



Opinion of the European Economic and Social Committee

Proposal for a Regulation of the European Parliament and of the Council establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities

(COM(2025) 545 final – 2025/0545 (COD))

(C/2026/4661)

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Legal basis	Article 304 of the Treaty on the Functioning of the European Union
European Commission documents	COM(2025) 545 final – 2025/0545 (COD) COM(2025) 545 final – 2025/0545 (COD) annex I COM(2025) 545 final – 2025/0545 (COD) annex II Summary of COM(2025) 545 final – 2025/0545 (COD)
Relevant Sustainable Development Goals (SDGs)	SDG No 16
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1. RECOMMENDATIONS

THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE (EESC):

1.1. **supports** the initiative to establish a unified and coherent set of output and result indicators across the entire Multiannual Financial Framework (MFF), to harmonise the application of horizontal principles, to introduce a single annual management and performance report, and to create a single portal for all MFF-related information, with a view to improving consistency, reducing complexity for beneficiaries and enhancing transparency;

1.2. **points out** that the Performance Regulation marks a departure in governance from the current funding period by implicitly defining the scope of eligible programmes on an *ex-ante* basis. For shared and indirect management programmes (National and regional partnership plans – NRPPs – and third country plans), disbursement of EU funds is linked to the achievement of milestones and targets to be defined by output and result indicators. While the framework allows for a certain degree of flexibility, it still imposes an *ex-ante* limit on the scope of programmes eligible for funding. This renders the framework highly political and not just a technical exercise intended to streamline monitoring;

1.3. at the same time, as it stands, the current set of indicators risks undermining the objectives of the proposal, namely to measure whether the EU programmes really achieve the common EU goals and political objectives of the sectoral regulation. The indicators should be improved along the following lines: they should be designed on the basis of the needs of MFF beneficiaries and allow for aggregation across policy areas on the basis of common characteristics; they should remain up to date and accurately reflect the objectives pursued by the MFF; and they should be clearly defined, measurable, understandable and traceable. Output indicators that in practice reflect inputs should be avoided and instead be meaningfully linked to the results they are intended to achieve. Result indicators should allow robust ex post evaluation of programmes;

1.4. **stresses** that, where payments are conditional on milestones and targets, results are often difficult to measure in a timely fashion, particularly for social interventions. This is due to the challenges inherent in establishing clear causal links between actions and outcomes (the causal nexus may only become evident over years), and the need to reconcile rapid disbursement with the medium- to long-term nature of many programme results. In those cases, payments should therefore primarily be linked to output indicators, which must be clearly defined, understandable and consistent with the results pursued. Result indicators, in turn, should support effective ex post evaluation of programme performance;

1.5. **proposes** that an opt-out option be introduced in the performance framework: public authorities should be able either to apply cost-based financing in the implementation of NRPPs in the event of objective difficulties in collecting and measuring data, or to supplement the quantitative reporting with qualitative indicators. Otherwise, the framework could place at a disadvantage new and innovative programmes where results cannot easily be depicted by quantitative indicators. The risk of a 'creaming-out effect' is particularly pertinent in the field of social investments, meaning that programme operators may prioritise cases that are easier to serve to maximise short-term, measurable output;

1.6. **points out** that the performance framework and its indicators should strike an appropriate balance between flexibility, predictability and democratic accountability, maintaining alignment with the priorities set by the co-legislators. The Committee therefore supports the envisaged process of amending the annex by means of a delegated act. At the same time, Article 14 of the Performance Regulation should allow for a swift, chapter-by-chapter revision of indicators in national plans if Member States decide that revision is necessary for effective implementation;

1.7. **calls** for efforts to promote the visibility of biodiversity spending within the broader environmental target;

1.8. **recommends** ensuring a transparent, predictable and proportionate application of the 'do no significant harm' (DNSH) principle across the EU budget. The principle should be applied consistently across programmes and be supported by a clear definition of what constitutes significant harm. Its application should be proportionate to the actual risks posed by an initiative to the objectives protected by the DNSH principle. This proportionality should avoid unduly penalising activities that, when carried out within the EU, are already significantly more climate and environmentally friendly than comparable activities elsewhere, thereby reducing the risk of offshoring investments to jurisdictions with lower standards. It should also prevent overlaps with existing sectoral and environmental legislation, so as to avoid duplicating requirements for beneficiaries. Furthermore, the application of the DNSH principle should take into account the size and capacity of beneficiaries, recognising that smaller entities may face greater challenges in meeting reporting requirements. The EESC recognises that competitiveness, growth and strategic autonomy also depend on the EU's resilience towards climate change mitigation and adaptation. Finally, the EESC believes that the exemption of defence from the DNSH principle should be targeted and not allow for a broad exemption of activities under the guise of dual use;

1.9. **urges** that funding counted under the social investment quota remain focused on the core objectives of the European Social Fund (ESF): labour market integration, skills development (including by dedicating part of resources to training programmes jointly managed and implemented by social partners and civil society organisations) and the fight against poverty and social exclusion. Intervention fields that attain just transition objectives should be identified in order to ensure that minimum expenditure targets across EU programmes are monitored and tracked. Core objectives of the ESF

are those included in the ESF Regulation. They should be tracked and monitored by amending the relevant annex to set the social coefficient at 0 % for intervention fields that do not correspond to these objectives, and by revising Article 2 of the Performance Regulation to define social policies in a narrower sense, provided that the ESF+ remains part of the National and Regional Partnership Plan (NRPP);

1.10. **considers** that Article 6 of the Performance Regulation needs to be strengthened to ensure that, where feasible, appropriate and in accordance with sector-specific rules, EU-funded programmes and activities contribute to creating and maintaining quality jobs through proportionate social conditionalities. These may include commitments related to employment retention, access to training and skills development, and the application of collective agreements, while respecting the diversity of national social dialogue systems and avoiding undue discrimination between companies or Member States;

1.11. **recommends** identifying quantitative and qualitative indicators to measure organised civil society and social partner engagement, from design to implementation stage, making the partnership principle in the context of the NRPP more effective, meaningful, executable and measurable. The aim is to introduce an additional tool, strictly limited to coherent ex post monitoring of the implementation of the partnership principle across countries;

1.12. **points out** that civil society organisations and social partners are expected to use the Performance Regulation indicators to translate policy into local strategy. Therefore, the European Commission should provide additional and specific tools and guidance to support them at micro level in implementing complex concepts such as the DNSH principle. In this context, the Cyprus presidency's proposal to cut technical assistance further is extremely inappropriate and should be withdrawn;

1.13. **warns** that liability issues must be clarified in the NRPPs. The European Commission's proposal leaves open the question of what happens if beneficiaries fail to meet the milestones which would result in the suspension of funding. The EESC proposes that clear liability rules be laid down in the Performance Regulation so that programme operators are not left to bear the costs themselves. Federal and regional governments should bear the financial risk associated with performance evaluation. There must be no obligation for non-profit organisations to repay funds if milestones are not met, provided that projects have been implemented in accordance with the rules;

1.14. **is in favour** of introducing gender mainstreaming into the Performance Framework as a horizontal principle. Emphasises, however, that in order to promote gender equality, this objective must be more firmly enshrined in the sectoral regulations. Proposes the inclusion of one further intervention field in Annex I in order to better reflect EU priorities concerning work-life balance and action aiming at gender balance;

1.15. **welcomes** the establishment of a Single Gateway website to increase coherent data collection and overview, thereby contributing to the transparency of the EU budget; suggests that the Single Gateway should include the same granularity of data (including both programme- and project-level data as well as information on financial impact and performance) as the cohesion portal. Data in the Single Gateway must be updated regularly in order to be meaningful; underlines that clear classification in Eurostat of EU budget expenditures and revenues is necessary to improve traceability; suggests that the Commission publish corresponding guidelines to support consistent implementation in the Member States.

1.16. The EESC proposes certain changes to Annex I of the Commission proposal 'Intervention fields and indicators', to be consulted in the annex to this EESC opinion.

2. EXPLANATORY NOTES

Arguments in support of recommendation 1.1

2.1. If properly implemented, the creation of a unified set of output and result indicators to measure the performance of the EU budget is likely to reduce the administrative burden and enhance comparability across policy areas. Uniform and coherent application of horizontal principles across the MFF would help reduce legal uncertainty in the implementation of these indicators. Furthermore, the introduction of a single annual performance report and a unified portal would improve the transparency, accessibility and usability of information on performance, implementation and funding opportunities.

Arguments in support of recommendation 1.3

2.2. A robust and meaningful set of indicators is essential to ensure that the future performance framework genuinely measures whether EU programmes contribute to the EU's common objectives and policy priorities. The current approach risks placing excessive emphasis on expenditure tracking and categorisation rather than on actual policy impact. Indicators should therefore be designed on the basis of beneficiaries' needs, while allowing for aggregation across policy areas through common characteristics and methodologies. The performance framework should combine top-down strategic orientation with bottom-up input, ensuring that it reflects both EU priorities and the diversity of Member States' and regions' development needs. An overly centralised approach risks reducing predictability, requiring frequent adjustments and weakening effectiveness. The Committee further stresses that indicators must remain up to date and aligned with evolving policy objectives. They should be clearly defined, measurable, understandable and traceable, thereby ensuring transparency, comparability and accountability. In addition, output indicators should not merely reflect financial or administrative inputs, but should be meaningfully linked to the results they are intended to achieve. Horizontal tagging should not be used as a proxy for performance, as the categorisation of expenditure alone does not demonstrate effectiveness or impact. Finally, result indicators should facilitate robust *ex-post* evaluation, thereby strengthening accountability, evidence-based policymaking and the overall effectiveness of EU programmes.

Arguments in support of recommendation 1.4

2.3. Where payments are conditional on milestones and targets, results are often difficult to measure in a timely fashion, particularly for social interventions. The EESC is concerned that in the field of social investments, an approach that focuses too narrowly on results is inappropriate as it could lead to an incomplete assessment of programmes and an unjustified delay in payments. The timeframe required for social programmes to generate measurable results may exceed the period used for performance assessment, and causal links between programmes and results are difficult to establish (results may be influenced by factors beyond the programme itself). A focus on outputs rather than results in the social field is an important first step to simplify the framework and make it fit for purpose.

2.4. The EESC suggests that payments in the field of social investments should primarily be linked to the fulfilment of outputs, while results could be monitored to evaluate overall performance of the measure, either at the end of the programme period or for a mid-term evaluation.

Arguments in support of recommendation 1.5

2.5. The EESC is concerned that a performance-based approach to social investment might incentivise 'creaming-out' effects, as programme operators may prioritise easier-to-serve cases to maximise short-term, measurable output. This could exclude target groups with complex needs, and discourage investment in innovative, higher-risk interventions that are potentially more transformative. As a result, delivery may shift away from needs-based and innovation-oriented approaches toward safer, less impactful activities.

2.6. The EESC points out that beneficiaries of ESF+ funding currently receive grants primarily on the basis of simplified cost options. In Articles 53 to 57, the Common Provision Regulation leaves enough flexibility for beneficiaries to choose between a cost-based approach and non cost-based financing. From the perspective of the beneficiaries, this flexibility is positive and contributes to efficient implementation of programmes.

2.7. A cost-based approach is also more useful for obtaining information about actual expenditure. This requirement arises from the Treaties' principles of sound financial management, legality and regularity of the Union budget. From the perspective of the European Parliament which is responsible for budgetary scrutiny, a cost-based approach is beneficial.

2.8. The EESC therefore suggests that more flexibility be introduced into the performance framework. More specifically, an opt-out option should be introduced for public authorities implementing the NRPPs. Two options are viable: a) apply cost-based financing in the event of objective difficulties in collecting and measuring data, or b) beneficiaries should be allowed to supplement the reporting of the attainment of milestones and targets with qualitative assessments of programme performance (concerning both the output and the result).

2.9. Where a cost-based approach is applied, the EESC cautions against a lump sum approach for personnel costs. Lump sums are only appropriate for administrative costs (particularly material costs), provided they do not result in indirect funding cuts. By contrast, the EESC opposes lump sums for personnel costs, as they particularly benefit companies with lower wage and labour standards. The EESC therefore calls for social conditionalities to be integrated into the performance framework (see point 1.6.). Where cost-based financing is applied, a dynamic wage lump sum should be introduced to strengthen companies and social service providers that promote quality jobs.

Arguments in support of recommendation 1.6.

2.10. The performance framework is inherently political, as it defines what counts as 'EU budget performance', notably through the selection of intervention fields, indicators and related coefficients. In the European Commission's proposal, several of these elements are set out in annexes that may be modified by means of delegated acts. The EESC endorses this mechanism as it facilitates technical updates, while also involving the European Parliament which can object to the delegated act if a majority is against it.

2.11. At the same time, more flexibility is needed in the implementation of the performance framework for NRPPs. If during the implementation of a measure a Member State decides that it is necessary to add a new output or result indicator for a different intervention field or one not part of Annex I, the national plan must be amended in a swift, straightforward way. The procedures for this amendment exercise should be specified in Article 14. The regulation should also provide for chapter-by-chapter reviews of national plans. Negotiation on amending indicators of a national plan should not exceed a timeframe of four weeks.

Arguments in support of recommendation 1.7.

2.12. The proposal introduces a single target whereby at least 35 % of the EU budget must contribute to combined climate and environmental objectives. This may simplify expenditure tracking, but integrating biodiversity into a broader environmental category could make it less visible than under the current framework, where biodiversity has a dedicated annual target.

Arguments in support of recommendation 1.8.

2.13. The horizontal introduction of the do no significant harm' (DNSH) principle across the EU budget is a welcome development. The principle aims to ensure that EU-funded activities do not cause significant harm to environmental objectives, such as climate mitigation and adaptation, the sustainable use of water and marine resources, the circular economy, pollution prevention and the protection of biodiversity and ecosystems, while complying with social safeguards. By integrating environmental safeguards into budgetary implementation, the DNSH principle can help ensure that EU spending is consistent with the Union's broader sustainability objectives. At the same time, the application of this principle should remain transparent, proportionate and predictable for programme authorities and beneficiaries.

2.14. An unclear definition of what constitutes 'significant harm' has led to diverging interpretations and legal uncertainty across programmes and Member States.

2.15. Requirements should be calibrated to the actual environmental risks posed by a given activity, rather than applied uniformly regardless of scale or impact. In particular, DNSH should not inadvertently penalise activities that, when carried out within the EU, are already significantly more climate and environmentally friendly than comparable activities carried out elsewhere. This could have the effect of offshoring investments to jurisdictions with lower environmental standards, thereby undermining both the EU's environmental objectives and its strategic autonomy. The size and capacity of beneficiaries should also be factored into proportionality: smaller entities and low-impact projects frequently face documentation burdens that are disproportionate to the environmental risks concerned, without delivering commensurate environmental benefits.

2.16. Overlaps with existing regulatory frameworks are a further challenge. DNSH assessments should not duplicate requirements already covered by EU environmental legislation and national permitting procedures, as this adds to the administrative burden without delivering additional environmental value.

2.17. The EESC refers to the provisions in the Taxonomy Regulation whereby international minimum human and labour rights standards are a prerequisite for economic activities to be considered sustainable. Accordingly, activities funded under the MFF should also comply, in addition ILO conventions and the other legislation mentioned in Article 6(2), with the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the Convention on the Rights of Persons with Disabilities. These minimum safeguards apply without prejudice to stricter EU requirements on environmental, health, safety and social standards.

2.18. Lastly, the application of the DNSH principle should take into account broader EU policy objectives, including competitiveness, economic resilience and strategic autonomy. In sectors such as critical raw materials, energy and emerging clean technologies, overly rigid or unpredictable application of DNSH could slow down or block projects that are essential for the EU's green and digital transitions. Environmental safeguards should therefore be integrated in a way that supports, rather than constrains, the sustainable growth and resilience of the European economy, ensuring that DNSH serves its intended purpose without becoming a barrier to strategic EU interests.

Arguments in support of recommendation 1.9.

2.19. The EESC notes that within the European Parliament, a political request has been made to preserve the European Social Fund as a standalone programme with ring-fenced resources and specific objectives⁽¹⁾. This option has also been highlighted by the EESC as a preferred alternative. However, whether or not the ESF remains part of the NRPP Fund, the EESC emphasises that significant changes to the Performance Regulation will be needed to preserve the focus of ESF programmes.

2.20. The proposed performance framework defines social investments broadly, potentially diluting the funding dedicated to the core objectives of the ESF, namely labour market integration, skills development and the fight against poverty and social exclusion. The breadth of this definition is reflected in Annex I of the Regulation. The EESC warns that with this framework, fewer resources may be available for employment, skills and social inclusion policies.

⁽¹⁾ See vote on interim report.

2.21. The EESC therefore suggests that intervention fields that do not correspond to core ESF objectives be excluded from the social investment quota by setting their social coefficient at 0 % in the relevant annex. Article 2 of the Performance Regulation should also define social investments more narrowly. In addition, spending for social infrastructures and just transition measures should be monitored and tracked.

Arguments in support of recommendation 1.10

2.22. Public EU funding can play an important role in supporting the creation and maintenance of quality jobs, thereby strengthening public acceptance of major economic transitions, including the green transition. Introducing social conditionalities in EU-funded programmes, where feasible and appropriate and in line with sector-specific rules, could help ensure that EU investments contribute not only to economic and environmental objectives but also to quality employment, stable working conditions and skills development. Such conditionalities may include, where relevant, commitments related to site retention, employment guarantees, access to qualification and training measures, and the application of collective agreements.

2.23. At the same time, these requirements should remain proportionate and take into account the diversity of national labour market systems and social dialogue frameworks. This would help ensure that social conditionalities support quality job creation without creating undue administrative burdens or causing discrimination between companies or Member States.

3. PROPOSED AMENDMENTS TO THE LEGISLATIVE PROPOSAL OF THE EUROPEAN COMMISSION

Amendment 1

linked to recommendation 1.9

COM(2025) 545 final, Chapter 1, Article 2

Insert a new point (13):

Text proposed by the European Commission	EESC amendment
	(13) <i>‘social investment’ means public expenditure that contributes to core ESF objectives, i.e. public expenditure aiming to support Member States and regions to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work, as well as inclusive and cohesive societies aiming to eradicate poverty and delivering on the principles set out in the European Pillar of Social Rights and the headline targets of the Action Plan of the European Pillar of Social Rights; investments in social infrastructure do not fall within this definition.</i>

Reason

It is important to define social investments in a narrow sense in order to make sure that funding counted under the social investment quota remain focused on the core objectives of the European Social Fund (ESF).

Amendment 2

linked to recommendation 1.10

COM(2025) 545 final, Chapter 1, Article 2

Insert a new point (14):

Text proposed by the European Commission	EESC amendment
	(14) ‘Social conditionalities’ are conditions attached to the disbursement of funds. Such conditionalities shall include, where appropriate, obligations relating to site retention, employment guarantees, access to qualification and training measures, and the application of collective agreements. Such conditionalities should respect the variety of social dialogue in Member States and not lead to undue discrimination against certain types of companies or Member States. Where relevant, Member States shall ensure that programmes and activities contribute to strengthening collective bargaining coverage and to improving working conditions in line with the objectives of Directive (EU) 2022/2041 on adequate minimum wages. ‘Social conditionalities’ are aimed at creating and maintaining quality jobs.

Reason

The EESC suggests to introduce social conditionalities as a horizontal principle applicable to EU funding in Art. 6 of the regulation. In order to prevent any ambiguities, social conditionalities are clearly defined here.

Amendment 3

linked to recommendation 1.7

COM(2025) 545 final, Chapter 2, Article 4

Insert a new point 6:

Text proposed by the European Commission	EESC amendment
	6. By January 2028, the European Commission will publish a delegated act specifying how the intervention fields in the annex are contributing to the attainment of the different SDG goals.

Reason

The climate and biodiversity intervention fields established in Annex I (including avoided greenhouse gas emissions, restored areas and installed renewable energy capacities) correspond directly to specific SDGs such as SDG 13 (Climate Action), SDG 14 (Life Below Water) and SDG 15 (Life on Land). Establishing a link between the intervention fields and the sustainable development goal monitored by Eurostat would eliminate reporting redundancy and provide a coherent picture of the EU budget's contribution to international objectives.

Amendment 4

linked to recommendation 1.8

COM(2025) 545 final, Chapter 2, Article 5, point 2

Amend as follows:

Text proposed by the European Commission	EESC amendment
2. The guidance referred to in paragraph 1 shall set out general principles and criteria and, where necessary, specific criteria at the level of relevant policy areas. It shall distinguish, in particular, between policy areas or activities that are always deemed to be in line with the do no significant harm principle, and policy areas or activities that are considered to do significant harm to one or several environmental objectives and can therefore not be financed from the EU budget. The guidance by the Commission shall take into account the need to achieve the set objectives of the relevant programmes or instruments in line with the Union's policy priorities, the need to avoid duplication with requirements under existing EU legislation, the high levels of protection to human health and the environment provided by existing EU legislation, the administrative and reporting burden on authorities and beneficiaries, and the principle of proportionality. Proportionality shall be ensured notably by taking into account the size of an activity, its climate and environmental impacts, and the territorial characteristics of the regions where the activities take place or the fact that they may take place in third countries.	2. The guidance referred to in paragraph 1 shall set out general principles and criteria and, where necessary, specific criteria at the level of relevant policy areas. <i>The guidance shall provide a clear and predictable definition of what constitutes 'significant harm', ensuring consistent application of the principle across Union programmes and instruments.</i> It shall distinguish, in particular, between policy areas or activities that are always deemed to be in line with the do no significant harm principle, and policy areas or activities that are considered to do significant harm to one or several environmental objectives and can therefore not be financed from the EU budget. <i>The guidance shall ensure that the assessment of compliance with the 'do no significant harm' principle is proportionate to the actual climate and environmental risks posed by the relevant activity or initiative.</i> The guidance by the Commission shall take into account the need to achieve the set objectives of the relevant programmes or instruments in line with the Union's policy priorities, <i>including competitiveness, resilience and strategic autonomy</i>, the need to avoid duplication <i>or overlap</i> with requirements under existing EU legislation, <i>and national permitting procedures</i>, the high levels of protection to human health and the environment provided by existing EU legislation, the administrative and reporting burden on authorities and beneficiaries, and the principle of proportionality. Proportionality shall be ensured notably by taking into account the size <i>and capacity of beneficiaries, including small and medium-sized entities, the scale</i> of an activity, its climate and environmental impacts, and the territorial characteristics of the regions where the activities take place or the fact that they may take place in third countries. <i>The application of the 'do no significant harm' principle shall avoid unduly penalising activities carried out within the Union that are significantly more climate and environmentally friendly than comparable activities carried out in third countries where this could contribute to the offshoring of investments to jurisdictions with lower environmental standards.</i>

Reason

In order to ensure a proportionate but effective implementation of the DNSH principle, clear guidance by the EU Commission is needed.

Amendment 5

linked to recommendation 1.8

COM(2025) 545 final, Chapter 2, Article 5, point 3

Amend as follows:

Text proposed by the European Commission	EESC amendment
3. The guidance referred to in paragraph 1 shall also identify cases where the application of the do no significant harm principle may not be feasible or appropriate, such as crisis situations, including emergencies arising from natural catastrophes, or other reasons of overriding public interest. In this respect, it shall notably be considered that it is not feasible or appropriate to apply the do no significant harm principle in relation to defence and security activities.	3. The guidance referred to in paragraph 1 shall also identify cases where the application of the do no significant harm principle may not be feasible or appropriate, such as crisis situations, including emergencies arising from natural catastrophes, or other reasons of overriding public interest. In this respect, it shall notably be considered that it is not feasible or appropriate to apply the do no significant harm principle in relation to defence and security activities. Any such exemption shall be targeted and proportionate and shall not result in a general exclusion of dual-use activities from the application of the 'do no significant harm' principle.

Reason

The EESC suggests that the co-legislators should more clearly define exemptions from the DNSH principle. Only targeted exemptions should be allowed.

Amendment 6

linked to recommendation 2.17

COM(2025) 545 final, Chapter 2, Article 5

Insert a new point 4:

Text proposed by the European Commission	EESC amendment
	4. Activities financed from the Union budget shall comply with the minimum safeguards referred to in Article 6(2), including the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, key ILO conventions, the International Bill of Human Rights and the Convention on the Rights of Persons with Disabilities.

Reason

Reason is given in point 2.17.

Amendment 7

linked to recommendation 1.10

COM(2025) 545 final, Chapter 2, Article 6, point 1

Amend as follows:

Text proposed by the European Commission	EESC amendment
1. The contribution from the budget to social policies within the Union shall be monitored by means of the budget expenditure tracking and performance framework laid down in Article 8, including by means of EU coefficients.	1. The contribution of the budget to social policies within the Union shall be monitored through the budgetary expenditure and performance tracking framework referred to in Article 8, including through EU coefficients. <i>The Commission shall publish an annual report specifying:</i> <i>a) the number of jobs created through EU funds;</i> <i>b) the share of jobs created that are covered by collective agreements;</i> <i>c) the type of contract (permanent/fixed-term);</i> <i>d) the working arrangement (full-time/part-time);</i> <i>e) the qualification category (unskilled, skilled, highly skilled).</i>

Reason

Data on the number of jobs created, their quality and compliance with labour standards are crucial for assessing whether the EU budget is effectively contributing to the creation of quality jobs. The publication of disaggregated data by programme and category of beneficiary creates a positive incentive mechanism whereby programmes with a strong social performance will be visible and can serve as models to follow, while programmes with poor performance will attract the attention of decision-makers and the general public. This enhanced transparency requirement is fully compatible with the principle of sound financial management and does not generate a disproportionate administrative burden, since the necessary information is already partially collected within programme monitoring systems.

Amendment 8

linked to recommendation 1.10

COM(2025) 545 final, Chapter 2, Article 6

Insert a new point 3:

Text proposed by the European Commission	EESC amendment
	<i>3. Funding for programmes and activities should be conditional upon compliance with social conditionalities as defined in Art. 2.</i>

Reason

Reason is given in point 1.10.

Amendment 9

linked to recommendation 1.7

COM(2025) 545 final, Chapter 3, Article 8

Insert a new point 5:

Text proposed by the European Commission	EESC amendment
	5. <i>In the event of objective difficulties in collecting and measuring data, public authorities are able to opt out of the performance-based budgeting framework in the implementation of NRPPs. In these cases they can either apply cost-based financing or supplement the quantitative reporting with qualitative indicators for the purpose of triggering the disbursement of funding. Horizontal principles are not affected by this opt-out.</i>

Reason

An opt-out clause in justified cases is necessary. Otherwise, the framework could place at a disadvantage new and innovative programmes where results cannot easily be depicted by quantitative indicators. The risk of a 'creaming-out effect' is particularly pertinent in the field of social investments, meaning that programme operators may prioritise cases that are easier to serve to maximise short-term, measurable output.

Amendment 10

linked to recommendation 1.11

COM(2025) 545 final, Chapter 3, Article 8

Insert a new point 6:

Text proposed by the European Commission	EESC amendment
	6. <i>For programmes and activities financed by the EU budget under the first pillar, the Commission, Member States, subnational authorities and implementing partners shall ensure the application of the partnership principle and multilevel governance, in accordance with the NRPP regulation. By January 2028, the European Commission will publish a delegated act specifying quantitative and qualitative indicators to measure organised civil society and social partner engagement, from design to the implementation stage in the context of the NRPPs.</i>

Reason

The EESC suggests to introduce an additional tool, strictly limited to coherent ex post monitoring of the implementation of the partnership principle across countries.

Amendment 11

linked to recommendation 1.6

COM(2025) 545 final, Chapter 4, Article 14

Insert a new point 3 (a):

Text proposed by the European Commission	EESC amendment
	3 (a) Amendments of the plan, including the change of performance indicators and milestones, should be possible on a chapter-by-chapter basis. The examination of Member States' amendments by the Commission should not take longer than four weeks.

Reason

If during the implementation of a measure a Member State decides that it is necessary to add a new output or result indicator from a different intervention field or one not part of Annex I, the national plan must be amended in a swift, straightforward way.

Amendment 12

linked to recommendation 1.13

COM(2025) 545 final, Chapter 4, Article 14

Insert a new point 4 (a):

Text proposed by the European Commission	EESC amendment
	4 (a) The national and regional authorities should bear the financial risk associated with performance evaluation. In cases in which projects have been implemented in accordance with rules but milestones are not met, non-profit organisations are not obliged to repay funds.

Reason

Federal and regional governments should bear the financial risk associated with performance evaluation. There must be no obligation for non-profit organisations to repay funds if milestones are not met, provided that projects have been implemented in accordance with the rules.

Brussels, 18 June 2026.

The President
of the European Economic and Social Committee
Séamus BOLAND