



2026 **ANNUAL PROGRESS REPORT**

Simplification, Implementation & Enforcement

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1. Introduction

As set out in the [Commission's Communication on Implementation and Simplification](#), each Commissioner is to present an annual progress report on activities undertaken within this framework.

As Commissioner for Budget, Anti-Fraud and Public Administration, I am responsible for supporting the President of the Commission in preparing and negotiating the next long-term EU budget and facilitating a smooth transition from the current budget to the next one.

My portfolio also includes protecting the EU budget by combating fraud and ensuring effective implementation of the Conditionality Regulation and cooperation with the European Public Prosecutor's Office, as well as reviewing the EU's anti-fraud architecture.

I am also responsible for ensuring that Europe can draw on a modern, efficient public administration to deliver on our political priorities and make a difference for Europeans in their everyday life.

This report covers activities under my responsibility in the period from 1 August 2025 to 31 July 2026.

2. Executive Summary

Work on simplification, implementation and enforcement continues apace. The package of proposals for funding programmes for the next [Multiannual Financial Framework](#) contains major steps for simplification and better implementation as well as strong protection of the Union budget.

Stakeholder engagement remains central to the simplification approach. My dialogue with stakeholders across Member States during the [Tour d'Europe](#) has underlined the need for a strong, forward-looking EU budget that combines sufficient investment capacity with the flexibility to respond to evolving challenges, while strengthening Europe's resilience and long-term strategic objectives. In the same vein, the [Implementation Dialogue on the Strategic Technologies for Europe Platform \(STEP\)](#) confirmed broad support for its role in improving access to EU funding, while also identifying persistent operational challenges that continue to affect implementation on the ground.

At the same time, protecting the Union's financial interests remains a core priority. The continued application of the [Conditionality Regulation](#) ensures that EU funds are safeguarded in cases of rule-of-law breaches, while infringement procedures remain an essential instrument to ensure that Member States comply with their financial obligations and to protect the integrity of the EU budget. The [Europa webpage](#) on infringement cases, pre-infringement dialogues and transposition of directives provides up-to-date statistical information on the Commission's enforcement activities and Member States' compliance with EU law, including trends per policy area, topic and Member State.

Finally, work is advancing on the review of the EU anti-fraud architecture, launched through the [2025 White Paper on the Anti-fraud Architecture Review](#), with the objective of strengthening coherence, improving coordination among key actors, reducing overlaps, and reinforcing the effective protection of the Union's financial interests. My dialogue with civil society and academia during the [Implementation Dialogue on the review of the EU anti-fraud architecture](#), was an enriching discussion with strong engagement to explore ways to strengthen prevention, detection, investigation and financial recovery.

In the field of anti-fraud policy, a major part of the stress-testing of [Regulation \(EU, Euratom\) No 883/2013](#) (OLAF Regulation), providing the legal framework for OLAF, has been completed, and its findings will contribute to the ongoing Anti-fraud Architecture Review. An impact assessment is also under way alongside reviews of [Council Regulation \(EU\) 2017/1939](#) (the EPPO Regulation) and [Directive \(EU\) 2017/1371](#) (the PIF Directive). Results of the review including a possible revision can be expected by the end of 2026. Furthermore, during the reporting period, OLAF continued to work closely with Member States to support and monitor implementation of the OLAF acquis, particularly on notification obligations under Article 11(2) and requests for bank account and transaction information under Article 7(3a) of the OLAF Regulation.

3. Delivering Results: Key Measures

A. Simplification and costs savings

In the area of eProcurement, several measures have been introduced to simplify procedures and reduce administrative burden for both contracting authorities and contractors. These include automatically updating contractor information across framework contracts, simplifying tender opening procedures through greater use of automated checks in the eSubmission module, and improving the integration between eProcurement and SUMMA to reduce administrative steps and make workflows more efficient.

In parallel, the Commission's stress testing exercise and broader simplification agenda have led to a review of the legislative acquis within my portfolio with a view to identifying proposals that have become obsolete, are no longer aligned with current policy priorities, or could be streamlined. This contribution supports the Commission's objective of maintaining a clear, coherent and up-to-date acquis.

The proposed simplification and the reduction in the number of programmes in the next Multiannual Financial Framework (MFF) proposals are expected to lead to efficiency gains, both for beneficiaries and implementing partners.

Simplification is also embedded in several sectoral proposals. For example, the [Common Agricultural Policy](#) would streamline payment procedures; the National and Regional Partnership Plans would reduce data collection and reporting requirements; indirect management programmes would make greater use of existing assessments of implementing partners, thereby avoiding duplication; and the [European Competitiveness Fund](#) would simplify financial reporting through wider use of simplified funding forms, promote synergies across programmes to reduce double reporting and eligibility conflicts, and facilitate faster project implementation through targeted derogations from certain Union rules.

Moreover, the proposed [performance framework](#) will represent a major simplification effort reducing the administrative burdens associated with monitoring and reporting across funding programmes. It introduces common provisions and a unified methodology for tracking key policy objectives, reduces the number of performance indicators from around 5,000 to approximately 900, replaces 32 programme-specific performance reports with a single Annual Management and Performance Report, and establishes a Single Gateway Portal bringing together more than 30 existing portals and dashboards into one entry point for EU funding information.

In the area of anti-fraud, OLAF has finalised the establishment of its Multiannual Stress Testing Plan, which sets out the legislative instruments to be reviewed in the coming years. The OLAF Regulation and the PIF Directive are at the top of the list. OLAF is already executing the plan by evaluating both legal instruments. With the completion of the evaluation of the OLAF Regulation, a core initiative included in the Commission Work Programme 2026, the stress-testing has already reached a key milestone. This evaluation confirmed OLAF's overall effectiveness and efficiency, while also identifying areas for improvement, in particular as regards cooperation with the EPPO. The evaluation of the PIF Directive is ongoing. The stress-testing continues under the Anti-Fraud Architecture review building on the findings of the evaluation by carrying out a joint impact assessment of the OLAF Regulation, the EPPO Regulation and the PIF Directive. The aim is to ensure that the legal framework remains fit for purpose and able to achieve its objectives in the most efficient while exploring potential for simplification.

More than five years have elapsed since the transposition deadline of the PIF Directive expired. Therefore, the Commission has launched the evaluation of the Directive to assess whether it is still fit for purpose and coherent with other EU legislation. The evaluation will provide valuable insights for the review of the anti-fraud architecture. In parallel, the Commission is preparing the third implementation report focusing on the impact of national law transposing the Directive on the prevention of fraud related to the Union's financial interests as requested by Article 18(3) of the Directive.

B. Implementation

On 24 March 2026, I held an [Implementation dialogue](#) on the [Strategic Technologies for Europe Platform \(STEP\)](#), marking the [second anniversary of the platform](#).

The dialogue brought together a diverse and well-balanced [group of stakeholders](#) from across various Member States, providing an opportunity for participants to share their practical experience with STEP, identify implementation challenges, and propose ways to improve the effectiveness of EU funding instruments in support of European competitiveness. This implementation dialogue confirmed that the Commission proposals for the next MFF and in particular the proposal for European Competitiveness Fund fully delivers both on maintaining the positive aspects of STEP and responding to areas for further improvement identified.

There was broad support for STEP and the efforts to simplify access to EU funding. However, the impact of STEP is perceived to be constrained by the fact that it operates through existing EU funding programmes, which retain their respective rules and limitations.

Additional insights point to the lengthy funding timelines, insufficient funding for large-scale industrial projects and complex application procedures. In addition, there is a need for stronger Member State and regional support, including through EU-funded national envelopes, for projects awarded the STEP Seal.

Participants stressed the need for a more comprehensive financial and non-financial support throughout the entire innovation journey, with EU funding placing greater focus on policy outcomes rather than prescriptive solutions. They also called for stronger links with private investment and National Promotional Banks, as well as for stronger and more predictable European demand, including through public procurement.

The STEP Seal, awarded to over [700 projects](#), was widely recognised as a valuable quality label, helping to identify projects with high innovation potential and a strong contribution to reducing Europe's strategic dependencies. Some examples of the projects with a STEP Seal include OpenEuroLLM, A European Family of Large Language Models funded by the Digital Europe Programme; PUMA, Europe's Space Microelectronics, funded by Horizon Europe; or RoboPharma, Agile Pharmaceutical Manufacturing, funded under the EU4Health programme. Likewise, the STEP Portal was praised as an effective one-stop shop for funding opportunities, guidance and technical assistance provided by the Commission's STEP team.

At the same time, engagement with Member States continued through the [Implementation Dialogue of the Tour d'Europe](#). Between September 2025 and May 2026, I continued my visits to Member States, travelling to Cyprus, Estonia, Lithuania, Greece, Portugal, Hungary, Slovakia, Ireland, Czechia and Latvia (Tours 9 to 16).

The visits extended beyond national capitals to regions and cities across Member States, reflecting my commitment to engage directly with stakeholders at different levels. Throughout these missions, I met with Heads of State and Government, members of national parliaments, business organisations, national promotional and central banks, researchers, academics, students, innovators, representatives of the agricultural sector, beneficiaries of EU funding, and many other stakeholders.

Following the presentation of the Commission's proposal for the next MFF, these visits and implementation dialogues provided an opportunity to explain the proposal in detail, clarify its objectives, answer stakeholders' questions and gather feedback on national priorities and concerns. The discussions provided valuable input to the ongoing negotiations on the next MFF by improving the Commission's understanding of Member States' priorities and identifying areas where further clarification or engagement was needed. They also strengthened stakeholders' understanding of the proposed next long-term budget architecture and its objectives, contributing to more informed discussions at national and European level.

A recurring message throughout these exchanges was the importance of reducing administrative burden and achieving genuine simplification, *inter alia* to facilitate access to funding, reduce the time it takes to decide on awards, avoid duplication in information and reporting requirements and streamline and clarify applicable rules. Stakeholders also emphasised the need for ensuring that the next MFF remains closely aligned with the Union's

policy priorities and for a strong, forward-looking budget that combines sufficient investment capacity with the flexibility to respond to evolving challenges, while strengthening Europe's resilience and long-term objectives. Several visits were particularly relevant in supporting the MFF negotiation process. The visit to Cyprus took place as the country was preparing to assume the rotating Presidency of the Council of the European Union in the first half of 2026. It provided an opportunity to present the Commission's proposal, discuss Cyprus' priorities and better understand the forthcoming Presidency's approach to the MFF negotiations. Similarly, the visit to Ireland took place ahead of its Presidency of the Council (July-December 2026), allowing for exchanges on the Presidency's role in facilitating negotiations. Irish representatives reaffirmed their intention to act as an honest broker during the negotiations.

The dialogues also provided an opportunity to showcase the tangible benefits of EU funding on the ground through projects in areas such as research and innovation, clean energy, transport and digital connectivity, education, and regional development. These examples illustrated the added value of the EU budget in delivering concrete results for citizens and businesses, while reinforcing support for the Union's common priorities.

In the anti-fraud domain, OLAF has been in active dialogue with Member States since July 2025 to achieve full compliance with the notification obligation established under Article 11(2) of the OLAF Regulation. This Article states that OLAF's final reports, together with all evidence in support and annexed thereto, must constitute admissible evidence in criminal proceedings of the Member State in which their use proves necessary, in the same way, under the same conditions and following the same rules and evidentiary value as those applicable to administrative reports drawn up by national administrative inspectors. To this effect, Member States must notify OLAF any relevant rules of national law. This obligation was introduced by the latest revision of the OLAF Regulation through [Regulation \(EU, Euratom\) 2020/2223](#), which entered into force on 17 January 2021, and which aimed to adapt OLAF to the establishment of the EPPO. The matter of admissibility of evidence in criminal proceedings is indeed particularly relevant in the context of the cooperation between OLAF and the EPPO.

On 10 November 2025, I held an [Implementation Dialogue on the review of the EU anti-fraud architecture](#) with civil society and academia. The discussion provided valuable input to the ongoing review, with participants' oral and written contributions informing the work of the cross-DG and Cross-AFA working groups.

C. Enforcement

DG BUDG continues to monitor 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. Since the elections of April 2026 in Hungary, it has been an utmost priority for the newly elected Hungarian government to unblock EU funds and resume full access to Erasmus+ and Horizon Europe. In spirit of sincere cooperation, the Commission has been exchanging with Hungary on the requirements to address the outstanding issues. On 29 May 2026, the President of the European Commission and the Hungarian Prime Minister announced that a robust architecture of reforms and investments had been agreed with a view to unblocking funds. The measures adopted by the Council remain in place pending a formal notification by Hungary of remedies to address the situation and the subsequent assessment by the Council, on a proposal by the Commission, of their adequacy.

In parallel, DG BUDG progressed on [infringement procedures](#) to ensure that Member States respect their financial obligations towards the EU budget, thereby safeguarding the Union's ability to deliver on its policy objectives. These cases typically relate to customs duties (traditional own resources) and are initiated following controls and inspections, sometimes prompted by an OLAF investigation.

In October 2025, two infringement cases were closed, following payment of all outstanding amounts by the [United Kingdom](#) and [Spain](#). Currently, there are two pending cases (for [Poland](#) and [Belgium](#)).

DG BUDG is also responsible for the financial follow-up of lump sums and periodic penalties imposed on Member States following Court rulings on breaches of EU law. In the absence of payment at the due date, DG BUDG is responsible for taking the appropriate recovery measures, mainly by sending a letter of formal notice including the claim for the late payment interest and, if this is not followed by the Member State, by executing the offsetting of the claim against a payment in favour of the Member State.

In the anti-fraud area, further enforcement measures were necessary to safeguard the Union's financial interests in relation to the OLAF Regulation: the Commission opened two infringement procedures in June and July 2026 respectively, by sending letters of formal notice to [Ireland](#) and [Cyprus](#) for failure to comply with their obligation established by Article 7(3a) of the OLAF Regulation. This Article introduces specific provisions to clarify the duty of Member States to assist OLAF and provide, upon request, bank account information and records of bank transactions. A pre-infringement dialogue with another Member State that had started in the previous reporting period, is ongoing at present to clarify certain elements with the Member State concerned. In addition, OLAF opened pre-infringement dialogues with four more Member States for the same reason of non-compliance with Article 7(3a) of the OLAF Regulation. One of these pre-infringement dialogues has already been successfully closed because the Member State resolved the issue.

As regards the notification obligation under Article 11(2) of the OLAF Regulation as of July 2025, most Member States have fulfilled it, several have yet to provide satisfactory information. OLAF continues to monitor the compliance of the national legal frameworks with the provisions set out in the OLAF Regulation and is in close contact with the remaining Member States to ensure the full implementation of the rules laid down in its Article 11(2).

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:

- **Simplification brought forward by the MFF proposals:** I will continue to explain and defend the benefits from the various simplification measures proposed for recipients, as well as collaborating with EU institutions and partners in the negotiations on the future MFF legal acts and remain attentive to support further facilitation and burden reduction for management authorities and end beneficiaries which co-legislators may suggest exploring during the legislative process.
- **Enforcement and oversight:** Supervision of Member States on rule of law and conditionality will continue as will infringement procedures. Actions will in particular concern the anti-fraud area where necessary to safeguard the financial interests of the Union alongside ongoing engagement with stakeholders to identify additional simplification opportunities. In this context OLAF will closely monitor the need to initiate additional pre-infringement dialogues and infringement procedures with other Member States to protect the financial interests of the Union.

The [Europa webpage](#) on infringement cases, pre-infringement dialogues and transposition of directives provides up-to-date statistical information on the Commission's enforcement activities and Member States' compliance with EU law, including trends per policy area, topic and Member State.

- **Anti-Fraud Architecture:** As part of the Commission's broader efforts to simplify and strengthen the protection of the Union budget, work will continue following the publication of the [2025 White Paper for the Anti-fraud Architecture Review](#) (COM(2025) 546).

In this context, a comprehensive consultation is underway with the main actors involved in protecting the Union's financial interests, including OLAF, the European Public Prosecutor's Office (EPPO), Europol, Eurojust and the Anti-Money Laundering Authority (AMLA). The review aims to improve the effectiveness and coherence of the EU anti-fraud framework by clarifying responsibilities, reducing overlaps, strengthening cooperation and information sharing, and ensuring a more efficient use of financial and human resources.

The outcome of the review will be presented in a Commission Communication, planned for the end of 2026, and may, where appropriate, be accompanied by legislative proposals to further streamline and reinforce the Union's anti-fraud architecture.

Annex: examples

The measures presented below illustrate how simplification can be achieved in practice through greater use of digitalisation, automation and improved integration of existing systems and processes. While addressing specific steps of the eProcurement process, these measures broadly contribute to more streamlined, consistent and efficient implementation by reducing manual intervention, limiting the risk of errors and avoiding unnecessary procedural steps:

- **Automatic updates of contractors' legal data:** Changes to a contractor's legal information (e.g. address, name or legal form) are automatically applied to all framework contracts managed in eProcurement, eliminating the need for individual contract amendments.
- **Simplified opening committee procedures:** The opening procedure has been streamlined, as the eSubmission module automatically performs the necessary checks and prevents the submission of late tenders.
- **Improved integration between eProcurement and SUMMA:** Continuous improvements in system integration have reduced administrative steps, including fewer clicks required by the Authorising Officer by Delegation (AOD) to complete signature procedures across eProcurement and SUMMA.