



2026 **ANNUAL PROGRESS REPORT**

Simplification, Implementation & Enforcement

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1. Introduction

This report covers progress on simplification, implementation and enforcement made in the field of startups, research and innovation during the period between 1 August 2025 and 31 July 2026, in line with the Commission's broader drive for a simpler and faster Europe.

Europe's competitiveness depends not only on its capacity to lead the transition to a clean and digital economy, but also on our ability to simplify rules and improve implementation so that research and innovation can deliver faster and more visibility on the ground.

Placing research, innovation, science and technology at the heart of Europe's future means creating the right conditions for basic research, applied innovation, startups and scaleups to grow, while reducing administrative burdens, removing regulatory obstacles and making EU policies work better in practice.

As European Commissioner for Startups, Research and Innovation, my aim is to foster investment and cooperation, creating the right conditions for researchers and businesses to thrive and for innovation to develop, which is crucial for pursuing the EU's competitiveness, security and sustainability goals. This portfolio contributes significantly to the Commission's overall objective of reducing administrative burdens for businesses by at least 25%, and by 35% for SMEs, through streamlined rules, simplified cost options and faster access to EU funding.

2. Executive Summary

Over the reporting period, substantial progress was delivered on the Commission's simplification and implementation agenda across the research, innovation and startup portfolio.

- **Simplification in R&I funding.** The single most structurally significant change is the expansion of lump sum funding to 50% of the Horizon Europe call budget in 2026, eliminating financial reporting obligations for approximately half of all beneficiaries and reducing their administrative costs by an estimated 14-30%. The [2026–2027 Work Programme](#) is 33% shorter than its predecessor with fewer topics, streamlined proposal templates and reduced page limits, and is a direct outcome of the Implementation Dialogue held in September 2025. The [EIC 2026 Work Programme](#) introduced stage funding pilots, integrated technical due diligence and faster time-to-investment for deep tech SMEs.
- **Scaling European innovation.** The [Scaleup Europe Fund](#) launched in June 2026 aligns with the Commission's simplification agenda. By offering streamlined rules and faster access to funding, it cuts administrative burdens allowing Europe's most promising tech scaleups to focus on scaling and innovation.
- **Legislative simplification.** Major legislative reform and new Acts advance the simplification agenda. The [Adoption of the reform of the Research Fund for Coal and Steel - Research and innovation](#) in June 2026, simplifies the legal framework, aligns funding rates with Horizon Europe, and reduces unnecessary complexity to support Europe's industrial leadership in steel decarbonisation. The European Innovation Act, adopted on 9 September 2026, is intended to streamline Europe's innovation landscape by reducing fragmentation, improving regulatory coherence and making it easier for innovators to move from idea to market. By lowering administrative complexity and supporting faster scaling across the Single Market, it should help create a more innovation-friendly environment for researchers, start-ups and innovators. The forthcoming Advanced Materials Act will take the form of a proposal for a Council Recommendation and aims at establishing a strategic framework for advanced materials that is crucial for industrial leadership, strategic autonomy and competitiveness in the EU. It will simplify advanced materials innovation through shared digital tools, AI-enabled labs and better support for testing and scale-up, enabling flexibility in a fast-moving technology field so Europe can move faster from scientific discovery to industrial leadership.
- The Joint Research Centre supported **simplification across a broad range of policy areas** by providing the scientific evidence, technical expertise and analytical tools underpinning major legislative initiatives. This included harmonising carbon accounting and sustainability reporting methodologies across instruments such as the Carbon Border Adjustment Mechanism (CBAM), the Batteries Regulation, carbon footprint labelling initiatives and corporate sustainability reporting to improve consistency and reduce reporting burdens. The JRC also supported the Taxation Omnibus through expert macroeconomic impact analyses, contributed technical evidence to the Food and Feed Safety Simplification Omnibus, and

helped simplify the implementation of the Common Agricultural Policy by optimising the methodology for the annual quality assessment of the Integrated Administration and Control System (IACS), reducing field visits and cutting implementation costs by around 50% for Member States (*an average saving of EUR 3.85 million in 2026*).

- **Implementation and cross-cutting support.** Two implementation dialogues on Horizon Europe simplification (16 September 2025) and on attracting and retaining research talent (10 July 2026) generated substantive stakeholder input directly informing programme and policy design. Four Enhanced Dialogues with Member States and a reinforced Horizon Policy Support Facility strengthened national R&I implementation capacity.

3. Delivering Results: Key Measures

A. Simplification and costs savings

In 2026, DG RTD has pursued its efforts to simplify the implementation of Horizon Europe and to reduce administrative burden, notably for SMEs, thereby contributing to the Commission's objective of at least a 25 % reduction in administrative burden¹.

Building on the successful [Implementation Dialogues - Research and innovation - European Commission](#), on simplification in Horizon Europe, and the follow up [Reality Check](#) in September 2025, DG RTD is further enhancing accessibility and efficiency of EU R&I funding. Feedback collected from a wide range of stakeholders has guided the prioritisation and roll-out of selected simplification measures focusing on simpler application and grant management processes.

One of the most significant changes is the further expansion of **lump sum funding**. By eliminating the need to report actual costs, lump sums remove the main source of administrative burden and financial errors. In 2026, lump sums represent 50% of the overall Horizon Europe call budget (excluding Marie Skłodowska-Curie Actions calls and Joint Undertakings), including over 95% coverage in Pillar III primarily benefiting SMEs through the EIC and 52% in Pillar II, up from 38% in 2025. This eliminates financial reporting obligations for approximately half of all 2026 call beneficiaries, translating into an estimated 14–30% reduction in their administrative costs, as confirmed by the [Horizon Europe interim evaluation](#) of 30 April 2025.

Building on the September 2025 Implementation Dialogue and Reality Check (see Section B), the **2026–2027 Horizon Europe 'main' Work Programme** is 33% shorter than its predecessor, with fewer and more focused topics, streamlined proposal templates with simplified impact criteria and reduced page limits, and an expanded use of two-stage evaluations allowing applicants to submit a shorter proposal at first stage before preparing a full proposal only if selected. The Work Programme also reduces time-to-grant where applicable.

The **EIC 2026 Work Programme** introduced important simplification measures for SMEs: a streamlined evaluation process with more frequent batching of proposals, technical due diligence integrated at the application stage enabling faster investment decisions, reuse of applications from short to full stage, and a pilot on stage funding inspired by ARPA (Advanced Research Project Agencies, i.e. the U.S. government agency) principles, allowing projects to progress through successive phases based on predefined milestones.

The Client Centricity Programme remains a key tool for improving the experience of EU funding applicants and beneficiaries. In September 2025, the mobile application was launched: [EU funding & me](#) is designed to simplify access to EU funding information for a wide range of stakeholders, including public administrations, businesses, researchers, and other organizations seeking EU support. Fully synchronized with the **EU Funding & Tenders Portal**, (the Commission's central entry point to directly managed funding programmes, with up to 70 million visits annually), the app ensures users receive up-to-date, trusted information in a mobile-friendly format. The Portal continues to serve as the single gateway to over 40 direct funding programmes in the current MFF.

¹ https://commission.europa.eu/law/law-making-process/better-regulation/simplification-and-implementation/simplification_en

The **European Innovation Act** aims at creating an innovation-friendly environment for companies to grow in the EU, including by simplifying access to the pre-commercial public procurement market for startups and scaleups.

The **Advanced Materials Act**, to be tabled later this year under the form of a proposal for a Council Recommendation, is a key deliverable of the Competitiveness Compass and aims to provide a comprehensive framework to support the design, development and deployment of advanced materials in the EU. Its preparation has been supported by a public consultation and call for evidence, two targeted workshops with industry, researchers and policymakers, a reality check in March and a validation session in June 2026, and the deliberations of the Technology Council for Advanced Materials in April 2026. This work identified the main barriers holding Europe back, such as fragmented national ecosystems, suboptimal industry / academia cooperation, untapped potential of digitalisation and AI, complex certification requirements and lengthy standardisation timelines, emerging strategic dependencies, and major skills gaps.

The **revision of the Research Fund for Coal and Steel (RFCS)** legal framework, announced in the Steel and Metals Action Plan of March 2025 and adopted by the Council on 29 June 2026, delivers a clearer and more coherent framework. It increases annual allocations to up to EUR 120 million, aligns co-funding rates with Horizon Europe (up to 70% for industry participants and up to 100 % for SMEs and non-profit organisations), and introduces new rules applicable from 2027. It reduces the number of Legal Acts (two Council Decisions instead of three), repeals outdated provisions, and establishes less prescriptive research objectives enabling greater flexibility, thereby accelerating investments in the strategic steel sector.

The Commission Recommendation revising the **Safe and Sustainable by Design (SSbD)** chemicals and materials framework is also contributing to simplification by introducing simplified approaches for safety and sustainability assessments as starting points for informed decision-making. This voluntary tool is particularly beneficial for SMEs, startups and scaleups during early innovation stages, helping to reduce compliance costs and time-to-market.

The Joint Research Centre provides **science-based support to simplification** across a broad range of policy areas:

- Carbon accounting and sustainability reporting: Carbon accounting methodologies are being harmonised across legislative instruments (CBAM), the Batteries Regulation, carbon footprint labelling and corporate sustainability reporting to identify inconsistencies and reduce reporting burdens for industry. For CBAM specifically, the analytical foundation for calculating greenhouse gas emission intensities of imported goods (steel, fertilisers, aluminium, cement, hydrogen) has been developed and updated. Following the Omnibus package², companies may now use CBAM default values without having to justify their choice a direct reduction in administrative burden.
- Omnibus on Taxation³: Expert macroeconomic impact analyses were delivered to support the Taxation Omnibus, assessing the long-run effects of the withholding-tax exemption, immediate-expensing proposals for R&D assets and the safe-harbour measure.
- Food and Feed Safety Omnibus⁴: Technical information on costs and requirements for European Reference Laboratory accreditation was provided to underpin the simplification assessment.
- Common Agricultural Policy: The methodology for the annual quality assessment of the Integrated Administration and Control System (IACS) was optimised, reducing field visits by national administrations and delivering an overall cost reduction of approximately 50% for IACS; an average saving of EUR 3.85 million in 2026. A farming practices classification library (over 5,000 practices documented) also simplifies planning, reporting and assessment of CAP performance against environmental and climate objectives.
- INCITE: The Innovation Centre for Industrial Transformation and Emissions continue to gather information on innovative pollution-control solutions and evaluate their decarbonisation potential across the EU.

² Regulation (EU) 2025/2083 of the European Parliament and of the Council of 8 October 2025 amending Regulation (EU) 2023/956 as regards simplifying and strengthening the carbon border adjustment mechanism, OJ L, 2025/2083, 17.10.2025.

³ Please insert reference (to the adopted act when applicable)

⁴ idem

Stress-testing and reality checks

DG RTD validated and shared with the Secretariat-General a **multi-annual stress testing plan** covering key R&I policy area, as required by the Commissioner's mission letter. The plan was informed by a large-scale survey of 30,000 EU funding beneficiaries conducted at the end of 2024, generating evidence on implementation pain points across direct EU funding programmes.

During the reporting period, two main stress testing exercises were conducted or concluded. First, the **Research Fund for Coal and Steel (RFCS)**: a thorough screening of its legal basis, three Council Decisions covering funding rules, governance and eligibility, revealed significant alignment gaps with the Horizon Europe framework, including divergent funding rates, overly prescriptive research objectives and unnecessarily complex legal architecture. Stakeholder consultations with the steel and coal industry (EUROFER/ESTEP, EURACOAL), expert advisory groups and the COSCO Committee confirmed that these regulatory constraints were impeding timely investment in the sectors' green transition. This stress test directly fed into the RFCS revision proposed by the Commission on 8 December 2025 and adopted by the Council on 29 June 2026, delivering a materially simpler and more flexible framework.

Advanced materials are essential for Europe's transition to a sustainable and competitive economy. Given the current geopolitical landscape, Europe needs to strengthen its research, innovation and production capacities and accelerate their uptake in Europe. The proposal for a Council recommendation on Advanced Materials will put forward measures to achieve open strategic autonomy on advanced materials, contributing to reducing dependencies on critical resources, and to enhance European competitiveness. Its preparation drew on a public consultation and call for evidence, a reality check workshop (March 2026), a validation workshop (June 2026) and the work of the Technology Council for Advanced Materials (April 2026). Ensuring coherence with existing and proposed legislation, including the European Innovation Act, the Industrial Accelerator Act and the Biotech Act, has been a key design principle throughout.

In November 2025, DG RTD conducted a **reality check on Social Sciences and Humanities (SSH) integration** in Horizon Europe. The event gathered project coordinators and beneficiaries of Horizon Europe funded projects, National Contact Points, Program Committee Members, evaluators of projects, and various stakeholders. In addition to showing how essential SSH is to excellent science and societal impact, the event identified success factors, bottlenecks and simplification potential in the non-financial obligation to integrate SSH. The results of the event will be used to improve the final years of Horizon Europe as well as the design of its successor programme.

Regarding the screening of empowerments for delegated and implementing acts for 2025–2026: following a thorough assessment, no acts were proposed for de-prioritisation, as they are all necessary for effective programme implementation. The screening letters were transmitted to the European Parliament committees and the Council formations accordingly.

Following the internal screening exercise of the *acquis* under my remit: no delegated acts are envisaged by the end of 2026. The Commission has planned to adopt implementing acts which are legally necessary for the implementation of the main instruments and programmes in research policy, such as work programmes and setting up European Research Infrastructures Consortia (ERICs). In addition, there is a series of recurrent financing decisions for the award of grants. All these acts are either indispensable or of quasi-automatic nature and do not entail burden for stakeholders.

B. Implementation and Enforcement⁵

The **implementation dialogue** on 16 September 2025⁶ during the R&I Days, focused on ["Making Horizon Europe smarter and simpler"](#). The dialogue gathered approximately 140 on-site and over 1,000 online participants from across the European R&I community, demonstrating the significance of the dialogue. It was structured around three key areas of the Horizon Europe client journey:

⁵ Enforcement of EU rules is mainly relevant for Executive Vice-Presidents and Commissioners responsible for legislative *acquis* in their portfolios. Since under this portfolio the legislation concerns mainly the EU's R&I programmes Horizon Europe, the Euratom Research and Training programme, the Institutionalised partnerships, Association agreements to Horizon Europe, Scientific and Technology cooperation agreements and Research Infrastructures, this section focuses on the implementation of relevant policies.

⁶ A first implementation dialogue took place on 25 April 2025 on Startups and Scaleups, reported on in the 2025 Annual Progress Report on Simplification, Implementation and Enforcement.

- Proposal submission. Participants urged the Commission to adopt a more bottom-up approach for programme design and to use less prescriptive calls. A common point was also the need for a shorter time-to-grant, even in two-stage calls. Concrete suggestions were shared on how to improve and redesign the excellence and impact section of the application form.
- Proposal evaluation. Feedback suggested a stronger focus on the selection of experts with interdisciplinary expertise, and on reducing the efforts needed for assessing sections not directly showcasing the quality of proposals. Participants also requested clearer and more actionable feedback from evaluators.
- Simplified cost options. The session was a fruitful exchange on the use of simplified cost options in Horizon Europe, and in particular lump sum funding. While participants shared diverging positions, there was also a sense of optimism among speakers about the direction taken to use more simplified cost options.

A follow-up [reality check on 23 September 2025](#) further examined operational aspects of proposal submission, evaluation and grant management through a virtual round table open to all researchers and innovators involved in Horizon Europe.

The input collected from both events directly informed the design of the 2026–2027 Horizon Europe Work Programme: 33% shorter, with expanded lump sum coverage, streamlined proposal templates, simplified impact criteria, reduced page limits and broader use of two-stage evaluations.

On **10 July 2026**, I organised an **implementation dialogue on attracting and retaining research talent in Europe**. Bringing together on site 25 representatives of researchers, universities, employers and trade unions, the dialogue identified implementation gaps in existing EU initiatives and explored what further measures are needed to attract, develop, retain and mobilise top research talent across academia, industry and the public sector. A second strand examined how to better align the supply of research talent with technological change, AI and evolving skills needs, while supporting transnational and intersectoral mobility. The outcomes fed into follow-up work under the ERA Policy Agenda and will inform the forthcoming ERA Act.

Support to implementation

The **Scaleup Europe Fund**, the largest pan-European fund for late-stage deep tech investment ever assembled, was publicly launched at the [EIC Summit on 3 June 2026](#). Targeting a total size of EUR 5 billion, anchored by a EUR 1 billion contribution from the European Commission (drawn from the EIC component of Horizon Europe), the Fund will make direct equity investments in European companies in strategic deep tech sectors AI, quantum, cleantech, biotech and space at the growth and scaleup stages. EQT was selected as fund manager following a competitive public call. Founding investors include Novo Holdings, EIFO, CriteriaCaixa, Santander/Mouro Capital, the Wallenberg Foundation, Fondazione Compagnia di San Paolo/Intesa Sanpaolo, ABP/APG and Allianz. First investments are expected in autumn 2026. The Fund directly addresses the structural gap in late-stage deep tech financing that has driven European companies to seek capital outside the EU.

The **EU Startup and Scaleup Strategy**, adopted on [28 May 2025](#), is advancing on multiple fronts. In November 2025, the proposal for a **European Business Wallet** was adopted by the College, aiming to provide all economic operators with a digital identity to enable secure, seamless data sharing across public administrations. In March 2026, the Commission adopted the proposal for **EU Inc.** the '28th Regime' providing a single, harmonised EU-wide corporate legal framework for startups and scaleups, enabling company establishment under a common set of rules across the Single Market.

The **second ERA Policy Agenda 2025–2027**, adopted in June 2025, is turning the ERA's long-term objectives into concrete actions through the ERA Forum expert group, bringing together Member States, Horizon Europe associated countries and stakeholder groups.

All **EU Missions** have made substantial progress and continue to contribute to the Commission's policy objectives. The missions combine research and innovation with policy, stakeholder engagement and practical implementation to accelerate progress towards clearly defined societal objectives. Where relevant, they also help prepare effective solutions and approaches for wider uptake with support from complementary EU, national and private instruments

The **Enhanced Dialogues** have continued to provide the framework for strategic bilateral exchanges. During the reporting period, four Enhanced Dialogues took place with Finland, Spain, Ireland and Germany focusing on better coordination of EU and national R&I policies and investments.

The **Horizon Policy Support Facility (PSF)** has continued to provide national policymakers with independent expertise for R&I policy reform. A new framework contract was established in June 2026, with preparatory steps taken for three multi-country Mutual Learning Exercises to be launched in the second half of 2026 on R&I policies for the clean energy transition, equity in Open Science, and advancing the circular economy through R&I alongside country-specific projects, including support to Portugal on research and technology infrastructures.

In co-lead with DG BUDG, the **Common Implementation Centre (CIC)** is advancing the establishment of the Single Gateway to EU budget and funding services, as provided for in the Commission's [Performance Regulation proposal](#) of 16 July 2025 for the next MFF (2028–2034). This will create a unified portal consolidating budget dashboards, beneficiaries' data, calls for proposals and tenders, and advisory services across all EU funding programmes direct, shared and indirect management alike. The CIC is working in close coordination with all relevant DGs and corporate IT governance to deliver this integration. DG RTD is also contributing to the Cost-Benefit Analysis for direct programme implementation 2028–2034.

The JRC continues to support the **implementation and extension of CBAM** as it moves into its fully operational phase: updating and improving the methodology for calculating embedded emissions, preparing the 2027 update of CBAM default values, supporting the extension of scope to downstream products to reduce circumvention risk, and delivering reliable default emission values where precise data are unavailable.

4. Way forward

Over the next twelve months, we will continue with simplification efforts and strengthen implementation support for Member States and stakeholders:

- As announced in the Competitiveness Compass and the 'One Europe, One Market' Roadmap, the Commission is preparing a legislative proposal for a **European Research Area (ERA) Act**, currently targeted for adoption in October 2026. The proposal aims to simplify cross-border R&I and support more consistent implementation across the ERA by reducing legal and administrative barriers to the free circulation of researchers and knowledge, providing greater legal clarity and consistency where voluntary approaches have reached their limits, and reinforcing coordination and alignment between EU and national R&I priorities and investments. It will also seek to safeguard core values such as gender equality and freedom of scientific research more consistently across the EU.
- The **European Innovation Act**, adopted on 9 September 2026, has a strong simplification dimension with an innovation-friendly regulatory environment: creating a coordinated EU framework for regulatory sandboxes, simplifying access to pre-commercial public procurement for innovative companies, and reinforcing access to research and technology infrastructures for startups and scaleups.
- The EIC Work Programme 2027 will pursue further simplification measures and introduce **additional pilot actions** to pave the way for more ambitious reforms under the next Horizon Europe programme (2028–2034).
- A key simplification deliverable for the next MFF is the **Single Gateway to EU budget and funding services**, required by 1 January 2028 under the proposed Performance Regulation. The Single Gateway will consolidate the current fragmented landscape into a single, unified platform covering all EU budget management modes: direct, shared and indirect. DG RTD is also focusing on first level of consolidation of operational services to support beneficiaries for go-to-market activities.
- Since the adoption of the Council Recommendation on Research Security in May 2024, the Commission has actively supported Member States and the R&I sector in implementing research security frameworks. However, the publication by the Commission of the first edition of the biennial Research Security Monitor (February 2026) reveals significant disparities in policy maturity across and within Member States, highlighting the need for accelerated and coordinated action. As a consequence, Commissioner Zaharieva will hold an **implementation dialogue** in November 2026 on **“Open and Secure International R&I Collaboration: Bringing EU Research Security to the Next Level”**. This implementation dialogue will provide a high-level platform to assess the progress made so far, explore how to further support the R&I sector in implementing research security and discuss concrete measures to harmonise safeguarding practices, improve risk awareness, and foster a culture of security in the R&I ecosystem.

Annex: examples

The following three examples illustrate, in concrete terms, the improvements achieved for companies, administrations and citizens during the reporting period.

Lump sum funding: *Eliminating financial reporting for half of Horizon Europe beneficiaries.*

With 50% of the Horizon Europe call budget now using lump sum funding, financial reporting obligations have been eliminated for approximately half of all beneficiaries under the 2026 calls. There are no timesheets, no cost statements and no detailed financial audits for lump sum beneficiaries. The [Horizon Europe interim evaluation](#) (30 April 2025) confirmed that this saves beneficiaries between 14% and 30% of their administrative costs. Survey data confirm that SMEs (76% positive) and newcomers to the programme (82% positive) are the strongest supporters of this approach.

Common Agricultural Policy monitoring: *EUR 3.85 million in annual savings for national administrations.*

The JRC optimised the methodology for the annual quality assessment of the Integrated Administration and Control System (IACS) used by national paying agencies across Member States. By reducing the required number of on-site field visits, the redesigned methodology delivers an overall cost reduction of approximately 50% for IACS an average saving of EUR 3.85 million annually in 2026. In parallel, the JRC's farming practices classification library (over 5,000 practices documented) simplifies how national and EU administrations plan, report and assess CAP performance against environmental and climate objectives, reducing workload at both levels.

EIC Accelerator: faster time-to-investment for innovative SMEs

The EIC Accelerator 2026 introduced Technical Due Diligence experts as an integral part of the evaluation process expertise previously mobilised only after project selection. By anticipating technical validation and risk assessment at the application stage, this measure streamlines the transition from evaluation to investment, reduces duplication of assessments and accelerates decision-making. It provides applicants with greater clarity earlier in the process and supports a more seamless integration between the grant and equity components of the EIC Accelerator, ultimately reducing time-to-funding for innovative European SMEs.