EUROPEAN
COMMISSION

Brussels, 28.7.2026
COM(2026) 411 final

REPORT FROM THE COMMISSION TO THE COUNCIL AND THE EUROPEAN PARLIAMENT

37th Annual Report on the protection of the European Union's financial interests and the fight against fraud – 2025

{SWD(2026) 245 final} - {SWD(2026) 246 final} - {SWD(2026) 247 final} - {SWD(2026) 248 final} - {SWD(2026) 249 final} - {SWD(2026) 250 final} - {SWD(2026) 251 final}

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EXECUTIVE SUMMARY

This year's annual report on the protection of the EU's financial interests (PIF report) presents the first comprehensive overview of efforts to combat fraud and financial irregularities affecting the Union's financial interests, structured around the concept of the anti-fraud cycle. It marks the beginning of a refined EU reporting framework, consolidating data from all relevant actors into a single PIF report. The aim is to increase transparency and accountability, as proposed in the White Paper on the anti-fraud architecture (AFA) review .

To this end, several new indicators have been identified to measure the activities of and results achieved by EU and national AFA actors in prevention, detection, investigation and prosecution, recovery and sanctioning.

The report also provides an overview of the key measures adopted at both EU and national levels to strengthen the protection of the EU's financial interests. At EU level, the Commission has proposed a legislative package for the next multiannual financial framework (MFF), based on a performance-focused delivery model that incorporates lessons from the Recovery and Resilience Facility (RRF) into future spending programmes. The proposal includes mandatory requirements for Member States to report detected fraud and irregularities, and to adopt comprehensive national anti-fraud strategies.

The legislative package was accompanied by the publication of White Paper for the AFA review, which is expected to lead to a Commission communication, to be adopted by the end of 2026. This may result in legislative proposals amending the key legal acts governing EU AFA actors. Political agreement on the Directive on combating corruption was reached at the end of 2025, and the legal act entered into force on 31 May 2026. It will be underpinned by the EU's first anti-corruption strategy.

Prevention is the stage of the anti-fraud cycle where there has been most improvement, thanks to a sustained focus on preventive measures, such as early detection and exclusion mechanisms, capacity building and improved information-sharing among authorities. Early detection of suspected fraud has increased, reducing the need for costly recovery proceedings and minimising the risks associated with failed fund retrieval. It is crucial that national authorities systematically refer these cases to prosecution services and report them to the Commission in a timely manner.

Detection has remained relatively stable over the past five years, except for a sizeable increase in fraud cases reported in 2024 and fluctuations in specific budgetary areas. The financial amounts at stake have risen since 2023, which may reflect a greater focus on high-value cases. An analysis of detection methods reveals untapped potential in risk-based approaches, IT tools, and whistleblowing, particularly for fraud identification. In 2025, a total of 13 010 irregularities (-7.6% on 2024), amounting to EUR 2.1 billion (+12.8% on 2024) were recorded. Of these, 986 were classified as fraudulent cases (-32% on 2024) amounting to EUR 274.3 million in 2025 (-49.2% on 2024).

Investigation and prosecution are often lengthy and complex, with many cases taking years to lead to a final judgment. The AFA review will examine ways to improve coordination and cooperation between key EU actors, especially OLAF and the European Public Prosecutor's Office (EPPO), to streamline these processes. Ongoing cooperation and support from national services remain essential.

Recovery and sanctioning continue to be areas requiring further improvement. Closer cooperation and coordination between investigative, prosecutorial, judicial, and administrative bodies would boost recovery rates and provide better data on the outcomes of judicial actions, including sanctions and penalties imposed.

LIST OF ABBREVIATIONS

AFA	Anti-fraud architecture
AFIS	Anti-Fraud Information System
AI	Artificial intelligence
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
AFCOS	Anti-Fraud Coordination Services
CAFS	Commission anti-fraud strategy
CAP	Common agricultural policy
CONT	Committee on Budgetary Control
CSP	CAP strategic plan
ECA	European Court of Auditors
EDES	Early Detection and Exclusion System
EPPO	European Public Prosecutor’s Office
ERDF	European Regional and Development Fund
ESF	European Social Fund
EU	European Union
FEAD	Fund for European Aid to the Most Deprived
FPDNet	Fraud Prevention and Detection Network
IBOA	Institutions, bodies, offices and agencies
IMS	Irregularity Management System
IPA	Instrument for Pre-Accession
IT	Information technology
JCO	Joint customs operation
JTF	Just Transition Fund
MFF	Multiannual financial framework
NAFS	National anti-fraud strategies
OLAF	European Anti-Fraud Office
PIF	Protection of financial interests
PFIU audits	Audits on the protection of the financial interests of the Union
RRF	Recovery and Resilience Facility
RRP	National recovery and resilience plan
TFEU	Treaty on the Functioning of the European Union
TOR	Traditional own resources
UAFP	Union anti-fraud programme
VAT	Value added tax
YEI	Youth employment initiative

1. INTRODUCTION

1.1. The EU's financial interests and their protection

The EU's 2025 budget amounts to EUR 199.4 billion in commitment appropriations and EUR 155.2 billion in payment appropriations. The 2021-2027 MFF amounts to EUR 1 202.8 billion ([1]). Additional resources come from NextGeneration EU, the EU's post-COVID economic recovery package under which EUR 750 billion ([2]) is to be spent between 2021 and 2026.

These financial resources enable the EU to finance its policies and promote its objectives and values.

EU Member States manage the largest share of EU expenditure and collect VAT and traditional own resources (TOR), the latter mainly taking the form of customs duties.

In accordance with Article 325 of the Treaty on the Functioning of the European Union (TFEU), the EU and its Member States must counter fraud and any other illegal activities that affect the EU's financial interests. Under paragraph 5 of that Article, each year the Commission, in cooperation with the Member States, must submit a report to the European Parliament and the Council on the measures taken to implement the Article. This report, also known as the PIF report, meets that obligation for 2025 ([3]). It is accompanied by seven working documents ([4]).

On 6 May 2025, the European Parliament adopted its resolution on the protection of the EU's financial interests for 2023 ([5]). Parliament reiterated its call for the PIF report to become a tool to improve the governance of the EU's anti-fraud architecture (AFA) and for the report's holistic approach to be expanded. In line with this and previous requests, the 2025 PIF report is based on the concept of the anti-fraud cycle to give a more comprehensive overview of the key measures taken in 2025 and the main results achieved by AFA actors in countering fraud and irregularities.

Section 2 covers the main developments of the AFA at European and national level. It looks at the legal framework, the consolidation of governance, major developments in digitalising the fight against fraud and the support offered by the Commission in this area through the Union anti-fraud programme (UAFP). Section 3 presents data on the fight against fraud from the four perspectives corresponding to the stages of the anti-fraud cycle and on specific enablers to which the EU budget

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([1]) Multiannual financial framework ceilings in million EUR, at current prices. Source: OJ L, 2025/31, 27.2.2025

([2]) In 2021 prices.

([3]) Article 310(6) TFEU.

([4]) The seven Commission staff working documents are:

a) National anti-fraud strategies (NAFS) - state of play;
b) Measures adopted by Member States to protect the EU's financial interests– Implementation of article 325 TFEU;
c) Follow-up by Member States to the recommendations of the PIF Report 2024;
d) Statistical evaluation of irregularities reported for own resources, agriculture, cohesion and fisheries policies, pre-accession and direct expenditure;
e) Commission anti-fraud strategy (CAFS) action plan implementation monitoring: state-of-play 31 May 2026;
f) Early Detection and Exclusion System (EDES) – Panel referred to in Article 143 of the Financial Regulation;
g) Annual overview with information on the results of the Union anti-fraud programme in 2025.

([5]) Procedure file 2024/2083(INI).

is exposed: corruption, organised crime and conflicts of interest. Section 4 provides conclusions and recommendations.

1.2. Methodological approach

1.2.1. A systemic approach to the anti-fraud cycle

Following calls from the European Parliament to enhance the PIF report's holistic approach and the Commission's commitment to develop it accordingly, this year's report adopts a **systemic perspective**, supplementing the traditional focus on detection with a broader analysis of the **entire anti-fraud cycle** (see **Figure 1**). This approach ensures a comprehensive assessment of efforts to protect the EU's financial interests.

Figure 1: The anti-fraud cycle

The anti-fraud cycle comprises four interlinked stages and an additional key element:

1. **Prevention** – limiting opportunities for fraud and irregularities.
2. **Detection** – identifying and addressing cases of fraud or irregularities.
3. **Investigation** – gathering evidence to confirm fraud and irregularities and identify perpetrators.
4. **Recovery and sanctioning** – recovering funds and applying corrective measures (e.g., judicial proceedings, disciplinary action).
5. **Reporting** – supplying data to analyse performance and inform policy adjustments.

Member States must report detected irregularities and fraud to comply with sectoral obligations, while **EU anti-fraud actors** (e.g., OLAF, EPPO) provide investigative data. This reporting is critical: it enables the cycle's effectiveness to be analysed and supports evidence-based feedback to improve all stages.

The stages of the cycle are **interdependent**, as changes in one area affect others. Multiple **EU and national actors** operate across these stages, and it is essential for them to coordinate with each other. To strengthen this collaboration, the Commission has long advocated for **national anti-fraud strategies**.

This new approach also aligns with repeated calls from the **European Parliament** for the PIF report to provide a **fuller picture** of anti-fraud efforts and measure the performance of **all actors** at EU and national level.

1.2.2. Prevention

Preventive measures aim to **minimise the occurrence** of irregularities and fraud. They may include:

- legislative action (e.g. stricter rules);
- institutional frameworks (e.g. specialised bodies, robust procedures);
- transparency and accountability mechanisms;
- staff training and awareness-raising; and
- organisational culture (e.g. zero-tolerance policies).

A **well-designed management and control system** can **deter fraud** by reducing opportunities and **enable early detection**, before funds are fully disbursed.

Effective prevention reduces the burden on detection, investigation and correction.

This report examines prevention through two lenses:

1. **Policy and legislative measures** adopted by the **Commission** ([6]) **and Member States** ([7]) to strengthen the protection of EU financial interests.
2. **Early detection** of fraud and irregularities that prevents funds being unduly spent in full or in part ([8]).

1.2.3. Detection

Robust **detection capacity** is vital to identify and correct irregularities and fraud. **Low detection rates** do not necessarily reflect lower levels of fraud. On the contrary, they may indicate weak controls, insufficient administrative capacity or poor compliance with the reporting obligation. Conversely, **high detection rates** can act as a **deterrent**. Detection data helps refine preventive policies. If detection fails, fraudulent cases may go uninvestigated, hindering recovery and corrective action.

In this report detection is looked at from different angles: from a qualitative point of view, through national and EU-level measures and, from a quantitative point of view, through data received in the Irregularity Management System (IMS) and the OWNRES database (reported by Member States), and data published in the OLAF and EPPO annual reports.

([6]) See the staff working document accompanying this report, 'Commission Anti-Fraud Strategy (CAFS) Action plan implementation monitoring: state of play 31 May 2026'.

([7]) See the SWDs accompanying this report 'Measures adopted by the Member States to protect the EU's financial interests' and 'Follow-up by Member States to the recommendations of the PIF Report 2024'.

([8]) See Section 3.1.2.

1.2.4. Investigation and prosecution

Once a potential case of fraud is detected, thorough investigations are required to confirm the facts, identify the perpetrators and enable corrective action.

Investigations seek to gather evidence for prosecutions and trials and could generate insights to improve prevention and detection. In the EU, administrative and criminal investigations are carried out either by national authorities, or by OLAF (administrative investigations) and the EPPO (criminal investigations), in accordance with their respective mandates.

This report incorporates information on investigations based on information from national authorities (IMS and OWNRES), OLAF and the EPPO (respective annual reports and data provided by the two bodies).

1.2.5. Recovery and sanctioning

Successful investigation lead to judicial proceedings or corrective measures, such as **financial recovery** of sums due to the EU budget, **disciplinary action** or **administrative reforms** to address and mitigate the risks identified. These outcomes **strengthen prevention**, either by deterring potential fraudsters or increasing fraud-proofing.

This PIF report includes metrics on recovery and sanctions based on an analysis of IMS and OWNRES data, the Commission's annual management and performance report (AMPR), and OLAF and the EPPO reports.

1.2.6. Reporting and monitoring

Risk analysis underpins effective policy responses at every stage of the anti-fraud cycle. **Reliable, comparable data** are essential to identify necessary measures and evaluate their success. Data availability depends on reporting, hence the Commission's emphasis on Member States' compliance with the irregularity and fraud reporting obligation.

1.3. Data sources

This report is based on information provided by the Member States via dedicated questionnaires ([9]). Section 3 draws on

- irregularities detected and reported by the Member States ([10]);
- irregularities detected and reported by pre-accession assistance beneficiary countries ([11]);
- recovery orders extracted from the Commission accounting system.

Sectoral regulations on traditional own resources, shared management funds and pre-accession instruments set out the conditions under which Member States and pre-accession assistance beneficiary countries must report detected irregularities. Reporting is subject to certain limitations ([12]).

([9]) The questionnaires are on the measures taken by the Member States to protect the EU's financial interests and to follow-up the recommendations in the 2024 PIF report.

([10]) See, in particular, Box 2 of the 2021 PIF Report, Section 6.1, p. 31.

([11]) Reported to the Commission via the Irregularity Management System (IMS).

([12]) For a description of these limitations, see Box 3 in the 2021 PIF report, Section 6.1, p. 32.

This report categorises the cases reported by the Member States and beneficiary countries into two broad types: **fraudulent irregularities** ([13]) and **non-fraudulent irregularities** ([14]).

The PIF report refers to the results of investigations by OLAF and the EPPO. Data are sourced from the respective annual reports ([15]) or obtained directly from these bodies ([16]).

These data sources have some significant underlying differences in nature, scope, budgetary areas covered and timelines ([17]).

Figure 2 below illustrates how each data source provides information for each specific stage of the anti-fraud cycle.

Figure 2: How the various data sources feed into the anti-fraud cycle analysis

Stage of AF cycle Data source	Prevention		Detection		Investigation and prosecution		Recovery and sanctioning	
Scope	**Policy**	**Data on results**	**Policy**	**Data on results**	**Policy**	**Data on results**	**Policy**	**Data on results**
Questionnaires on measures adopted by MS and follow-up given to PIF reports recommendations	✓		✓		✓		✓	
IMS		✓		✓		✓		✓
OWNRES				✓		✓		✓
EPPO annual reports				✓		✓		
Data notified by the EPPO to the Commission				✓		✓		✓
OLAF annual reports		✓		✓		✓		✓
Commission data (SUMMA and other sources)		✓		✓				✓

([13]) 'Fraudulent irregularities' are those the reporting country has classified as fraud in traditional own resources, suspected or established fraud in relation to funds managed under shared management and pre-accession instruments.

([14]) All irregularities that have not been classified as fraudulent are considered to be non-fraudulent.

([15]) The OLAF 2025 annual report and the EPPO 2025 annual report differ significantly in nature and scope from the PIF report. These differences were extensively explained in Section 1.2 of the 2023 PIF report.

([16]) In such cases, the source is cited as: 'Commission calculation based on data provided by OLAF/EPPO'.

([17]) The reporting workflow from the Member States and, ultimately, the availability of complete data to prepare this report depend heavily on information from the authorities detecting and investigating the irregularity or fraud. Reporting bodies in the Member States (mainly managing authorities or paying agencies for shared management and customs authorities for traditional own resources) can report on criminal investigations only when the relevant judicial or law enforcement authorities provide them with the authorisation and the necessary information. This means that, while the EPPO, OLAF or national law enforcement are actively investigating a case, the bodies responsible for reporting irregularities and fraud to the Commission might not be able to do so in certain cases due to investigations possibly being confidential. In such cases, this information will only become available when the investigation is completed and will only be included in the PIF report once this has happened.

This year's report broadens the scope of data by introducing new or more granular indicators. These indicators aim to measure the performance of the EU anti-fraud architecture across all stages of the anti-fraud cycle. ***Figure 3*** lists and defines the indicators used for each stage, along with the underlying data sources.

Figure 3: Indicators used in this report by stage of the anti-fraud cycle

Stage		Name of the indicator	Description of the indicator	Type of indicator	Data source
Prevention	[A.1]	**Number of cases with irregular amounts prevented from being spent**	In a reference period, the total number of cases for which a part or the entirety of the irregular amounts has not been paid (partial or full prevention)	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS
Prevention	[A.2]	**Percentage of cases with prevention on total number of cases**	Calculated dividing indicator [A.1] by the total number of cases reported [B.1] in the same reference period	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS
Prevention	[A.3]	**Financial amounts prevented from being spent**	In a reference period, the total irregular financial amounts which have not been paid	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS
Prevention	[A.4]	**Prevention rate**	Calculated dividing indicator [A.3] on total irregular financial amounts [B.2] in the same reference period	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS OLAF / Commission
Prevention	[A.5]	**Amount recommended for prevention**	Total amount recommended for prevention as result of OLAF investigations	Multiannual (reference period indicated) Sectoral	OLAF / Commission
Prevention	[A.6]	**Amount prevented**	Same as [A.3] but related to OLAF recommendations [A.5]	Multiannual (reference period indicated) Sectoral	OLAF / Commission
Prevention	[A.7]	**Establishment rate for prevention**	Calculated dividing indicator [A.5] on indicator [A.6]	Multiannual (reference period indicated) Sectoral	OLAF / Commission

Stage		Name of the indicator	Description of the indicator	Type of indicator	Data source
Detection	[B.1]	**Number of cases of irregularities**	In a reference period, the number of cases of detected irregularities reported by national authorities	Annual/Multiannual (specified) Sectoral Total/Fraudulent/non-fraudulent	OWNRES IMS
Detection	[B.2]	**Irregular financial amounts**	In a reference period, the irregular financial amounts related to the cases reported [B.1]	Annual/Multiannual (specified) Sectoral Total/Fraudulent/non-fraudulent	OWNRES IMS
Detection	[B.3]	**TDR**	**Total detection rate**, calculated dividing indicator [B.2] on total commitment appropriations/payments (specified)	Annual/Multiannual (specified) Sectoral Total	OWNRES IMS
Detection	[B.4]	**FDR**	**Fraud detection rate**, calculated dividing indicator [B.2] (referred exclusively to fraudulent irregularities) on total commitment appropriations/payments (specified)	Annual/Multiannual (specified) Sectoral Fraudulent	OWNRES IMS
Detection	[B.5]	**IDR**	**Irregularity detection rate**, calculated dividing indicator [B.2] (referred exclusively to non-fraudulent irregularities) on total commitment appropriations/payments (specified)	Annual/Multiannual (specified) Sectoral Non-fraudulent	OWNRES IMS
Detection	[B.6]	**FFL**	**Fraud frequency level**, calculated dividing the number of fraudulent irregularities on the total number of reported irregularities [B.1]	Annual/Multiannual (specified) Sectoral Fraudulent	OWNRES IMS
Detection	[B.7]	**FAL**	**Fraud amount level**, calculated dividing the financial amounts linked to fraudulent irregularities on the total irregular financial amounts [B.2]	Annual/Multiannual (specified) Sectoral Fraudulent	OWNRES IMS

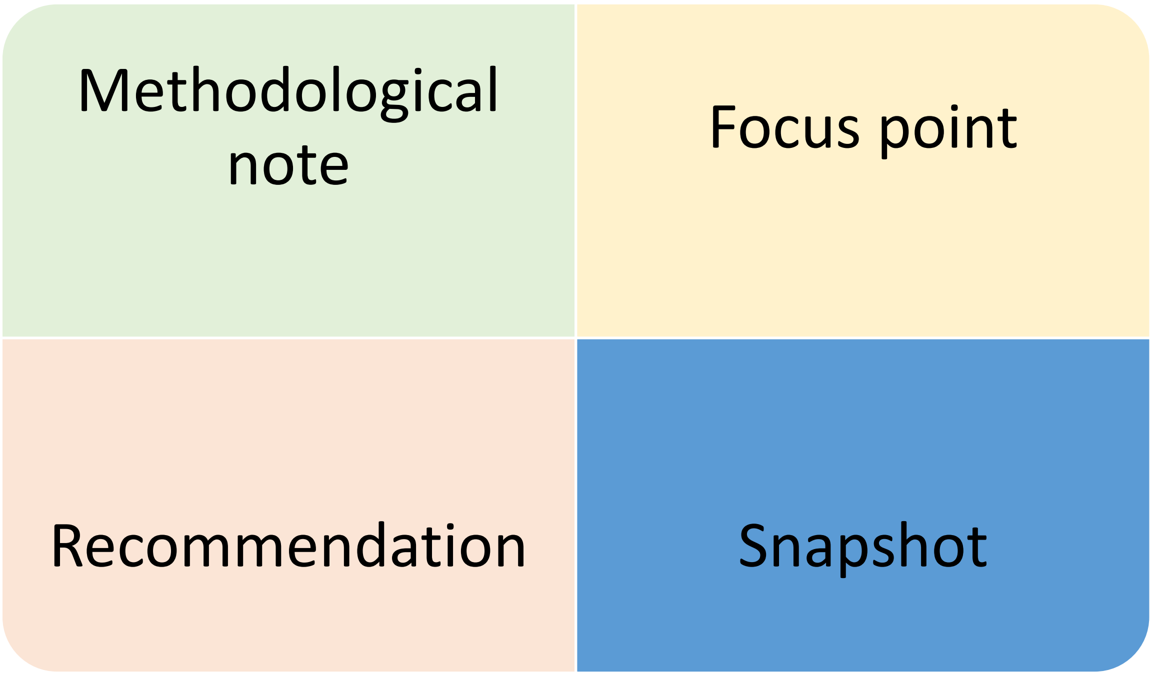
		Name of the indicator	Description of the indicator	Type of indicator	Data source
	[B.8]	**Number of investigations opened**	Number of investigations opened in the reporting year by budgetary sector	Annual Sectoral	OLAF EPPO
	[B.9]	**Source of information leading to opening investigations**	Number of investigations opened in the reporting year by type of source of information	Annual	OLAF EPPO
		Name of the indicator	**Description of the indicator**	**Type of indicator**	**Data source**
Investigation and prosecution	[C.1]	**Number of ongoing investigations/open cases**	In the reference period, the number of investigations ongoing (for the EPPO and OLAF) and cases of suspected fraud (IRQ3 classification in IMS) reported by national authorities still open	Multiannual (reference period indicated) Sectoral Fraudulent	IMS OLAF EPPO
Investigation and prosecution	[C.2]	**Percentage of fraudulent cases finalised**	Calculated dividing the number of fraudulent cases completed (meaning dismissed or with established fraud) on the total number of cases that have been classified (dismissals) or are still classified as fraud (suspected or established fraud)	Multiannual (reference period indicated) Sectoral Fraudulent	IMS
Investigation and prosecution	[C.3]	**Percentage of closed fraudulent cases dismissed**	Calculated dividing the number of fraudulent cases dismissed on the total number of fraudulent cases completed (meaning dismissed or with established fraud)	Multiannual (reference period indicated) Sectoral Fraudulent	IMS
Investigation and prosecution	[C.4]	**Percentage of closed fraudulent cases concluded with conviction**	Calculated dividing the number of fraudulent cases with established fraud on the total number of fraudulent cases completed (meaning dismissed or with established fraud)	Multiannual (reference period indicated) Sectoral Fraudulent	IMS
Investigation and prosecution	[C.5]	**Number of indictments**	Number of indictments in the reporting year	Annual Fraudulent	EPPO
Investigation and prosecution	[C.6]	**Dismissals**	Number of dismissals in the reporting year	Annual Fraudulent	EPPO
Investigation and prosecution	[C.7]	**Simplified prosecution procedures**	Number of simplified prosecution procedures in the reporting year	Annual Fraudulent	EPPO
Investigation and prosecution	[C.8]	**Number of closed investigations**	Number of closed investigations in the reporting year	Annual Total	OLAF
Investigation and prosecution	[C.9]	**Number of financial recommendations**	Number of financial recommendations resulting from closed investigations [C.8] in the reporting year	Annual Fraudulent	OLAF
Investigation and prosecution	[C.10]	**Number of judicial recommendations**	Number of judicial recommendations resulting from closed investigations [C.8] in the reporting year	Annual Fraudulent	OLAF
		Name of the indicator	**Description of the indicator**	**Type of indicator**	**Data source**
Recovery and sanctioning	[D.1]	**Number of closed cases with recovery**	In the reference period, the number of irregularities reported by the Member States, closed with financial recovery information	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS
Recovery and sanctioning	[D.2]	**Percentage of total number of cases**	Calculated dividing indicator [D.1] by the total number of cases reported in the same reference period with amounts to recover	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS
Recovery and sanctioning	[D.3]	**Financial amounts recovered**	With reference to cases included in [D.1], the total irregular financial amounts which have been recovered, or withdrawn or corrected	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS OLAF
Recovery and sanctioning	[D.4]	**Recovery rate**	Calculated dividing [D.3] by the total amount to be recovered as reported by national authorities with reference to cases included in [D.1] Calculated dividing [D.3] by [D.6] in the case of OLAF's financial recommendations	Multiannual (reference period indicated) Sectoral Total/Fraudulent/Non-fraudulent	IMS OLAF

[D.5]	**Amount recommended for recovery**	Financial amount recommended for recovery, following OLAF investigations	Multiannual (reference period indicated) Sectoral	OLAF / Commission
[D.6]	**FAER**	**Financial amounts established for recovery**, following Commission action based on OLAF financial recommendations	Multiannual (reference period indicated) Sectoral	OLAF / Commission
[D.7]	**Number of cases with sanctions**	In the reference period, the number of irregularities reported by the Member States, closed with sanctions imposed	Multiannual (reference period indicated) Sectoral Fraudulent/Non-fraudulent	IMS
[D.8]	**Percentage of fraudulent cases with sanctions**	Calculated dividing the number of cases closed with sanctions [D.7] on the total number of cases closed by the Member States		
[D.9]	**Number of specific administrative recommendations**	Number of specific administrative recommendations aimed at excluding economic operators from access to EU financing	Multiannual	OLAF / Commission
[D.10]	**Number of final court decisions**	Number of cases with a non-appealable court decision	Annual	EPPO
[D.11]	**Number of convictions**	Number of cases with a non-appealable court decision concluded with conviction	Annual	EPPO

1.4. Special boxes for key points

This document uses **four types of text box** to highlight specific aspects. They are illustrated in **Figure 4**.

Figure 4: Types of text box used to highlight key aspects



Methodological notes explain specific aspects of the dataset underpinning the indicators presented in a given section.

Focus points highlight key findings or implications arising from the preceding analysis. They may also indicate potential future action by the Commission.

Snapshots provide supplementary information on a specific topic linked to the section in which they appear.

Recommendations are included in the final section of the report and are addressed to **Member States**, based on the preceding conclusions.

2. Main developments in the protection of the EU's financial interests in 2025

2.1. Strengthening the legal framework

2.1.1. The legislative proposal for the next MFF

On 16 July 2025, the Commission adopted its first set of legislative proposals for the 2028-2034 multiannual financial framework (MFF), followed by a second set of sectoral proposals on 3 September 2025. Together, these proposals create the strategic basis for the EU's future financial programming and prioritisation over the next seven-year budget period.

The MFF proposal represents an ambitious reform of EU funding, with a budget of nearly EUR 2 trillion in current prices. The Commission aims to make the framework simpler, more flexible and better aligned with local and regional needs. It also introduces a shift towards performance-based funding, building on aspects of the Recovery and Resilience Facility (RRF), where Member States receive funds subject to achieving predefined milestones and targets set out in their national and regional partnership plans. This marks a departure from traditional cost-based funding in favour of a result-oriented approach. In addition, the single audit principle places the effective functioning of Member States' management and control systems in the center of the protection of the EU financial interests.

The new structure is designed to be more flexible, with the number of budget headings reduced from seven to four and numerous existing programmes merged into larger, integrated funds to improve efficiency and synergies. This streamlined and flexible approach should ease administrative burdens, strengthen internal controls, and reduce vulnerabilities.

The new MFF aims to support reforms that strengthen the rule of law in the Member States and requires comprehensive reporting on the final beneficiaries of EU funds. The national and regional partnership plans align EU investments with broader national reform agendas, enhancing management, transparency, and sustainability. The proposal supplements this approach with mandatory requirements for Member States to report any suspected fraud, corruption, irregularities, conflicts of interest or double funding, while adopting comprehensive national anti-fraud strategies, based on risk assessments.

Focus point 1: Need for enhanced administrative capacity and coordination

The proposal for the regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security, shifts the responsibility for controlling EU funds managed by the Member States to national authorities. The performance-based delivery model will require stronger administrative capacity at national level and close coordination between the EU and national anti-fraud bodies.

2.1.2. Review of the anti-fraud architecture

In July 2025, while presenting the first set of proposals for the next MFF, the Commission adopted a White Paper for the anti-fraud architecture (AFA) review ([18]). The review aims to help increase the coherence, resilience and effectiveness of the EU's anti-fraud framework, thereby strengthening the protection of EU revenue and expenditure.

The AFA review seeks to modernise the EU anti-fraud landscape in response to key developments, including:

- the shift towards performance-based models in the next MFF;
- the reference to the Anti-Money Laundering Authority (AMLA) ([19]) and the future European Union Customs Authority ([20]), as potential anti-fraud actors within the AFA alongside existing actors (OLAF, the EPPO, Eurojust and Europol);
- the evolving role of national anti-fraud authorities, and authorising officers in the EU institutions in safeguarding the EU budget.

2.1.2.1. Key priorities identified in the White Paper

The review is both **timely and necessary** given the growing threats posed by organised crime and fraudsters exploiting emerging technologies such as artificial intelligence and cryptocurrencies.

The White Paper outlines six priority themes: (i) enhancing cooperation and coordination; (ii) strengthening fraud prevention; (iii) improving detection; (iv) ensuring higher-quality reporting; (v) improving investigation and prosecution capabilities; and (vi) streamlining recovery processes.

A particular focus is placed on harnessing modern technologies, including artificial intelligence, across the entire anti-fraud cycle. Additionally, the review emphasises the need for better information-sharing, data-sharing and system operability among anti-fraud bodies.

2.1.2.2. Sources informing the review

The review process draws on multiple inputs, including:

- findings from ongoing evaluations of the key legislative acts underpinning EU anti-fraud work ([21]);

([18]) COM (2025) 546 final, 16.07.2025.

([19]) Regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, *OJ L, 2024/1620, 19.6.2024.* Following the adoption of the AMLA's regulation on 31 May 2024, the authority was legally established on 26 June 2024 and will be fully operational as of 1 January 2028.

([20]) COM(2023) 258 final.

([21]) e.g. the founding Regulations of the EPPO and OLAF and the PIF directive.

- positions expressed by the European Parliament and the Council ([22]);
- reports from the European Court of Auditors ([23]);
- consultations with EU anti-fraud actors, to gather practical insights into prevention and enforcement to protect the EU's financial interests.

The review process is expected to culminate in a Commission communication by late 2026, potentially accompanied by legislative proposals to amend key acts, including the EPPO and OLAF Regulations and the PIF Directive.

These measures aim to strengthen the EU's anti-fraud framework in time for the next MFF.

Snapshot 1: European Court of Auditors' special report on EU's anti-fraud bodies

In 2025, the European Court of Auditors (ECA) published its special report 26/2025 on EU bodies fighting fraud, which assessed the key actors involved in the EU anti-fraud architecture, including the EPPO and OLAF, and how they cooperate in investigating fraud. The ECA found that the responsibilities of these bodies are clearly set out, but the architecture would benefit from improvements in terms of information exchange between the EPPO and OLAF, as well as the Commission's wider role in protecting the EU budget. The ECA recommended that the Commission to: i) set up a new system to simplify the handling of allegations and investigations; ii) analyse variations in the level of fraud reported across the EU; and (iii) measure the impact of fraud investigations, including amounts recovered to the EU budget.

2.1.3. The anti-corruption package

2.1.3.1. Directive on combating corruption

In December 2025, the Council and the European Parliament reached political agreement on the **Directive on combating corruption** ([24]), following trilogue negotiations that began in January 2025. The Directive was formally adopted in spring 2026 with Member States required to transpose it into national law within two years. It introduces three key changes to how corruption offences will be addressed across the EU:

1. **Harmonised definitions:** it aligns definitions of offences including bribery, misappropriation, trading in influence, (at least certain serious violations involving)

([22]) e.g. Report on the protection of the EU's financial interests – combating fraud – annual report 2023, 1 April 2025, European Parliament, Committee on Budgetary Control.

([23]) e.g. Special report 7/2024 on the Commission's systems for recovering irregular EU expenditure and special report 26/2025 on EU bodies fighting fraud.

([24]) Directive (EU) 2026/1021 of the European Parliament and of the Council of 29 April 2026 on combatting corruption, replacing Council Framework Decision 2003/568/JHA and the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and amending Directive (EU) 2017/1371 of the European Parliament and of the Council. *OJ L, 2026/1021, 11.5.2026.*

unlawful exercise of public functions, enrichment and concealment, as well as obstruction of justice related to corruption offences.

2. **Stronger penalties and procedural rules:** it sets minimum levels of criminal penalties (including imprisonment) for natural and legal persons and lays down minimum time frames for investigating and prosecuting corruption offences, tailored to the gravity of each offence, to ensure sufficient time for effective enforcement.

3. **A stronger preventive framework:** it reflects joint efforts by Member States and the Commission to adopt concrete measures to prevent corruption across the EU, such as national anti-corruption strategies.

The Directive on the fight against fraud to the EU's financial interests by means of criminal law ([25]) has also been amended to align it with this new instrument, particularly on penalties and limitation periods and may be further aligned.

2.1.3.2. EU network against corruption

In 2025, the EU network against corruption ([26]) continued its activities, including:

- a workshop on corruption mitigation measures (June 2025);
- its third plenary meeting (November 2025), which explored the link between competitiveness – a key Commission priority – and anti-corruption efforts. Discussions focused on how EU anti-corruption policy could foster a more competitive business environment, attract investment, and promote sustainable economic growth across the EU.

2.1.3.3. The EU anti-corruption strategy

In October 2025, the adoption of the **first EU anti-corruption strategy** was announced as part of the 2026 Commission work programme. The strategy aims to strengthen independent and effective judicial systems and to protect and uphold democracy and the rule of law in the EU.

2.2. Overview of national measures adopted in 2025

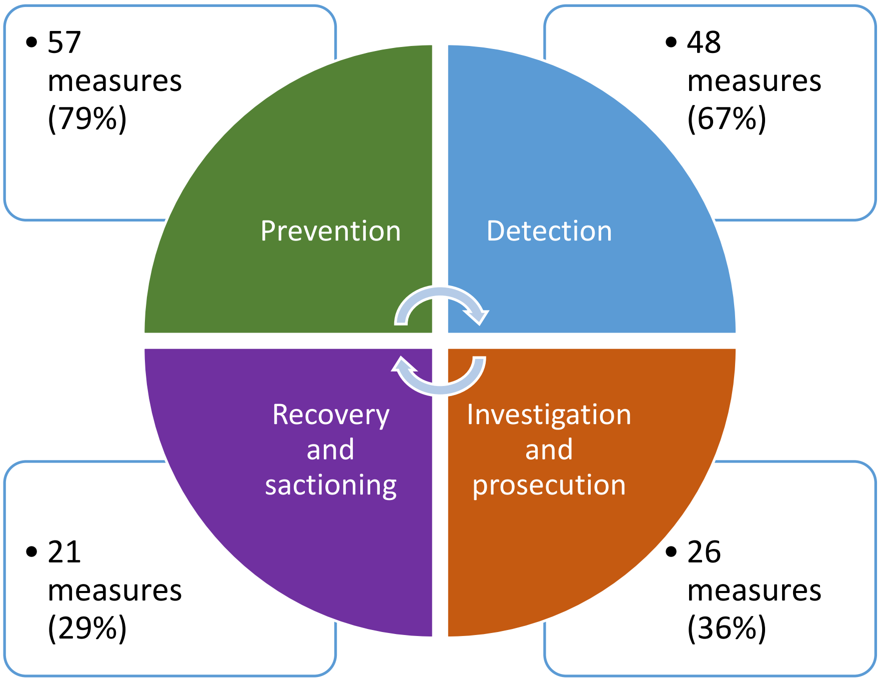
In 2025, Member States reported **72 measures** to strengthen their anti-fraud frameworks and protect EU funds. Each country had been asked to report up to three measures, which could be **legislative**, **administrative**, **organisational**, or **operational** in nature. Of the measures reported, **25 were packages of measures** (12 of which combined multiple types of action), while the remaining **47 were single measures**. Packages of measures consist of multiple measures adopted simultaneously having the same objective.

The measures reported cover all stages of the anti-fraud cycle. As in previous years, the focus in 2025 remained on the **first two stages of the cycle**, as shown in Figure 5.

([25]) Directive (EU) 2017/1371, *OJ L198/29*, 28.7.2017.

([26]) https://commission.europa.eu/strategy-and-policy/policies/justice-and-fundamental-rights/democracy-eu-citizenship-anti-corruption/anti-corruption/eu-network-against-corruption_en.

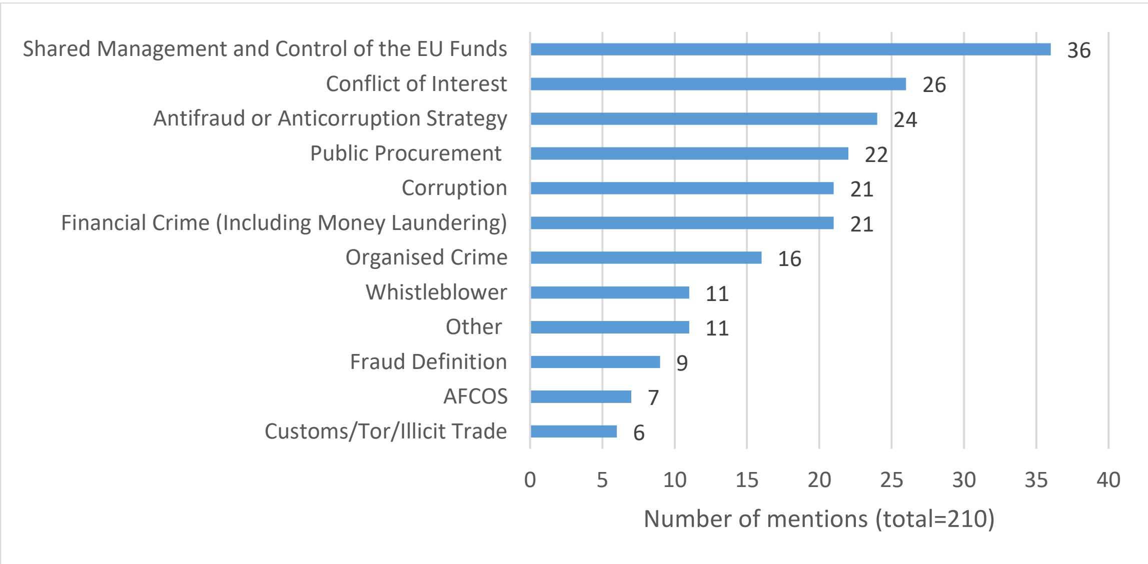
Figure 5: Measures reported by Member States by stage of the anti-fraud cycle addressed



Note: a measure can target more than one stage. Out of 72 measures reported, 18 targeted one stage, 36 two stages, 10 three stages, and 8 all four stages of the anti-fraud cycle.

The measures also targeted fraud risks in different vulnerable areas, with some addressing several areas at once. The most frequently targeted area in 2025 was '**shared management and control of the EU funds**' (mentioned in 37 measures). Around one in three measures also addressed 'conflicts of interest' or 'antifraud and anticorruption strategies' (see **Figure 6**).

Figure 6: Areas targeted in 2025



Note: one measure may target multiple areas. Of 72 measures reported, 22 targeted one area, 17 two areas, 13 three areas, 9 four areas, 1 five areas, 6 six areas, 1 seven areas, 1 eight areas and 1 nine areas, and 2 ten areas.

Measures may apply horizontally (across all EU budget sectors) or sectorally (targeting specific sectors). Member States reported measures in both categories.

Based on Member States' input, **two key trends emerged** in 2025: **early detection and exclusion** and **capacity-building activities.** These trends reinforced the continued emphasis on prevention and detection.

Snapshot 2: Focus areas enhancing fraud prevention and detection

Member States reported 17 measures targeting (i) early detection and exclusion; and (ii) capacity building ([27]). These measures place strong emphasis on prevention.

(i) Early detection and exclusion

Member States reported multiple measures focusing on early detection of 'unreliable' entities and their exclusion from further procedures. This might include counterparts previously involved in fraudulent or irregular activities or failing to disclose conflicts of interest. Beyond reducing fraud risks, this approach optimises resource allocation. An overview of these measures is provided in **Table 1 of Annex 3**.

(ii) Training and capacity building

Member States continued efforts to raise awareness and improve skills among staff involved in anti-fraud actions. Through training and guidelines, they ensure that staff are familiar with current fraud risks, systems and procedures, so that they can respond effectively to cases of fraud and irregularities (see **Table 2 of Annex 3)**. Additional measures include IT systems training and technical guidelines.

A third focus area in 2025 was **information exchange management**, with measures to streamline information and data flows and harmonise reporting practices.

Snapshot 3: Focus area – Information exchange management

Member States reported 15 measures in this area ([28]). Effective data management remains a priority, with approaches varying but sharing a common goal: improving data processing and accessibility.

Measures shown in **Table 3 of Annex 3** include: (i) guidelines, checklists and common reporting standards; (ii) designating dedicated bodies and reallocating fraud-related responsibilities; (iii) updating and upgrading data systems; and (iv) creating dedicated databases.

Accessibility and quality of collected data are key for robust analytical work. Common practices in data collection and data formats help improve data quality and increase data usability. In 2025, many Member States reported taking measures to improve the quality of and access to data, thereby strengthening their other anti-fraud efforts.

Additionally, five Member States reported on changes to administrative structures to facilitate information flows and more clearly divide responsibilities in the anti-fraud domain. Reported examples (see **Table 4 of Annex 3**) show new bodies or units to being created to consolidate powers in various anti-fraud fields and dedicated responsible bodies being set up to streamline communication with other national and EU-level counterparts and benefit from the knowledge of highly specialised staff.

([27]) For a description of the related measures, see Sections 1.1 and .1.3 of the SWD 'Measures adopted by Member States to protect the EU's financial interests - implementation of Article 325 TFEU', accompanying this report.

([28]) See Section 1.2 of the SWD 'Measures adopted by Member States to protect the EU's financial interests - implementation of Article 325 TFEU', accompanying this report.

2.3. Strengthening the governance and coordination of the fight against fraud

2.3.1. Implementation of the action plan accompanying the Commission anti-fraud strategy

A key instrument for the Commission's sustained approach to fraud prevention, detection and correction – the **Commission anti-fraud strategy** (CAFS) and its 2023 accompanying action plan – continued to be actively implemented throughout 2025. The plan includes 44 actions under **seven themes** that cover the Commission's priorities in fighting fraud. OLAF, as the lead service, monitored and coordinated the implementation of the plan ([29]).

Themes 2 (*Support Member States to reinforce the protection of the RRF, cohesion, agriculture and fisheries funds*), 5 (*Reinforce the anti-fraud architecture*) and 6 (*Reinforce the Commission's anti-fraud governance*) mainly help strengthen the governance and coordination of the fight against fraud.

Under the second theme, the Commission continued to provide targeted support to Member States on anti-fraud topics. The revised Handbook on reporting irregularities was adopted in September 2025, following discussions with Member States.

To reinforce the EU anti-fraud architecture (fifth theme) the Commission stepped up cooperation with the EPPO on the administrative follow-up of the EPPO cases. OLAF has continued to deliver training courses and presentations on ethics and anti-fraud matters to decentralised agencies and joint undertakings.

On cooperation among Commission departments and executive agencies (sixth theme), in 2025, OLAF reviewed 15 service-level strategies and continued sharing the latest developments in anti-fraud policy within the fraud prevention and detection network.

The action plan is expected to be implemented until end of 2026. OLAF will evaluate the results and assess the need for a new anti-fraud strategy or action plan, and possible changes in the way the Commission and the EU deal with fraud risks. This process of reflection will notably consider the results of the review of the EU's anti-fraud architecture and the ECA special report 18/2026 of 18 June 2026 on the CAFS.

2.3.2. National anti-fraud strategies

Another key element of governance is the adoption of dedicated strategies to counter fraud affecting the EU's financial interests. Over the years, the Commission has supported the adoption of national anti-fraud strategies (NAFS)devised by the key national level of the AFA. Currently, there is no legal obligation for Member States to have a NAFS. However, the Commission included the adoption of comprehensive NAFS, based on a risk assessment, among the key requirements for Member States' management, control and audit systems in the proposal for the regulation establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 ([30]).

([29]) See the 'Commission anti-fraud strategy (CAFS) action plan implementation monitoring: state-of-play 31 May 2026', accompanying this report.

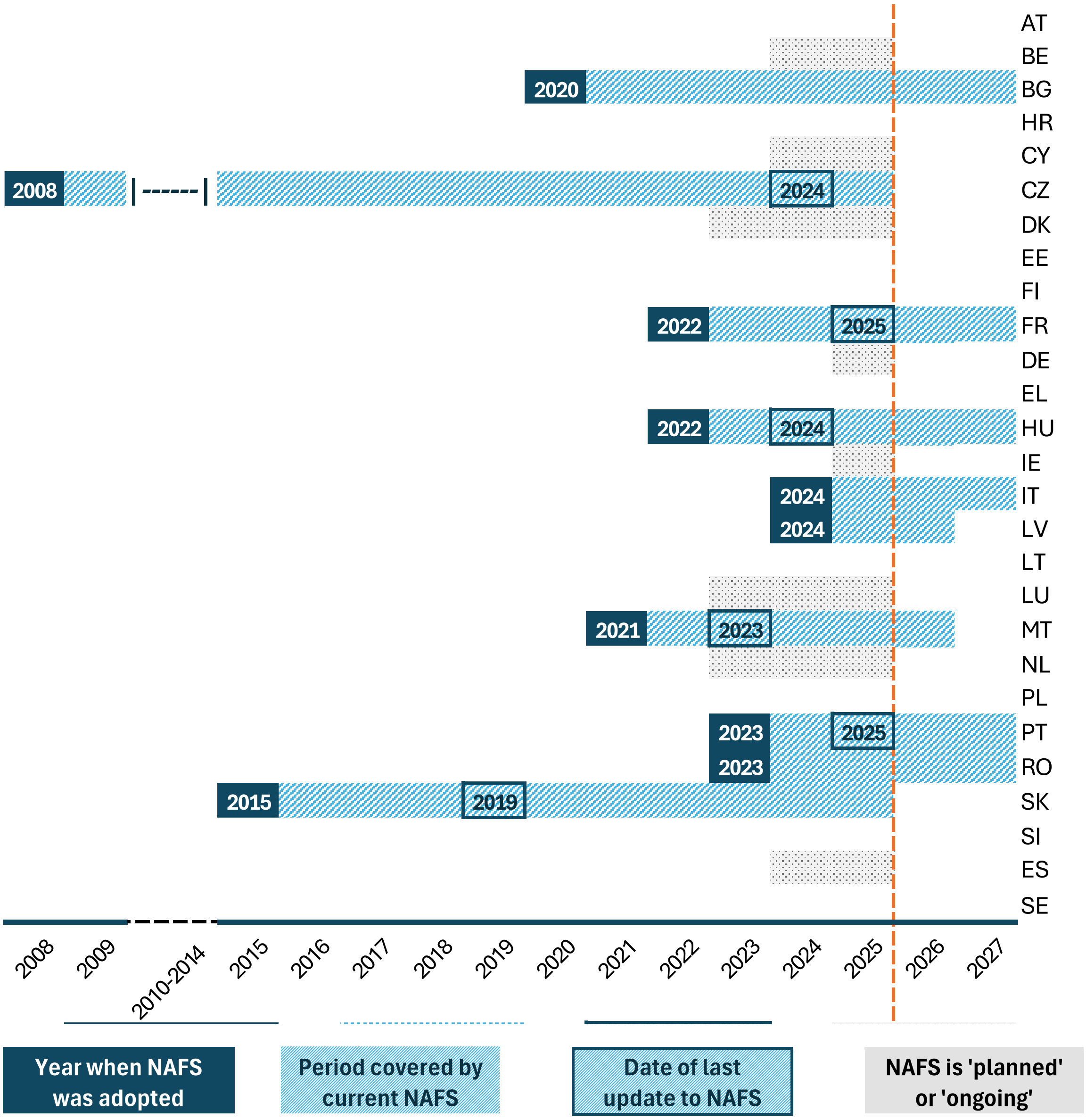
([30]) COM(2025) 565 final, Annex IV. Last year's report reiterated the recommendation to Member States to have in place NAFS.

In 2025, 25 Member States indicated that they had anti-fraud strategies in place for the protection of the EU's financial interests. The approach taken by the Member States varied widely though as regards the scope of these strategies.

A total of 10 Member States indicated that they have a NAFS in place addressing at least fraud against EU funds ([31]) and 8 Member States ([32]) are in the process of adopting one. However, 9 Member States ([33]) declared having neither a national anti-fraud strategy to protect the EU's financial interests nor an ongoing procedure to adopt one (**Figure 7**).

No Member State adopted new NAFS in 2025.

Figure 7: Overview of the NAFS reported by Member States ([34])



([31]) These are the same NAFS reported in 2024, therefore the qualitative assessment in the 2024 PIF report (SWD(2025)229 final) remains valid. Cyprus adopted its NAFS on 29 May 2026.

([32]) Belgium, Denmark, Germany, Ireland, Spain, Cyprus, Luxembourg and Netherlands. Cyprus adopted its NAFS on 29 May 2026.

([33]) Estonia, Greece, Croatia, Lithuania, Austria, Poland, Slovenia, Finland and Sweden.

([34]) The period covered by Malta' NAFS was extended to 2026. Slovakia is currently updating its NAFS, which was initially set up for the 2014-2020 period.

22 out of 27 Member States indicated that they had other types of anti-fraud strategy in place to protect the EU's financial interests, as presented in **Figure 8**. Of the other 5 Member States, 3 have a NAFS in place, while the remaining 2 ([35]) did not declare having any anti-fraud strategy.

Figure 8: Overview of other types of anti-fraud strategy reported by Member States

The **main reason for adopting a NAFS** cited by Member States was the legal obligation to protect the EU's financial interests under Article 325 TFEU. One Member State ([36]) developed its NAFS specifically as part of commitments under the EU's conditionality procedure. Other reasons mentioned included: (i) the need for a coherent and coordinated policy framework to combat fraud affecting the EU budget; (ii) strengthening cooperation among national authorities responsible for managing EU funds; and (iii) creating structured mechanisms to address systemic risks.

([35]) Lithuania and Sweden.

([36]) Hungary.

Member States identified several **key benefits** of NAFS:

- better cooperation, communication and coordination among national anti-fraud actors;
- consolidation of the anti-fraud architecture, particularly within the AFCOS network;
- better governance by clearly setting out responsibilities and procedures;
- clearer legal and regulatory framework;
- a more structured and systematic approach to fraud prevention and detection;
- effective and coordinated implementation of anti-fraud measures;
- greater transparency of anti-fraud efforts and accountability in fund management processes;
- stronger institutional capacities through targeted capacity-building measures.

By contrast, the reasons for not adopting a NAFS mentioned by some Member States included having key anti-fraud elements already embedded in existing national systems, procedures and other anti-fraud strategies in place at national level, lack of added value or lack of political decision. Three Member States ([37]) reported legislative barriers as the main **obstacle** to adopting a NAFS, while two ([38]) cited resource-related issues and one ([39]) mentioned institutional factors.

2.4. Enhancing anti-fraud frameworks: A review of member states' progress on reporting and digitalisation

2.4.1. Member State actions: follow-up to the recommendation in the 2024 PIF report

The 2024 PIF report contained four recommendations ([40]). The first two were on strengthening reporting and communication channels, specifically by: (i) reducing the reporting gap in relation to suspected fraud and irregularities; and (ii) setting up more effective communication channels, by identifying and addressing existing loopholes in the information flow for suspected fraud cases, from initial reporting to the Commission through to follow-up. The third recommendation concerned the adoption of national anti-fraud strategies (already covered in Section 2.3.2). The fourth recommendation addressed digitalisation as a pillar of the NAFS with the aim of: (a) assessing the level of threat posed to the EU budget by the rise in cybercrime and in the use of AI and other innovative technologies, in particular by organised crime groups; (b) identifying Member States' knowledge and skills gaps in relation to the deploying, developing and using innovative technologies to combat fraud more effectively; and (c) identifying the measures needed to mitigate those threats and vulnerabilities.

([37]) Greece, Lithuania and Slovenia.

([38]) Finland and Sweden.

([39]) Slovenia.

([40]) See 2024 PIF report, Section 5. The replies from Member States to recommendations 1, 2 and 4 are included in the SWD 'Follow-up on recommendations to the Commission report on the protection of the EU's financial interests and the fight against fraud – 2024'. The replies to recommendation 3 are included in the SWD 'National anti-fraud strategies (NAFS) state of play and assessment'.

2.4.1.1. Improved reporting and more effective communication channels

Improved reporting

Member States show **greater confidence in their anti-fraud reporting systems**. In 2024 11 Member States identified no significant gaps in their reporting, while their number rose to 18 in 2025, a trend that may reflect improvements in national reporting mechanisms, heightened awareness of obligations, or increased trust in existing systems. Nevertheless, caution is warranted, as these findings are based on Member States' self-assessments.

Prevention remains the primary focus of national anti-fraud efforts, followed by detection. Twenty-four Member States prioritised prevention, while the remaining three ([41]) focused on detection.

On staff knowledge and training on the Irregularity Management System (IMS), most Member States rely on OLAF or Commission materials (22 Member States), regular training sessions (20), liaison officers or trainers in contact with OLAF (18), and national guidance or manuals (17).

Overall, responses indicate a **strong commitment** to anti-fraud reporting, characterised by: (i) a prevention-led approach, (ii) extensive use of training, (iii) growing reliance on risk assessment, and (iv) better coordination through AFCOS and IMS support structures. However, closing the reporting gap depends not only on legal obligations, but also on operational consistency, staff capacity, inter-agency coordination, and systematic quality control of reporting data.

Snapshot 4: Best practices to improve reporting

The most transferable best practices mentioned by Member States include:

- regular fraud risk self-assessment;
- comprehensive staff training and onboarding for IMS reporting;
- clear allocation of tasks and referral pathways;
- use of red flags, data tools and integrated checks;
- national coordination mechanisms and working groups;
- effectiveness measurement combining audits, risks, cases and recoveries.

Key takeaway: closing the reporting gap requires more than legal compliance. It demands operational consistency, staff skills, coordination and systematic data-quality checks.

Information flow and communication channels

Most Member States have formal or semi-formal arrangements to facilitate information-sharing between reporting and judicial authorities, including:

- central contact points or single points of contact;
- reporting guidelines and manuals;
- cooperation protocols or memoranda of understanding;
- regular inter-agency meetings;
- direct email exchanges; and
- dedicated AFCOS coordination structures.

Regular meetings are the most widely used coordination method (reported by 25 Member States). IMS is also widely used as a coordination tool, with 22 Member States referring to its use in this context. Encrypted email is used by 15 Member States. Among the 16 Member States using secure

([41]) Bulgaria, Denmark and Luxembourg.

online platforms or shared case-management systems, 14 rely on them as their primary communication tool.

Operational weaknesses

The main challenge identified is timely access to information from investigative and judicial authorities (e.g. prosecutors, police, the EPPO or courts), in particular on updates on ongoing criminal proceedings (especially where criminal proceedings are prolonged or subject to confidentiality requirements) and final judicial outcomes. Member States repeatedly reported difficulties in obtaining the information needed to complete or update IMS entries, especially for sanctions, fraud classification, modus operandi, recovery amounts, and judicial status and outcomes.

Several Member States also referred to structural limitations linked to the EPPO Regulation, where AFCOS does not always receive operational information directly, confirming a pattern previously identified in the 2024 PIF report.

Cooperation with national administrative bodies appears to function relatively smoothly, with 24 Member States reporting no issues. Cooperation with investigative bodies was assessed to be less uniform: 18 Member States reported no issues, 7 reported minor issues and 2 ([42]) reported serious issues. This suggests that the principal challenge lies not in administrative coordination as such, but in access to follow-up information from investigative and judicial authorities once a case enters the criminal justice chain.

Conclusion

The effectiveness of communication channels depends less on creating new reporting channels than on structured governance, routine coordination and reliable mechanisms for follow-up, particularly between administrative and judicial actors. The core challenge remains ensuring continuous information flow after a case reaches the courts, so that administrative reporting remains timely, complete and accurate.

Snapshot 5:Best practices for effective communication channels

The most transferable best practices mentioned by Member States include:

- formal cooperation agreements and written referral/update procedures,
- regular multi-authority meetings and AFCOS-led coordination,
- clear case ownership and periodic follow-up reviews,
- national case-management systems feeding into IMS,
- pragmatic confidentiality arrangements (e.g. need-to-know access and staged reporting),
- designated contact points and liaison structures, and
- continuous quality control of IMS data.

Key takeaway: improving communication is less about creating one new channel and more about ensuring that information continues to flow seamlessly, even after a case enters the judicial phase, to maintain timely, complete and accurate reporting.

([42]) Spain and Cyprus.

2.4.1.2. Digitalisation and AI

Digitalisation remains a **key component** of anti-fraud efforts across Member States, though implementation **varies significantly** and is often **approached cautiously**.

Use of AI

Most Member States (21) reported not using AI tools in their anti-fraud strategies. Three Member States ([43]) confirmed AI was integrated into their national anti-fraud strategy, while 6 ([44]) use it in other anti-fraud frameworks.

Where applied, AI is primarily used for anomaly detection and predictive analytics, aligning with the broader prevention and detection focus within the anti-fraud cycle.

The examples provided by Member States include: (i) machine-learning tools for anomaly detection and risk analysis in agriculture and customs; (ii) tools supporting audits and the prediction of irregularities; (iii) text-processing and transcription assistance; (iv) risk scoring and network analysis applications; and (v) automated invoice verification.

Overall, AI adoption remains at an exploratory stage and is often sector-specific rather than fully integrated into national systems.

Assessment of cyber-threats and AI-related threats

Progress in this area has been limited:

- 3 Member States ([45]) conducted a comprehensive assessment in 2025;
- 8 ([46]) performed a partial assessment;
- 15 reported no assessment and no plans to conduct one;
- 1 indicated that an assessment was planned.

This suggests that the recommendation to assess cyberthreats and AI-related threats is only beginning to be reflected in national practice.

Future digitalisation priorities

Member States intend to focus on:

- stronger interoperability between systems;
- expanded use of Arachne and the future Arachne+;
- improved risk-analysis tools;
- better data integration;
- possible use of AI applications (e.g. for anomaly detection or complaint analysis); and
- digital platforms to support transparency and case management.

([43]) Czechia, Italy and Portugal.

([44]) Belgium, Spain, France, Italy, Hungary and Slovenia.

([45]) Czechia, Luxembourg and Sweden.

([46]) Belgium, Estonia, Ireland, Spain, Latvia, Malta, Austria and Slovakia.

Snapshot 6: Best practices in digitalisation

Member States increasingly recognise **digitalisation as essential** to anti-fraud policy, but **implementation remains uneven**, fragmented and hindered by interoperability issues, legal uncertainty and budget constraints.

Most easily transferable best practices include:

- embedding digitalisation in anti-fraud strategies;
- improving interoperability between national systems and EU tools;
- deploying AI in a targeted, secure and risk-based manner;
- combining digital outputs with human analysis and operational follow-up;
- clarifying legal and data protection frameworks; and
- investing in training and technical support.

Key takeaway: Digitalisation is most effective when supported by: (i) usable, high-quality data; (ii) interoperable systems; (iii) legal certainty; (iv) skilled staff; and (v) integration into daily control workflows**.**

Use of Arachne by the Member States – state of play

In 2024, 22 Member States used Arachne as part of their anti-fraud strategies; this increased slightly to 23 in 2025. However, usage varies significantly. The tool is not simply ‘used’ or ‘not used’, but often **only partially integrated**. For example, data may cover only certain funds, uploads may be manual or provided only to a limited extent. Thus, while uptake is broad, depth and quality of use differ considerably.

The reasons for partial implementation are: (i) technical limitations (8 Member States), (ii) strategic decisions to provide only the minimum dataset (7 Member States), and (iii) egal constraints (6 Member States). This suggests that partial integration is often a **pragmatic compromise** rather than a rejection of the tool itself.

Interoperability with national data-analysis tools remains limited. Where it exists, interoperability is generally assessed as medium to high, but few Member States have achieved it. In practice, many systems still rely on XML exports, manual uploads, or data extraction from national systems into Arachne, rather than on automated interoperability.

Snapshot 7: Barriers to digitalisation

The 2024 analysis identified interoperability problems, legal barriers, and data-protection or security concerns as the main obstacles to digitalisation. This year’s responses confirm these findings, with the three most significant barriers being interoperability challenges (19 Member States), budget constraints (16 Member States), and data protection concerns or other legal issues (12 Member States).

These results indicate that the primary obstacles are **structural and organisational**, rather than conceptual. Qualitative responses confirm this conclusion, highlighting: (i) poor system compatibility; (ii) uneven data quality and access; (iii) fragmented institutional arrangements slowing digital progress; (iv) legal and privacy frameworks complicating automated data use; and (v) rigid and costly legacy applications.

Member States that are more advanced in this area emphasised the need for interoperability, common data standards, and stronger support from the Commission and OLAF.

2.5. Implementation of the EU anti-fraud programme

The Union anti-fraud programme (UAFP), with a budget of EUR 181.7 million for the 2021-2027 programming period, serves as a strategic financial instrument designed to increase the integrity of the EU's budget through its three components ([47]):

(i) protection of the EU's financial interests by Member States ('anti-fraud measures');
(ii) organisation of mutual administrative assistance and cooperation in customs and agricultural matters (Anti-Fraud Information System – AFIS); and
(iii) development and maintenance of the IMS for the reporting of irregularities by Member States.

The 2025 financing decision allocated EUR 17.6 million to the first component, EUR 8.7 million to the AFIS component and over EUR 1 million to the IMS component. The available funds for 2025 were successfully implemented using the various financing instruments available, such as grants and procurement.

For the first component, the focus was on financing projects (through grants) linked to the expenditure side of the EU budget and on digitalisation, IT development and the integration of AI in the fight against fraud by Member States. The two calls for proposals that were launched in 2025 (with a total budget of EUR 12.4 million) saw a high demand for financing (over four times higher than the available budget) and participation by most Member States (151 applications from 16 Member States and 2 applications from Ukraine, the only third country associated to the programme so far). Notably, around 25% of all received proposals targeted the financing of data analytics technology and IT tools.

Procured activities under the 2025 budget of the programme, totalling around EUR 3.9 million, focused on enhancing the technical capabilities of Member State authorities. Key deliverables included specialised anti-fraud conferences, digital forensic analyst training, and the provision of access to data from commercial databases and to customs analysis tools.

([47]) For a full description of the implementation of the UAFP in 2025 see SWD 'Annual overview with information on the results of the Union anti-fraud programme in 2025'.

3. A HOLISTIC VIEW OF THE FIGHT AGAINST FRAUD AFFECTING THE EU'S FINANCIAL INTERESTS

Section 1.2 outlined the **anti-fraud cycle** and the importance of addressing its four stages to ensure an adequate protection of the EU's financial interests. This section builds on new analyses and data to present **specific indicators** for measuring the results of the measures taken by AFA actors at both EU and national level.

It begins with an **overall assessment** of the different stages of the anti-fraud cycle, providing a comprehensive overview of the protection of the EU financial interests. The second part of the section offers a **narrative analysis** relating to the various EU budget areas.

Methodological note 1: Data availability to cover all indicators

In line with the holistic approach, intended to cover the entire anti-fraud cycle, the Commission aims to present specific metrics to assess the impact of different actors and track progress. This year's report marks a **first step** in this direction and helps identify **data needs and gaps**.

The subsections below do not follow the traditional sequence of the anti-fraud cycle (prevention, detection, investigation and prosecution, recovery and sanctioning), as **no data exist** on **'pure' prevention**. The available data instead allow '**early detection**' to be measured, which is therefore presented after the '**detection'** stage.

A second consideration is that data or analyses do not cover all budgetary areas uniformly. Consequently, the level of **granularity** in the data and analysis may vary across subsections.

3.1. The protection of the EU's financial interests through the anti-fraud cycle

3.1.1. Detection

The ability of management and control systems to detect **irregularities and fraud** affecting the EU's financial interests is crucial to ensuring an adequate level of protection. Detection enables necessary follow-up measures, including referring suspected fraud cases to the competent authorities (prosecution services and law enforcement) and initiating administrative procedures to establish amounts for financial corrections or recoveries.

Methodological note 2: Defining and measuring detection

Sector-specific regulations require national authorities (in customs, shared management and pre-accession) to report to the Commission 'irregularities that have been the subject of a first written assessment by a competent authority, either administrative or judicial, which has concluded on the basis of specific facts that an irregularity has been committed' and 'irregularities that give rise to the initiation of administrative or judicial proceedings at national level in order to establish the presence of fraud or other criminal offences […]'([48]).

Data on detected irregularities (both fraudulent and non-fraudulent) are reported by national authorities via IMS and OWNRES. They do not capture **all detection** activities because of specific derogations in the sectoral regulations ([49]).

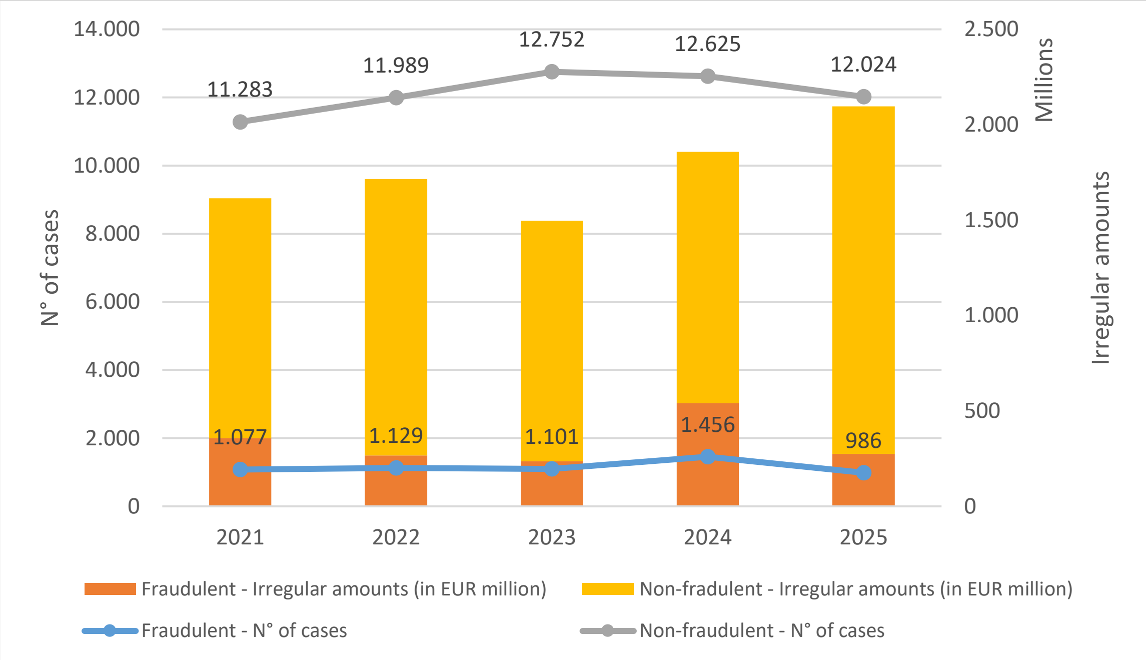
([48]) The quoted text is from Annex XII of Regulation (EU) 2021/1060. Similar provisions are contained in the different sectoral regulations on the reporting of irregularities to the Commission.

([49]) First of all, the threshold of EUR 10 000 of EU funds applies. Additional derogations are presented in **methodological note 3**.

Furthermore, detected cases in relation to the RRF and VAT-fraud are not subject to mandatory reporting to the Commission ([50]) (see Sections 3.2.3 and 3.3.1).

In 2025, a total of 13 010 irregularities (both fraudulent and non-fraudulent), amounting to EUR 2.1 billion were recorded ([51]). Compared with 2024, this represents a slight decrease in the number of reported irregularities (-7.6%), while the related irregular amounts increased (+12.8%) ([52]). The number of fraudulent irregularities remained relatively stable between 2020 and 2023 but significantly increased in 2024 to 1 456 and fell to 986 in 2025 (-32% on 2024). This represents 7.6% of the total number of reported irregularities. There was more variation in the financial amounts linked to these cases due to a few individual cases with high financial impact. The figure fell to EUR 274.3 million in 2025 (-49.2% on 2024), confirming the volatility of this indicator.

Figure 9: Irregularities reported and related financial amounts – 2021-2025 (OWNRES, IMS and the Commission's accounting system)



By contrast, non-fraudulent irregularities followed an upward trend from 2020 to 2023, in line with the expected spending programme cycles. After stabilising in 2024, the number of these irregularities decreased slightly in 2025 with 12 024 cases reported (-4.8% on 2024). However, the financial amounts involved increased to EUR 1.82 billion (+38.2% on 2024). Compared to the average for the last five years, the number of non-fraudulent irregularities reported in 2025 was 1% lower, while the financial value was 28.2% higher.

([50]) Member States remain under the obligation to report suspected fraud cases to the competent investigative authorities, such as the EPPO and OLAF and to keep relevant records for five years, as per Article 11(1)(d) of the RRF financing agreement.

([51]) Irregularities relating to expenditure were reported by Member States and non-EU countries in IMS and irregularities relating to traditional own resources in OWNRES. Irregularities related to direct management are extracted from the Commission's accounting system.

([52]) This increase is mainly due to non-fraudulent irregularities reported in traditional own resources. For most expenditure sectors there was a decrease, except agriculture and internal policies.

Figure 10: Summary indicators for detection - 2025

Cases detected and reported - 2025												
Budgetary sector	Total irregularities			Fraudulent irregularities					Non-fraudulent irregularities		
	N	EUR (million)	TDR	N	EUR (million)	FFL	FAL	FDR	N	EUR (million)	IDR
Revenue (TOR)	4 390	824.7	2.68%	285	85.4	6.5%	10.4%	0.28%	4 105	739.3	2.41%
Expenditure	8 620	1 271.1	0.72%	701	188.8	8.1%	14.9%	0.11%	7 919	1 082.3	0.61%
Shared management	7 821	1 174	0.90%	640	183	8.2%	15.6%	0.14%	7 181	991	0.76%
Agriculture	*4 272*	*264.5*	*0.46%*	*295*	*21.8*	*6.9%*	*8.2%*	*0.04%*	*3 977*	*242.7*	*0.42%*
Cohesion and Fisheries	*3 489*	*899.2*	*1.37%*	*337*	*160.6*	*9.7%*	*17.9%*	*0.24%*	*3 152*	*738.6*	*1.13%*
Other shared management	*60*	*10.1*	*0.13%*	*8*	*0.3*	*13.3%*	*3.2%*	*0.004%*	*52*	*9.8*	*0.13%*
Indirect management - Neighbourhood and the World	358	11.0	0.07%	29	0.6	8.1%	5.4%	0.00%	329	10.4	0.06%
Direct expenditure	441	86.3	0.28%	32	5.5	7.3%	6.4%	0.02%	409	80.8	0.26%

Data sources	
Data from OWNRES	(orange)
Data from IMS	(grey)
Data from the Commission's accounting system	(green)

NB: TDR, FDR and IDR are calculated on the relevant commitment appropriations as indicated in the overview table of the MFF ceilings of the 2025 budget published on OJ L 2025/31, 27.2.2025, p. 14. For the full description and definition of the various indicators, see section 1.2, Figure 2.

EU investigative bodies also contribute to the detection efforts shown in **Figures 10 and 11**. They rely on reports and information from third parties (public or private) to initiate their investigations but can also open investigations on their own initiative. This was also the practice before the EPPO began to operate, when national prosecution services and law enforcement were the addressees of these reports and information.

Figure 11: Investigations opened by EU bodies in 2025 by budgetary sector

Budgetary Sector	Investigations opened in 2025	
	OLAF*	EPPO**
Customs (own resources)	58	180
Shared management	66	465
Indirect management	24	13
Direct management	47	38
Recovery and resilience facility	31	264
Other	33	194
Unidentified		586
TOTAL	254	1 740

* Source: OLAF annual report 2025 - The sum may not correspond to the total, as one investigation may relate to more than one budgetary sector

** Commission calculation on data provided by the EPPO. 290 VAT investigations by the EPPO are not included in the table.'Other' in the EPPO column includes 13 cases related to RRF and shared management

If VAT and RRF as reported by the EPPO are excluded from the analysis, for the main budgetary sectors, the number of investigations opened by the EPPO in 2025 is similar to the number of fraudulent cases shown in **Figure 9**.

As already mentioned, suspected RRF and VAT fraud are not part of the mandatory reporting for the Member States ([53]) - see Sections 3.2.3 and 3.3.1.

Figure 12: Investigations opened by EU bodies in 2025 by source of information

Sources of information	Investigations opened in 2025	
	OLAF	EPPO*
IBOAs	89	102
National authorities	5	1 661
Private parties	79	208
Own initiative/ex officio	65	59
Other	16	
TOTAL	254	2 030

* The total in Figure 12 differs from the total in Figure 11 as it includes VAT investigations.

([53]) For RRF, it does not exist for Member States the obligation to inform the Commission of detected irregularities and fraud, as in shared management. However, Member States remain under the obligation to report suspected fraud cases to the competent authorities, such as the EPPO and OLAF, and to keep records for five years, as per Article 11(1)(d) of the RRF financing agreement.

Focus point 2: Overall detection is stable with sectoral differences

Overall, detection was fairly stable and continual over time (see **Figure 9**), with relatively small variations. When looking at individual budgetary areas, however, the situation is more complex. This is because other factors come into play, such as the multiannual nature of spending programming cycles or specific situations (for example, the COVID-19 crisis hampered on-the-spot checks and significantly affected trade in the relevant period). Furthermore, certain legal constraints, such as the lack of available data from the Member States on RRF ([54]) and VAT fraud, mean that a complete picture cannot be presented and the data reported by the Member States, the EPPO and OLAF are not fully comparable.

3.1.2. Prevention (early detection)

Methodological note 3: How prevention is measured in this report and what sectors are covered in this section

Prevention is the first step of the anti-fraud cycle. For the purposes of this report ([55]), prevention refers to **early detection**, i.e. identifying irregularities and fraud detected before financial amounts are disbursed to the beneficiary. Early detection may prevent payment to the beneficiary of all financial amounts involved (**full prevention**) or just part of them, with some funds already having been disbursed before detection (**partial prevention**).

This section mainly focuses on expenditure under shared management, based on data provided by Member States via the IMS. For **non-fraudulent irregularities**, the data in IMS do not capture the full scope of prevention activities, as Member States are not required to report cases detected before expenditure is declared in a statement submitted to the Commission. This limitation **does not apply to fraudulent irregularities**.

To assess progress, comparisons have been made between different reference periods:

- for agricultural policy, preventive activities over the last five years (2021-2025) are compared with the previous five-year period (2016-2020).
- for cohesion policy, the comparison covers full programming periods (2007-2013, 2014-2020, 2021-2027).

Additional data in this section cover indirect management (pre-accession) and direct expenditure, based on funds prevented from being spent based on OLAF investigations ([56]).

Figure 13 shows the main prevention results of early detection activities as reported by the Member States in the areas of shared management. The impact of early detection on the non-fraudulent irregularities is less representative of the prevention efforts, given that the data capture in particular **partial prevention** (which is anyhow improving compared to previous periods). The continuous focus on fraud prevention, as consistently reported in the PIF reports in recent years, has yielded tangible results in all areas measured, both in absolute and relative terms.

In the period covered in **Figure 13** ([57]), prevention efforts reported by Member States in shared management account for more than EUR 579 million.

([54]) See footnote 53.

([55]) See also Sections 1.2.2 and 1.3 and methodological note 1, p. 30.

([56]) For information about funds prevented from being spent on the basis of the EPPO notifications to the Commission, see snapshot 8.

([57]) Since 2014 for the cohesion policy and since 2016 for agriculture.

Figure 13: Prevention results as reported by the Member States

Budgetary sector	Reference period	Fraudulent irregularities				Non-fraudulent irregularities			
	Years	N	% of total	EUR (million)	% of total	N	% of total	EUR (million)	% of total
Agriculture									
Rural development	2016-20	151	24.6%	18.0	17.2%	538	6.0%	21.3	4.6%
	2021-25	255	31.2%	22.4	25.1%	1 202	9.0%	30.8	4.8%
Support to agriculture	2016-20	39	6.0%	1.9	1.9%	203	4.6%	4.9	1.5%
	2021-25	79	10.8%	2.2	5.5%	162	4.3%	4.8	1.6%
Cohesion policy									
Programming period 2014-2020	2014-20	129	34.3%	42.3	30.7%	979	23.0%	136.1	15.0%
	2021-25	263	23.4%	100.8	13.8%	1 575	12.8%	177.7	7.0%
Programming period 2021-2027	2021-25	31	59.6%	12.7	50.7%	44	11.9%	2.9	6.2%

Applying the same logic, thanks to early detection as a result of its administrative investigations, OLAF can issue financial recommendations to prevent sums from being unduly spent, across all expenditure management modes. Following these recommendations, the Commission may consider withholding additional funding. Over the last 10 years, the results show that OLAF's and the Commission's combined efforts have prevented more than EUR 658 million from being unduly spent, as shown in **Figure 14**. This is more than the prevention amounts initially recommended by OLAF, which underlines the importance of focusing as early as possible on matters or areas of concern when suspected irregularities and fraud are first detected.

Figure 14: Prevented amounts as a result of OLAF's financial recommendations – 2016-2025

Expenditure mode	Amount recommended for prevention EUR	Amount to be prevented from undue spending = Amount prevented EUR	Establishment rate for prevention %
Expenditure	**590 166 737**	**658 080 808**	**112%**
Shared management	*361 139 436*	*368 812 810*	*102%*
Indirect management	*140 216 080*	*200 789 193*	*143%*
Direct management	*88 811 221*	*88 478 805*	*100%*

Focus point 3: Prevention measures show results

The comparison between the reference periods indicates an improvement, which is particularly visible in fraud prevention . The situation for non-fraudulent irregularities is stable, but the derogations to the reporting obligation do not allow this aspect of early detection to be measured properly (as in relation to OLAF's cases).

The results are consistent with the continuous focus on prevention by national authorities and EU bodies and institutions.

3.1.3. Investigation and prosecution

This section provides an overview of ongoing investigations at EU and national level ([58]).

Methodological note 4: What is measured under 'Investigation and prosecution'

This section outlines the main efforts of investigative bodies at EU and national level. The ongoing efforts are presented as follows:

- For national authorities, the number of 'open cases' of fraudulent irregularities ([59]) as reported in IMS and OWNRES for 2021-2025. IMS data do not allow to identify precisely whether an 'open case' means an investigation is still ongoing or the case has been brought to trial. Additionally, case dismissals can only be inferred by comparing case histories in IMS. These are limitations of the datasets that must be considered.
- For EU bodies (OLAF and EPPO), the number of ongoing investigations at the end of 2025.

In terms of results, the section presents:

- for national authorities, the percentage of fraudulent cases marked as completed (dismissed or established fraud) of the total number of fraudulent cases reported in the reference period;
- for OLAF, the number of investigations completed in 2025;
- for the EPPO, the number of indictments, dismissals and simplified prosecution procedures in 2025.

Figure 15: Ongoing investigations and prosecutions (2021-2025)

	Open cases / ongoing investigations		
Budgetary area - sector	**National authorities***	**EPPO****	**OLAF*****
Revenue - TOR	738	333	83
Shared management	2 341	1 462	120
Agriculture	*1 211*	*541*	*26*
Cohesion policy and fishery	*1 120*	*908*	*89*
Other shared management	*10*	*13*	*9*
Indirect management - Neighbourhood and the World	79	23	42
Direct management - not RRF	n/a	137	87
SUBTOTAL	**3 158**	**1 818**	**245**
Direct management - RRF	n/a	512	40
Other expenditure (not specified)		478	
Other			52
TOTAL	**3 158**	**2 945**	**424**

** For the limitations concerning data from national authorities, please see **methodological note 4**.*
738 Revenue - TOR cases include all open fraudulent cases for which either the investigation or the financial follow-up is ongoing.

([58]) When referring to national authorities, the data presented in Figure 16 may also cover investigations by national authorities from third countries, like the United Kingdom (in both areas of customs and expenditure) and candidate countries (for pre-accession). However, these cases represent a very small percentage of the numbers presented.

([59]) Cases classified as 'suspected fraud' (IRQ3) and with 'OPEN' status in IMS.

** *Source:* Commission calculation on data provided by the EPPO. 648 investigations into VAT have not been included for comparability reasons. For another 478 investigations, the types of programmes concerned were not specified.

*** *Source:* OLAF annual report 2025 and data provided by OLAF. Sum of individual entries does not correspond to TOTAL, as one investigation may refer to more than one area

Data from national authorities, the EPPO and OLAF cover areas that are only partially overlapping.

1. A significant part of ongoing EPPO and OLAF investigations are unlikely to have been disclosed to national authorities and therefore already reported via IMS. However, they indicate potential future cases that will be reported in the coming years, depending on their outcome.
2. Member States are required to report irregularities and fraud in IMS only in shared management and, to a limited extent, in relation to European Neighbourhood programmes (ENI) with participating third countries. Candidate countries are also required to report irregularities and fraud in IMS in relation to pre-accession instruments (indirect management).
3. EPPO data cover only participating Member States.
4. Limitations in the way data are captured in IMS may result in the number of ongoing cases being overestimated, as the data may also include cases already at the trial stage rather than under active investigation.
5. Investigations from the EPPO into VAT fraud are omitted in **Figure 15** to increase comparability.

Despite these differences and keeping in mind the specific data characteristics, the data offer a comprehensive view of ongoing investigative efforts to protect the EU's financial interests.

Figure 16: Results of investigations and prosecution

	Results of investigations					
Shared management sector (data reported by Member States from 2014 to 2025)	**Number of fraudulent cases finalised**	**% on total fraudulent cases**	**Number of finalised cases dismissed**	**% on fraudulent cases finalised**	**Number of finalised cases with fraud established**	**% on fraudulent cases finalised**
Agriculture (2014-2025)	1 319	31%	515	39%	804	61%
Agriculture (2021-2025)	396	22%	107	27%	289	73%
Cohesion policy and fisheries (2014-2025)	1 207	35%	628	52%	579	48%
Cohesion policy and fisheries (2021-2025)	288	20%	93	32%	195	68%

		Estimated damage notified to the Commission and the IBOAs	
	Number of cases	**Expenditure fraud**	**Revenue fraud**
EPPO (2025)*	N	EUR million	EUR million
Indictments	275	162.7	1 180
Dismissals	292	-	-
Simplified prosecution procedures	99	8.6	11.8
Final court decisions	168	-	-
Convictions	159	-	-

* *Source:* EPPO annual report 2025 - may include RRF fraud cases. Revenue fraud cases refer almost exclusively to VAT fraud (estimated damage to national budgets). See **Snapshot 8.**

	Financial recommandations		
	Number	For recovery	for prevention
OLAF (2025)**	N	EUR million	EUR million
Investigations concluded	209	-	-
Financial recommendations	141	597	18
Judicial recommendations	11	-	-

Source: OLAF annual report 2025 - may include RRF cases

Focus point 4: Future improvements in data capturing

The comparability of the data presented in this section is limited for the reasons outlined above. Further work is needed to improve data collection.

The Commission/OLAF has already launched a revision of how data on criminal and administrative proceedings are captured in IMS. The planned changes will apply from June 2026 for all irregularities related to the 2021-2027 programming period and beyond.

In OWNRES, new features will include a dedicated field to indicate whether a case is linked to an EPPO investigation.

3.1.4. Recovery and sanctioning

3.1.4.1. Recovery

Methodological note 5: Scope of data on recoveries

Recovery is a key element of the anti-fraud cycle.

For expenditure, it represents the point at which anti-fraud efforts succeed in ensuring that misappropriated funds are returned to finance legitimate operations or are reinstated in the EU budget. Protecting the EU's financial interests on the expenditure side is complex and depends largely on the management mode.

When, for example, funds are directly managed by the Commission or other IBOAs, they can be effectively recovered. However, under shared or indirect management, only a fraction of the total amounts is actually recovered, depending on specific circumstances. In most cases, the bulk of these resources undergoes financial corrections, meaning that the projects affected by irregularities are excluded from EU financing and replaced by other projects. In practice, a project affected by irregularities becomes financed by other sources of funding (national or other) and it is for the new 'creditor' to recover the debt.

For this reason, especially in relation to shared management irregularities reported by the Member States, the protection of the EU's financial interests can take the form of recovery or withdrawal. In this section, both measures are considered as recovery ([60]).

([60]) For detailed data on withdrawals and recoveries in shared management, see Sections 3.5.1 and 4.5.1 of the SWD 'Statistical evaluation of irregularities reported by the Member States', accompanying this report.

For revenue, customs fraud can lead to shortfalls in own resources collection. Member States are financially responsible for an effective establishment and collection of the customs duties due. Customs duties recovered by national authorities are made available to the EU budget as traditional own resources. For customs duties irrecoverable from the economic operators, the Commission verifies if national authorities carried out their obligations effectively. If that is not confirmed, Member States are requested to compensate the EU budget for the losses of traditional own resources.

As regards VAT (national revenue), fraud affects the collection of tax revenue for the Member States. There is no direct impact on the VAT-based own resource and the EU budget, as the VAT base relevant for the calculation of that own resource is determined by the VAT collected by the Member States. However, any VAT recoveries by national authorities are added to the VAT base used to calculate the corresponding own resource, resulting in higher VAT-based own resources being called.

Figure 17 presents the main indicators on recoveries based on data reported by the Member States in the areas of traditional own resources and shared management.

Figure 17: Recovery rates for TOR and shared management

Budgetary sector	Reference period	Fraudulent irregularities				Non-fraudulent irregularities			
		N	% of total	Amounts recovered (EUR million)	Recovery rate	N	% of total	Amounts recovered (EUR million)	Recovery rate
Traditional own resources*	2025	-	-	**19.9**	**28%**	-	-	**602.6**	**82%**
	1989-2022	-	-	-	**71%**	-	-	-	**91%**
Agriculture**	**2015-2025**	**274**	**10%**	**17.7**	**54%**	**12 397**	**37%**	**560.9**	**91%**
Rural development	2015-2025	174	14%	12.0	81%	8 532	35%	387.3	91%
Support to agriculture	2015-2025	100	7%	5.7	32%	3 865	44%	173.6	92%
Cohesion and fisheries***	**2015-2025**	**430**	**19%**	**162.2**	**96%**	**24 726**	**62%**	**4 297.9**	**99%**

* For additional information on recoveries in TOR, see Section 3.2.1.
** For additional information on recoveries in agriculture, see Section 3.2.2.1.
*** For additional information on recoveries in cohesion policy, see Section 3.2.2.2.

Figure 18 presents the recovered amounts resulting from OLAF's financial recommendations for which follow-up was completed. **Table 5 of Annex 4** details results for each year from 2016 until 2025. Monitoring of additional 639 financial recommendations is still ongoing, but it has already yielded results amounting to EUR 570 million. Additional details on these recoveries are presented in **Table 6 of Annex 4**.

Figure 18: Recovery with follow-up completed based on OLAF's financial recommendations by area and management mode – 2016-2025

Budgetary area	Number of recom-mendations	Amount recom-mended for recovery	Amount established to be recovered (FAER)	Establish-ment rate for recovery	Amount recovered	Recovery rate
	N	EUR million	EUR million	%	EUR million	%
Revenue	**600**	**4 178.5**	**4 704.1**	**113%**	**4 534.5**	**96%**

Expenditure	**569**	**1 129.7**	**854.9**	**76%**	**824.9**	**96%**
Shared management	*242*	*941.1*	*743.8*	*79%*	*737*	*99%*
Indirect management	*121*	*110.6*	*46.8*	*42%*	*41.1*	*88%*
Direct management	*206*	*78.0*	*64.3*	*82%*	*46.7*	*73%*

Focus point 5: Recovery from fraudsters is the most difficult phase

The data on all the sectors analysed highlight the inherent difficulties in recovering funds linked to fraud cases.

The data reported by Member States indicate that only a few criminal proceedings result in successful recovery of funds. From 2015 to 2025, this amounted to about EUR 180 million in shared management.

By contrast, administrative proceedings yield better results, as they allow for swifter resolution of the financial aspects related to irregularities. From 2015 to 2025, Member States reported that about EUR 5 billion had been recovered in shared management.

Over the same period, joint efforts of OLAF and the Commission resulted in almost EUR 825 million recovered across all management modes, following financial recommendations from OLAF.

Snapshot 8: Recovery following the EPPO notifications

The Commission is streamlining its procedures to follow up on notifications received from the EPPO.

The 2025 monitoring exercise covered 588 EPPO notifications (it being noted that several notifications may stem from a single investigation). This figure also includes notifications sent in previous years.

On **revenue**, the EPPO notified the Commission of estimated damage of EUR 1.7 billion, almost exclusively related to VAT and thus primarily affecting national budgets ([61]).

On the **expenditure** side, the financial damage amounts stated by the EPPO relating to its investigations amounts to EUR 900 million. Over 72% of this estimated amount refers to ongoing EPPO investigations, meaning the figure is likely to change as cases are concluded in the coming years. The Commission has established the damage at EUR 190 million. EUR 30 million have already been recovered and EUR 15 million prevented from being unduly spent.

The consolidation of these figures in the years ahead will offer a more complete picture of the situation.

When investigations or criminal proceedings are completed, with the support of adequate evidence proving fraudulent or irregular behaviour, the Commission can successfully proceed to the adoption of precautionary measures and the protection of the affected funds.

3.1.4.2. Sanctioning

Recovering the sums unduly paid or evaded restores the financial damage of fraud and irregularities. However, imposing criminal penalties is also critical for crime deterrence, because

([61]) See Section 3.3.1.

the threat of negative consequences can dissuade both potential offenders (general deterrence) and the specific individual punished (specific deterrence) from committing future crimes.

Figure 16 presents data on the number of cases concluded with established fraud as reported by the Member States in shared management (over the period 2016-2025) and the number of convictions following the EPPO's investigations (in 2025).

IMS data offer additional details on the types of penalties imposed. Information about imposed sanctions have been provided for about half of the closed fraudulent irregularities reported during 2015-2025 in shared management. In some cases, these were just administrative sanctions. Most criminal sanctions involved imprisonment or proportional fines. Different categories of penalties were not frequently combined. Imprisonment was rarely accompanied by other penalties to protect the EU's financial interests, such as exclusion from future subsidies. Criminal and administrative penalties were rarely combined.

3.2. Main findings by budgetary sector

This section examines the key budgetary areas, highlighting the most significant findings and specific features associated with them. Indicators already presented in Section 3.1 are not repeated here. However, some may be explored in greater depth where specific aspects require further analysis.

3.2.1. Revenue – traditional own resources

This subsection presents data on fraud and irregularities detected and reported by Member States in the area of traditional own resources (TOR) ([62]).

Methodological note 6: Data on traditional own resources

The statistics are based on fraudulent and non-fraudulent irregularities reported by the Member States via **OWNRES**, with a cut-off date of 2 March 2026.

The data cover both open and closed cases. The figures reflect the total estimated and established amounts of TOR, while recovery statistics are based solely on established amounts.

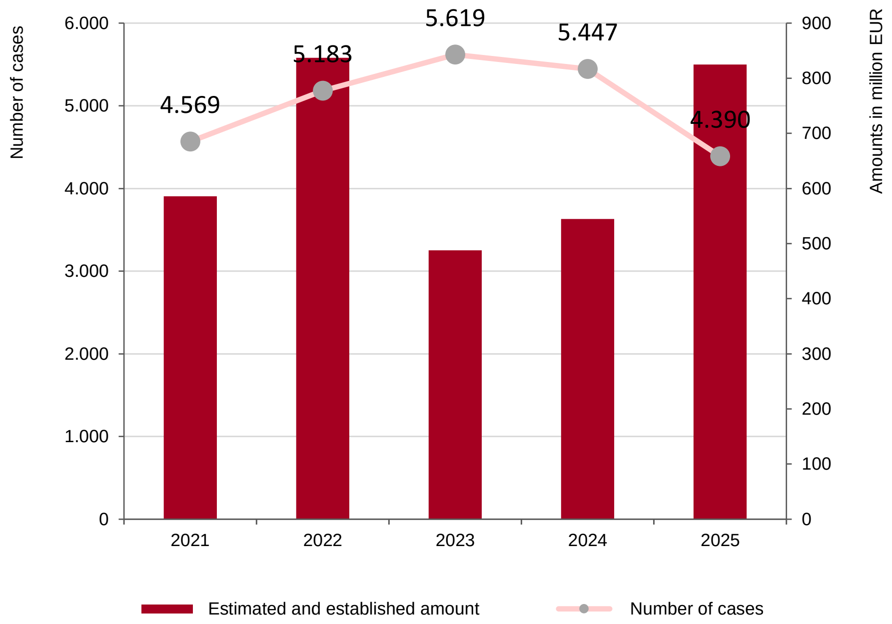
Between 2021 and 2025, the Member States reported an average of 5 042 cases of fraudulent and non-fraudulent irregularities related to traditional own resources per year. In 2025, they reported 4 390 cases, i.e. 13% lower than the five-year average. However, the total estimated and established amount of TOR (EUR 824.7 million) was 26% higher than the five-year average (EUR 656 million).

Member States detected 285 cases of **fraudulent irregularities** involving a total financial amount of EUR 85.4 million. Compared with 2021-2025, the number of fraudulent cases fell by 40%, while the corresponding amount of TOR decreased by 25%. In 2025, only 6.5% of all reported cases were classified as fraudulent, accounting for 10% of the TOR amount involved. However, the average amount per fraudulent case (EUR 299 536) was significantly higher than for non-fraudulent cases (EUR 180 106).

([62]) For a detailed analysis of irregularities reported by the Member States in relation to TOR, see Section 2 of SWD 'Statistical evaluation of irregularities reported for own resources, natural resources, cohesion policy, pre-accession assistance and direct expenditure in 2025', accompanying this report.

The number of **non-fraudulent irregularities** also declined by 10% compared with 2021-2025, with 4 105 cases reported in 2025. Despite this, the estimated and established amount of TOR increased by more than 36% reaching EUR 739.3 million.

Figure 19: Irregularities detected and reported in traditional own resources – 2021-2025



Snapshot 9: Detected fraud and irregularities in traditional own resources

In fraudulent cases, the primary **modus operandi** in terms of financial impact was ***incorrect value*** (37 cases, EUR 22.7 million), followed by ***incorrect origin or country of dispatching*** (44 cases, EUR 21 million). However, ***smuggling*** *(seized and confiscated goods)* was the most frequently reported type (72 cases, EUR 11.4 million) followed by ***incorrect classification/misdescription*** (47 cases, EUR 14.7 million).

For non-fraudulent cases, the most common violation remained ***incorrect classification/misdescription*** (1 765 cases, EUR 156 million). However, ***incorrect value*** dominated in terms of financial impact (871 cases, EUR 398 million). **Sports footwear** was the most affected type of goods in terms of value. The top three **countries of origin** of goods affected by irregularities were **China, the United States and India**.

Release for free circulation remained the most affected **customs procedure** with 3 812 cases involving an overall estimated and established amount of EUR 746.3 million (**87% of all cases** and **90% of the total amounts** reported for 2025, regardless of whether they are fraudulent or non-fraudulent). In 2025, the registered amounts of TOR for fraud cases decreased significantly across all customs procedures except for ***release for free circulation*** and ***other***, which increased. As in 2024, the second most impacted customs procedure by TOR amount for non-fraudulent cases was ***inward processing*** followed by ***customs warehousing***.

I***nspections by anti-fraud services*** played a crucial role in detecting fraudulent cases in 2025 (37% of cases and 74% of amounts). Non-fraudulent irregularities were primarily detected through ***post-release controls*** (51% of cases and 75% of amounts). ***Release controls*** were also an effective method of detecting both fraudulent and non-fraudulent irregularities.

Snapshot 10: OLAF's investigations in customs

In 2025, in the context of its investigations, OLAF issued financial recommendations to customs authorities of the Member States in relation to the evasion of import duties for an amount of EUR 351.1 million. OLAF also issued requests to take precautionary measures to customs authorities of Member States for an amount of EUR 397.4 million ([63]).

In 2025, 12 Member States reported 75 cases of **smuggled cigarettes** with nearly EUR 13 million in estimated TOR involved. **Lithuania** reported the highest number of cases (16) followed by **Estonia** (15). The highest amount of TOR (EUR 3.3 million) was reported by Italy. Compared with 2024, 9 Member States continued to report cigarettes smuggling cases exceeding EUR 10 000 in TOR ([64]) while some Member States have re-appeared in the statistics. ([65])

The **recovery rate** for fraudulent and non-fraudulent irregularities detected in 2025 was **77%** ([66]), overall, a positive outcome. For fraudulent cases, the recovery rate of 28% decreased compared to the previous year, while for non-fraudulent cases, it remained similar to 2024, at 82%, though the recovered amount was almost double that of the previous year.

The **historical recovery rate ([67])** rose from 84% to **86%** (71% for fraudulent cases and 91% for non-fraudulent cases).

Recovery is an ongoing process with amounts increasing over time as EU, national and other administrative appeals are finalised and decisions become definitive. Furthermore, usually the financial responsibility of Member States is assessed after the recovery actions taken by national authorities as regards the economic operators are concluded.

3.2.2. Expenditure

3.2.2.1. Shared management

3.2.2.1.1. Agriculture

Methodological note 6: differences between CAP pillars

When analysing the indicators shown in Figures 13 and 17, the following should be taken into account:

- **Support to agriculture (SA):** accounts for the largest share of agricultural spending (about 70%) and consists mainly of direct payments to farmers. These are annual payments based on entitlements. Many of these payments are below EUR 10 000 and thus are more likely to fall under the *de minimis* derogation (see ***methodological note 1***). Some of these payments involve market measures, which follow a reimbursement-of-costs approach.
- **Rural development (RD)**: represents about 30% of agricultural spending. Some of the payments in RD are based on reimbursements of costs and follow a multiannual approach.

([63]) Member States report in OWNRES the reference of OLAF investigation to facilitate the identification of these cases. Many of the amounts reported in OWNRES relate to OLAF investigations.

([64]) Belgium, Bulgaria, Estonia, Greece, France, Croatia, Lithuania, Poland, and Romania.

([65]) Germany, Italy, Austria.

([66]) The recovery rate includes both amounts recovered from the economic operators and amounts funded by the Member States.

([67]) Only closed cases are taken into account. Cases from 2023 onwards are excluded.

As from 2023, each EU Member State has a CAP strategic plan (CSP), combining interventions in the form of support to agriculture (direct payments and sectoral interventions) and rural development.

As shown in **Figure 13**, **fraud prevention** in agriculture has improved over time, particularly in rural development. These results stem largely from routine controls, which may indicate that management and control systems have consistently prioritised prevention. For both rural development and support to agriculture, most fraud prevention was in cases involving less than EUR 100 000 .

In terms of **detection**, in 2024-2025 20% of fraudulent irregularities related to support to agriculture involved expenditure under CSPs reported by few Member States. These cases mostly involved direct payments to farmers, often for small financial amounts. For rural development, this figure was 5%.

Focus point 6: Fraud detection under CSP

The low level of fraud detection for both support to agriculture and rural development may reflect the early stage of CSP implementation. However, it also highlights the need to closely monitor whether management and control systems can effectively detect fraudulent irregularities affecting expenditure under CSP.

In general, detection of irregularities is concentrated in a few Member States, in particular for fraudulent irregularities, where the top five Member States ([68]) in terms of number of cases accounted for about 69% of all irregularities reported as fraudulent in the last five years. For non-fraudulent irregularities the share of the top five Member States ([69]) is 58%.

Snapshot 11 – Measures affected by fraud in the common agricultural policy

Fraudulent irregularities related to **direct payments to farmers** mainly concerned false documentary proof or false requests. Under the 2023-2027 CAP, risks related to respect of good agricultural and environmental conditions and support to environmental commitments may increase. However, the reporting of irregularities affecting these 'environmental' payments is concentrated in a few Member States. In addition, analysis suggests that most of these irregularities may not be specifically related to controls on respect of agricultural practice.

Infringements related to the falsification of documentary proof or requests were the most frequent in relation to **market measures**. In previous years, most of the fraudulent irregularities concerned the wine-growing sector, the fruit and vegetables sector or promotion. During 2025, fraudulent irregularities mainly concerned the wine sector and beekeeping.

More than half of the fraudulent irregularities related to **rural development** concerned the documentary proof or the request, where falsified proofs were the most frequent fraud pattern encountered. Violations concerning the implementation of the action accounted for a significant share of the financial amounts involved in fraud in rural development.

Risk analysis, tips from informants and information published in the media still only marginally contributed to detecting fraud. The exception was market measures, where a significant share of detections resulted from scrutiny of transactions, with undertakings being selected based on an analysis of risk factors. However, the actual contribution of risk analysis to detection in market measures largely depends on how this requirement has been translated in practice, going beyond

([68]) Romania, France, Estonia, Italy and Poland.

([69]) Poland, Spain, Romania, Greece and Hungary.

criteria such as new beneficiaries, time elapsed since the previous control and amount of the operation.

The indicators presented in **Figure 18** underline that successful recovery in the case of fraud is more difficult, as criminal proceedings may be lengthy and complex. In general, once proceedings are completed, the protection of the EU's financial interests is effective. Recovery in relation to non-fraudulent irregularities yields far better results, with about 40% of closed cases over the period 2015-2025 resulting in almost EUR 561 million recovered.

3.2.2.1.2. Cohesion policy

Methodological note 8: Reporting of irregularities and fraud in relation to cohesion policy

Cohesion policy funds multiannual programmes, the rules for which are set for each MFF. As project implementation often extends beyond the programming period, control and audits may take place throughout the project life cycle. Consequently, in 2025 most irregularities and fraud cases reported by national authorities related to the 2014-2020 programming period; with some still linked to 2007-2013.

Due to the slow start of 2021-2027 programme implementation, reporting of related irregularities and fraud only began in 2024. Even in 2025, only 10% of the total number of irregularities reported for cohesion policy related to the 2021-2027 programmes.

Cohesion policy supports diverse strategic goals, such as green energy, research, social inclusion, and regional development, adding complexity to the data analysis.

Prevention improved significantly from the 2007-2013 programming period to 2014-2020 programming period. This is showed by an increase in the number of fraudulent and non-fraudulent cases where more than half of the irregular or fraudulent disbursements were prevented. In fact, for non-fraudulent irregularities, the overall drop in reporting ([70]) stemmed from a reduction in cases **without prevention**, while the reporting of irregularities where **full**, or at least **partial, prevention** occurred, increased. This suggests **improved prevention measures**. However, it may also reflect a shift in national management and control systems, with a focus on processing pending requests for reimbursements, and move away from targeted *ex post* controls on past transactions.

Despite their low numbers, the first two years of 2021-2027 reporting, show further fraud prevention improvements and stable trends for non-fraudulent irregularities.

Focus point 7: Progress in prevention measures in cohesion policy from one programming period to another

The comparison between the three programming periods shows a continuous improvement, particularly in relation to early fraud detection. However, data on the 2021-2027 programming period remain limited and may evolve. Trends in prevention for non-fraudulent irregularities appear stable.

The Commission will closely monitor these trends over time.

Routine controls underpin a large share of prevention cases (23% of fraudulent irregularities and 66% of non-fraudulent irregularities with prevention). Fraud prevention also relies on 'tips from informants', 'existing doubts' and, to a lesser extent, 'information published in the media'.

([70]) Highlighted in previous PIF reports, see for example the [2021 PIF report](), Snapshot 17, p. 38

The first detections related to the 2021-2027 programming period confirm previous findings on the areas of cohesion policy most vulnerable to fraud. To date, a noticeable share of reported fraudulent irregularities relates to digitalisation of SMEs, investment in energy efficiency, research and innovation. In terms of financial amounts involved in fraudulent irregularities, business development and internationalisation of SMEs and the provision of water for human consumption come to notice.

Snapshot 12 – Most frequently detected infringements in cohesion policy

With regard to fraudulent irregularities, the most frequent infringements during the 2014-2020 programming period involved supporting documents. Fraudulent infringements of contract provisions/rules ranked second and were often related to non-implementation of the funded action. Infringements of public procurement rules were the second most reported non-fraudulent irregularity (after infringements of contract provisions/rules), but they rarely led to a suspicion of fraud.

Most fraudulent infringements concerning ethics and integrity were related to conflicts of interest.

Risk analysis continues to play only a marginal role in detecting fraud, while information from civil society, though declining, remains more significant. For non-fraudulent irregularities, detection from risk analysis may have increased, but information from civil society continues to provide a negligible contribution to detection. Detection may improve by strengthening *ex post* risk analysis, with a view to carrying out tailored checks.

Figure 20: Cohesion policy – detection rates by programming period

	Programming periods		
Indicator	**2007-2013**	**2014-2020**	**2021-2027**
Fraud detection rate (FDR)	0.42%	0.22%	0.05%
Irregularities detection rate (IDR)	2.50%	0.89%	0.09%
Total detection rate (TDR)	**2.92%**	**1.11%**	**0.14%**

The FDR and IDR for 2021-2027 remain very low, even considering that pre-financing is frontloaded. In addition, for all these programming periods, there are significant differences in reporting from different Member States.

As shown in **Figure 16**, only 19% of fraudulent irregularities reported during 2015-2025 were closed (with all proceedings, including recovery, finalised). In contrast, 62% of non-fraudulent irregularities were closed over the same period.

Once proceedings are concluded, the EU's financial interests are effectively protected, via recovery, deduction or writing-off, with a 'recovery rate' above 95%.

3.2.2.1.3. Other shared management

In terms of funding for other internal policies, the first fraudulent irregularities relating to the 2021-2027 programming period were reported in 2025. During 2021-2025, most of the financial amounts were involved in fraud concerning the Asylum, Migration and Integration Fund. The reporting of non-fraudulent irregularities relating to the 2021-2027 programming period accelerated in 2025 (especially for the Just Transition Fund), when it represented already 65% of reporting. During 2021-2025, most of the financial amounts involved concerned the Youth Employment Initiative (also because of one large case) and the Fund for European aid to the most deprived (the fund with the highest number of non-fraudulent irregularities).

3.2.2.2. Indirect management – Neighbourhood and the world

Since 2007, the EU has provided financial and technical assistance to support reforms in enlargement countries ([71]) through **the Instrument for Pre-Accession Assistance** (IPA). In 2025, irregularities mostly concerned IPA II and IPA III.

The number of non-fraudulent irregularities in IPA II increased markedly in 2022 and has since fluctuated around 270 irregularities per year on average. The reporting of fraud dropped in 2025: only 2 fraudulent irregularities were reported, with just EUR 5 000 involved. During 2021-2025, irregularities were reported by nine countries, mostly Türkiye and, to a lesser extent, Albania and North Macedonia. The highest number of irregularities and the highest financial amounts concerned agriculture and rural development. The financial amounts involved in irregularities in this policy area increased significantly in 2024, also because of an OLAF investigation in Albania.

With regard to IPA III (2021-2027), four beneficiary countries reported 51 irregularities. The number of non-fraudulent irregularities accelerated in 2025. However, the reporting of fraud is still rare, with just 3 cases communicated so far.

Concerning **cross-border cooperation under the European neighbourhood instrument** (CBC-ENI), during 2021-2025, after nearly no reporting until 2022, a few irregularities started being communicated from 2023. These irregularities were reported only by Romania, Poland and Estonia. The highest number of irregularities concerned expenditure to address common challenges in environment, public health, safety and security.

In 2025, Ukraine got access to the Irregularities Management System (IMS) and reported 24 fraudulent irregularities and 7 non-fraudulent irregularities related to the Ukraine Facility. More than 75% of these irregularities concerned the provision of access to safe and quality education. Most of the irregularities involved false or falsified documents, with falsification was about inaccurate information reported in certificates of completion of works, which led to excessive payments or the overstatement of the cost of works.

Focus point 8: Expanding the scope of IMS reporting in relation to candidate countries

The mandatory reporting via IMS of detected irregularities and fraud is foreseen for all new instruments supporting candidate countries (the Reform and Growth Facility ([72]), the Moldova Facility and the Ukraine Facility).

In the case of Ukraine all necessary preparatory conditions have already been met, and its reporting authorities have successfully started using the system. Preparations are ongoing for the other candidate countries.

3.2.2.3. Direct management

In 2025, excluding RRF grants, EUR 49 025 million was disbursed under ‘direct management’. The Commission recorded 441 recovery items classified as irregularities, for a total value of EUR 86.34 million. Among these recovery items, 32 were indicated as fraudulent irregularities, totalling EUR 5.52 million.

([71]) There are currently nine candidate countries for EU membership: Albania, Bosnia and Herzegovina, Georgia, Moldova, Montenegro, North Macedonia, Serbia, Türkiye, and Ukraine. Kosovo is recognised as a potential candidate.

([72]) The beneficiary countries of this facility are Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia.

During 2021-2025, the average fraud detection rate was 0.04%. This ratio peaked in 2024 at 0.12%. The average irregularity detection rate was about 0.15%.

In 2025, the highest number of recovery items qualified as non-fraudulent irregularities (269) came under the budget heading ‘Single market, innovation and digital’, which also recorded the highest irregular amounts (EUR 76.3 million).

During 2021-2025, 77.7% of recovery items qualified as fraudulent (by number) and 91% (by amount) involved legal entities resident in the EU-27. For non-fraudulent irregularities, these shares were 75.5% (by number) and 81.9% (by amount).

3.2.3. Recovery and resilience facility

In 2025, the Commission continued to support Member States in amending their national recovery and resilience plans (RRPs). It disbursed 34 payments to 24 Member States totalling EUR 87.3 billion (including EUR 47.2 billion in loans), bringing cumulative disbursements by year-end to EUR 393.4 billion (including EUR 155.9 billion in loans).

The Commission maintained a dynamic audit and control framework, incorporating feedback from its own audits, the Internal Audit Service, the European Court of Auditors, the Council of the EU and the European Parliament.

By February 2026, the Commission had conducted 121 audits, covering 442 milestones and targets, with 443 auditees, resulting in 701 findings.

Member States have implemented most of the audit recommendations (91%), with audit and control milestones accelerating the implementation of audit recommendations in some cases. The Commission continues to monitor rigorously the implementation of audit recommendations by the Member States, including during the final phase and closure of the RRF.

Snapshot 13: Cooperation between the Commission, OLAF and the EPPO to fight fraud and irregularities in the RRF

RRF funds are disbursed once milestones and targets have been met satisfactorily.

Throughout the process, including through dedicated system audits, the Commission verifies that Member States have the necessary control systems in place to protect the EU’s financial interests and, to that end, it cooperates with national authorities, OLAF and the EPPO.

By the end of February 2026, the Commission had reported 38 potential irregularities to OLAF (identified via *ex post* audits or from open sources). OLAF informed the Commission of an additional 50 cases (for a total of 88).

The EPPO sent to the Commission 137 notifications (101 active cases in court proceedings or ongoing investigations. 68% of the ongoing cases notified by the EPPO to the Commission related to one measure in a single Member State) for an estimated damage of EUR 77 million. In its 2025 annual report, the EPPO reported 512 ongoing investigations into RRF, with estimated damage amounting to about EUR 5 billion ([73]).

Once it receives OLAF recommendations, the Commission liaises with Member States to request the correction of amounts unduly paid or misused. If Member States do not fulfil their obligations,

([73]) The difference between the number of ongoing investigations by the EPPO and the number of notifications sent to the Commission stems from the fact that it is the EPPO that decides when to inform the Commission about its cases. This is unlikely to happen in the early stages of its investigations. As indicated in the EPPO annual report, in 2025, 293 new investigations were related to the RRF (p. 70).

the Commission can take corrective measures in cases of fraud, corruption, conflict of interests or double funding that has not been corrected by the Member States.

3.3. Fraud enablers against the EU budget

3.3.1. Organised crime

According to Europol's latest EU serious organised crime threat assessment ([74]), criminal networks exploit crises, such as natural disasters or health emergencies, to make companies or individuals eligible for funding. Advances in AI will also provide new tools for generating text and images which can be misused to create fake identities or convincing false documentation at low cost.

Fraud schemes targeting the financial interests of Member States and the EU vary in sophistication. Missing trader intra-Community (MTIC) fraud in particular inherently relies on complex networks of companies to obscure connections between participants, often culminating in contra-trading schemes. The systematic misuse of legal business structures is a key feature of VAT and MTIC fraud. Shell or buffer companies, whether infiltrated or newly established, facilitate the exploitation of cross-border VAT systems and VAT refund processes.

The EPPO's annual reports underline the involvement of organised crime groups including in VAT and customs fraud. In its 2025 annual report, the EPPO reported 529 active investigations at the end of 2025 (14.7% of the total active investigations) in which participation in criminal organisations was among the investigated offences.

By the end of 2025, the EPPO had 648 VAT-related active investigations ([75]), with estimated financial damage of EUR 43.84 billion mostly impacting on national budgets. This represents about 18% of the EPPO's 3 602 active investigations and almost 65% of the estimated financial damage.

3.3.2. Corruption

Corruption is a critical enabler of organised crime, allowing criminal networks to infiltrate institutions, evade law enforcement, and expand their influence across political, economic, and social spheres. It undermines the rule of law, weakens governance structures, and distorts economic systems, creating an environment conducive to illicit activities. The intersection of corruption and organised crime presents several significant threats to societal stability and security ([76])

The EPPO reported 169 active investigations (4.7% of the total) involving **corruption** among the offences investigated up to the end of 2025.

From 2021 to 2025, 40 corruption cases were reported to the Commission via IMS by 12 countries. Of these, 36 were reported by 8 Member States. In view of the EPPO's investigations, these data appear incomplete and may reflect specific difficulties in detecting and investigating corruption offences.

([74]) Europol, Serious organised crime threat assessment, 2025.

([75]) Data provided by the EPPO.

([76]) Europol, Serious organised crime threat assessment, 2025, c*it.* p.28.

3.3.3. Conflicts of interest

Between 2021 and 2025, national authorities from 26 countries (21 Member States, 4 candidate countries and the United Kingdom) reported 562 irregularities involving conflicts of interest totalling over EUR 240 million in the areas of shared management and pre-accession assistance. Of these, 157 cases (28%) were classified as fraudulent by the reporting authorities, amounting to more than EUR 100 million (42% of the total irregular amounts). The majority (over 80%) of the reported cases and related amounts fell under cohesion policy.

The conflicts of interest detected primarily occurred during the implementation phase of projects (in almost 90% of cases), i.e. between the beneficiary of the funding (mostly private entities, but also NGOs and public bodies) and their contractors or subcontractors.

4. CONCLUSIONS AND RECOMMENDATIONS

For the first time, this report provides a **comprehensive and holistic view** of efforts to combat fraud and irregularities affecting the EU's financial interests. It structures data from multiple sources around the anti-fraud cycle's key conceptual framework to analyse progress in this area.

The report marks the first step in improving the EU's reporting framework by incorporating results from all components of the anti-fraud architecture into the PIF report. This will enhance transparency and accountability, in line with the proposals set out in the White Paper for the anti-fraud architecture review. The results of the AFA review will be presented in a Commission communication planned for the end of 2026.

To this end, the report proposes a number of indicators and assesses the suitability of existing data sources to populate them adequately. Some data gaps have already been identified, but the findings will help shape future actions to address them.

4.1. Prevention

Recent PIF reports consistently highlight that prevention remains the most prioritised phase of the anti-fraud cycle for Member States. This focus is justified: early detection or prevention of irregularities and fraud improve the cost-effectiveness of protective measures, reducing the need for lengthy and costly recovery proceedings while mitigating risks linked to failed fund retrieval.

However, effective prevention, particularly in cases of suspected fraud, must extend beyond financial safeguards. It should be followed by thorough investigation and prosecution to ensure that perpetrators face appropriate sanctions and are excluded from future access to EU and public funding.

Focus point 9: Ensuring robust monitoring of prevention data

Given the limitations arising from the existing regulatory framework, the Commission will continue to monitor the quality of data submitted and support national authorities.

Recommendation 1: Ensure that cases of attempted fraud detected at an early stage are duly referred to competent prosecution services

Member States authorities are invited to pay particular attention to cases detected at an early stage, before funding has been disbursed to beneficiaries, in particular if attempted fraud might be involved. Authorities should ensure that these cases are duly referred to the competent prosecution services, including the EPPO, and reported to the Commission in compliance with sectoral regulations even when the prevention of financial damage was successful thanks to early detection.

4.2. Detection

Over recent years, the detection of fraud and irregularities has remained largely stable, though variations persist across specific budgetary areas.

The number of cases detected has stayed broadly constant – apart from a notable spike in fraudulent irregularities in 2024 – but the financial amounts involved have increased over the past two years. This shift toward targeting higher-impact cases could be further strengthened through as yet untapped potential in risk-based analysis, IT tools and whistleblowing, particularly for fraud identification.

Focus point 10: Arachne+ developments

The Commission is committed to continued development of Arachne+ in line with the current plans to provide national authorities with a modern, comprehensive and efficient tool to support their prevention and detection efforts.

Recommendation 2: Enhance detection through risk analysis and IT tools

Member States should strengthen detection of fraud and irregularities through enhanced use of risk analysis and IT tools such as Arachne+.

The resulting control approaches should include *ex post* controls on sets of past transactions identified via risk analysis and IT tools.

4.3. Investigation and prosecution

Investigations and prosecutions largely depend on frontline detection (by IBOAs and national authorities) and third-party complaints. OLAF adds value by providing specialised investigative capacities, prioritising the protection of the EU's financial interests and enabling streamlined cross-border cooperation.

The EPPO has the power to investigate and prosecute fraud and other criminal offences affecting the EU's financial interests and has already improved criminal proceedings, reducing investigation times (particularly for cross-border cases), minimising time-barred dismissals, and increasing indictment and conviction rates.

Complementary activities by OLAF can support prosecution with swift administrative action in accordance with existing rules.

Full cooperation by national services is necessary.

Focus point 11: Strengthening coordination and cooperation among AFA actors

The AFA review will look, amongst other, at how cooperation and coordination between AFA actors can be enhanced to ensure effective investigation and prosecution of PIF offences, harnessing new technologies.

Recommendation 3: Ensure full support for OLAF and the EPPO

Competent authorities must fully cooperate with OLAF and the EPPO, including by reporting without delay suspected criminal offences and granting timely access to data collected for implementing funds or the collecting revenue relevant to the EU budget.

4.4. Recovery and sanctioning

Recovery is an area of the anti-fraud cycle where progress has been made but further improvements are needed, particularly for fraud cases.

Effective protection of EU funding requires **close cooperation** between investigative bodies and authorities in charge of recoveries. The long-standing collaboration between the Commission and OLAF demonstrates the value of **shared procedures and practices**.

Focus point 12: Monitoring the EPPO notifications

The Commission has established a monitoring mechanism, similar to the one in place for OLAF's financial recommendations, to ensure that the actual damage established in the EPPO cases is correctly quantified and appropriate follow-up action is taken.

The Commission will be reporting on progress in this area in future PIF reports.

Data on sanctions reported by national authorities remain largely incomplete and should be improved to provide a clearer overview of the penalties applied following criminal and administrative proceedings.

Recommendation 4: Boost cooperation between administrative and judicial services.

Member States should:

- set up mechanisms to improve cooperation and information exchange between investigative and administrative services, boosting financial recovery.
- strengthen reporting on sanctions and penalties imposed after final judicial and administrative decisions.

ANNEX 1 - Irregularities reported as fraudulent in 2025 ([77])

The number of irregularities reported as fraudulent measures the results of Member States' work to counter fraud and other illegal activities affecting the EU's financial interests. Therefore, the figures should not be interpreted as indicating the level of fraud in the Member States territories. Annex for the PIF Report does not include third countries (pre-accession), the UK and direct expenditure.

Member States	Agriculture		Cohesion policy and Fisheries		Other internal policies		Pre accession & Neighbourhood ([78])		TOTAL EXPENDITURE		REVENUE	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
Belgique/België	0	0	3	1 404 886	0	0	0	0	3	1 404 886	29	24 655 630
Bulgaria	4	1 220 578	3	238 894	0	0	0	0	7	1 459 472	23	2 500 070
Ceská republika	7	1 410 581	64	42 442 320	0	0	0	0	71	43 852 902	0	0
Danmark	15	605 625	1	33 347	0	0	0	0	16	638 972	2	56 641
Deutschland	10	646 596	52	4 182 519	4	326 004	0	0	66	5 155 119	22	1 216 031
Eesti	21	1 463 863	2	286 615	0	0	0	0	23	1 750 477	15	2 748 159
Éire/Ireland	0	0	0	0	0	0	0	0	0	0	0	0
Ellada	0	0	3	242 515	0	0	0	0	3	242 515	26	2 918 814
España	5	623 420	8	1 923 627	0	0	0	0	13	2 547 047	6	799 036
France	9	512 973	3	1 333 629	0	0	0	0	12	1 846 602	62	25 443 268
Hrvatska	0	0	4	657 624	0	0	0	0	4	657 624	6	628 115
Italia	10	1 058 725	4	727 293	0	0	0	0	14	1 786 018	19	7 171 687
Kypros	0	0	0	0	0	0	0	0	0	0	7	188 692
Latvija	2	75 232	2	59 878	0	0	0	0	4	135 110	0	0
Lietuva	15	946 157	0	0	0	0	0	0	15	946 157	18	2 470 847
Luxembourg	0	0	0	0	0	0	0	0	0	0	0	0
Magyarország	9	5 437 498	18	3 451 147	0	0	0	0	27	8 888 645	3	394 768
Malta	0	0	0	0	0	0	0	0	0	0	0	0
Nederland	83	940 979	0	0	0	0	0	0	83	940 979	0	0
Österreich	0	0	2	1 049 835	0	0	0	0	2	1 049 835	8	1 479 396
Polska	21	1 247 526	12	5 111 570	0	0	0	0	33	6 359 096	16	11 657 102
Portugal	5	1 163 334	27	11 064 944	0	0	0	0	32	12 228 278	2	273 562
Romania	74	4 393 150	100	54 230 295	4	0	1	23 771	179	58 647 216	11	360 667
Slovenija	2	82 599	1	28 671	0	0	0	0	3	111 270	1	20 779
Slovensko	3	11 414	21	31 617 764	0	0	0	0	24	31 629 177	0	0
Suomi/Finland	0	0	3	179 000	0	0	0	0	3	179 000	2	163 234
Sverige	0	0	1	59 399	0	0	0	0	1	59 399	7	221 238
TOTAL EU27	**295**	**21 840 250**	**334**	**160 325 772**	**8**	**326 004**	**1**	**23 771**	**638**	**182 515 796**	**285**	**85 367 735**

([77]) Based on data in the Irregularity Management System (IMS) as of 8/3/2026 (for expenditure) and on data from the OWNRES application as of 2/3/2026 (for revenue).

([78]) The irregularity reported by Romania is related to the European neighbourhood Instrument.

ANNEX 2 - Irregularities not reported as fraudulent in 2025 ([79])

It does not include third countries (pre-accession), the UK and direct expenditure

Member States	Agriculture		Cohesion policy and Fisheries		Other internal policies		Pre accession & Neighbourhood ([80])		TOTAL EXPENDITURE		REVENUE	
	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR	N	EUR
Belgique/België	27	786 940	7	1 228 350	0	0	0	0	34	2 015 290	367	294 779 485
Bulgaria	48	2 701 441	75	8 525 940	0	0	0	0	123	11 227 381	1	26 081
Ceská republika	60	1 067 477	270	41 368 828	4	114 034	0	0	334	42 550 339	59	3 994 884
Danmark	41	1 498 377	11	593 772	0	0	0	0	52	2 092 150	109	15 412 614
Deutschland	171	5 057 601	102	10 885 306	3	60 486	0	0	276	16 003 393	1 612	167 011 186
Eesti	31	2 610 274	45	2 285 527	9	218 145	0	0	85	5 113 945	5	384 048
Éire/Ireland	0	0	6	3 737 811	1	3 543 161	0	0	7	7 280 972	45	3 139 053
Ellada	182	3 464 111	212	87 006 201	12	1 934 108	4	189 308	410	92 593 728	7	543 980
España	442	75 418 916	777	179 652 472	0	0	0	0	1 219	255 071 388	480	72 983 869
France	301	14 630 586	50	6 925 617	4	899 613	0	0	355	22 455 816	344	60 224 996
Hrvatska	200	19 006 249	45	4 634 327	0	0	0	0	245	23 640 576	9	192 275
Italia	288	15 628 133	196	23 300 999	0	0	0	0	484	38 929 132	68	4 854 689
Kypros	1	298 480	1	2 495 072	0	0	0	0	2	2 793 552	4	483 523
Latvija	23	414 171	5	283 763	1	30 815	0	0	29	728 748	31	1 675 724
Lietuva	74	2 771 386	21	10 050 387	0	0	0	0	95	12 821 772	11	516 283
Luxembourg	3	27 026	0	0	0	0	0	0	3	27 026	5	86 297
Magyarország	307	17 507 822	272	32 144 615	1	11 392	0	0	580	49 663 828	30	2 984 576
Malta	2	56 735	4	95 515	0	0	0	0	6	152 250	0	0
Nederland	10	388 933	5	407 359	0	0	0	0	15	796 291	351	41 674 315
Österreich	10	631 093	15	1 454 681	2	116 160	0	0	27	2 201 934	51	9 196 840
Polska	832	21 466 966	402	110 030 450	6	289 424	1	87 193	1 241	131 874 034	113	7 134 818
Portugal	309	13 039 199	105	9 061 128	2	69 719	0	0	416	22 170 046	0	0
Romania	507	39 246 198	317	81 438 423	6	2 463 174	3	302 438	833	123 450 233	61	5 907 103
Slovenija	11	265 754	5	679 460	0	0	0	0	16	945 214	25	1 242 393
Slovensko	44	3 219 314	85	66 969 648	0	0	0	0	129	70 188 962	19	1 204 238
Suomi/Finland	24	720 017	3	202 855	1	10 967	0	0	28	933 840	58	5 586 025
Sverige	29	770 940	31	2 198 914	0	0	0	0	60	2 969 854	240	38 095 480
TOTAL EU27	**3 977**	**242 694 139**	**3 067**	**687 657 420**	**52**	**9 761 198**	**8**	**578 939**	**7 104**	**940 691 694**	**4 105**	**739 334 773**

([79]) Based on data in the Irregularity Management System (IMS) as of 8/3/2026 (for expenditure) and on data from the OWNRES application as of 2/3/2026 (for revenue).

([80]) Data in this column includes 4 irregularities (1 PL, 3 RO) related to the European neighbourhood Instrument.

ANNEX 3: Overview of measures taken by the Member States to target specific topics

Table 1: Early-detection and exclusion

Early-stage risk identification and exclusion			
Member State	**Target**	**Type of measure**	**Description**
Belgium	Identifying potential conflicts of interest	Administrative	Before evaluating project proposal evaluators tick the declaration of honour. A sample of statements is verified via Arachne.
Bulgaria	Excluding unreliable economic operators	Legislative	Mandatory exclusion from award procedures of persons convicted of certain offences.
Cyprus	Identifying red flags	Administrative	Changes to the e-procurement system include automated workflows, role-based access and time-stamped records which reduce discretion and conflicts of interest. Contract-management functions (milestones, variations, payments, alerts) help detect overpricing, irregular amendments and non-performance early.
Hungary	Excluding fraudulent taxpayers	Operational	Post-release controls are used to identify and exclude fraudulent taxpayers, for example by cancelling their tax number.
Ireland	Performing eligibility and compliance checks	Administrative Organisational Operational	Embedding eligibility and compliance checks into the implementation of the Just Transition Fund from the outset. The measure also ensures accountability and traceability of Just Transition Fund spending.
Poland	Identifying potential conflict of interest	Operational	At the project selection stage, the SAMPLER tool is used to verify conflicts of interest, which simplifies the subsequent procedures.

Table 2: Training and capacity-building activities reported by Member States in 2025

Trainings and capacity-building activities		
Member State	**Type of measure**	**Description**
Belgium	Organisational	Mandatory e-learning on combating fraud for top managers and project managers.
Cyprus	Administrative	Training on the importance of transparency of lobbying activities and requirements for registration and public disclosure of meetings.
	Administrative	Training and guidance for all bodies working with EU funds to set common standards.
	Administrative	Targeted training programme covering key PIF areas given by the Treasury of the Republic of Cyprus for officials from all authorities working with EU funds.
Czechia	Organisational	Internal training action for staff of the managing authority for the Employment+ operational programme.
Finland	Administrative	Training on good administrative practices to harmonise approaches. Increasing awareness within organisations.
Germany	Administrative	Guideline document on prevention of conflict of interest.
Hungary	Operational	Hungarian public procurement authority updated guidelines on examining exceptionally low prices, dynamic purchasing systems, provided online training and organised conferences focused on conflict of interest and integrity issues.
Ireland	Administrative	The Northern and Western Regional Assembly, a managing authority responsible for the European Regional Development Fund introduced an administrative measure to bolster capacity building. They increased initiatives to boost staff awareness with anti-fraud training on governance and control of funds. This covered many areas including public procurement, conflicts of interest, State aid, integrity and transparency.
Latvia	Organisational	The Latvian Procurement Monitoring Bureau organised several webinars and workshops, independently and in cooperation with the State Chancellery and the Latvian School of Public Administration, to strengthen knowledge and practice in public procurement processes.
Lithuania	Organisational	Training on transparency and the fight against corruption and fraud for institutions working with EU Structural Funds.

Malta	Administrative	Communication campaign raising awareness among public service and public sector employees.
Slovakia	Organisational	Training focused on protecting the EU's financial interests on both the expenditure and revenue sides of the EU budget (tax and customs fraud, money laundering, irregularities, and financial corrections, etc.). The training is for law enforcement authorities and employees of managing and intermediary bodies, audit and control bodies and employees working on traditional own resources.
Spain	Operational	The Conflict-of-Interest Advisory Unit continued to spread good practices. The Spanish AFCOS continued its intensive training work on preventing and fighting fraud against the EU's financial interests.

Table 3: Information exchange management

Managing the flow of information: enhancement of systems and data collection		
Member State	**Type of measure**	**Description**
Croatia	Operational	Implementation of a new system (eKohezija) which stores all project information and is used for management purposes throughout the project cycle.
Cyprus	Administrative	Update of an e-procurement system standardising procedures and documentation, centralising data, recording time-stamped actions across the whole contract lifecycle.
Finland	Administrative	Guidelines on the use of the administrative and control system.
Italy	Administrative	Integration of systems with the Arachne/SAS model strengthening early detection of fraud and irregularities.
	Operational	Computerisation of the serious irregularities case register to allow constant flow of information.
Portugal	Administrative	Dashboards sharing risk monitoring information with managing authorities.
	Operational	Development of a new customs anti-fraud database that is interoperable with EU and national systems.
Slovakia	Operational	New IT functionality in ITMS21+ (the IT system for the Programme Slovakia for the 2021-2027 period), including export and import of data between the ITMS21+ and the IMS.

Slovenia	Operational	Introduction of automatic verification of double financing via a new tab in the system.
Managing the flow of information: quality of reporting		
Member State	**Type of measure**	**Description**
Cyprus	Administrative	Among other courses, training on using the IMS and EDES systems.
Denmark	Administrative	Guidelines on proper reporting of irregularities clarifying ambiguities identified.
Germany	Administrative	Workshop dedicated to the IMS system.
Luxembourg	Administrative Organisational	Issuance of guidelines to be applied in cases of fraud or irregularities being detected, the corresponding corrective procedures, and the notification and monitoring of those irregularities.
Poland	Operational	Framework checklist harmonising the approach of various institutions in selecting aspects to verify during checks on public procurement and State aid.
Slovakia	Legislative Administrative	Manual on reporting irregularities (AFCOS); new internal audit guidelines were issued due to the adoption of an amendment to the legislation.

Table 4: Measures creating new bodies or transferring powers (including streamlining communication with other national and EU-level counterparts)

Managing the flow of information: Dedicated bodies/functions		
Member State	**Type of measure**	**Description**
Estonia	Organisational	Designation of a new position of personal income tax manager.
Greece	Legislative Administrative Organisational Operational	Transfer of responsibilities, staff and services to the Independent Authority for Public Revenue to consolidate control and prosecution mechanisms, integrate information systems, and avoid duplication of responsibilities.
	Legislative	Creation of a register of public procurement professionals, with the main objective of simplifying, streamlining and enhancing the transparency, integrity and efficiency of public procurement procedures (Law 5218/2025).
Latvia	Organisational	Transformation of the Tax and Customs Police Department into an independent direct administration institution - the Tax and Customs Police to separate and transfer responsibilities.
	Organisational	Creation of the Customs Audit Division at the State Revenue Service.
Slovakia	Legislative Administrative Organisational	Setting-up of a cross-cutting working group within the Agricultural Paying Agency focused on project assessment, public procurement, conflicts of interest and control of EU funds.
Spain	Administrative	Creation of the State Independent Whistleblower Protection Authority.
	Organisational	Setting-up of an operational group dedicated to the EPPO cases.

ANNEX 4 –OLAF's financial recommendations

Table 5: Financial recoveries following OLAF's financial recommendations with finalised follow-up per area, management mode and year

AREA - Management mode / Year	Recom-mendations	Amount recom-mended to be recovered	Amount to be recovered FAER	Establish-ment rate for recovery	Amount recovered	Recovery rate
	N	EUR million	EUR million	%	EUR million	%
REVENUE customs	**600**	**4 178.5**	**4 704.1**	**113%**	**4 534.6**	**96%**
2016	71	104.7	64.9	62%	23.6	36%
2017	88	2 530.5	3 777.0	149%	3 735.8	99%
2018	83	58.2	40.6	70%	20.4	50%
2019	64	288.6	201.1	70%	200.2	100%
2020	97	123.2	95.1	77%	53.6	56%
2021	90	286.2	68.5	24%	48.5	71%
2022	28	81.9	93.6	114%	89.1	95%
2023	32	688.5	343.7	50%	343.7	100%
2024	29	11.0	12.1	110%	12.1	100%
2025	18	5.6	7.4	132%	7.3	100%
EXPENDITURE Direct management	**206**	**78.0**	**64.3**	**82%**	**46.7**	**73%**
2016	41	12.4	10.9	88%	4.0	37%
2017	27	13.6	7.1	52%	4.0	56%
2018	28	7.3	3.6	49%	1.8	52%
2019	26	6.3	5.3	85%	2.5	48%
2020	32	14.2	10.5	74%	10.4	99%
2021	20	9.4	9.8	104%	7.0	72%
2022	15	1.6	1.3	80%	1.1	85%
2023	8	13.0	15.8	122%	15.8	100%
2024	8	0.3	0.0	18%	0.0	100%
2025	1	0.0	0.0	76%	0.0	100%
EXPENDITURE Indirect management	**121**	**110.6**	**46.8**	**42%**	**41.1**	**88%**
2016	33	28.3	19.1	67%	16.6	87%
2017	11	6.5	1.1	16%	0.9	89%
2018	12	18.5	6.3	34%	6.3	100%
2019	9	5.1	1.1	22%	1.1	100%
2020	19	26.8	4.1	15%	1.7	41%
2021	11	2.0	1.6	79%	0.9	56%
2022	12	20.2	10.1	50%	10.1	100%
2023	9	3.0	2.7	92%	2.7	100%
2024	5	0.2	0.7	316%	0.7	100%

EXPENDITURE Shared management	**242**	**941.1**	**743.8**	**79%**	**737.0**	**99%**
2016	46	193.6	103.1	53%	102.9	100%
2017	42	379.0	356.8	94%	355.9	100%
2018	27	59.0	135.5	229%	135.5	100%
2019	29	137.4	27.9	20%	27.9	100%
2020	19	37.8	32.1	85%	32.0	100%
2021	20	21.8	10.4	48%	10.4	99%
2022	27	67.1	40.6	60%	35.5	88%
2023	22	20.6	13.7	67%	13.2	96%
2024	9	23.6	22.7	97%	22.7	100%
2025	1	1.0	1.0	100%	1.0	100%
TOTAL (REVENUE + EXPENDITURE)	**1169**	**5 308.2**	**5 559.0**	**105%**	**5 359.4**	**96%**

Table 6: Recommendations issued 2016-2025, by budget area – provisional results on ongoing cases

BUDGETARY AREA	Number of recom-mendations	Amount recom-mended for recovery	Amount established to be recovered (FAER)	Amount recovered	Amount recom-mended for prevention	Amount prevented
	N	EUR million	EUR million	EUR million	EUR million	EUR million
Revenue	**197**	**1 126.7**	**596.5**	**402.5**	**N/A**	**N/A**
Expenditure	**442**	**1 917.8**	**628.1**	**167.5**	**283.2**	**239.7**
Shared management	*241*	*1 098.3*	*390.2*	*94.4*	*34.4*	*0.0*
Indirect management	*48*	*98.7*	*71.6*	*6.1*	*113.4*	*113.4*
Direct management	*153*	*720.8*	*166.3*	*67.0*	*135.4*	*126.2*