

2025
ANNUAL PROGRESS REPORT

*Simplification,
Implementation
& Enforcement*

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1. Introduction

In its Communication ‘A simpler and faster Europe: Communication on implementation and simplification’¹, the Commission has outlined its ambition to radically lighten the regulatory load for people, businesses and administrations in the EU, while making sure that EU rules are fully and consistently implemented. Each Member of the Commission is expected to report annually on progress achieved on simplification, implementation and, where necessary, enforcement. This first Annual Progress Report covers the period from 1 January to 31 July 2025.

In my role as Commissioner for Budget, Anti-Fraud and Public Administration, I’m working to put the Commission’s simplification and implementation agenda into practice across my portfolio. This comes through especially in two of my flagship projects:

- Shaping a long-term EU budget that is easier to understand, better focused on Europe’s strategic priorities, supports investment, and allows Europe to act more quickly and effectively.
- Reviewing the EU’s anti-fraud architecture to make it more efficient and better coordinated, so that the EU’s financial interests are protected in a stronger, more complementary way.

2. Executive Summary

The Commission’s proposal for the post-2027 Multiannual Financial Framework (MFF), adopted on 16 July 2025, places simplification and efficiency at the centre of EU budget management. The goal is to reduce fragmentation by consolidating instruments and harmonising rules, making EU funding more accessible, more transparent, and more focused on results.

Key simplification measures include:

- streamlining procedures under the Common Agricultural Policy,
- aligning reporting requirements across programmes, and
- introducing “very low value grants” (below EUR 15.000), which do not require financial capacity checks or declarations of honour.

The [new performance regulation](#) represents a major shift in approach: instead of around 5,000 indicators, there will be about 900, supported by a single consolidated performance report and a [Single Gateway Portal](#) that will replace more than 30 existing reporting channels. These reforms will strengthen accountability and credibility at a time when efficient use of resources is essential.

My dialogue with stakeholders across Member States (during the *Tour d’Europe*) has highlighted the need for simpler, more proportionate and more flexible rules in the new EU’s long-term budget. The [STEP Portal](#) is one practical example of this approach—reducing complexity and improving access to information on EU funding, particularly for SMEs. Cooperation with financial partners such as the EIB is also helping to optimise audit and reporting processes, cutting unnecessary red tape while safeguarding financial integrity.

At the same time, enforcement remains a cornerstone in protecting the EU’s financial interests, including in upholding the rule of law. Infringement procedures ensure that Member States meet their financial obligations: recent settlements with [Belgium](#), [Romania](#) and [Slovakia](#) demonstrate the effectiveness of this approach, while the remaining open cases confirm the Commission’s continued vigilance.

¹ COM(2025) 47.

Taken together, these measures demonstrate the Union's commitment to delivering a budget framework that is simpler, more transparent, and better aligned with political priorities.

In the anti-fraud area, a key step is the stress-testing of Regulation (EU, Euratom) No 883/2013, which sets out the legal framework for the European Anti-Fraud Office (OLAF). This review is central to strengthening the EU's overall anti-fraud system and will help ensure stronger protection of taxpayers' money as well as more effective and efficient EU funding policies. Additional regulations in the fight against fraud will undergo similar stress-testing in the second half of the Commission's mandate. At the same time, OLAF is working closely with Member States to support and monitor the implementation of EU legislation designed to protect the Union's financial interests. This cooperation is essential to making the EU's anti-fraud framework both stronger and more practical on the ground.

3. Delivering Results: Key Measures

A. Simplification and stress tests

Simplification Measures

The Commission's proposal for the post-2027 Multiannual Financial Framework (MFF), adopted on 16 July 2025 with a second package of sectoral proposals on 3 September 2025, introduces a set of measures to simplify the management of the EU budget and deliver real benefits for citizens and businesses.

At the heart of the proposal is a more streamlined structure with fewer instruments than in previous MFFs. This simpler set-up would allow for harmonised horizontal rules, reduce fragmentation, and cut both time and costs for those applying for EU funding.

Simplification is also at the core of many sectoral legislative proposals, for example:

- [Common Agricultural Policy](#): streamlining payment procedures
- National and Regional Partnership Plans: cutting back data collection and reporting requirements
- Indirect management programmes: making greater use of existing assessments of implementing partners, such as under [Erasmus+](#) or when Member States implement financial instruments and budgetary guarantees in both internal and external policies
- [European Competitiveness Fund](#): improving efficiency through measures like reducing financial reporting by defaulting to simplified funding forms, promoting synergies across programmes to avoid double reporting and eligibility conflicts, and speeding up project delivery through targeted derogations from certain Union laws

Additionally, a new [performance regulation](#) is proposed, aimed at simplifying and improving efficiency across several key areas:

- Harmonised provisions and principles: including a single approach to applying the "Do No Significant Harm" principle where relevant, along with common rules on fairness and equal rights
- A unified tracking methodology: to monitor EU budget expenditure supporting climate mitigation, climate adaptation, biodiversity, and social objectives
- A streamlined list of performance indicators: reducing the number from around 5,000 to about 900, making it possible to aggregate results at the EU budget level

- A single performance report: replacing 32 programme-specific reports with one consolidated Annual Management and Performance Report.
- A Single Gateway Portal: bringing together more than 30 separate portals and dashboards into a single entry point, greatly simplifying access to information about funding opportunities across the EU budget.

Furthermore, Financial Regulation has been used to simplify both [procurement and grant procedures](#):

- [Procurement](#): rules are now clearer and more flexible, particularly in crises. Changes include lighter evidence requirements, easier contract modifications, and negotiated procedures without prior publication. EU Delegations and EP offices abroad benefit from adjusted thresholds, market access criteria, and simpler offer submission. Rules are also aligned with other EU directives, while supporting green procurement, transparency, and multiple sourcing strategies.
- [Grants](#): “very low value grants” (under EUR 15.000) no longer require financial checks or declarations of honour. Financial checks can also be waived for non-lead consortium partners based on risk assessment.

Stress-testing

As far as budget-related legislation is concerned, the impact assessment supporting the proposal for a regulation establishing the budget expenditure tracking and performance framework for the 2028-2034 MFF assessed the implementation of performance provisions across most EU budget programmes, building upon relevant evaluations such as RRF and InvestEU. It identified three major issues in the 2021-2027 MFF legal framework contributing to complexity and administrative burden for Member States, implementing partners, and beneficiaries of EU funding:

- Insufficient flexibility and excessive complexity in the provisions related to programming and the integration of horizontal priorities
- Inconsistency and complexity in the requirements for monitoring performance information
- Fragmentation and duplication in the reporting of performance information and funding opportunities

The key insights from the impact assessment exercise provided essential guidance for developing the set-up for the post-2027 MFF proposals, ensuring a robust response to the identified challenges. In case of further developments or arising needs, the Commission will have the possibility to amend e.g. the list of intervention fields and performance indicators by means of a delegated act, as relevant.

In the remit of the European Anti-Fraud Office (OLAF), Regulation (EU, Euratom) No 883/2013 is the centrepiece of the Office’s legal framework and has therefore been prioritised in the stress-testing exercise.

In 2024, OLAF launched an [evaluation of the Regulation](#) as provided for in its Article 19(1). The purpose of this evaluation is to assess whether the Regulation is still fit for purpose and working as intended, with a focus on the cooperation between OLAF and the EPPO and on the latest amendments to the Regulation effective as of 2021. Based on the evaluation and considering a more comprehensive review of the EU antifraud architecture concerning also the EPPO Regulation and further relevant pieces of legislation, the Commission will decide whether to propose further amendments to Regulation. (EU, Euratom) No 883/2013. OLAF is also in the process of establishing the Multiannual Stress Testing Plan.

Screening of delegated and implementing acts

With a view to limiting regulatory complexity and potential costs for stakeholders, Commission departments are screening their acquis regarding empowerments to adopt delegated and implementing acts.

In the areas of OLAF’s competence, the Commission is empowered to adopt delegated and/or implementing acts concerning:

- Mutual administrative assistance in customs and agricultural matters under Regulation (EC) No 515/97;
- The Union Anti-Fraud Programme managed by OLAF under Regulation (EU) 2021/785;
- Irregularity reporting in the framework of various spending programmes managed by other Commission departments.

As a result of the screening, all four relevant empowerments will not be used, and delegated or implementing acts will not be amended in 2025 or 2026, i.e. four acts are de-prioritised, none is prioritised.

B. Implementation

I have undertaken numerous [visits and dialogues](#) with various stakeholders across Member States, gathering key insights that have informed the overall direction and priorities of the post-2027 MFF proposal.

A central theme of these discussions has been the urgent need to simplify complex funding procedures, especially in relation to the Common Agricultural Policy and defence programs, to ease administrative burdens and improve transparency. There is a broad consensus on the necessity for more flexible regulations that cater to national and sector-specific requirements, particularly benefiting small and medium-sized enterprises (SMEs). Furthermore, stakeholders highlighted the need to reduce regulatory overlap and enhance legal coherence to make navigating the EU funding landscape more straightforward.

Meanwhile, DG BUDG has continued to support the implementation of various measures aimed at simplifying financial management and facilitating access to information on funding opportunities under the current Union budget. For example, DG BUDG has continued to enhance the [Strategic Technologies for Europe Platform \(STEP\) Portal](#), a website designed to integrate information on all relevant EU funding opportunities for STEP projects, initially launched in April 2024. This website addresses the challenges identified by project promoters, particularly SMEs, in navigating the fragmented landscape of funding opportunities offered by multiple EU programmes and advertised on numerous EU and national websites. The STEP Portal centralizes data previously available on 400 other websites, thus facilitating access to information for project promoters interested in EU funding opportunities. The portal's information is gradually adapted further, based on user feedback. It now provides interactive maps of the resources redirected to STEP objectives in the Member States and an increasingly user-friendly dashboard to identify relevant funding opportunities based on key characteristics of the project to be funded. It also provides interested project promoters a link to contact the relevant STEP national contact points for further follow-up.

In its ongoing efforts to ensure proportionate rules for obtaining necessary information from implementing partners, DG BUDG has continued its dialogues with key stakeholders throughout the reference period from 1 January to 31 July 2025 and has implemented the following simplification procedures:

- The cash-based reporting for blending mandates managed by the European Investment Bank (EIB) has been optimized starting with the financial year 2024. 60 individual audited statements of expenditure have been consolidated into a single combined audited report. This project maintains the same level of detail while significantly reducing administrative burdens, and it is anticipated to lower audit fees in the future.
- Similarly, for budgetary guarantees managed by the International Finance Corporation under the Neighbourhood, Development and International Cooperation Instrument and the Ukraine Guarantee, financial statements for different contracts have been combined. This enables a single audit approach, thereby reducing audit fees.
- The Commission is also working with the EIB to simplify assurance reporting by replacing individual management declarations and audit conclusions (or opinions) required by the Financial Regulation with a single global management declaration and audit conclusions covering all the mandates between the EIB and the Commission. Implementation is foreseen for 2026.

In the antifraud domain, OLAF provides ample implementation support to Member States and candidate countries.

Regulation (EU, Euratom) No 883/2013:

Under Article 7(3a) of the Regulation, Member States have the obligation to provide OLAF, upon request and under the conditions stipulated in that provision, with information on bank accounts and records of banking transactions. The provision was introduced by the latest revision of the OLAF Regulation through Regulation (EU, Euratom) 2020/2223, which entered into force more than four and a half years ago, i.e. on 17 January 2021.

Since 2022, OLAF has been in communication with Member States on the notification of competent authorities and on the modalities of implementing Article 7(3a) of the Regulation. The 27th notification of a competent authority was received in July 2025. As regards the modalities of implementation, OLAF advised numerous Member States on the scope and direct effect of the provision. On a conference with Member States' Anti-Fraud Coordination Services, OLAF organised a workshop dedicated to the provision.

C. Enforcement

DG BUDG continues to analyze the rule of law landscape across all EU Member States under [Regulation 2020/2092](#) (Conditionality Regulation). Within this framework, and following a Commission proposal, the Council adopted [Decision \(EU\) 2022/2506](#) in December 2022. This Decision includes various measures designed to protect the Union's financial interests from breaches of principles of the rule of law in Hungary. Following a notification by Hungary, on 16 December 2024, the Commission adopted a [decision](#) regarding Hungary under the Conditionality Regulation, which found that the notified legislative amendments did not adequately address the outstanding concerns on conflicts of interest in the boards of Public Interest Trusts (PITs.) On that basis, the Commission concluded that the measure on PITs and entities maintained by them should remain in place and therefore did not propose any lifting or adaptation to the Council. The Commission clearly outlined the adaptations that would be needed to sufficiently remedy the situation. On 26 February 2025, the Hungarian government filed an [action before the General Court of the European Union](#) to seek the annulment of the Commission's Decision of 16 December 2024. The Commission stands by its assessment and filed its defence on 13 May 2025. The case is pending.

Complaints are also a valuable source of information for the Commission under the Conditionality Regulation; a dedicated complaint form is available on the [Commission's website](#). The Commission has received and analysed several formal complaints or letters from citizens and organisations and takes them into account in its monitoring of the situation in all Member States.

In parallel, DG BUDG progressed on [infringement procedures](#) to make sure that Member States respect their financial obligations towards the EU budget, thereby ensuring that the EU has the necessary resources to pursue its policy objectives. When a Member State does not comply with [own resources legislation](#) and does not make the required resources available, DG BUDG proposes to launch an infringement procedure. Thanks to the Commission's inspection efforts and close cooperation between Member States and the Commission in reporting and monitoring own resources, most issues are resolved before reaching the Court.

These cases typically relate to customs duties (traditional own resources) and are initiated following controls and inspections, sometimes prompted by an OLAF investigation. Infringements may also concern [value-added tax](#), [gross national income](#), or [plastic packaging waste own resource](#). In the last months of 2024, two infringement cases were closed, following payment of all outstanding amounts by [Belgium](#) and [Romania](#). In March 2025, another case was closed, following payment of all outstanding amounts by [Slovakia](#). Currently, four cases are still open, with two cases nearing closure.

In the antifraud domain, enforcement measures equally prove necessary sometimes to protect the EU's financial interests.

Regulation (EU, Euratom) No 883/2013:

In July 2025, at OLAF's initiative, the Commission addressed a letter of formal notice to [Ireland](#), which had not yet notified a competent authority for the purposes of Article 7(3a) of the Regulation regarding OLAF requests for information on bank accounts and records of banking transactions. Ireland's notification was received in July 2025; consequently, the infringement proceedings in that case will now be closed. This also brings successful closure to OLAF's drive to collect notifications from all the Member States.

Equally in July 2025, OLAF initiated pre-infringement dialogues with two Member States regarding the modalities of the application of Article 7(3a) of the Regulation; pre-infringement dialogues with three other Member States will follow shortly. OLAF will continue to monitor whether further informal dialogues should be opened with other Member States and will then assess whether further steps are needed.

4. Way forward

In the coming 12 months, key efforts will target further simplification, more effective implementation, and robust enforcement of EU law and policies:

- **Tour d'Europe:** I will continue travelling across the EU to engage with decision-makers, regions, citizens, businesses, and other stakeholders on budget priorities, with visits to multiple EU-funded projects in diverse fields such as education, research, defence, agriculture, and beyond.
- **Implementation Dialogue on the Anti-Fraud Architecture:** Efforts will focus on how strengthening European competitiveness can be achieved while safeguarding EU funds by engaging stakeholders to improve the effectiveness of anti-fraud measures, facilitate the implementation of EU policies, and simplify related rules and spending programs.
- **MFF Package simplification:** I will continue explaining and defending the benefits from the various simplification measures proposed for recipients, collaborating with EU institutions and partners in the negotiations on the future MFF legal acts.
- **Enforcement and oversight:** Supervision of Member States on rule of law and conditionality will continue as will infringement procedures where necessary, alongside ongoing engagement with stakeholders to identify additional simplification opportunities.

Annex: examples

1. Streamlined Performance Indicators – reducing reporting burden

Under the 2021–2027 MFF, different EU programmes measured similar outcomes using distinct indicators, imposing administrative burdens for beneficiaries and preventing results aggregation. For example:

- Connectivity was tracked differently across programmes:
 - **RRF:** “additional dwellings with internet access provided via very high-capacity networks”
 - **CEF:** “new connections to high-capacity networks for socio-economic drivers and high-quality connections for recent European local communities”
 - **InvestEU:** “additional households, enterprises or public facilities that obtained access to high-speed internet”

For companies and citizens, this meant multiple, overlapping reporting requirements and no clear view of overall EU progress.

With the proposed performance regulation for the 2028–2034 MFF, this is simplified through a single indicator: “number of additional premises connected to gigabit networks – by dwellings and enterprises.” Across all programmes, the Commission proposes to reduce the total number of performance indicators from over 5,000 to around 900, enabling easier aggregation, clearer monitoring, and reduced administrative work for businesses and local authorities.

Impact: SMEs and local authorities would have fewer reporting obligations, saving time and resources while gaining a clearer understanding of EU-funded outcomes in connectivity and other sectors.

2. Single Gateway Portal – improving access to funding

Information about EU funding opportunities is currently fragmented across numerous portals due to limited interoperability of databases across EU funds. For example, many programmes—both in direct and indirect management—provide information via the Funding & Tender Portal. Additional portals include:

- **InvestEU funding by EIB:** <https://engage.eif.org/investeu/guarantees>
- **EU Rural toolkit:** <https://funding.rural-vision.europa.eu/finder?lng=en>
- **Batteries one-stop-shop:** <https://www.eba250.com/one-stop-shop/>
- **National or regional authorities for CF/ERDF funds websites**

As a result, project promoters cannot easily gain an overview of funding opportunities available in their region or sector. This lack of visibility generates confusion, undermines transparency and reduces beneficiaries’ ability – including local organizations and SMEs – to identify suitable funding sources and access financing under the EU budget.

The 2028–2034 MFF will transition from the current fragmented system of multiple portals to a unified, single portal that centralises all EU funding opportunities and calls, following the approach used with the Strategic Technologies for Europe Platform (STEP) portal.

This centralised system will address many of the shortcomings identified in the current set up, such as the complexity of navigating multiple portals, lack of interoperability, and unequal access to funding information, particularly for SMEs and small organisations. The new portal would consolidate the data from all current portals into a single, unified database, integrating funding opportunities from the various EU funding programmes and across management modes.