



Expenditure tracking and performance framework

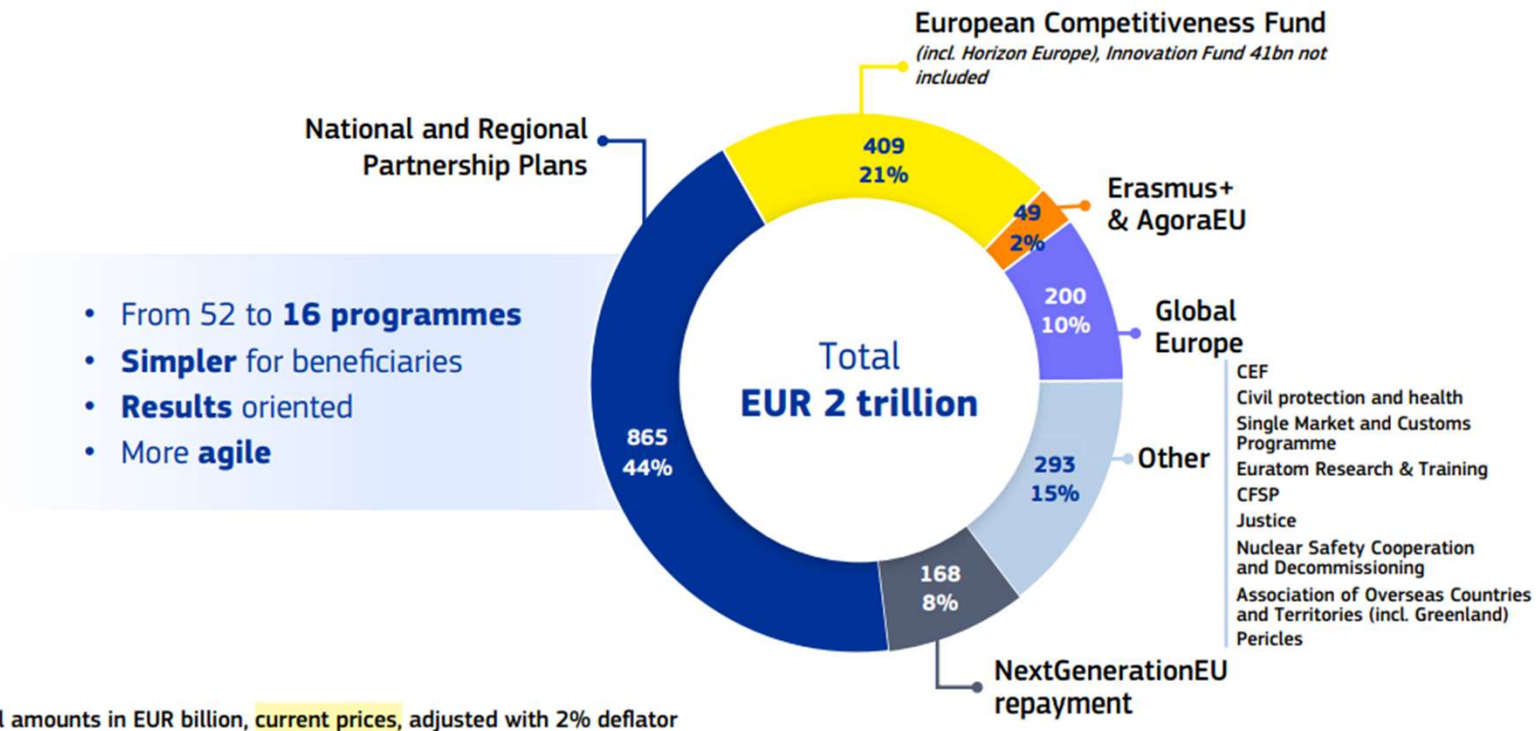
Multiannual Financial Framework 2028-2034

Outline

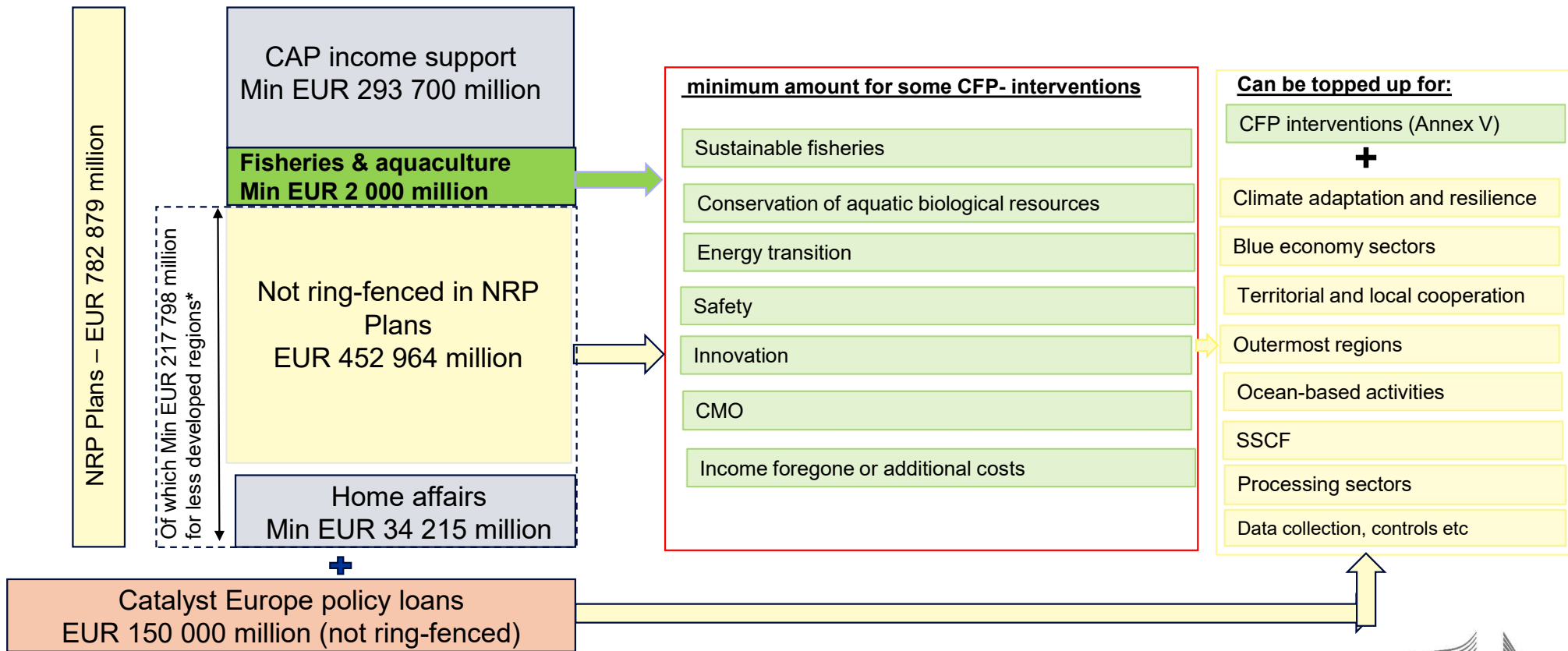
- MFF
- NRP (fisheries)
- MFF performance
- Horizontal principles: Environment, DNSH, Social, gender
- Tracking, monitoring, evaluating
- Single gateway



Multiannual Financial Framework (MFF)



Budgetary structure of the fisheries, aquaculture and ocean-related activities in the NRP Plan



* CAP and CFP interventions above the ringfenced amounts may be counted towards the earmarking for less developed regions provided they are for the benefit of those regions

In current prices



Proposal for Performance Regulation

NEXT MFF

EU budget

National and Regional
Partnership Plans

European
Competitiveness
Fund

Global
Europe

Other



Single system to track EU spending and results achieved, covering:

1. Horizontal principles

- Climate and environment
- Do no significant harm to environmental objectives
- Social policies
- Gender equality

2. Monitoring spending and results

- Expenditure tracking through intervention fields (types of activities)
- Performance indicators to monitor results achieved thanks to the support from the budget

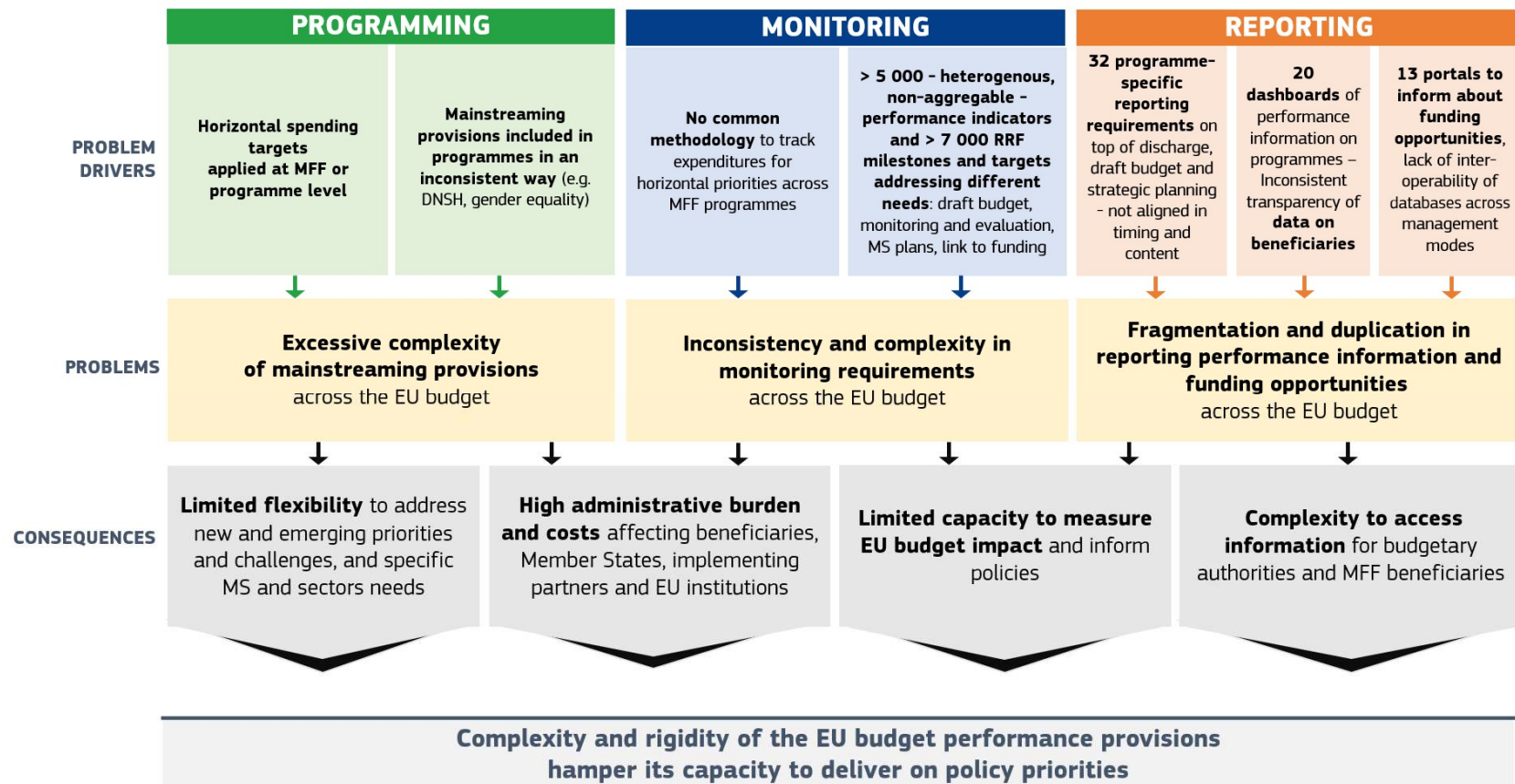
3. Reporting

- Performance reporting
- Single gateway portal to report about performance and to display EU budget funding opportunities

- Coherent implementation of horizontal principles across the budget
- Single system to monitor EU spending and results, reducing administrative burden and providing a comprehensive overview for the whole budget, with streamlined reporting
- Increased transparency about performance and funding opportunities

Impact assessment: Tracking and performance

- **Problem definition:** problem drivers, problems and consequences



Proposal for Performance Regulation

Consistent application of horizontal principles	Common methodology to track EU budget expenditure	Common list of performance indicators to monitor outputs and results	Single report on performance to EP and Council (AMPR)	Single Gateway portal
<ul style="list-style-type: none"> • Climate and environment • Do No Significant Harm to environment (DNSH) • Social policies • Gender equality 	<p>Single methodology to monitor the contribution of the budget towards climate mitigation, climate adaptation, environment, and social objectives</p>	<p>Streamlined list of output and result indicators, moving from over 5000 to around 900 indicators, and allowing aggregation at EU budget level</p>	<p>From 32 programme-specific reporting requirements to a single performance report</p>	<p>Merging over 30 portals and dashboards into a single entry point for funding opportunities and EU budget performance information</p>

Horizontal principles: climate and environment

- **State of play:** 30% climate target applying to the current MFF + NGEU combined, and a 10% biodiversity target to the MFF (point 16 IIA). The Financial Regulation (recital 24) mentions climate change mitigation, climate change adaptation and biodiversity as areas to monitor.
- **Objective:** harmonise provisions across the different MFF programmes for climate and environmental objectives. Take objectives of the European Green Deal into account and merge under a single methodology in a single legal act.
- **Proposal** (Article 4):
 - System to track **climate and environmental objectives**: climate change mitigation, climate change adaptation and resilience, biodiversity, water and marine, pollution prevention and control , circular economy (coefficients in Annex I).
 - ‘Green’ target of **35%** of the EU budget, covering climate and environmental objectives.

Do No Significant Harm (DNSH)

- **State of play:** The Financial Regulation (Article 33(d)) requires programmes to be implemented to achieve their set objectives, where feasible and appropriate, without doing significant harm to the achievement of environmental objectives.
- **Objective:** To harmonise and simplify DNSH application, increasing predictability by ensuring that the same activity is subject to the same rules across the budget, facilitating access to EU funds by beneficiaries by ensuring a more consistent and effective implementation of this principle.
- **Proposal** (Article 5):
 - **By January 2027:** A single set of rules and a 'single and simple' guidance for the whole of the budget, replacing the current fragmented rules across programmes. Guidance to be developed based on a number of considerations:
 - Based on **general principles and, where necessary, specific criteria by policy area**. Distinction between activities which are deemed to always be DNSH-compliant and other activities which are deemed not to be DNSH compliant;
 - Compliance with **principle of proportionality**: taking into account the administrative and reporting burden on authorities and beneficiaries, size of an activity, climate and environmental impacts, territorial characteristics of regions, and whether an activity is carried out in the Union or third countries;
 - Recognition that it may **not be feasible or appropriate to apply DNSH in some areas** (e.g. crisis, public emergencies, defence and security).

Guidance covers: **energy, manufacturing, waste, fisheries, transport and water**

Horizontal principles: social policies

- **State of play:** The Financial Regulation (Article 33(d)) requires programmes to be implemented to achieve their set objectives respecting working and employment conditions under applicable national law, Union law, ILO conventions and collective agreements. No tracking of social expenditure at EU budget level
- **Objective:** To harmonise provisions across the different MFF programmes for social principles, given their cross-cutting nature; need for a consistent mainstreaming methodology set in a single legal act.
- **Proposal** (Article 6):
 - Cross-reference to the Financial Regulation **obligation to respect working and employment conditions**
 - The contribution from the budget to social policies will be **monitored by means of the budget expenditure tracking**; methodology based on EU coefficients (Annex I).
 - The social coefficients in Annex I have been designed to reflect spending from relevant programmes with social objectives, notably the current ESF+ and the equivalent of current social expenditure under ERDF, CF, and JTF.
 - EU budget contribution to social policies includes interventions in areas such as employment, food and material support, education, youth, housing, migrant integration, social infrastructure, gender equality, support to people with disabilities and support to marginalised communities such as the Roma

Horizontal principles: gender equality

- **State of play:** The Inter-institutional agreement sets gender equality mainstreaming as an objective to monitor and the Financial Regulation (Article 33(f)) requires programmes to be implemented, where feasible and appropriate, taking into account the principle of gender equality and in accordance with an appropriate gender mainstreaming methodology. It also requires data to be broken down by gender (Article 33(3)).
- **Objective:** To operationalise the implementation of the gender equality principle, where feasible and appropriate, in a harmonised way across programmes, including through establishing a common expenditure tracking methodology.
- **Proposal** (Article 7):
 - A single set of rules and a 'single and simple' guidance for the whole of the budget, replacing the current fragmented rules across programmes.
 - List of programmes relevant for gender equality, where gender is included as a specific objective (Annex IV)
 - The Performance Regulation codifies the existing gender tracking methodology:
 - **Score 2:** Activities with gender equality as a principal objective
 - **Score 1:** Activities with gender equality as an important and deliberate objective but not as its main objective
 - **Score 0:** Activities anticipated to have no substantial contribution to gender equality
 - Performance data collection will be disaggregated by gender where feasible and appropriate (indicated in Annex I).

Monitoring spending and results

- **The performance regulation establishes a direct link** between (1) what we finance (the intervention fields), (2) the contributions of those activities to horizontal priorities (green and social policies), and (3) their expected outputs and results, measured by means of 'performance indicators'

Intervention fields

i.e. type of activities
(what the EU budget finances)

e.g. Decarbonisation in energy-intensive industries

Coefficients

i.e. contribution of these activities to horizontal priorities

- Climate mitigation 100%
- Climate adaptation and resilience 0%
- Environment 0%
- Social 0%

Consistent methodology to track horizontal priorities

- No more aggregating data from different calculation methods
- Same activity = same contribution level across all programmes

Indicators

i.e. what output and result we can expect from financing these activities

- Output: number of enterprises supported
- Result: Number of jobs sustained or created, Investment mobilised, GHG emission reductions, Pollutant reduction

Standardised indicators

- Same activities (even if funded by different programmes) use the same indicators
- Enables aggregation and provides a clear EU-wide performance picture

Monitoring spending and results

- **State of play – 2021-2027 shared management:**

Current programmes	Number of Intervention fields (IFs) or types of action	Number of indicators
ERDF, CF, JTF	around 190 IF	262 + MS specific ones
ESF+	48 IF from the CPR list + 10 secondary themes	76 + MS specific ones
AMIF	39 IF	41
BMVI	45 IF	40
ISF	37 "types of intervention" + 11 "types of actions"	33
EMFAF	17 IF	27
CAP	Around 40 IF, 9 specific objectives + 19 "type of interventions"	160

- **Article 14**

- A single list of 543 intervention fields and 909 performance indicators to track the whole budget.
- **Output indicators:** the same output indicator used also to define a final milestone or target under the National and Regional Partnership Plan serves two purposes: (1) triggering payments; and (2) reporting on performance.
- **Result indicators:** Member States will be required to plan and report one or more result indicators in addition to the output indicator, including the baseline and estimated value.
- Progress our output and result indicators will be reported once a year, alongside the monitoring of progress toward achieving the targets (i.e., the output indicator). The choice of output and result indicators: in agreement with the Commission

Monitoring spending and results

Policy area	Number of intervention fields
Agriculture and fisheries	62
Business support	24
Culture, tourism and media	9
Digital technologies and infrastructure	15
Education and skills	27
Effective public administration	24
Energy	95
Environment and climate	47
Housing and infrastructure	14
Macroeconomic assistance and trade	4
Migration and border	12
Multisector support	5
Research and innovation	48
Peace, conflict and humanitarian aid	11
Resilience, defence industry and space	19
Rights, equality and justice	21
Social	51
Transport	55
TOTAL	543

- The list of intervention fields covers **all the interventions that can be potentially financed by the EU budget** through direct, indirect and shared management
- **It does not represent a list of eligible interventions** for the EU budget. Eligibility criteria are defined in the respective programmes regulation
- **The list provides a more detailed breakdown for green and social** policy areas to ensure the correct application of coefficients to interventions and more accurate expenditure tracking
- The list contains 60 intervention fields covering **reforms** across the relevant policy areas.

Reporting and evaluation

- The Commission will annually inform the European Parliament and the Council on the level of implementation of the programmes and activities, and progress towards the achievement of programme objectives through a **single report**: the **Annual Management and Performance Report (AMPR)**
- Annual performance reporting will use the performance indicators relevant for each programme included in Annex I of the performance regulation
- Performance data will also be published via a single, user-friendly online portal: **the Single gateway**
- **Implementation report by the Commission** no later than four years after the start of the implementation
- And a retrospective **evaluation by the Commission** at the latest three years after the end of the programming period
- Member States: at least one **interim evaluation covering the entirety of their National and Regional Partnership Plans** no later than three years after the start of the implementation and an **evaluation assessing the impacts of the measures** by means of quantitative techniques at the latest two years after the end of period

Single gateway for all budget information

- **State of play:** Programme performance statements are made available [online](#) as part of the Annual Management and Performance Report (AMPR), in addition to 20 performance dashboards. Information on funding opportunities is scattered across 13 portals. The Financial Regulation requires to publish information on recipients of the budget and other information (Article 38) – ‘Financial Transparency System’.

