a clean audit opinion on the reliability of the accounts, and the legality and regularity of the transactions underlying the accounts.

The payments made to ENISA during 2025 amounted to EUR 54.78 million. Out of the total payments made, EUR 28.06 million were made in relation to the actions that ENISA carries out under contribution agreements. Notably, out of the total payments made, EUR 12.22 million

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<sup>(24)</sup> [https://eurohpc-ju.europa.eu/document/download/5a49dad1-75fe-459c-9923-23b732e4b3a5\\_en?filename=Annex to EuroHPC JU Decision No 27.2024 - Consolidated Annual Activity Report 2023.pdf](https://eurohpc-ju.europa.eu/document/download/5a49dad1-75fe-459c-9923-23b732e4b3a5_en?filename=Annex%20to%20EuroHPC%20JU%20Decision%20No%2027.2024%20-%20Consolidated%20Annual%20Activity%20Report%202023.pdf)

<sup>(25)</sup> <https://www.eca.europa.eu/en/publications/SAR-JUS-2024>

<sup>(26)</sup> AAR 2024 - sns-caar-2024-apr25\_v8.2\_web\_hq.pdf

<sup>(27)</sup> <https://www.eca.europa.eu/en/publications/SAR-JUS-2024>

<sup>(28)</sup> <https://www.enisa.europa.eu/sites/default/files/2025-07/Consolidated%20Annual%20Activity%20Report%202024.pdf>

<sup>(29)</sup> [https://www.eca.europa.eu/ECAPublications/SAR-AGENCIES-2024/SAR-AGENCIES-2024\\_EN.pdf#page=98](https://www.eca.europa.eu/ECAPublications/SAR-AGENCIES-2024/SAR-AGENCIES-2024_EN.pdf#page=98).

were made in relation to the implementation of the EU Cybersecurity Reserve <sup>(30)</sup> for the provision of cybersecurity services to help Member States, Union institutions, bodies, offices and agencies, as well as, under certain conditions, DEP-associated third countries, reinforce their incident response capabilities. The EU Cybersecurity Reserve was established by the Cyber Solidarity Act <sup>(31)</sup> in 2025 and in line with the DEP Work Programme 2025-2027, will continue throughout 2025-2027. For more information regarding the different contribution agreements and payments made in 2025, please refer to annex 7, section 1, point B.

**BEREC Office**, in its consolidated annual activity report <sup>(32)</sup> concluded positively on the assessment of their internal control systems, with some areas for improvement having been identified which management has to consider and provided a clean declaration of assurance. In its annual report on EU agencies for the financial year 2024, the ECA issued for the BEREC Office a clean audit opinion on both the accounts and the legality and regularity of underlying transactions.

### Other entrusted entities

The **European Cybersecurity Network and Cybersecurity Competence Centre (ECCC)** <sup>(33)</sup>, reached financial autonomy in September 2024. Since then, it has been implementing in indirect management mode *Digital Europe* (Cyber Work Programme) and *Horizon Europe* (Cluster 3 Civil security for society, section 3.1.3. Cybersecurity). CONNECT paid EUR 246.30 million to ECCC during 2025.

In its consolidated annual activity report for 2024 <sup>(34)</sup> management reported reasonable assurance that the allocated resources were used for their intended purpose, in compliance with the legal framework and in accordance with the principle 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. Overall, the results of the 2024 internal control assessment show that ECCC's internal control system is present, functioning and effective, although some improvements are needed.

The ECA, in its annual report on Joint Undertakings regarding the financial year 2024 <sup>(35)</sup>, considered that the payments underlying the accounts for 2024 were legal and regular in all material respects. The audit opinions on reliability of accounts and legality and regularity of

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<sup>(30)</sup> [Support Action Programme | ENISA](#).

<sup>(31)</sup> Regulation (EU) 2025/38 of the European Parliament and of the Council of 19 December 2024 laying down measures to strengthen solidarity and capacities in the Union to detect, prepare for and respond to cyber threats and incidents and amending Regulation (EU) 2021/694 (Cyber Solidarity Act).

<sup>(32)</sup> <https://www.berec.europa.eu/en/all-documents/berec-office/berec-office-activity-reports/2024-consolidated-annual-activity-report-of-the-berec-office>

<sup>(33)</sup> Regulation (EU) 2021/887 of the European Parliament and the Council establishing the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres.

<sup>(34)</sup> [https://cybersecurity-centre.europa.eu/document/download/d85ba39a-c041-4701-acdd-5cdd1bcd6669\\_en?filename=ECCC%20GB%20Decision%20No%202025\\_8%20CAAR%202024\\_0.pdf](https://cybersecurity-centre.europa.eu/document/download/d85ba39a-c041-4701-acdd-5cdd1bcd6669_en?filename=ECCC%20GB%20Decision%20No%202025_8%20CAAR%202024_0.pdf)

<sup>(35)</sup> [https://www.eca.europa.eu/ECAPublications/SAR-JUS-2024/SAR-JUS-2024\\_EN.pdf](https://www.eca.europa.eu/ECAPublications/SAR-JUS-2024/SAR-JUS-2024_EN.pdf)

revenues are accompanied by emphasis of matters. However, they do not affect the audit opinion.

As of July 2021, the **Ambient Assisted Living (AAL) Association** programme entered the 'phasing out' period until 31 December 2027, the definitive closure of the programme, as laid down in the delegation agreement. There was no annual review carried out in 2025 in view of the phasing out. During 2025, a total of EUR 8.82 million was paid to the AAL Association.

The **European Space Agency (ESA)**, the **European Organisation for the Exploitation of Meteorological Satellites (EUMESAT)** and the **European Centre for Medium-Range Weather Forecasts (ECMWF)** were entrusted <sup>(36)</sup> by CONNECT with budget implementation tasks in respect of the Destination Earth initiative. CONNECT relies on the control systems of these entities which were pillar assessed (based on the common terms of reference of the Commission). This allows CONNECT to rely on the control systems of these entities, which become part of the accountability chain of the DG. During 2025, a total of EUR 120.12 million was paid to these entrusted entities.

CONNECT signed a contribution agreement with the **United Nations Department of Social and Economic Affairs (UNDESA)** on 24 July 2025 to delegate the implementation of one of the actions set out in the Commission Communication 'Internet Policy and Governance: Europe's role in shaping the future of Internet Governance'. A payment of EUR 0.2 million was made during 2025. From the available monitoring and communication received from UNDESA during the year, CONNECT can conclude that its supervision has been effective and there is no weakness to report.

CONNECT signed a contribution agreement on 17/12/2025 with the **European Audiovisual Observatory (EAO)** for the implementation of the action on 'Information and Research on the Audiovisual Sector' on a two-year basis. In 2025, a total of EUR 1.31 million was paid to the EAO. From the available monitoring and communication received from EAO during the year concerning the previous 2-year contribution agreement signed in February 2024, CONNECT can conclude that its supervision has been effective and there is no weakness to report.

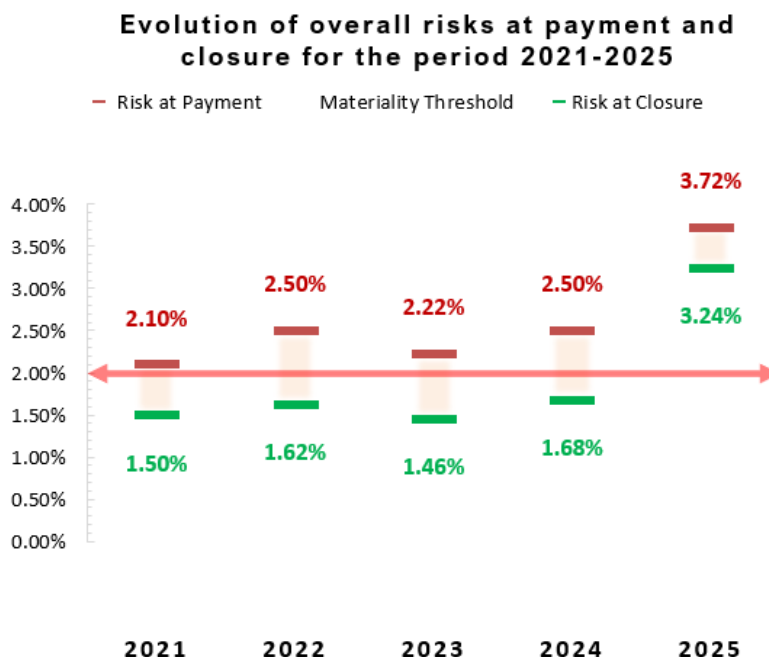
### **Financial Instruments**

As regards the financial instruments (**Connecting Europe Broadband Fund and the Cultural and Creative Sectors Guarantee Facility**), CONNECT considers that its supervision and controls have been effective and appropriate in 2025. In particular, CONNECT considers that the reporting of the European Investment Bank and European Investment Fund is sufficient and provides relevant information.

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<sup>(36)</sup> The contribution agreements were signed on 15 December 2021.

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



The **estimated overall risk at payment for 2025 expenditure** is between EUR 72.47 million and EUR 72.54 million. It is the AOD's best conservative estimate of the amount of relevant expenditure during the year, not in conformity with the contractual and regulatory provisions applicable at the time the payment was made. 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, corresponding to the conservatively estimated future corrections for 2025 expenditure amount to EUR 9.35 million representing 0.48% of the DG's total relevant expenditure.

The difference between those two results in **the estimated overall risk at closure** <sup>(37)</sup> of between EUR 63.12 million and EUR 63.19 million, representing 3.237%-3.240% of the DG's total relevant expenditure for 2025.

As described by the graph above, there is an increase of the overall risk at payment and risk at closure since 2024 explained by the increase in the residual error rate on *Horizon Europe and Digital Europe* grants combined with the overall increase of CONNECT's relevant expenditure.

The 2025 estimated overall amount at risk at payment (EUR 72.47 million and EUR 72.54 million) is higher than last year (EUR 37.76 million and EUR 37.89 million). The 2025 estimated overall risk at closure (EUR 63.12 million and EUR 63.19 million) is also higher than the 2024 estimated overall risk at closure (EUR 25.41 million and EUR 25.54 million). As already mentioned, this is mainly because of the increase of the 2025 relevant expenditure of EUR 1 950.21 million from EUR 1 518.37 million in 2024, which in turn is the result of the increase

<sup>(37)</sup> 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.

of the 2025 cleared prefinancing of EUR 1 561.14 million from EUR 987.52 in 2024 and the increase of the 2025 new prefinancing of EUR 1 607.07 million from EUR 1 279.58 million in 2024.

At the more detailed level of segments of expenditure, the increase of the 2025 relevant expenditure is mainly determined by the increase in the relevant expenditure related to Chips JU's implementation of Horizon Europe (EUR 616.63 million in 2025; EUR 44.75 million in 2024), the increase of the relevant expenditure related to SNS JU's implementation of Horizon Europe (EUR 227.97 million in 2025; no relevant expenditure in 2024) compensated by a decrease in the relevant expenditure related to CONNECT's direct implementation of Horizon 2020, which is currently phasing out and also by a slight decrease in the relevant expenditure related to CONNECT's direct implementation of Horizon Europe.

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.

More details about the estimated overall risk at payment and risk at closure are presented in annex 9.

### ***c) Quantitative benefits of controls: Preventive and corrective measures***

Further to the error rate and risk at payment and identification of weaknesses in the systems, one of the main results of the controls of expenditure are the corrections made to the payments, before or after the payment takes place:

- Preventive measures: corrections made before payment during the reporting year, as a result of ex-ante controls;
- Corrective measures: corrections implemented after payment during the reporting year following ex-post controls.

CONNECT continued to perform ex-ante controls and ex-post controls as an effective mechanism for detecting and correcting errors, reaching in total EUR 2.34 million of corrections for 2025.

In 2025, due to the transition to SUMMA, only preventive measures (ex-ante controls) exceeding EUR 0.5 million are reported. All corrections made by CONNECT fall below this threshold and therefore are outside the reporting scope.

Ex-post controls resulted in corrective measures of EUR 2.34 million.

Last year, the ex-ante control results reported amounted to EUR 5.54 million and the ex-post control results to EUR 1.66 million. As regards ex-post controls we note an increase in the corrective measures especially for grants transactions—particularly related to final payments, which require additional checks and often result in rejections due to ineligible amounts.

## **d) Assessment of control results for non-expenditure items**

The **assets** reported by CONNECT in the balance sheet 2025 mainly concern short term and long-term pre-financing under direct and indirect management (mostly related to research grants and contribution agreements under *Horizon Europe* and *Digital Europe*); and financial instruments, the Connecting Europe Broadband Fund and the Cultural and Creative Sectors Guarantee Facility. Details on the controls in place are included in section 2.1.1 and annex 7.

As regards **off-balance sheet items**, the contingent liabilities reported by CONNECT in 2025 (EUR 128.86 million) represent the amount available for the Cultural and Creative Sectors Guarantee Facility (EUR 62.74 million), the balance of the guarantee paid to the EIB for the project PBI, later merged and currently called CEF debt instrument (EUR 36.3 million) and the other legal cases related to the appeals on supervisory fees (EUR 29.82 million). The 'other significant disclosures' (EUR 4576.84 million) reported in 2025 are related to the open RAL for research grants in *Horizon* as well as other non-research grants and procurement files for *Horizon Europe*, *Digital Europe*, *Pilot Projects & Preparatory Actions*, *Connecting Europe Facility* (digital and legacy) and *Creative Europe*. Controls are in place and deemed effective.

CONNECT's **revenue** during 2025 amounts to EUR 447.11 million. EUR 320 million concern fines on undertakings for infringements of Regulation (EU) 2022/1925 (Digital Markets Act) <sup>(38)</sup> and Regulation (EU) 2022/2065 (Digital Services Act). EUR 54.82 million concern the annual supervisory fee related to the enforcement of the Digital Services Act. EUR 35.95 million represent penalty payments and lump sums imposed on Member States. The remaining EUR 36.34 million represent contributions from associated and EFTA countries to *Digital Europe*, revenues resulting from the termination of beneficiaries' participation in grant agreements, financial audits, OLAF investigations, European Court of Auditors' audits, etc. The DG put in place the structures, governance, reporting lines and specific controls to effectively manage the revenue.

The total of **intangible assets** reported in the balance sheet 2025 amounting to EUR 41.13 million.

They are related to:

1. Three projects under computer software amounting to EUR 25.73 million and computer software amortization amounting to EUR -9.23 million:
  - the first project is the EU Digital Identity Wallet <sup>(39)</sup>, with total development costs of EUR 6.01 million (including the development of the reference implementation and the services around it) and operational costs EUR 0.88 million.

The applicable legislation requires Member States to offer Wallets to all their citizens by 24 December 2026. The asset is an open source template (reference implementation) of the

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<sup>(38)</sup> The Digital Markets Act is jointly enforced with DG COMP.

<sup>(39)</sup> The EU Digital Identity Wallet template (under construction) is established as per Commission recommendation (EU) 2021/946 of 3 June 2021 on a common Union toolbox for a coordinated approach towards a European Digital Identity Framework and the amended eIDAS regulation establishing a framework for a European Digital Identity.

European Digital Identity Wallet that can be used by implementers, such as the large-scale pilots currently funded under *Digital Europe* to pilot use cases for the Wallet, and later on by Member States when implementing the Wallets. The template is continuously being updated with new features and improvements, and it is being developed following Security by Design and Privacy by Design principles. The asset is published as open source (EUPL 1.2 & Apache 2.0) and it is distributed on GitHub (<https://github.com/eu-digital-identity-wallet/>). Effective controls following ITSRM were put in place for assessing the security and privacy protections. No security incidents have been reported in 2025. The project and the template are also assessed in terms of compliance with the General Data Protection Regulation. There were no reported issues in 2025.

- the second project is the European Open Science Cloud (EOSC) with acquisition value EUR 10.75 million and operational costs of EUR 7.65 million in 2025.

The managed services for the EOSC platform (referred as the EOSC EU Node) were procured by CONNECT under the *Horizon Europe* Research Infrastructures Work Programme 2022-2023, INFRAEOSC Destination, co-managed by DG R&I.

EOSC champions research data management and application to guarantee scientists' access to data-driven science. Supporting the EU's Policy of Open Science, the EOSC aims to give the EU a global leading position in research data management and ensure that European scientists enjoy the full benefits of data-driven science. EOSC is also part of the European Data Strategy, aiming to make the EU a leader in a data-driven society. It provides seamless access and reliable re-use of research data to European researchers, innovators, companies and citizens through a trusted and open distributed data environment and related interoperable services. In addition, a reference node for EOSC (EOSC EU Node) is provided by the Commission, offering access to a diverse range of research outputs, services, and tools.

No major security incidents have been reported in 2025. The EOSC EU Node is assessed in terms of compliance with the General Data Protection Regulation and the IT Governance and Security procedures of the Commission. Software vulnerabilities have been flagged and fixed in due time; there were no reported issues in 2025. CONNECT considers that the safeguarding of this asset is effective and appropriate.

- the third project is the Digital Service Act (DSA) with acquisition value EUR 8.97 million and operational costs of EUR 0.41 million in 2025.

In 2025, CONNECT continued to operate a robust control framework for its Information Technology (IT) projects supporting the Digital Services Act (DSA). The primary control objective remained to ensure that all IT systems adhere to the highest standards of corporate IT governance and information security. Several key milestones achieved during the year demonstrate the sustained effectiveness and maturity of this control framework. Notably, DSA Board processes were successfully supported through stable and controlled IT operations, enabling effective governance and oversight. In addition, Module 7—the Data Access Portal (Researcher Portal)—was developed and made operational in accordance with Article 40 of the Digital Services Act. Continuous improvement of the existing solution further reinforced system reliability and responsiveness, as evidenced by the release of 30 production versions

throughout the year, delivered under controlled change and deployment processes. Throughout 2025, no significant weaknesses were detected.

2. One IT project under development amount to EUR 24.62 million:

The project Smart Middleware Platform for Cloud (Simpl), with capitalised cumulative costs amounting to EUR 24.62 million and operational costs EUR 0.52 million. The Smart Middleware Platform for Cloud (Simpl) develops an open source, smart and secure middleware that supports data access and interoperability among European data spaces. There were no reported issues in 2025. CONNECT considers that the safeguarding of this asset is effective and appropriate.

**Overall**, no security incidents with impact on the confidentiality, integrity or availability of Information Systems were reported during the year. CONNECT considers that its safeguarding of the above-mentioned assets is effective and appropriate.

As regards **safeguarding of information**, the control objective is to ensure that confidential and/or sensitive information is not disclosed, or its integrity breached (data altered) due to security of IT systems and/or information processes not being fully effective. As regards IT systems, the controls in place in the DG include IT Security plans (and risk assessments) for new systems and updates of IT security plans for existing systems carried out at least once every two years. Safeguarding of information is achieved through several controls by complying with the Commission IT Security policies and standards and the corporate cybersecurity strategy. CONNECT implements the proposed security measures to reduce the risk levels to an acceptable level.

As regards information processes and the management of sensitive information, the controls in place include information protection procedures and reporting mechanisms for possible disclosure of sensitive information. Additional methods include enhancing the cyber security knowledge of CONNECT's staff via training and awareness raising activities such as roadshows and targeted information campaigns. The development and expansion of the CONNECT security knowledge base, 'Be CONNECT Cyberaware', aimed at centralising and simplifying access to know-how in the field of information security. CONNECT follows a defined IT Security incident process to remediate incident as well as a vulnerability management processes.

In terms of management of sensitive information, CONNECT conducts preventive actions, including the implementation of the Programme Security Instruction (PSI) that provides instructions on the classification and marking of classified foreground information, protective security procedures, including the handling and transfer of classified information, visit procedures for assessing classified information, measures in the event of a security breach or compromise involving classified information, procedures for releasing classified information and procedures related to grant or contract awards and sub-contracting. CONNECT also organises mandatory training sessions for new staff or those starting work on EU classified information, as well as specialized workshops and awareness campaigns. The number of inadvertent disclosures of sensitive information are also monitored and reported annually to senior management.

Based on the incidents from 2025, there was no security incident causing a downtime of an IT security system, nor any data breaches at CONNECT level. The analysis of the available control

results has not shown any weakness that could have a material impact on the security of IT-systems or sensitive information held by CONNECT. CONNECT therefore concludes that it has reasonable assurance on the effectiveness of the internal control objective ‘Safeguarding of information and IT security’.

### **Reliability of reporting**

CONNECT implements a significant part of its budget through indirect management. On the basis of consistency checks of the received information and participation in the relevant monitoring governance structures of the implementing bodies, CONNECT relies on the reports provided by these bodies and considers that, overall, the received reporting is reliable and adequate for drawing assurance conclusion.

### ***e) Fraud: prevention, detection, and correction***

CONNECT has developed and implemented its own anti-fraud strategy since 2009, based on the methodology provided by OLAF. It is updated every three years and was last updated on 21 March 2025 following a fraud risk assessment. Its implementation is being monitored and reported to the management as part of the annual activity report process.

All actions have been successfully implemented, only the participation rate target for the anti-fraud training sessions was not reached.

As lead service for action 32 of the 2023 Commission Anti-Fraud Strategy Action Plan, CONNECT monitors the actions taken by Member States to put into practice the Recommendation on the safety of journalists, its cooperation to the Council of Europe’s campaign on protection of journalists and its financial support to media sectors of special relevance to democracy (incl. investigative journalism) under the cross-sectoral strand of Creative Europe.

Corrective measures based on OLAF recommendations are reported on in the context of annual monitoring exercises conducted by OLAF, in accordance with Article 11 of Regulation 883/2013 <sup>(40)</sup>.

Other results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: CONNECT continued to take actions targeting fraud prevention, detection and correction thanks notably to continuous exchanges with OLAF, raising staff awareness about ethical behaviour, fraud risk and has ensured through its supervisory role that the entrusted entities have appropriate fraud prevention and detection measures in place.

On the basis of the available information, CONNECT has reasonable assurance that the anti-fraud measures in place are effective.

The results achieved during the year are described in more detail in annex 7, section 1, point C.

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<sup>(40)</sup> [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

Key efficiency indicators were defined for each grant management stage (i.e. stage 1, programming, evaluation and selection of proposals, stage 2 contracting, stage 3 monitoring the execution of the projects and (stage 4) ex-post controls and recoveries. A summary of the main efficiency indicators is presented below.

Efficiency Indicators for the grant management control system			
Stage	Indicator	2024	2025
1	Average time-to-inform	107 days	89 days
2	Time-to-grant	239 days	228 days
3	Timely payments <sup>(41)</sup>	100%	94%
	Time-to-pay monitors / experts	7.6 days	6,9 days

The time-to-inform and time-to-grant indicators relate to the grants of *Horizon Europe* and *Digital Europe*. As in the previous years, CONNECT made its payments on time, the result for the efficiency indicator ‘timely payments’ during 2025 reaching 94%, which is lower than the average EC score (97%). This is mainly due to one payment which was registered as late due to a technical issue. For more information refer to annex 4 (Financial Scorecard).

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 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 (see annex 4).

**Based on an assessment of the most relevant key efficiency indicators above and other control results, we can conclude that an efficient control system has been put in place in the DG for grant management.**

Based on the reports and other available information related to the efficiency of the entities entrusted with budget implementation tasks received from CONNECT, the DG concludes positively also in respect of efficiency of controls in respect of the budget implemented under indirect management.

**CONNECT concludes, based on the information available, that the controls in place are efficient. The DG is continuously aiming to further enhance the efficiency of its controls.** More detailed information about the efficiency of controls is presented in annex 7, section 1, point D and annex 4 (Financial Scorecard).

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<sup>(41)</sup> As from 2020, the ‘timely payments’ indicator is used to report on the ‘time-to-pay’ indicator.

## 2.1.4. Economy of controls

The cost of control for **grant management** implemented directly by CONNECT is estimated for each of the four stages of the grant direct management control system and calculated based on the corporate methodology for the estimation, assessment and reporting on the cost-effectiveness of controls. Details of the calculation are available in annex 7, section 1, point E.

The total cost of control within CONNECT for direct grant management is estimated at approximately EUR 30.64 million, corresponding to 5.87% of the total operational grant payments made in 2025 (EUR 522.38 million).

The increase in the overall rate compared to last year is mainly due to the decrease of total operational grant payments from EUR 658.56 million in 2024 to EUR 522.38 million in 2025 and to higher average staff cost. The decrease in the 2025 payments made is due to lower payments made in respect of *Horizon Europe* grants and of the legacy programme *Horizon 2020* which is phasing out.

CONNECT cost of controls for direct grant management	Overall rate 2025	Overall rate 2024	Overall rate 2023
Stage 1- programming and evaluation	0.77%	0.60%	0.39%
Stage 2 - Contracting	0.61%	0.49%	0.32%
Stage 3 - Monitoring the execution	4.32%	3.41%	2.23%
Stage 4 – ex-post controls and recoveries	0.16%	0.12%	0.08%
<b>TOTAL</b>	<b>5.87%</b>	<b>4.62%</b>	<b>3.02%</b>

Details of the estimated cost related to shared/pooled control activities carried out by the Research Executive Agency (REA) and hosted by DG Research and Innovation (DG R&I) (Common Implementation Centre, including the Common Audit Service; Common Policy Centre) for the Research and Innovation family are reported in the annual activity reports of REA and DG R&I. Similarly, for Digital Europe, HaDEA is carrying out the ex-post audits for the programme's implementing bodies, hence the cost of ex post controls incurred in HaDEA in respect of *Digital Europe* will be included by the Agency in its annual activity report.

The **cost incurred by CONNECT for the monitoring and the supervision of the entrusted entities** amounts to approximately EUR 4.28 million. This amount includes primarily personnel costs. This represents 0.32% of the operational payments made to these entities during 2025. The overall rate of the cost of control decreased in 2025 but remains relatively stable compared to previous years (see table below).

Entrusted Entity	Cost of control 2025 (m EUR)	Cost of control 2025 (%)	Cost of control 2024 (%)	Cost of control 2023 (%)
Chips JU	1.00	0.14%	0.19%	0.25%
Smart Networks and Services JU (SNS)	0.61	0.49%	0.66%	0.78%

European High-Performance Computing (EuroHPC) JU	0.53	2.15%	0.46%	0.17%
Agency for Support for BEREC (BEREC Office)	0.34	4.10%	4.01%	3.90%
European Union Agency for Cybersecurity (ENISA)	0.25	0.46%	0.70%	0.69%
European Cybersecurity Competence Centre (ECCC)	0.52	0.21%	0.40%	N/A
Ambient Assisted Living (AAL) Association	0.19	2.18%	3.68%	3.33%
ESA, EAO, EUMETSAT, ECMWF, UNDESA, OECD	0.67	0.55%	4.41%	0.75%
EUROPOL	0.3	N/A	2.00%	N/A
Culture and Creative Sector Guarantee Facility (CCSGF)	0.05	29.23%	N/A	1.63%
Financial Instrument (CEF DI)	0.09			
<b>TOTAL</b>	<b>4.28</b>	<b>0.32%</b>	<b>0.50%</b>	<b>0.46%</b>

The **cost incurred by CONNECT for the monitoring and the supervision of the four executive agencies** to which CONNECT is delegating budget implementation tasks amounts to approximately EUR 2.16 million. This represents 0.38% of the operational payments made (EUR 564.55 million) to these entities during 2025. The transfer of the payments to the four executive agencies is done by the Commission central service DG Budget.

<b>Entrusted Entity</b>	<b>Cost of control 2025 (m EUR)</b>	<b>Cost of control 2025 (%)</b>	<b>Cost of control 2024 (%)</b>	<b>Cost of control 2023 (%)</b>
Executive Agencies	2.16	0.38%	0.35%	0.37%

More details related to the cost of controls and more specifically costs at entrusted entity level (e.g. the management fees paid) are provided in annex 7, section 1, point E.

## 2.1.5. Conclusion on the cost-effectiveness of controls

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

The controls are well suited to fulfil the spending programmes objectives and the internal control objectives effectively, and proportionate with the underlying risks, in an efficient manner and while keeping the cost of controls at an adequate level.

As concerns the level of error for Horizon Europe and Digital Europe which exceeded the materiality threshold, the declaration of assurance will be qualified by two reservations accordingly. Several actions are taken to try to reduce the level of error for both the Horizon Europe and Digital Europe programmes, more detail is included in annex 7.

The DG’s involvement in the governance of the entrusted entities did not show any significant weakness which could have a material impact on assurance as regards effectiveness of controls.

As regards budget delegated to executive agencies:

- **HADEA** reported error rates higher than the materiality threshold for both Horizon Europe and Digital Europe and will include two reservations accordingly. The Agency also reported a higher error rate on CEF Telecom DSI legacy programme (delegated by CONNECT) for which the ‘de minimis rule’ applies.
- **EISMEA** reported in its 2025 annual activity report a high level of error for Horizon Europe which exceeded the 2% materiality threshold and consequently included a reservation on assurance accordingly. EISMEA also included a reservation on reputational grounds concerning weaknesses affecting the award decision process.
- **REA** reported a cumulative residual error rate for Horizon Europe which is higher than the 2% materiality threshold and included a reservation on assurance accordingly.

As regards the budget delegated to joint undertakings, all three JUs for which CONNECT is partner DG, received unqualified audit opinions on the reliability of the annual accounts and unqualified audit opinions on the legality and regularity of the payments underlying the annual accounts for 2024 by the ECA in their annual report on EU Joint Undertakings for the financial year 2024 <sup>(42)</sup>. The level of error estimated for the implementation of Horizon Europe and Digital Europe by the three JUs exceeded the materiality threshold as well. They will report on it in their annual activity report which will be published later during the year.

The ‘emphasis of matter’ in the ECAs annual report on EU Joint Undertakings for the financial year 2024 concerning EuroHPC JU and the ECCC do not affect the effectiveness of CONNECT’s supervision and do not have an impact on the DG’s assurance.

Overall, we consider CONNECT’s supervision to be effective. Also, in the absence of contradictory information in the reports received from the entrusted entities and in view of the level of the cost of the control system compared to the level of expenditure, the cost-effectiveness of controls is considered adequate.



## 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 internal control and financial management. For further details for Internal Audit Service (IAS) and European Court of Auditors (ECA) audits see annex 8.














### Internal Audit Service

Reported	Audit Title	Accepted Recommendation (critical or very important)	State of play in 2025	Impact on the assurance for 2025
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<sup>(42)</sup> ECA JU 2024: [Annual report on EU joint undertakings for the 2024 financial year](#)

2025	IT security risk management at the Commission	Very important: #1 on IT security risk management methodologies and tools		
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## European Court of Auditors

Reported	Audit Title	Accepted Recommendation	State of play in 2025	Impact on the assurance for 2025
2021	Review Special Report 09/2021: <a href="#">Disinformation affecting the EU</a>	4a, 4b, 4c, 5a, 5b, 5c, 6a, 6b, 6c		
2022	Special report 03/2022: <a href="#">5G roll-out in the EU</a>	1(a), 1(b), 1(c), 2(a), 2(b), 2(c), 3(a) and 3(b)		
2022	Special Report 24/2022: <a href="#">e-Government actions targeting business</a>	1(b), 1(c) and 2		
2024	Special Report 08/2024 : <a href="#">EU Artificial Intelligence ambition</a>	1(a), 1(c) and 3		
2025	Special Report 03/2025: <a href="#">Unjustified geo-blocking in e-commerce</a>	1 and 2(a)		
2025	Special Report 12/2025: <a href="#">EU's strategy for microchips</a>	1 and 2		
2025	Chapter 5 of the <a href="#">ECA's annual report 2024</a>	N/A		

### State of play

-  Action plan implemented
-  Action plan implementation is ongoing
-  Preparation of the action plan

### Assurance

-  No impact on the assurance
-  Impact on the assurance

## Conclusion

As a result of the assessment of the risks underlying the auditors' observations together with the management measures taken or planned in response, CONNECT considers that the recommendations issued by the IAS and the ECA do not materially impact management's assurance. Further details on the ongoing audits are 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. <sup>(43)</sup>

CONNECT has adapted the Internal Control Framework to its specific characteristics and organisational structure. The internal control systems are suited to achieving its 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.

The annual assessment of the effectiveness of the internal control systems is based on the 2025 Directorates' Management Reports, the results of the internal control monitoring criteria, the analysis of various sources of information such as the register of exceptions and non-compliance events, the IAS and ECA recommendations and the risk register. For a summary of the end-of-the-year assessment, please refer to annex 8.

CONNECT has concluded that its internal control system during the reporting year is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to principle 4 “The Commission demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives”, principle 6 “The Commission specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives”, principle 10 “Selects and develops control activities”, principle 11 “The Commission selects and develops general control activities over technology to support the achievement of objectives” and principle 12 “Deploys [controls] through policies and procedures”. Mitigating actions are being developed and put in place to address these minor deficiencies. Details can be found in annex 8.

## 2.4. Conclusions on the assurance

The declaration of assurance is based on the analysis of the cost-effectiveness of CONNECT's internal control systems, supported by the conclusions of the audit reports of the Internal Audit Service and the European Court of Auditors which did not highlight any critical recommendation, the conclusion of the annual assessment of the effectiveness of the internal control systems and the reports from all CONNECT's entrusted entities.

Regarding the **effectiveness of controls**, in 2025 the first error rates were estimated for **Horizon Europe** and **Digital Europe**. These were based on the first audit results available. The level of error exceeded the 2% materiality threshold for both programmes; hence, the declaration of assurance is qualified by two reservations:

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<sup>(43)</sup> The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework.

- *Reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented directly and indirectly by CONNECT.*
- *Reservation concerning the rate of the residual error within grant payments in the Digital Europe Programme, implemented directly and indirectly by CONNECT.*

For **Pilot Projects & Preparatory Actions (PP/PA)**, considering the higher risk profile, CONNECT took a cautious approach and estimated a residual error rate of 3.00%. Given the limited payments made for grants of EUR 19.65 million and the financial impact of EUR 0.51 million, the *de-minimis* rule applies.

The estimated **overall amount at risk at payment for the 2025** expenditure is between EUR 72.65 and EUR 72.72 million and the **estimated overall risk at closure** <sup>(44)</sup> is between EUR 63.27 and EUR 63.34 million, representing 3.237%-3.241% of the DG's total relevant expenditure for 2025. There is an increase as compared to the previous year which is due to the level of error estimated for 2025 for Horizon Europe and Digital Europe.

As regards budget delegated to executive agencies:

- **HaDEA** reported in its 2025 annual activity report reasonable assurance qualified by reservations for the Horizon Europe and for the Digital Europe programmes, having both a cumulative residual error rate above the 2% materiality threshold. CEF Telecom DSI legacy programme 2014-2020 (delegated by CONNECT) had a residual error rate of 3.02%, the 'de minimis' criteria for reporting applies.
- **EISMEA** reported in its 2025 annual activity report a high level of error for Horizon Europe which exceeded the 2% materiality threshold and consequently included a reservation on assurance accordingly. EISMEA also included a reservation on reputational grounds concerning weaknesses affecting the award decision process.
- **REA** reported a cumulative residual error rate for Horizon Europe which is higher than the 2% materiality threshold and included a reservation on assurance accordingly.

CONNECT analysed the information provided by the executive agencies to which it delegates budget implementation tasks and considers that it does not represent a weakness in CONNECT's supervision and does not have an impact on the DG's assurance.

As regards budget delegated to joint undertakings, all three JUs for which CONNECT is partner DG, had an unqualified audit opinion on the reliability of the accounts and on the legality and regularity of the payments underlying the annual accounts by the ECA in their annual report on EU Joint Undertakings for the financial year 2024 <sup>(45)</sup>. The level of error estimated for the implementation of the Horizon Europe and Digital Europe by the three JUs exceeded the materiality threshold as well. They will report on it in their annual activity reports which will be

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<sup>(44)</sup> 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.

<sup>(45)</sup> ECA JU 2024: [Annual report on EU joint undertakings for the 2024 financial year](#)

published later during the year. CONNECT included in the scope of its reservations the payments made to the JUs during 2025.

CONNECT reached a positive conclusion with regards to the **efficiency** of its control system.

Regarding the results of the Internal Audit Service and the European Court of Auditors' (ECA) reports, no problems have been identified having an impact on the assurance provided in this annual activity report.

- The **ECA annual report** on the implementation of the EU budget for the 2024 financial year was issued in October 2025. For Chapter 5 'Single Market, Innovation and Digital', the ECA concluded on an estimated overall level of error of 3.2% for the 2024 spending. The Court pointed out that the main cause of the errors lies in the declaration of personnel costs.
- During 2025 the **Internal Audit Service** did not issue any critical recommendation. The IAS issued one very important recommendation in the IAS audit on IT security risk management at the Commission for which the action plan is under implementation.

CONNECT 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 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 the rate of the residual error within grant payments in the Horizon Europe programme, implemented directly and indirectly by CONNECT and a reservation concerning the rate of the residual error within grant payments in the Digital Europe programme, implemented directly and indirectly by CONNECT.

### Recapitulative Table

Reservation Title	Financial Impact (in m EUR)		Residual error rate 2025*	Evolution
	2024	2025		
Reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented directly and indirectly by CONNECT.	NA	EUR 46.59	4.06% for CONNECT and ECCC, 4.11% for SNS JU and 4.15% for Chips JU	New
Reservation concerning the rate of the residual error within grant payments in the Digital Europe Programme, implemented directly and indirectly by CONNECT.	NA	EUR 10.07	4,06% for CONNECT, EuroHPC and ECCC, 4.15% for Chips JU;	New

## 2.5. Declaration of Assurance and reservations

Declaration of Assurance

I, the undersigned,

Director-General of the Directorate-General for Communications Networks, Content and Technology.

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view <sup>(46)</sup>.

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:

- Reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme, implemented directly and indirectly by CONNECT.
- Reservation concerning the rate of the residual error within grant payments in the Digital Europe Programme, implemented directly and indirectly by CONNECT.

More details are provided in annex 9.

Brussels, 31 March 2026

Electronically signed

Roberto Viola

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<sup>(46)</sup> 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**

CONNECT remains dedicated to promoting gender balance and fostering an inclusive work environment across all management levels. In particular, CONNECT's active Diversity and Inclusion network continued to raise awareness on diversity-focused key topics. It hosted a highly attended conference on how to cultivate a culture of trust and transparency in the workplace. CONNECT continued to be active in the DG's equality taskforce.

CONNECT implemented corporate measures, including appointing female Heads of Unit as deputies for Directors, surpassed targets for first-time female appointments to middle management by appointing five women as new middle managers since 2024, and remains committed to maintaining equitable and balanced middle management population. To support talented AD-grade women in advancing their careers, CONNECT introduced a local female talent development programme to strengthen the pre-managerial talent pipeline.

CONNECT remained committed to maintaining a high level of staff satisfaction within the DG. According to the 2025 Commission staff satisfaction survey, the 2025 staff engagement index for CONNECT stands at 77%, slightly below the Commission average of 79%. The 2023 staff engagement index for CONNECT stood at 70%, slightly below the Commission average of 73% and 3% points lower compared to the 2023 staff survey. In line with corporate instructions, the results of the 2025 staff survey will be discussed with the management team and staff to come up with a follow-up action plan, to be endorsed by the DG's management team, to make CONNECT an even better place to work.

CONNECT strengthened internal communication through its 'We are CONNECT' staff engagement campaign, enhancing the sense of belonging and awareness of DG activities and achievements. CONNECT expanded its CONNECT University sessions to promote understanding of the digital transformation and to boost digital skills development internally and externally.

CONNECT closely monitored human resource allocation to align with political and operational priorities as much as possible despite the stable staffing requirement, which causes difficulty across the Commission. CONNECT strongly advocated for adequate staffing to meet its responsibilities for the digital transition but received only a very limited complementary allocation for 2025. However, CONNECT secured recruitment of additional external staff for the AI Office and units implementing the Digital Services Act. Pressure remains due to research budget cuts until the end of the current multiannual financial framework, though DG Human Resources agreed to defer to early 2026 part of human resources reduction under the research budget, initially due by end of 2025. By carefully managing its resources CONNECT continues to advance its mission while navigating an evolving operational landscape.

In terms of organisational fitness, CONNECT proposed changes to its organisation chart to ensure that the DG can meet the challenges related to the implementation of the platforms policy and enforcement, while achieving further efficiency gains and improving the ways of

working together internally. Two directorates were assigned to platforms policy and enforcement, in commensuration to the growing importance of platforms policy under the von der Leyen II College. To keep the number of directorates stable, the tasks of the former Directorate D were assigned at (Deputy) Director-General level. In addition, given the growing importance of cybersecurity and defence, a third Deputy Director-General function was created in charge of the overall strategic orientation in the areas of security, defence and related technologies. These changes entered into effect on 1 July 2025.

## 3.2. Digital transformation and data management

### Digital Transformation

CONNECT is undergoing a comprehensive digital transformation, embracing digital technologies to enhance operations while aligning actions with the Commission's strategic objectives.

1. **Digital Culture:** This objective aims to bolster digital skills among staff, currently above EC average at 31%. Cybersecurity awareness is a priority, with an 89% knowledge rate, focusing on further improvements through briefings, the CyberAware programme, and regular training sessions. These efforts aim to create an empowered workforce with digital skills and a strong cybersecurity mindset.
2. **Digital-ready Policymaking** involves incorporating digital and interoperability principles into policy processes, increasing training and awareness, resulting in all policy initiatives being digitally assessed, thereby doubling the previous year's impact assessment.
3. **Business-driven Digital Transformation** involves enhancing business process modeling and automation while improving data openness and interoperability, leveraging collaborative measures with KMI/eGrant and other Commission departments. Innovation is pursued through assessing new technologies, promoting proof of concept understanding, and mapping departmental needs with a Digital Innovation Dashboard. For example, introducing chat bots that feed on our internal knowledge management base to speed up the gathering of base information.
4. **Seamless Digital Environment:** Prioritizing modular, sovereign, cloud-based solutions, CONNECT aims to replace legacy systems and enhance technical and strategic fitness through the reuse-buy-build approach. Cloud adoption stands at 59%, significantly above the EC average, reflecting progress in sovereignty and data security, promoted through collaboration and technology mapping.
5. **Green, Secure, and Resilient Infrastructure:** The focus is on promoting a robust digital infrastructure that aligns with environmental goals and enhances cybersecurity. A Digital Workplace Portal is introduced to meet various IT needs, supporting mobile work arrangements, while cloud applications enhance data security. This results in a resilient infrastructure ready for future challenges and a nomad workforce cutting emission in commuting.

Aligned with the Corporate Digital Strategy, these strategic objectives and associated actions create a cohesive digital ecosystem. CONNECT envisions agility, sustainability, and innovation across its operations, encouraging continuous learning and cross-departmental collaboration to achieve tangible benefits for staff and stakeholders. Key recommendations include

strengthening central support, accelerating digital solutions for legacy systems, promoting cloud adoption, and fostering an innovation culture, supported by regular roadmap updates.

### **Information and IT security rules**

The implementation of the high-level roadmap from the Information Security Culture project has led to several key initiatives. The second Cyber Roadshow was organised by CONNECT, alongside multiple targeted security briefings and continued communication campaigns to raise the awareness of dangers of phishing. The knowledge base 'Be CONNECT CyberAware' is being constantly updated to improve knowledge access and strengthen network security.

CONNECT enhanced the knowledge base on security topics, regularly organised training and awareness activities, and polled colleagues for ideas, concerns and issues related to security. The poll results offered an update to the roadmap of actions to be implemented over the next 3-4 years. CONNECT organised cybersecurity awareness activities and information campaigns and communicated regularly via newsletters and knowledge-sharing sessions.

CONNECT achieved the objective of having an updated IT security plan for 95% of its information systems. For new systems introduced in 2025, an IT security plan has been created. A multipurpose dashboard for IT governance and for monitoring the implementation and effectiveness of the security controls set out in the IT security plans and generation and implementation of lessons learnt went into development in 2025.

### **Data, information and knowledge management**

CONNECT is advancing its data management, as encapsulated in the Data Maturity Matrix. Our efforts focused on a streamlined governance structure, a network of data stewards, and enhancing practices related to inventory, sharing, training, and services.

Evaluation is being conducted through data maturity levels in implementing corporate data policies. Key areas of focus include data, ownership and responsibilities, data quality, and data skills. CONNECT's 2025 level in the data maturity matrix is set as "established".

### **Data Protection**

CONNECT implements the data protection action plan adopted at Commission level. In particular, CONNECT adopted and maintained data protection records and privacy statements and provided advice upon request to ensure compliance. Whenever the Data Protection Records Management System (DPMS) sent a reminder to update a data protection record, CONNECT created a new version of the record. In addition, CONNECT removed all metadata from its privacy statements, as requested by the Data Protection Officer of the Commission (DPO). Whenever CONNECT identified the need for a new data protection record, it created it in DPMS (though some records have not been adopted yet). CONNECT specialised data protection advice was available for procurements to ensure data protection compliance and to define appropriate data protection deliverables. Particular attention was dedicated to support the AI Office and Directorates in charge of the DSA and DMA to ensure compliance in all their tasks with data protection requirements. In particular, CONNECT adopted a data protection action plan for the AI Office.

CONNECT conducted awareness-raising activities, which included seven hybrid data protection trainings. To celebrate Data Protection Day, CONNECT organised a widely attended training session and the first edition of a data protection quiz open to all colleagues. Regarding training sessions, CONNECT gave both basic and tailor-made training (such as one related to the organisation of consultations). CONNECT considers all staff to be trained in line with the target set in the DPO Action Plan, and has since offered various training sessions, in particular for newcomers (data protection has notably become part of all sessions CONNECT organises for newcomers).

CONNECT proposed several simplification measures to the DPO. It attended all data protection network meetings and workshops organised by the DPO. The team provided *ad hoc* advice on data protection aspects of policy files following units' requests, including in the context of consultation of the European Data Protection Supervisor.

### **3.3. Sound environmental management**

CONNECT continued its efforts to reduce its environmental footprint in line with the Commission's Eco-Management and Audit Scheme (EMAS) and the objective of climate neutrality by 2030. Energy-saving measures remained in place, including maintaining the building's heating temperature at a maximum of 19°C on working days.

Organic waste collection, previously introduced as a pilot project, is now fully embedded in the DG's day-to-day practices. CONNECT also continued to promote environmental actions via the EMAS website and raised staff awareness through regular features in the monthly CONNECT newsletter.

