



# Annual Activity Report 2020

Directorate-General for Mobility and Transport

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## FOREWORD



We will certainly remember 2020 forever! The COVID-19 pandemic has changed what we work on and how we work. The pandemic has put the transport sector under unprecedented strain. I am proud that DG MOVE has contributed significantly to the Commission's swift response. Thanks to good cooperation with the European Parliament and the Council, as well as the European Union Aviation Safety Agency, the European Maritime Agency and

the European Railway Agency, we were able to mitigate significantly the effects on transport businesses, workers and passengers.

With the Sustainable and Smart Mobility Strategy, which the College adopted in December 2020, DG MOVE has also contributed significantly to the European Green Deal. The strategy lays a foundation on which the EU transport system can build a green and digital transformation while becoming more resilient to future crises and supporting a competitive European economy. The implementation of the strategy will ensure coherence in EU transport policy and will help set priorities for DG MOVE work in line with those of the Commission and the MOVE Strategic Plan.

This Annual Activity Report provides an overview of our achievements in 2020 relative to the objectives set in DG MOVE's Strategic Plan 2020-24 and the 2020 Annual Management Plan. Part 1 sets out our main policy achievements over the past year. Part 2 provides insights on how we reached these and gives information about the management of resources and the internal organisation of the Directorate-General.

For more information on the activities of DG MOVE, please visit our website:  
<https://ec.europa.eu/transport/>.

Henrik Hololei  
Director-General of DG MOVE

## THE DG IN BRIEF

Under the political guidance of the College of Commissioners, in particular Executive Vice-President Frans Timmermans and Commissioner Adina Vălean, the Directorate-General for Mobility and Transport (DG MOVE) is in charge of developing transport and mobility policies for the European Union.

DG MOVE works with the College and other Commission services to deliver the priorities defined in President von der Leyen's political guidelines. Its actions are based on the competences defined in the Treaty on the Functioning of the European Union, in particular on Title VI on Transport and Title XVI on Trans-European Networks.

DG MOVE develops strategic policies for the transport sector in line with the Commission priorities; it monitors the implementation of existing EU law and makes new legislative proposals; it encourages the exchange of best practices and co-finances infrastructure projects under the Trans-European Transport Network (TEN-T) and Connecting Europe Facility (CEF) Regulations. Its work also includes financial support programmes for research and innovation projects under Horizon Europe and the monitoring of developments in research, which provide feedback to inform policy development. DG MOVE further promotes policies internationally, including through bilateral and multilateral transport agreements, and provides information to the public as well as to stakeholders. The budget under the responsibility of the DG is implemented under both direct and indirect management.

DG MOVE works closely with the European Parliament, Council of the European Union, European Union Member States, European citizens and industry, social partners and other stakeholders. It also works closely with partners in international organisations, in particular in the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO).

In its work, DG MOVE is assisted by the expert input from several European Agencies, which it oversees: the European Aviation Safety Agency (EASA), the European Maritime Safety Agency (EMSA), the European Railway Agency (ERA), the Innovation and Networks Executive Agency (INEA), as well as the Single European Sky ATM Research Joint Undertaking (SESAR JU) and the Shift2Rail (S2R) JU. DG MOVE has also built a strong partnership with EUROCONTROL and is represented on the management board of the Fuel Cells and Hydrogen Joint Undertaking.

The main spending programmes in 2020 that supported the work of the DG MOVE were:

- Financing the modernisation of the European and global traffic management system via the SESAR JU accounted for 25% of DG MOVE's spending in 2020 (EUR 117.7 million).
- Research programmes (the Seventh Framework Programmes for Research and Technological Development and Horizon 2020), supporting the Green Deal Call, accounted for EUR 0.36 million or 0.1% of DG MOVE's spending in 2020.
- The CEF Debt Instruments, contributing to the development of the TEN-T infrastructure and implemented through the European Investment Bank (EIB), accounting for 8.6% of DG MOVE's spending.
- The subsidies to the three decentralised agencies (EASA, ERA, and EMSA) amounted to EUR 148.09 million or 31.3% of DG MOVE's payments in 2020.

- The contribution to INEA's operating budget of EUR 31 million or 6.5%.
- Financing the research and innovation efforts in the rail sector via the S2R JU accounted for EUR 75.85 million (equal to 16% of the DG payments of 2020).
- Directly managed CEF support actions, the main initiative being the SESAR Deployment Manager framework partnership, accounting for 1% or EUR 4.7 million of DG MOVE's payments in 2020.
- Other agreements with EU Bodies for the implementation of specific tasks in the amount of EUR 13.8 million EUR (2.9%).

At the end of December 2020, DG MOVE had 423 staff, including external staff (contract agents and SNEs) and in addition, shared 86 administrative staff with DG ENER. The total payments made by DG MOVE in 2020 represented EUR 473.79 million, while the committed amounts added up to EUR 451.99 million at year-end (see Annex 3 for more details).

Further information on all the policies and more is available on the website: [https://ec.europa.eu/transport/home\\_en](https://ec.europa.eu/transport/home_en)

## EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director-General of DG MOVE to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>1</sup>.

### A. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives (executive summary of section 1)

For DG MOVE, 2020 was a year guided by two priorities: **the European Green Deal and the COVID-19 pandemic**, which placed EU transport sector under an unprecedented situation.

DG MOVE has significantly contributed to **the European Green Deal** with the **Sustainable and Smart Mobility Strategy**, which was adopted in December 2020 by the College<sup>2</sup>. The Strategy lays the foundation for how the EU transport system can achieve its green and digital transformation and become more resilient to future crises. As outlined in the European Green Deal, the result will be a 90% cut in emissions by 2050, delivered by a smart, competitive, safe, accessible and affordable transport system. The Strategy will change the way people and goods move across Europe and make it easy to combine different modes of transport in a single journey. The ambitious targets for the entire transport system will help to ensure a sustainable, smart, and resilient recovery from the COVID-19 crisis. This will provide businesses a clear pathway for the green investments they will need to make over the coming decades. Through the implementation of this Strategy, there will be an irreversible shift to zero-emission mobility while making our transport system more efficient and resilient. The implementation of the Strategy will ensure coherence of the EU Transport policy and will help setting priorities for DG MOVE work in line with Commission priorities and with the MOVE Strategic Plan.

From the very beginning of the **COVID-19 pandemic**, DG MOVE was active in providing relief to the transport sector. The concrete measures included establishment of the Green Lanes aimed at ensuring smooth cross-border freight traffic, guidelines, regulatory relief, funding and contribution to the state aid decisions. These were delivered in close collaboration with the European Parliament, Council, and – whenever relevant – European Union Aviation Safety Agency, European Maritime Agency and European Railway Agency. Throughout the year, DG MOVE ensured close cooperation with Member States through the network of national transport contact points, as well as with key stakeholders.

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<sup>1</sup> Article 17(1) of the Treaty on European Union

<sup>2</sup> COM(2020) 789

Despite the challenging working conditions under COVID-19 pandemic, DG MOVE delivered in 2020 tangible outputs under each of the specific objectives as set out in the Strategic Plan and Management Plan, thus contributing to the Commission general objectives. Examples include:

- European Green Deal, Specific Objective 1: *A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable alternative transport fuels for land, waterborne and air both in the EU and globally* – the Strategy on smart and sustainable mobility, conclusion of inter-institutional process on European Year of Rail, general approach on Eurovignette, revision of the Single European Sky, evaluation of the rail freight corridors, and NAIADES III;
- A Europe fit for the digital age, Specific Objective 2: *A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding* – launch of new Horizon Europe partnerships in the areas of Rail, Air Traffic Management and Cooperative, Connected and Automated Mobility; enforcement actions regarding implementation of the Intelligent Transport Systems Directive;
- An economy that works for people, Specific Objective 3.1: *A fully integrated and connected Trans-European Transport network with appropriate funding for a robust and modern European transport infrastructure with fully restored connectivity* – conclusion of inter-institutional process on TEN-T streamlining, advancing that process on Connecting Europe Facility II;
- An economy that works for people, Specific Objective 3.2: *An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently* – conclusion of inter-institutional process on rail passenger rights, regulatory relief to transport sector (Omnibus I and II);
- A stronger Europe in the world, Specific Objective 4: *A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards* – EU-UK Partnership agreement; Negotiation of a Bilateral Aviation Safety Agreement with the United Kingdom of Great Britain and Northern Ireland; TEN-T indicative maps third countries; Conclusion of a Bilateral Aviation Safety Agreement with China;
- Promoting our European way of life, Specific Objective 5: *High levels of transport safety and security are ensured and new security and safety challenges are addressed* – Amended gap analysis between civilian and military requirements; Exceptional measures in transport security to deal with COVID-19.

DG MOVE also worked on ensuring that the UK withdrawal from the EU would not have negative impacts on the EU transport and connectivity.



President von der Leyen and Commissioner Adina Vălean at COVID-19 Task Force

### B. Key Performance Indicators (KPIs)

In line with the Strategic Plan, the following indicators are given special attention:

1. Share of CEF Transport invested into sustainable modes of transport (European Green Deal - see Specific Objective 1)

Baseline (2014-2020)	Interim milestone	Target (2024)	Latest known results
N/A	on path	80% of CEF 2 Transport committed expenditures	N/A <sup>3</sup>

2. Transposition rate in transport legislation (An economy that works for the people - see Specific Objective 3.2)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
99,8%	N/A	99% of Directives to be transposed in any given year (target used by the Commission for the Single Market Scoreboard)	99.87%

3. Estimated risk at closure (Sound Financial Management – see objective 1)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
0.86%	< 2% of relevant expenditure	< 2% of relevant expenditure	0.86%

<sup>3</sup> This indicator refers to the CEF 2021-2027 programme which is not yet adopted and is expected to be implemented as from 2021



## **C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)**

In accordance with the governance arrangements of the European Commission, DG MOVE conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. DG MOVE has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended. Please refer to AAR section 2.1.3 for further details.

In addition, DG MOVE has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## **D. Provision of information to the Commissioner**

In the context of the regular meetings during the year between the DG and the Commissioner(s) on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Adina Vălean, responsible for Transport.

## **E. Specific actions on COVID-19**

In 2020, the EU was strongly impacted by the COVID-19 pandemic. The Commission has proposed a strong and coordinated response to the health crisis as well as to the impact on Europe's economy and society. COVID-19 has also posed challenges as regards performance, control, audit and assurance in relation to the 2020 EU budget. In an exercise coordinated at corporate level, all Commission services have promoted the consistent and rigorous protection of the EU budget ensuring that appropriate mitigating measures were put in place. This is what DG MOVE has done throughout 2020 in response to the COVID-19 pandemic:

- Providing regulatory relief to the transport sector, notably via legislative proposals concerning: airport slots, driving and rest time for drivers, Fourth railway package, validity of certificates and driving licenses (Omnibus I and II), aviation safety, and air services.
- Ensuring seamless freight circulation through Green Lanes established in March (extended in October) and coordinating network of national transport contact points.
- Issuing or contributing to the guidance on passenger rights, air cargo, cruise ships passenger and crews, COVID-19 testing and quarantine for air travellers (European Air Safety Agency, European Centre for Disease Prevention and Control), coordinated approach to travel and transport measures in response to new variant of coronavirus in the UK.

In addition, DG MOVE was closely involved in the relevant State aid decisions, as well as in preparatory work on the implementation of Resilience and Recovery Fund.

As regards financial and budgetary management, the effort focussed on allowing DG MOVE to continue operating and developing as smoothly as possible its policy agenda in the difficult environment that arose from the COVID-19 crisis, and on the need to operate the financial circuits in an environment where teleworking became the dominant working mode.

The crisis affected the contractual relations between DG MOVE and its external partners. Initiatives taken in this respect included the adoption of provisional procedures to allow continuity of operations in contract and document management, at accompanying the implementation of the Qualified Electronic Signature system and at ensuring its robustness. Additional efforts were made to assess, monitor and address the risks stemming from the crisis.

The travel restrictions significantly affected the ex-post financial control activity, however DG MOVE successfully adopted a remote desk approach to ensure the continuity of operations and maintain the necessary degree of protection of the EU financial interest.

# 1. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives

## A European Green Deal

Specific Objective 1: A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable alternative transport fuels for land, waterborne and air both in the EU and globally

DG MOVE prepared the **Sustainable and Smart Mobility Strategy**, which was adopted by the College of Commissioners in December 2020<sup>4</sup>. In line with the European Green Deal, the Strategy provides overall guidance for the radical reduction of greenhouse gases emissions from transport on the environment and on the health of our citizens in general, in the period up to 2050. It aims at accelerating the shift towards more sustainable mobility, as well as at recovery from the COVID-19 crisis. It also contributes to other Commission's headline ambitions: **making Europe fit for digital age, an economy that works for people, a stronger Europe in the world and promoting our European way of life**. With clearly set objectives and follow-up actions the Strategy will also be instrumental in keeping the transport policy initiatives focusing on delivering Commission priorities.

DG MOVE has carried out an ex-post **evaluation of the 2011 White Paper on transport**, finalised in December 2020. The evaluation fed into the analytical work that underpins the Sustainable and Smart Mobility Strategy of December 2020.

Two initiatives, on the **Fuel EU Maritime** and on the **ReFuel Aviation** were postponed to 2021, due to the COVID-19 circumstances. Still, draft impact assessments were submitted to the Regulatory Scrutiny Board in December 2020.

Progress was made on the assessment of national implementation reports under the **Alternative Fuels Infrastructure Directive** (2014/94/EU) as well as the evaluation and impact assessment in view of the revision foreseen for Q2 2021. For these two purposes, the public consultation was concluded, including a more targeted stakeholder outreach on implementation. The Commission report on the application of the current Directive, together with the corresponding assessment of national implementation reports, will be adopted in the first quarter of 2021. Two infringements on this Directive are expected to be finalised in early 2021.

Work was initiated for a new standardisation mandate to current interoperability challenges. Following the adoption of a CEN-CENELEC standard, progress was also made on a Delegated Regulation on **electric recharging standards for buses** (to be adopted early 2021). DG MOVE and the JRC published also an update on the 2015 report on state of the art on alternative fuels transport systems in the EU.

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<sup>4</sup> COM(2020) 789

The Sustainable Transport Forum's mandate was extended until 2030. In 2020, the Forum adopted recommendations for public authorities for procuring, awarding concessions, licences and/or granting support for electric recharging infrastructure and for a summary Handbook. Three new sub-groups were created and subsequent calls for Memberships announced.

In October 2020, the Commission published guidance on the application of the **Clean Vehicles Directive** (2009/33/EC). The main activity of the Clean Bus Europe Platform (CBEP), the organisation of twinning and study visits, had to be suspended due to the pandemic.

In 2020 DG MOVE conducted a **study and assessed the environmental and economic impact of the Mobility Package 1** on the provisions related to the return of the vehicles to the Member States of establishment and to the application of cabotage restrictions to combined transport operations. The results will be published in early 2021. In addition, a study was launched to provide a contribution on maritime shipping to the **EU taxonomy framework** that sets up a common classification system and technical criteria for sustainable economic activities.

DG MOVE contributed to the preparatory work on extending **Emissions Trading System to the maritime sector**. DG MOVE also started work towards a legislative proposal for a harmonised GHG emission accounting system for transport services, to improve their efficiency and sustainability on both the demand and supply side of the transport market.

The evaluation of the **Urban Mobility Package** was completed and its findings will feed into a potential revision in 2021. The pilot project on Sustainable urban mobility indicators was also completed, supporting cities to evaluate their mobility system and to measure improvements. DG MOVE also issued guidelines regarding COVID-19 and one addressing gender and vulnerable groups. A first European Parliament Preparatory action started in August 2020 with a pilot project on providing a user-friendly information tool on vehicle access regulation schemes. A second Preparatory action is foreseen for 2021.

The **European Mobility Week** was organised in a hybrid format with 2945 towns and cities. The first Urban Mobility Days focused on urban mobility planning and innovation in times of crisis. Both activities were organised under the theme “zero-emission mobility for all”.

The evaluation of Regulation 913/2010 concerning the **European rail network for competitive freight** was finalised having received a positive opinion of the Regulatory Scrutiny Board). It highlighted potential synergies with Directive 2012/34/EU establishing a single European Railway Area, with the TEN-T Guidelines (Regulation 1315/2013).

In line with the European Green Deal and to promote rail, the Commission has proposed to make 2021 the



European Year of Rail. The European Parliament and the Council adopted Decision (EU) 2020/2228 on 23 December 2020). DG MOVE started preparing activities and a communication campaign in close cooperation with stakeholders already in 2020. A series of events, campaigns and initiatives in 2021 will promote rail as a sustainable, innovative and safe mode of transport. The European Year of Rail supports DG MOVE's policy work to incentivise the use of rail both in freight and in passenger transport. It will encourage and support the efforts of all stakeholders and public authorities involved in the sector to take actions to improve the efficiency and competitiveness of the rail sector, and so to increase the attractiveness of passenger and freight transport by rail: [https://europa.eu/year-of-rail/index\\_en](https://europa.eu/year-of-rail/index_en)

DG MOVE also prepared a **roadmap for an Action Plan 2021-2027 for Navigation and Inland Waterway Action and Development in Europe (NAIADES) III**. The new strategy for the inland waterways sector will be launched in 2021. It will aim to move more transport by inland waterways by making its infrastructure and shipping fit-for-future, and by integrating inland navigation into multimodal mobility of people and freight with the support of digitalisation, and to gradually shift towards zero emission inland vessels, essential to maintaining the sector's competitiveness edge.

The study in support of the evaluation of the **River Information Services** legislation was completed, while the Staff Working Document will be finalised in 2021. A study on the synergies between inland navigation and other transport modes' digital solutions was also published. A comprehensive evaluation (fitness check) has been launched of nine different pieces of legislation concerning the access to and functioning of the inland water transport market.

Work accelerated on the four implementing acts under **Directive 2019/883 on Port Reception Facilities** with measures aimed at incentivising the discharge of ship waste at ports and better aligning fees with green incentives, allowing for their adoption early 2021. DG MOVE prepared the review of **Directive 2005/35 on Ship Source Pollution** that will enable the incorporation of international standards for ship source pollution into EU law and allow for a wider and more robust and modern enforcement.

DG MOVE continued the close cooperation with the port stakeholders, including in the plenary of the **European Ports Forum** and in a Joint Roundtable on FuelEU Maritime as well as launched an **EP Pilot on Greening of Ports**. DG MOVE published information notified by the Member States on their procedure for the handling of complaints under the application of the **Port Services Regulation** (EU) 2017/352.

DG MOVE enhanced its actions at both EU and international level to move the waterborne sector towards a cleaner trajectory, while taking into account **global developments at International Maritime Organisation**. Key areas for action covered shipping emissions, ship efficiency and waste discharge. The agreement reached in November on short-term

measures on energy efficiency of existing ships marked the first step in implementing the **IMO strategy on GHG emissions reduction**.

DG MOVE was also very active on the **aviation sustainability** front, notably preparing proposals for EU Council Decisions as regards the Carbon Offsetting and Reduction Scheme for International Aviation (**CORSIA**) of the International Civil Aviation Organization (**ICAO**). A major drop in traffic and associated carbon dioxide emissions in 2020 brought about by the COVID-19 pandemic risked eradicating support for CORSIA in ICAO<sup>5</sup>. By accepting to change this “baseline” to 2019 emissions only for CORSIA’s pilot phase (2021-2023), the EU helped preserving the support for CORSIA in ICAO. The Council of the EU confirmed that the Member States would take part in the pilot phase from 1 January 2021 without prejudice to EU climate policy objectives. DG MOVE also contributed to EU positions for the adoption by the ICAO Council of rules on the offsets that will be eligible under CORSIA during the pilot phase.

In September, the Commission adopted a proposal for a **reform of the Single European Sky** consisting of two legislative proposals. The objectives are to modernise the management of European airspace and to establish more sustainable and efficient flightpaths, which can lead to a reduction of air transport emissions by up to 10%.

DG MOVE also worked on promoting innovative technological and operational **Air Traffic Management**, by preparing an impact assessment for a new SESAR Joint Undertaking, and a Common Project 1.

DG MOVE worked on ensuring **a smooth financing for the investments delivering the European Green Deal objectives**. In 2020, the 2019 Multi Annual (MAP) call for proposals under the Connecting Europe Facility (CEF) was successfully completed, selecting 125 projects with an overall contribution of more than EUR 2 billion. More than 90% of the CEF contribution was allocated to projects expected to address climate related objectives<sup>6</sup> and in particular railway, inland waterways and maritime ports infrastructures. 19 of these selected actions foresee the deployment of alternative fuels infrastructures in Core ports of the TEN-T Network. They received more than EUR 105 million of CEF co-funding, triggering investments for more than EUR 380 million. An illustrative project refers to the provisioning of the Baltic seaports of Aarhus, Copenhagen/Malmo, Stockholm and Helsinki with Onshore Power Supply (OPS) to vessels<sup>7</sup>.

Despite the difficulties related to the COVID-19 pandemic, a number of projects selected under previous calls for proposals (between 2014 and 2017) were completed, contributing to the achievement of climate objectives for the transport sector and to the objectives of the European Green Deal. The completion of a comprehensive study for the deployment of fast charging electrical supply points across four European Countries (Belgium, Germany, Czech Republic and Slovakia) led to the installation of 250 pilot multi-standards fast chargers and the development of an innovative open source ICT-platform across the entire

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<sup>5</sup> The underlying carbon neutral growth target is based on the average emissions of 2019 and 2020

<sup>6</sup> Calculation done with reference to the RIO marker contribution defined within recital 4 of the CEF 2021-2027 Common Understanding

<sup>7</sup> <https://ec.europa.eu/inean/en/connecting-europe-facility/cef-transport/2019-eu-tm-0234-s>

electric vehicle value chain to facilitate integrated end-to-end EV services in view of future roll-out.

The Horizon 2020 (H2020) Programme continued to support Research and Innovation (R&I) in the area of sustainable mobility. In addition to the regular Mobility for Growth Calls, a final dedicated **H2020 Green Deal Call** was launched by INEA in September 2020, with a budget contribution of EUR 85 million from DG MOVE. This Call will deliver major, direct and immediate impact in achieving the European Green Deal, drastically cutting transport emissions and supporting the sector's economic recovery from the pandemic, through the development and demonstration of green airports and green ports across Europe.

**Example of an H2020 project on sustainable mobility funded in 2020**  
**Project NEMO<sup>8</sup>: lower CO2 emissions and noise from transport vehicles**



NEMO is a Horizon 2020 Research and Innovation Action launched in May 2020 (duration until 2023). This EUR 6.6 million project aims to develop and demonstrate new remote sensing technologies in four European cities, measuring real-time emissions and noise from road vehicles, trains and cruise ships. The innovative solutions can be integrated into existing infrastructures for vehicle access and tolling purposes, contributing to the improvement of air quality and noise in cities.

In the 2014-2020 period, CEF Transport programme supported more than 950 Actions with a co-funding of more than EUR 23 billion and generating an overall investment in transport infrastructures of almost EUR 50 billion. During the same period, more than 70% of the total CEF co-funding has been allocated to actions supporting sustainable transport infrastructures, mainly focusing on the railway and inland waterway sectors and accelerating the deployment of alternative fuels infrastructures.

The European Green Deal has also been a key driver for the design of **Horizon Europe** and in particular for the Cluster on Climate, Energy and Mobility. This included preparations for the launch of new EU partnerships in areas such as clean hydrogen, batteries, clean aviation, rail, connected and automated mobility, zero-emission road and waterborne transport. Significant progress was also achieved in preparing the Horizon Europe Work Programme 2021-2022, containing several actions on sustainable mobility, with Calls expected to be launched in spring 2021.

In accordance with the European Green Deal, CEF 2021-2027 will target a contribution of 60% of its overall financial envelope to co-financing Actions supporting climate objectives, accompanying the shift towards zero-emission mobility.

## A Europe fit for the digital age

**Specific Objective 2: A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding.**

Progress was made on the review of the **Directive on intelligent transport systems** (2010/40/EU), including the launch of an open public consultation in view of the revision in Q3 2021, and a first public workshop on the impact assessment. A call for proposals was launched for the Programme Support Action for a Coordination mechanism to federate the

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<sup>8</sup> <https://nemo-cities.eu/>

National Access Points under this Directive. The Commission set up a sub-group to support the credential management system for cooperative intelligent transport systems. Work continued on ensuring robust enforcement: 37 letters of formal notice were sent to Member States on 15 May 2020 and by the end of the year 16 cases had been closed and 21 remained open (out of which 9 at the level of reasoned opinions).

In 2020, several Research and Innovation activities under **Horizon 2020** took place in the area of smart mobility. DG MOVE engaged in the work of **the SESAR and Shift2Rail Joint Undertakings**, advancing the progress in digitalisation and automation of aviation and rail. Additional H2020 grant agreements were signed by INEA to support research and innovation in smart mobility, for instance in the area of smart, shared-connected and low-emission logistics for new and “on-demand” user needs. This was particularly important at a time when logistics have been of critical importance during the **COVID-19 pandemic**, with increased electronic trade and the need for efficient, secure and uninterrupted cross-border freight, including for the distribution of vaccines. The conclusion of the 2020 Call evaluation of the H2020 will kick-off further projects in 2021 on smart, digital and automated mobility, including on fully automated infrastructure, and on multimodal network/traffic management for connected and automated mobility.



## Senator

### **Project SENATOR<sup>9</sup>: shared, integrated and sustainable urban freight logistics**

SENATOR is an H2020 Research and Innovation Action launched in September 2020 (duration until 2024). This EUR 4 million project aims to develop a new smart network operator platform for shared, integrated and sustainable urban freight logistics. This will be based on multi-stakeholder collaboration, for optimising and balancing user demand with transport planning, freight logistics and city infrastructure.

DG MOVE engaged also in the design and launch of EU partnerships in the context of **Horizon Europe**, including in the areas of **Rail, Air Traffic Management and Cooperative, Connected and Automated Mobility (CCAM)**. Major work was undertaken through the CCAM Stakeholder Platform, to develop a common European strategic research and innovation agenda. This culminated with the design of concrete actions in the context of the Horizon Europe Work Programme 2021-2022, the first Calls of which are expected to be launched in spring 2021.

The SESAR project embraces the different phases of an innovation cycle aiming to modernise Europe’s air traffic management infrastructure. Consequently, it allows associating and coordinating different implementing bodies - such as the SESAR Joint Undertaking, the SESAR Deployment Manager, INEA, the European Defense Agency and the European Union Aviation Safety Agency – and Union programmes – such as Horizon 2020 and CEF – to align and pursue common priorities in this field. These bodies and their work programmes contribute to or are driven by a common roadmap, which is the European ATM

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<sup>9</sup> <https://www.senatorproject.eu/>



Master Plan, that fully integrates the Commission's digitalisation and decarbonisation policy objectives.

Early on in the crisis, the **SESAR Joint Undertaking**, with the support of DG MOVE, put in place a basket of measures to assist its members, many of whom were facing unprecedented economic challenges due to the **COVID-19 pandemic**. The measures helped to preserve the overall scope and level of ambition of the SESAR research and innovation programme by providing much-needed breathing space to the aviation industry in the short term so that it can deal with the crisis while continuing to prepare for the future. The measures included showing flexibility towards projects, many of which involve airlines and other operational stakeholders whose operations were severely curtailed. Deadlines were extended for open calls to allow additional time for the ATM stakeholders to prepare their proposals. The SESAR JU injected additional budget into the programme and increase pre-financing support to members and beneficiaries. At the same time, it limited members' financial contributions for a period of time, facilitated by cutting the running costs of the SESAR JU to a strict minimum. SESAR also launched 41 new exploratory projects in 2020, including on artificial intelligence, intermodal transport and common altitude reference for drone operations. These actions will contribute to the Commission objectives of the **European Green Deal** and **A Europe fit for the digital age**.

Several actions under **CEF 2019 MAP call** concern digitalisation, especially for road and railway transport. Two selected actions relate to the C-roads initiative, contributing to the development of sustainable digital data-infrastructures enabling the roll-out of Day1 and Day1.5 C-ITS applications. Such projects aim at improving road safety and traffic efficiency through applications and dedicated hardware, such as Intelligent Traffic Light Controllers and the interaction and information exchange between road operators' infrastructure and vehicles. These infrastructures also pave the way for the introduction of autonomous vehicles.

Significant work was delivered to modernise the **railway sector** thus contributing both to



the objectives of A Europe fit for the digital age and of the European Green Deal. Twelve actions related to European Rail Traffic Management System were supported through 2020, under both the 2019 MAP call and the CEF Transport Blending Facility. A total CEF support of more than EUR 100 million has been allocated to the development of on-board prototypes with most technological advanced standard and the consequent retrofitting of on-board equipment or upgrade of the existing on-board devices. These projects will improve interoperability, sustainability, safety and security of railway operations.

*Director-General Henrik Hololei at Digital Transport Days*

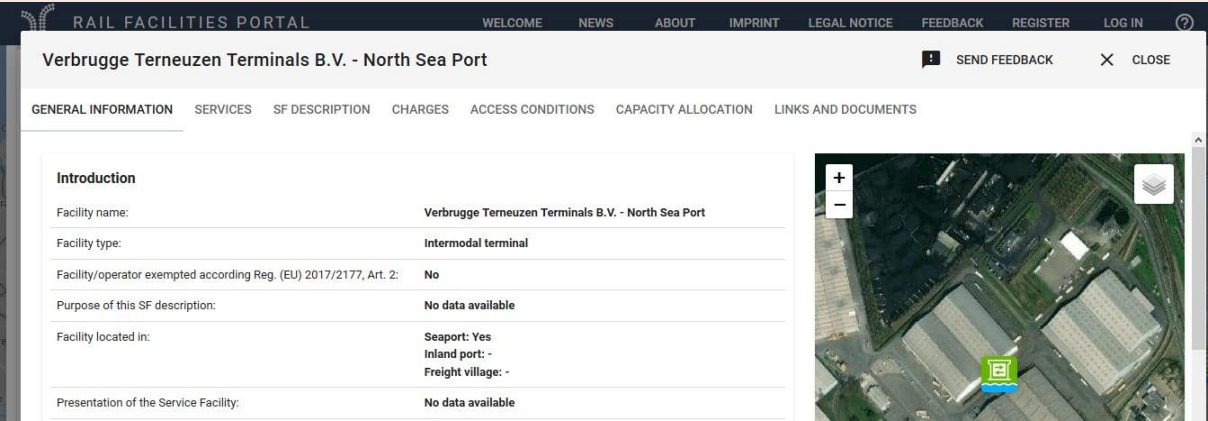
Following extensive consultation with the Member States and the sector, the Commission gave a mandate to the European Union Agency for railways (ERA) to prepare recommendations for the **revision of technical specifications for interoperability** (TSI). The revision, planned for 2022, will be a milestone for implementing main objectives of Digital rail and Green freight and accompany the rail system transformation towards a significantly more efficient and cost-effective system, paving the way for automation and enhancing system capacity, while ensuring cybersecurity. The Commission also requested the European Telecommunications Standards Institute to develop standards for the Future Rail Mobile Communication System. Further, a harmonised radio spectrum for the future radio system was defined and agreed paving the roll out of 5G based services.

DG MOVE has negotiated throughout 2020 with the Member States to ensure that rail freight operations provide closely linked **data to terminals and logistic providers and facilitate the multimodal stream of cargo**. The revision of the telematics applications for rail freight (TAF TSI) will be adopted early 2021.

In 2020, the Commission and the rail sector, with the support of the Shift2Rail JU, set up the European **Digital Automatic Coupling** Delivery Programme for freight wagons to enable needed increase in efficiency and transparency of rail freight. The ambitious target of this Programme is to retrofit all freight wagons (600.000+) in Europe to enable coupling automatically at the latest by 2030. The work has started, with strong commitment by the industry and the sector.

**European Rail Facility Portal**

In 2020, DG MOVE transferred the European Rail Facilities Portal to rail stakeholders. The Portal provides access to descriptions of rail facilities (both for freight and passenger) in line with EU legislation (Directive 2012/34/EU and Implementing Regulation (EU) 2017/2177).



The screenshot shows the 'European Rail Facility Portal' interface. The main header reads 'RAIL FACILITIES PORTAL' with navigation links: WELCOME, NEWS, ABOUT, IMPRINT, LEGAL NOTICE, FEEDBACK, REGISTER, LOG IN. The specific facility page is titled 'Verbrugge Terneuzen Terminals B.V. - North Sea Port'. Below the title is a navigation menu: GENERAL INFORMATION, SERVICES, SF DESCRIPTION, CHARGES, ACCESS CONDITIONS, CAPACITY ALLOCATION, LINKS AND DOCUMENTS. The 'GENERAL INFORMATION' section contains a table with the following data:

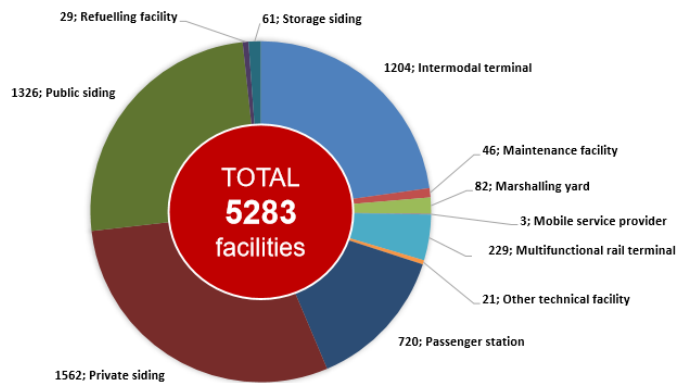
Introduction	
Facility name:	Verbrugge Terneuzen Terminals B.V. - North Sea Port
Facility type:	Intermodal terminal
Facility/operator exempted according Reg. (EU) 2017/2177, Art. 2:	No
Purpose of this SF description:	No data available
Facility located in:	Seaport: Yes Inland port: - Freight village: -
Presentation of the Service Facility:	No data available

To the right of the table is an aerial satellite image of the facility with a green location pin and zoom controls.

DG MOVE sold the Portal to RailNetEurope and remained active in the governance (the governance board and the technical control board). With Commission support, RailNetEurope and the other members of the governance board increased efforts to promote the Portal, which resulted in increased use.

DG MOVE provided funding through the Connecting Europe Facility for two streams of activities: supporting Portal management and operations and for developing the functionalities to make this tool more user-friendly and business-oriented. The purpose is to automate the uploads of facility descriptions in particular for operators with multiple facilities and to link the Portal to as many rail-related tools as possible, in order to ensure its integration with these tools and stimulate the development of rail services across a single European railway area.

## Number of facilities by facility types



The Portal should help strengthen competition in the rail market by facilitating the planning of operations by railway undertakings, shippers and other stakeholders. It can provide fast and easy access to contact information of the facility operators, as well as to important technical parameters.

Moreover, elements of digitalisation are present in some other actions supported through the 2019 MAP call for proposals, such as for the Inland Waterway sector, for example through projects supporting automation and remote lock operations.

Despite the difficult situation triggered by the COVID-19 pandemic, a limited number of projects selected under previous calls for proposals (between 2014 and 2017) were completed, contributing to the digitalisation of the transport sector. These included projects related ERTMS deployment and Air and Sea Traffic Management functionalities were successfully achieved, and the completion of the “Remote Tower Services – RTS, Pilot operations”, deploying three Remote Tower Services for low traffic airports, creating the basis for establishing operational and technical standards.

The work for the definition of the CEF 2021-2027 has led to the identification of a specific topic dedicated to the CEF support to smart applications for transport within the first Multi-Annual Work Programme.

The policy options to accompany the **transition of the labour force to digitalisation /automation in transport** were examined in a study, taking also into account stakeholder feedback on the draft policy-oriented recommendations and measures. Another two studies were launched on the attractiveness of jobs in transport and on tackling gender stereotypes from an early stage, with the results expected in 2021.

The public consultation has opened in 2020 as part of an evaluation of the **Driving Licence Directive**. The evaluation is due to be finalised in the second quarter of 2021, with a view to a possible revision proposal in 2022. One aspect of the revision could concern a digital format for driving licences. Some Member States are already working with such a format, which can be convenient for drivers, reduce the risk of fraud and facilitate enforcement. Unless interoperability is ensured, this is likely to lead to a patchwork of

different national rules that could hamper the full exploitation of the potential of digitalisation in this area.

Based on the activities of the Digital Transport and Logistics Forum (DTLF), DG MOVE continued the work on the corridor freight information systems, preparing the grounds for a new initiative for facilitating trusted and secure **data sharing in freight transport and logistics** in the context of the European Strategy for Data and the future Common European mobility data space. Following the entry into force of the Regulation on **Electronic freight transport information (eFTI)** in August 2020, work focused on the preparation of the implementation specifications of the Regulation, with the support of the DTLF experts, to ensure the timely adoption of these specifications.

DG MOVE also worked together with other actors on the implementation of the **European Maritime Single Window environment** Regulation, adopted by the co-legislators in 2019. The preparatory work for the Delegated and Implementing Acts has moved forward, in view of their adoption in 2021.

DG MOVE accelerated its work on Maritime Autonomous Surface Ships and developed the **EU guidelines for trials of autonomous ships** under the VTMS Directive (2020/59). The guidelines were endorsed by all stakeholders at the Second International Ship Autonomy and Sustainability Summit, organised by DG MOVE, together with Norwegian Forum for Autonomous Ships.

The revision of **the airport charges and air services regulations** were postponed due to the COVID-19 crisis.

In cooperation with Shift2Rail and JRC, DG MOVE reached a commonly agreed definition of **Hyperloop** main characteristics. Work was continuing with the promoters to agree a functional definition of Hyperloop. In June 2020, the Commission launched a tender to provide inputs in view of a conducive regulatory framework for Hyperloop based on comparative experience with other transport modes, including innovative ones (Connected and Automated Vehicles, Drones).

## An economy that works for people

**Specific Objective 3.1: A fully integrated and connected Trans-European Transport network with appropriate funding for a robust and modern European transport infrastructure with fully restored connectivity.**

The **Trans-European Transport Network (TEN-T) policy** booked important advances in 2020 with, on top of the Coordinators' work for the completion of the core network corridors, the agreement of the co-legislators on the Streamlining Directive and the review of the TEN-T Regulation. The European Coordinators engaged with Ministers, regions, infrastructure managers and other stakeholders for the implementation of their corridors as well as the deployment of the European Rail Traffic Management System (ERTMS) and the strengthening of Motorways of the Sea. Their fourth Works Plans for 2020-2021 were approved by the Ministers of Transport of the respective Member States.

The evaluation of the **TEN-T Regulation** started in 2019 was completed and submitted to the Regulatory Scrutiny Board and the work on the impact assessment for the revision of the Regulation started. In August 2020, the Commission adopted the Article 49(3) Report on the progress of the completion of the TEN-T based on the latest available technical and financial data for 2016 and 2017. The report showed progresses as well as areas where more focus is needed and underlined the need to better define the technical requirements, which will be addressed in the revision of the Regulation.

In June 2020, the co-legislators agreed on the text of the **Streamlining Directive for the trans-European transport network**, which will play a key role to accelerate pre-identified cross-border projects on the core TEN-T network and other projects also on the core TEN-T network with a cost exceeding €300 million. Member States will designate an authority to act as single point of contact for each project's promoter, providing him with guidance on the submission of documents and other information to obtain the necessary permits. The Streamlining Directive will be formally adopted once the CEF 2 Regulation will be adopted as it is referencing that Regulation.



The Connecting Europe Facility represents one of the main EU spending programmes supporting the Trans European Transport Network (TEN-T) policy. Moreover, it reflects the priorities included in the Sustainable and Smart Mobility Strategy. The main objective of the programme is the completion of a dual layer trans-

European transport network structure, developed along Europe through the Core network, including the Core Network Corridors and Comprehensive network. It will strengthen the social, economic and territorial cohesion of the Union and contribute to the creation of a single European transport area, which is efficient and sustainable, increasing the benefits for its users and supporting inclusive growth.

The majority of the CEF Transport programme is implemented by the Innovation and Networks Executive Agency (INEA, future CINEA). The role of the Executive Agency is to turn EU policy into action by overseeing programme implementation. In particular, it follows EU co-funded projects throughout their lifecycle and provides valuable feedback to the Commission in the process. Moreover, it gives a wide variety of support to the programme beneficiaries and ensures good visibility on the added-value of EU funding.

Studies and works for key infrastructural projects expecting to contribute to bridging missing links and cross border sections along the Core Network Corridors have been secured through 2019 MAP call for proposal, such as Rail Baltica, the northern access to the Brenner Base tunnel and to the Fehmarn Belt fixed link. Projects with an awaited focus on the improvement of railway cross border sections have been allocated important **CEF co-funding**. These projects will improve interoperability between Czech Republic and Slovakia, Germany and the Netherlands, Hungary and Austria and studies to enhance cross-border connections between Germany and the Czech Republic and between France and Luxembourg. Overall, 53 actions have been selected for the **railway sector**, with a

comprehensive CEF contribution of more than EUR 1.5 billion and triggering an investments of more than EUR 2.7 billion.

For the **inland waterways** sector, the 2019 MAP call resulted in 21 selected projects and a CEF support of more than EUR **100 million**. The projects will improve navigability, with works at locks and gates and improvement of inland waterway ports to enhance the capacity of this transport mode. The CEF contribution is expected to trigger investments to the level of EUR 350 million. An illustrative action relates to the upgraded infrastructure for waterborne operations along the Meuse and Albert canal, contributing to improvement of inland waterways network in the south of the Netherlands and the Belgian province of Limburg, playing an important role in connecting the European hinterland with maritime ports.

A final Multi-Annual work programme under CEF 2014-2020 has been adopted, leading to the publication of the 2020 CEF Transport MAP call for proposals in December 2020. The call, to be awarded in 2021, will keep the focus on the completion of the TEN-T Core Network, through the support of study actions along the Core Network Corridors paving the way to infrastructural works to be implemented during the next programming period.

**The outbreak of the COVID-19 pandemic delayed the completion of key infrastructural investments and is expected to delay the implementation of many ongoing project.** Nevertheless, some actions financed under previous calls for proposals (between 2014 and 2017) managed to be completed, contributing to the TEN-T completion objective. To note the completion of works on two sections of the German inland waterway network removing a major bottleneck along the Lower Havel Waterway, increasing the capacity of the section, and the construction of a lock along the Elbe-Havel Canal, both enabling the passage of fully loaded, large self-propelled barges and push barges with double-layered container loads.

The **CEF II programme** is expected to dedicate important resources to the completion of the TEN-T Network. Draft CEF 2 regulation indicates 60% of the budget under the transport general envelope and 85% of the budget under the transport cohesion envelope to be dedicated to supporting the TEN-T completion, with an 85%-15% share between the Core Network and the Comprehensive Network.

During 2020, **and despite the delays in investment decisions due to COVID-19**, four new operations were signed under the high-risk **“Future Mobility” product under CEF Debt Instrument**, leveraging total investments of EUR 266 million. These operations contributed to the transition to green and sustainable mobility, in line with the **European Green Deal** objectives. This highlighted the capacity of the Future Mobility instrument to address the transition to green mobility in an integrated manner. The operations bear on the large-scale deployment of electric vehicles charging stations; the implementation of hydrogen refuelling stations and buses; the development of a platform for car-sharing services; and the installation of innovative facilities for modal shift from road to rail.

Specific Objective 3.2: An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently

DG MOVE continued to monitor the **implementation of the EU transport acquis**. Over 210 proposals were prepared in 2020 (15.8% of Commission decisions, second highest contributor to College infringement cycle decisions). Despite the impossibility of holding physical meetings due to COVID-19 pandemic cooperation with Member States was reinforced, including through enhanced EU-Pilot exchanges (45 cases against 7 in 2019) and multiple ad hoc contacts with Member States Permanent Representations. An Enforcement Action Plan for 2021 was prepared.

DG MOVE played an active role in the Commission’s design and implementation of the **State aid rules for transport** in the context of the COVID-19 pandemic. DG MOVE contributed to many State aid files such as on support, recapitalisation or compensation for damages suffered due to the pandemic by aviation, rail or maritime industries. DG MOVE participated actively in the Commission’s work on the fitness check of State aid rules and the targeted revision of the General Block Exemption Regulation, in particular in designing new rules for alternative fuel infrastructure. DG MOVE provided extensive legal advice to all sectorial units as regards competition issues and ensured adequate coordination as regards Public Service Obligations in air, maritime and land transport.

**Response to COVID-19 crisis**

13 March: amendment of Regulation (EEC) No 95/93 on common rules for the allocation of slots at Community airports – to alleviate the impact of crisis on the airlines. The regulation was adopted in record time – on 31 March – following cooperative approach of Parliament and Council.

16 March: Guidelines for border management measures to protect the health of our citizens and to ensure availability of goods and essential services.

16 March: the Commission distributed a template to facilitate Member States’ decisions to grant temporary and limited relaxation of driving and rest periods to all drivers, pursuant to Article 14(2) of Regulation (EC) No 561/2006, in light of recent problems with road traffic, particularly at the border crossing.



18 March: Commission interpretative guidelines concerning passenger rights.

20 March: the Commission (DG MOVE) established a network of national transport contact points to reinforce cooperation and coordination on the issues related to transport, and set up a website ([https://ec.europa.eu/transport/coronavirus-response\\_en](https://ec.europa.eu/transport/coronavirus-response_en)), which provides an overview of national transport measures by country.

23 March: guidance on Green lanes – following the Guidelines for border management measures.

26 March: guidelines on facilitating air cargo operations during COVID-19 outbreak.

8 April: [guidelines](#) to support cruise ship passengers and crews, providing recommendations on health, repatriation and travel arrangements.

15 April: the Commission, in cooperation with the President of the European Council, has put forward a Joint European roadmap to phase-out the containment measures due to the coronavirus outbreak. While

recognising the specificities of each country, the European roadmap establishes criteria to meet before starting to lift restrictive measures, and includes recommendations to ensure a gradual, consolidated and coordinated exit across the EU.

29 April: proposal to amend Directive (EU) 2016/797 and Directive (EU) 2016/798, as regards the extension of their transposition period to postpone the deadline of the Fourth railway package.

29 April: proposal to amend Regulation (EC) N° 1008/2008 of the European Parliament and of the Council on common rules for the operation of air services in the Community. The initiative includes proposals (1) to temporarily allow for the rapid attribution of ground handling concessions to avoid that airports get blocked if groundhandling companies go bankrupt, (2) to temporarily allow for easy extension of existing groundhandling contracts to avoid the need for complex tenders, (3) to temporarily modify the air carrier licencing rules in case of financial problems due to the COVID-19 outbreak, (4) to temporarily extend the maximum length of flight restrictions.

29 April: proposal amending Regulation (EU) 2017/352, to enable managing bodies or competent authorities to provide flexibility in respect of the levying of port infrastructure charges.

29 April: the Commission authorised 11 MS to derogate from driving and rest time rules until end of May 2020. Decisions for further four MS were adopted on 13 May, and for another four on 19 May.

29 April: the Commission proposed (omnibus) Regulation laying down specific and temporary measures in view of COVID-19 outbreak and concerning the validity of certain certificates, licences and authorisations and the postponement of certain periodic checks and training in certain areas of transport legislation:

- Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers
- Directive 2006/126/EC on driving licences
- Regulation (EU) No 165/2014 on tachographs in road transport
- Directive 2014/45/EU on periodic roadworthiness tests for motor vehicles and their trailers
- Regulation (EC) No 1071/2009 establishing common rules concerning the conditions to be complied with to pursue the occupation of road transport operator
- Regulation (EC) No 1072/2009 on common rules for access to the international road haulage market
- Regulation (EC) No 1073/2009 on common rules for access to the international market for coach and bus services
- Directive (EU) 2016/798 on railway safety
- Directive 2004/49/EC on safety on the Community's railways
- Directive 2007/59/EC on the certification of train drivers operating locomotives and trains on the railway system in the Community
- Directive 2012/34/EU establishing a single European railway area
- Council Directive 96/50/EC on the harmonization of the conditions for obtaining national boatmasters' certificates for the carriage of goods and passengers by inland waterway in the Community
- Directive (EU) 2016/1629 laying down technical requirements for inland waterway vessels
- Regulation (EC) No 725/2004 on enhancing ship and port facility security
- Directive 2005/65/EC on enhancing port security

13 May: tourism and transport package, including a [framework](#) to support the gradual re-establishment of transport whilst ensuring the safety of passengers and personnel, and a [recommendation](#) which aims to make travel vouchers an attractive alternative to cash reimbursement for consumers.

27 May: recovery package, including increasing Connecting Europe Facility general envelope by EUR 1.5 billion, under InvestEU increasing Sustainable Infrastructure Window and creating the Recovery and Resilience Facility.

6 June: postponement of EU rules in aviation safety, to ensure the resumption of flights after the COVID-19 crisis; also six months postponement of the applicability of rules concerning the operations of unmanned aircraft systems (drones) in order to reduce the administrative burden faced by the MS.

7 August: postponement of EU rules in aviation safety, postponing by six months the applicability dates of the rules concerning the runway safety.



8 August: postponement of EU rules in aviation safety, postponing by six months the applicability of the rules concerning the calculation of landing performance and standards for assessing the runway conditions to ensure the resumption of flights after the COVID-19 crisis.

13 October: EU Member States adopted a Council Recommendation on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic. This Recommendation is based on the Commission's proposal adopted on 4 September. The Recommendation sets out four key areas where Member States will coordinate their efforts:

- a common mapping system based on a colour code (green, orange, red, grey)
- common criteria for Member States when deciding whether to introduce travel restrictions
- more clarity on the measures applied to travellers from higher-risk areas (testing and self-quarantine)
- providing clear and timely information to the public.

14 October: the Commission adopted an extension to the waiver of EU rules on the use of airport slots to cover the entire winter season, until 27 March 2021.

23 October: the Council adopted conclusions calling on the Commission to swiftly draw up a pandemic and other major crisis contingency plan for the European freight transport sector, where appropriate, in part or in full, the contingency plan to passenger transport and transport in general.

28 October: the Commission proposed to extend the Green Lane approach to ensure that multi-modal transport works effectively in areas including rail and waterborne freight and air cargo. Member States should ensure the seamless free movement of goods across the Single Market. The Commission has issued practical advice on how to keep freight moving across the EU during the pandemic.

28 October: the Commission presented guidance to keep essential transport flows moving, including those of medical supplies and personnel in order to support air cargo operations during the coronavirus crisis.

13 November: the Commission announced that some temporary provisions from May amending parts of the Air Services Regulation are to be extended into 2021 to ease the financial pressure on aviation operators and ground handlers. However, the Commission will not extend the flexibility offered on prolonged flight restrictions.

2 December: on the request of the Commission, the Guidelines for COVID-19 Testing and Quarantine of Air Travellers were published jointly by the European Centre for Disease Prevention and Control (ECDC) and the European Union Aviation Safety Agency (EASA). Based on the latest scientific evidence and information, the document's conclusions reflect the fact that the prevalence of the new coronavirus among travellers is estimated to be lower than is the case for the general population. In addition, the measures in place in aviation minimise the possibility of transmission during the air travel process. The Commission launched a project on a common.

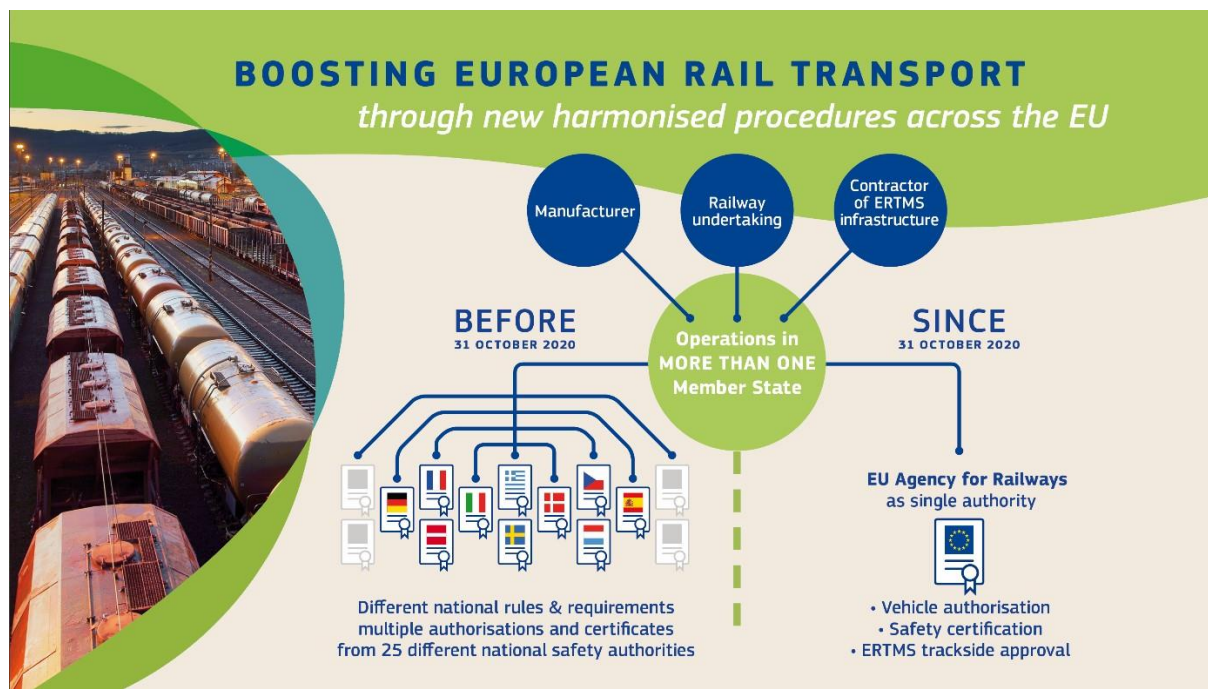
16 December: the Commission adopted another proposal on slot allocation that grants aviation stakeholders relief from the airport slot use requirements for the 2021 summer season. It reduces the threshold to 40%, aiming to guarantee a certain level of service while still allowing airlines a buffer in the use of their slots and to ensure efficiently used aircraft capacity and competition.

22 December: the Commission adopted a recommendation on a coordinated approach to travel and transport measures in response to new variant of coronavirus in the UK.

In addition, in cooperation with DG COMP, DG MOVE provided guidance to Member States on how to adapt existing public service contracts in land, maritime and air transport or award public service contracts under urgency procedure, in response to the disruptions caused by the COVID-19 pandemic. These guidance notes were instrumental in ensuring connectivity in several Member States. In cooperation with the Legal Service and DG COMP, DG MOVE also carried out interpretative work on how to apply the Regulation on Public Service Obligation to foster the development of international night trains services replying to a request from a Member State. DG MOVE continued screening rail rolling stock investments proposed for funding to the EIB or for EU structural funding to ensure that they abide by the rules designed to favour rail market opening. DG MOVE took initiatives with the objective to extent this screening to funding under the Recovery and Resilience Facility.

DG MOVE was instrumental in elaborating written observations in response to numerous requests from national courts for preliminary rulings of the Court of Justice, in particular regarding passenger rights.

**No progress** with the Legislator was achieved for the **use of hired vehicles** without drivers, summer-time legislation and international market for **bus and coach services**. The proposal on **combined transport** was withdrawn, in line with the Commission Work Programme.



With the entry into force of the Fourth Railway Package technical pillar, the responsibilities of the European Union Agency for Railways (ERA) have been substantially extended. 2020 earmarked the end of the transition of the Agency to become an EU body responsible to issue vehicle authorisations, single safety certificates, and European Rail Traffic Management System trackside approvals throughout the European rail network. As of 31 October 2020, the Agency's increased responsibilities are applicable across the entire Union. ERA's new role as "one-stop-shop" for vehicle authorisations, single safety certificates and ERTMS trackside approvals has created new incentives for market players by simplifying procedures and reducing costs for railway undertakings. As per 15 December 2020 figures, the Agency has authorised over 14 000 vehicles, delivered over 20 single safety certificate and over 15 ERTMS trackside approvals.

The evaluation report Directive 2007/59/EC **on certification of train driver**<sup>10</sup> showed that the Directive supports the transport policy objectives, has value added, and continues to be as relevant today as it was 2007. Without action at EU level, the sector would face even more obstacles resulting from the patchwork of different national certification schemes. However, further action at EU level would be needed to facilitate the cross border mobility of trains and train drivers.

<sup>10</sup> SWD(2020) 138 final

In order to reduce **the economic impact of the coronavirus crisis on maritime transport** operators, the Commission adopted in April 2020 a proposal for amending Regulation 2017/352 on **Port Services** which allows ports to waive, suspend, reduce or defer the payment of port infrastructure charges due for the period between 1 March and 31 December 2020. In addition, the Commission has issued Guidelines on **protection of health, repatriation and travel arrangements for seafarers**<sup>11</sup>, with a view to ensuring that crew changes can be performed swiftly and safely.

Work on the **revision of Regulation 261/2004 on air passenger rights** was interrupted under the Croatian Presidency. However, the co-legislators could reach a political agreement and finalise the negotiations on the recast of **Regulation 1371/2007 on rail passenger rights**. The new rules on rail passenger rights are expected to enter into force by April 2021 and be applicable as of 2023.

DG MOVE launched studies supporting the **evaluation of three passenger rights regulations** (i.e. on the rights of passengers with disabilities and reduced mobility when travelling by air, and on bus and coach and waterborne passenger rights). The results of a study on emerging good practices in passenger rights will support the consolidation of the regulatory framework for passenger protection, in line with the recommendations of the Court of Auditors from 2018. The **2020 online advertisement campaign on passenger rights** had to be adapted to the travel restrictions and took place during the summer.

On the initiative of the Netherlands, in June 2020, 25 Member States plus Norway and Switzerland signed a political declaration to support the introduction **of new cross-border passenger rail services**. The Member States established a Platform, which includes sector representatives and the Commission as observers. The Platform will deliver in March 2021 intermediate recommendations to Ministers and to the Commission. During their Presidency of the Council, Germany presented the TEE 2.0 concept aimed at connecting existing national high-speed services, to form a European network. It would also comprise night train services and easier ticketing systems for passengers. Germany also initiated the **Berlin declaration on innovative rail transport**<sup>12</sup>. Similarly, Switzerland initiated the Declaration of Locarno on developing the railway system<sup>13</sup>.

When it comes to horizontal social issues, the **Women in Transport - EU Platform for Change** grew steadily: 11 new actions received in 2020 and five additional members joined the platform. Preparatory work has also started to launch a **European Network of Ambassadors for Diversity in Transport**, to drive change at local and company level. The official initiation of the network was delayed due to the COVID-19 pandemic and will take place end of 2021.

#### **Blueprint initiative on skills “Rail supply and transport industries”**

With a budget of EUR 4 million, “Rail supply and transport industries” (including both manufacturing and provision of services) was included in the fourth wave of the Blueprint initiative on skills, under the ERASMUS

<sup>11</sup> C(2020) 3100 final

<sup>12</sup> [https://www.bmvi.de/SharedDocs/DE/Anlage/K/Corona/berlin-declaration.pdf?\\_\\_blob=publicationFile](https://www.bmvi.de/SharedDocs/DE/Anlage/K/Corona/berlin-declaration.pdf?__blob=publicationFile)

<sup>13</sup> <https://www.news.admin.ch/news/message/attachments/62725.pdf>

+ programme. Under the coordination of the University of Genoa and with the supervision of MOVE, GROW and EACAE, the STAFFER (Skill Training Alliance For the Future European Rail System) Alliance, including key European suppliers, operators, infrastructure managers as well as universities kicked-off its activities on 30 November 2020. The project will address shortage in particular occupational field such as system engineers and architects, software developers, IT security specialists and big data analysts.

## A stronger Europe in the world

**Specific Objective 4: A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards**

DG MOVE pursued transport policy cooperation and enhancing connectivity in the Eastern neighbourhood region; cooperation with the partner countries under the **Green Lanes Initiative**; contribution to the Joint Communication on Eastern Partnership of March 2020 and work on definition of post 2020 deliverables towards sustainable economic recovery. DG MOVE also worked closely with Turkey and the UK under the Green Lanes to ensure smooth traffic flows at the borders by aligning the measures taken.

The Permanent Secretariat of the **Transport Community Treaty** was made operational and it will help delivering **Western Balkans** leaders' commitments on a regional rail strategy and action plans on road, road safety as well as border crossing facilitation, thus contributing to the Economic and Investment Plan for the region. The Rail Action Plan was formally adopted by the Ministerial Council of the Transport Community in October 2020, focusing on: rail market opening, passenger rights, border/common crossing operations, interoperability, governance, and modernisation of rail infrastructure. It provides the roadmap for deeper integration with the EU rail market and network.

Because of the COVID-19 pandemic, some international actions were postponed to 2021, such as the launch of the **transport dialogue with Australia and the Republic of Korea, EU-African Union Summit, and the EU-African Union Business Forum**.

Work continued on **multi-modal transport dialogues**, including with ASEAN and Japan, resulting in intensified practical cooperation; the Northern Dimension Partnership for Logistics and Transport (such as road safety), decarbonisation and digitalisation; and with Iran. Following up the implementation of the 2025 Roadmap adopted by the EU-India Summit of July 2020, work focused on aviation, urban mobility and rail cooperation.

Transport relations with China were pursued through the **EU-China Connectivity Platform**. The implementing arrangements of the "Joint study on sustainable railway-based comprehensive transport corridors between Europe and China" were finalised and it will be launched in Q1 2021.

The Commission obtained the agreement of the Council to start negotiations on **transport network maps of Georgia** and prepared the documentation for the agreement of the Council to start negotiations on network maps of the countries of the Union for Mediterranean.

A draft EU position on the European Agreement governing the work of **crews of vehicles engaged in international road transport** (AETR) progressed with a view to adoption in 2021.

Despite the **International Maritime Organisation** proceedings being interrupted due to the COVID-19 crisis, DG MOVE was still able to prepare nine EU submissions, 17 position documents and one Council Decision. In addition, DG MOVE contributed to the preparation and follow-up of the Commission decision to take Council to Court over the issue of EU competence and external representation at the IMO. Regarding the intergovernmental Paris Memorandum of Understanding on Port State Control, the Commission adopted the Decision for a renewed Multi-annual EU position. DG MOVE also agreed on a Memorandum of Understanding with US and Canada to cooperate on recognised organisations' oversight.

Concerning **inland waterways transport**, DG MOVE launched a Proposal for a Directive amending Directive (EU) 2017/2397, as regards the transitional measures for third countries' certificates. It also continued to engage actively in the works of Danube Commission, Rhine Commission and the standardisation committee.

Despite COVID-19, on the international front steady progress was made throughout 2020 as regards the negotiations of **comprehensive EU air transport** agreements. In June 2020, negotiations with Oman were completed. Active contacts were maintained with ASEAN with a view to finalising the EU-ASEAN comprehensive air transport agreement. Unfortunately, it was not possible to sign the **EU-Ukraine, EU-Armenia, EU-Tunisia and EU-Qatar air transport agreements** due to the Gibraltar issue but preparations were finalised to allow for signature as early as possible in 2021. DG MOVE also supported the work of the **African Civil aviation Commission**.

In the area of international aviation safety, on 1 September 2020, **the bilateral aviation safety agreement (BASA) with China** entered into force after successful conclusion of the ratification process on both sides. The **EU-Japan BASA** was signed on 22 June and is provisionally applied as of signature. The ratification process for this agreement is ongoing. Further, two new Annexes to allow the conversion of pilot licences and to reduce duplication in the oversight of flight simulators were added to the **EU-U.S. BASA**. The new Annexes entered into force on 19 November 2020.

In the field of technical cooperation with third countries, European Union Aviation Safety Agency (EASA) fostered aviation partnerships in Asia, Latin America and the Caribbean on the Partnership Instrument, as well as contributed to safety surveillance capacity, regional cooperation and environmental measures in Africa, South-East Asia and the European neighbourhood under the external action programmes.

Throughout the COVID-19 crisis, significant international outreach to partner countries was undertaken on a wide range of issues including in relation to facilitating cargo flights, slots relief and COVID-19 related issues discussed within Council Aviation Recovery Taskforce of International Civil Aviation Organisation.

DG MOVE prepared the adoption of four contingency regulations related to the **UK withdrawal from the EU**: on air, road and rail connectivity and aviation safety and of a decision empowering France to negotiate an agreement on the application of EU safety rules in the Channel Tunnel. DG MOVE has participated in and coordinated the preparation of several meetings of the TRAN Committee and with Member States and in the publication of stakeholder notices.

2020 also saw the end of the transition period of the EU-UK withdrawal period. As part of the new EU-UK trade and cooperation agreement signed in December 2020, a new framework was laid down for **EU-UK air transport relations**, which are by far the most

important external aviation relations for the EU. In addition, an aviation safety chapter was negotiated with the UK and is included in the new EU-UK Trade and Cooperation Agreement, provisionally applied as of 1 January 2021.

During the course of the year, future relations with the UK were discussed, also as concerns **air traffic management** (ATM). As a concrete action to maintain safe and continuous operations after Brexit, where ATM services were provided by the UK in EU airspace, a Commission Decision was adopted to grant an exemption to allow the continuation of such practices, in this specific case in favour of the City of Derry Airport (Ireland). The composition of the Network Management Board was adapted at the end of the year, amongst others to reflect the end of the transitional phase.

## Promoting our European way of life

### Specific Objective 5: High levels of transport safety and security are ensured and new security and safety challenges are addressed

DG MOVE worked on addressing the **security response to the COVID-19 pandemic** with a twofold approach: (i) by ensuring that security is not compromised, and (ii) by creating a solid basis for the gradual resumption of operations, while ensuring that security remains at the highest level. To this end, DG MOVE worked on providing for the legal certainty and operational guidance was issued to Member States and operators, to preserve the safety of passengers and operators while guaranteeing baseline security.

DG MOVE established a European regime of **approval for civil aviation security equipment**, the so-called 'EU STAMP', as well as developed and deployed a public database listing all approved equipment.

DG MOVE worked with Member States on an Information Note on the implementation of the (aviation) cybersecurity provisions in Regulation 2019/1583, as well as held the first meeting of the Aviation Cybersecurity Working Group as a common forum for the Aviation Security Advisory Committee and the Network and information systems Cooperation Group to work on aviation cybersecurity. DG MOVE also published a **transport cybersecurity toolkit**, a repository of good practices to enhance cybersecurity in all modes of the transport sector.

**European Union Aviation Safety Agency (EASA)** continued to coordinate its activities with the Commission services, aligning its work programme and its implementation with the overall strategy and priorities of the Union. In the course of 2020, EASA issued four opinions for the Commission to prepare regulatory measures, including the U-space rules and the related establishment of the EASA drones programme. It also performed 37 inspections to verify that the EU aviation safety rules were adequately implemented in the Union. Furthermore, it supported the EU's international technical assistance policy in aviation by implementing several projects in Europe, Asia, Africa and Latin America. EASA contributed to the EU aviation sustainable programme by supporting the ReFuelEU initiative and through its involvement in the setup of the Clean Aviation Research Programme. With regard to the **COVID-19 pandemic**, EASA delivered the pilot project for a digital common passenger locator form, and issued (in collaboration with the European Centre for Disease

Prevention and Control – ECDC) guidelines for COVID-19 testing and quarantine of air travellers.

DG MOVE pursued efforts to implement the Action Plan to improve rail passenger security, notably via the **EU Rail Passenger Security Platform**. This included the adoption of good practices on insider threat mitigation, as well as work on rail security programming.

DG MOVE supported EASA in the development of guidance material to help airports to prepare, respond and recover from **unauthorised drone incidents**. DG MOVE further played its role as a lead service in the integrated risk assessment exercise aimed at assessing **risks posed by overflights and flights coming from non-EU countries**. In the International Civil Aviation Organisation, DG MOVE provided an update on the upcoming implementation of the Pre-Loading Advance Cargo Information Programme by the European Union.

DG MOVE set the stage for possible future initiatives in 2021 to enhance the Security Union in the area of maritime security for passenger vessels by launching the work on creating best practice guidance in passenger ship security, as well as the possible elaboration of a methodology for an EU-level maritime risk assessment. It also continued to monitor the **piracy situation** and developments worldwide, notably in the Gulf of Guinea, as well as follow the International Maritime Organisation (IMO) work, and in a broader policy context, support the implementation of the EU Maritime Security Strategy.

DG MOVE fulfilled its extensive legal obligations in monitoring the implementation of EU maritime and aviation security legislation. In 2020, DG MOVE conducted 33 **maritime security inspections** of six Member States, covering primarily national administrations, but also three ports, port facilities, ships and follow-up inspections. In the field of aviation, it carried out 11 **aviation security inspections** in seven EU Member States.

DG MOVE contributed to the adoption of the **Stockholm Declaration on Road Safety** at the Global Ministerial Conference on Road Safety in February 2020, and helped ensure that the same level of ambition was translated into a UN General Assembly Resolution in August, which resulted in the setting of global fatality and injury reduction targets of 50% over the period 2021-2030, which follow the EU's lead. As a follow-up, intense cooperation is ongoing in particular with the Western Balkan and Eastern Partnership countries as well as with the African Union, including technical support in setting up road safety observatories for the collection and analysis of road safety statistics.



Commissioner Adina Vălean at Stockholm Declaration on Road Safety

## EU Urban Road Safety Award

Nearly 50 applications were received for the first “EU Urban Road Safety Award”, which was handed over to Pontevedra in Spain in a joint ceremony with the European Mobility Week Awards and the SUMP awards during the Urban Mobility Days. The European Road Safety Charter, the largest civil society platform for road safety with more than 3500 members, was relaunched with an increased budget and with the help of a new consortium. A new contract was also kicked off for the European Road Safety Observatory, which is already delivering useful and well-presented road safety statistics and analysis. With the cooperation of Member States, a web tool<sup>14</sup> was created to display the different models of [vehicle registration](#) and [roadworthiness documents](#), similar to the successful tool for [driving licences](#).



### Pontevedra, Spain – winner of the first EU Urban Road Safety Award

Pontevedra reduced road fatalities in the city consistently since 1999, impressively achieving zero road

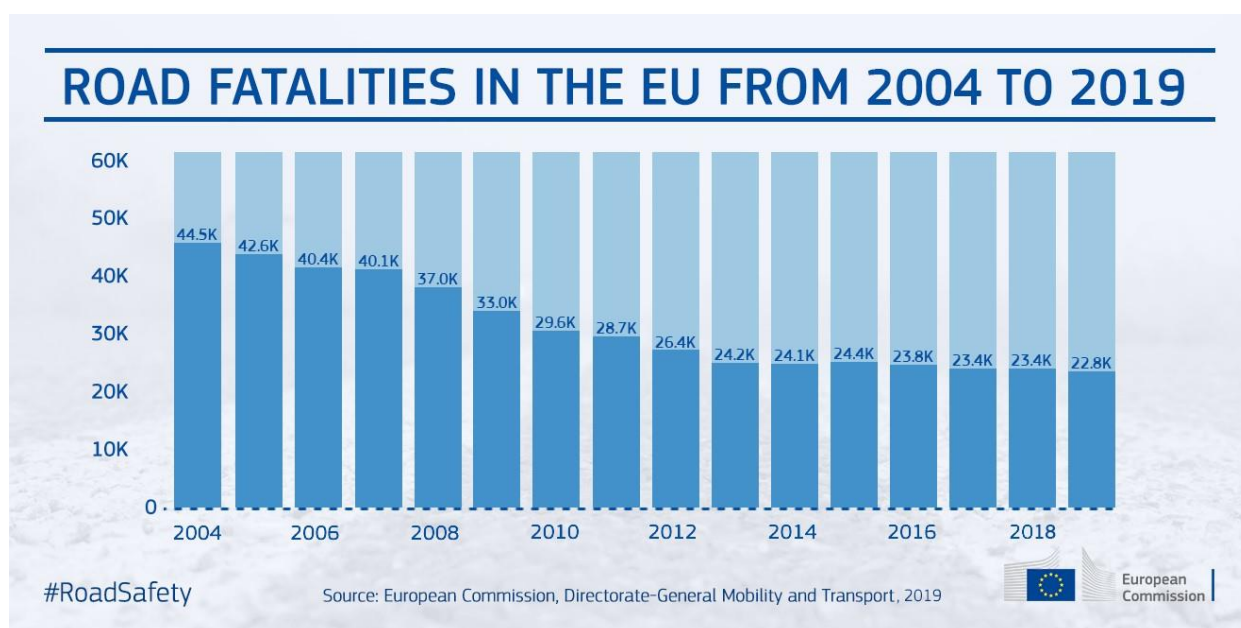
<sup>14</sup> [https://ec.europa.eu/transport/road\\_safety/commission-launches-new-web-tool-vehicle-registration-and-roadworthiness-documents\\_en](https://ec.europa.eu/transport/road_safety/commission-launches-new-web-tool-vehicle-registration-and-roadworthiness-documents_en)



deaths between 2011 and 2018. A host of measures ensure that safety and sustainability go hand-in-hand. The city used a clear and careful monitoring strategy to identify which policies are effective and which need to be updated, resulting in increased active mobility, such as walking and cycling: In Pontevedra, 80% of children aged 6-12 walk to school by themselves. The jury was impressed by Pontevedra's use of a broad array of measures, including reducing speed limits to 10-30 km/h and creating more public spaces that are attractive for pedestrians.

The other finalists are Jaworzno (Poland) and Ordu (Turkey).

EU-wide, the total number of **road transport fatalities** stood at 22 700 in 2019. This represents a 3% decrease compared to 2018. In relation to the 50% reduction target over the last decade, the number of fatalities fell by 23% between 2010 and 2019, so the target will not be met. However, preliminary data for 2020 indicate that around 3 000-3 500 lives were 'saved' up to October compared to the annual average over the same period in 2017-2019, as lockdown measures were applied in large parts of Europe and traffic levels fell sharply although not in proportion to the decrease in traffic. DG MOVE analysed these developments together with EU Member States and produced common principles on **"Road safety measures in the COVID-19 transitional era"** in the High Level Group on Road Safety.



Road Safety Statistics, June 2020

The implementation of the Action Plan on **military mobility** progressed according to schedule. Following the modification of the military requirements, the Commission updated its gap analysis between the military and the TEN-T requirements and used it as a basis to define the dual-uses requirements, which were agreed by the Member States.

DG MOVE launched the impact assessments to revise a number of legislative acts aimed at ensuring the highest standards in waterborne services, its modernisation and better resilience. These include the **Flag State Directive (2009/21)**, **Port State control Directive (2009/16)** and **Accident Investigation Directive (2009/18)**. DG MOVE also actively contributed to the IMO revised guidelines on Places of Refuge (a new IMO Council Resolution), based on the EU Operational Guidelines, to further European practices and standards on safety rules internationally.

**European Maritime Safety Agency (EMSA)** has contributed to the operational performance and the achievement of all five priorities of the von der Leyen Commission. On the **European Green Deal**, EMSA assisted DG MOVE with IMO work on GHG and FuelEU Maritime and contributed to the preparation of the implementing acts for the Port Reception Facilities. On **A Europe fit the digital age**, EMSA assisted with the implementation of the European Maritime Single Window environment and the work on places of refuge and autonomous shipping based on the Directive on Vessel Traffic Monitoring and Information Systems. EMSA also provided technical and scientific assistance on maritime safety thus contributing to the objectives of *An economy that works for people and Promoting our European way of life*. Finally, EMSA also supported DG MOVE for international work, contributing to **A stronger Europe in the world**. EMSA provided assistance for **COVID-19 related matters**, through targeted tracking of cruise ships, information sharing on MS measures and restrictions, monitoring impact on shipping and the issuing of an EU Guidance for cruise ship operations

**The aviation safety** legislative framework was further developed in 2020 through the adoption of 12 implementing acts and eight delegated acts. One of the main achievements was the introduction of the concept of evidence-based training for flight crew (Commission Implementing Regulation (EU) 2020/2036). For drones, the Commission adopted the first standard scenarios for operations executed in or beyond the visual line of sight (Commission Implementing Regulation (EU) 2020/639).

2020 also saw the adoption of two Commission Implementing Regulations updating the EU **Air Safety List** under Regulation 2111/2005, with the inclusion on the EU Air Safety List of all air carriers registered in Armenia.

## 2. Modern and efficient administration and internal control

This section explains *how* DG MOVE delivered on the achievements described in the previous section. It is divided into two subsections.

The first subsection reports the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives<sup>15</sup>. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to DG MOVE.

The second subsection deals with the other aspects of a modern and efficient administration: human resources, digital transformation and information management and sound environmental management.

### 2.1 Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports have been considered:

- the reports by Authorising Officers by Sub-Delegation (AOSDs);
- the reports from Authorising Officers in other Directorates-General managing budget appropriations in cross-delegation;
- the reports on control results from entrusted entities in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the Directorate-General level, including the results of the annual risk assessment exercise;
- the reporting on the implementation of DG MOVE's Anti-Fraud Strategy;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 Financial Regulation);
- the reports of the ex-post audit;
- the limited conclusion of the Internal Auditor on the state of control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of

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<sup>15</sup> Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions

Auditors (ECA).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG MOVE.

This section covers the control results and other relevant elements that support management's assurance. It is structured into (a) Control results, (b) Audit observations and recommendations, (c) Effectiveness of internal control systems, and resulting in (d) Conclusions on the assurance.

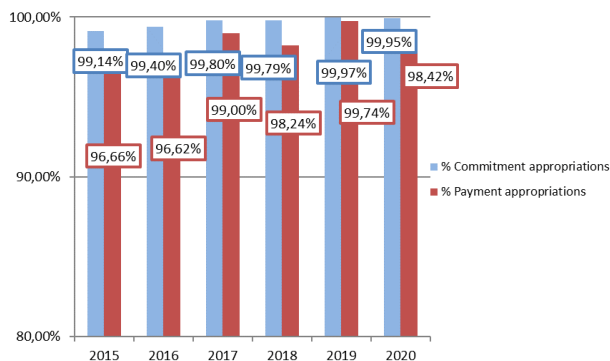
### 2.1.1 Control results

This section reports and assesses the elements identified by management, which support the assurance on the achievement of the internal control objectives<sup>16</sup>. The DG's assurance building and materiality criteria are outlined in AAR Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems. Annexes 7 and 8 provide details regarding the different elements used for building assurance.

The 2018 Financial Regulation<sup>17</sup> introduced specific reporting requirements<sup>18</sup>. As regards DG MOVE, no such cases have been detected in 2020.

#### Overview of the 2020 budget execution

The total payments of DG MOVE in 2020 amount to EUR 473.79 million, the vast majority being operational as the administrative part only accounts for 0.16%. The following chart shows the execution of DG MOVE's appropriations<sup>19</sup> over time. In 2020 DG MOVE absorbed 99.95% of the commitment appropriations and 98.42% of the payment appropriations.



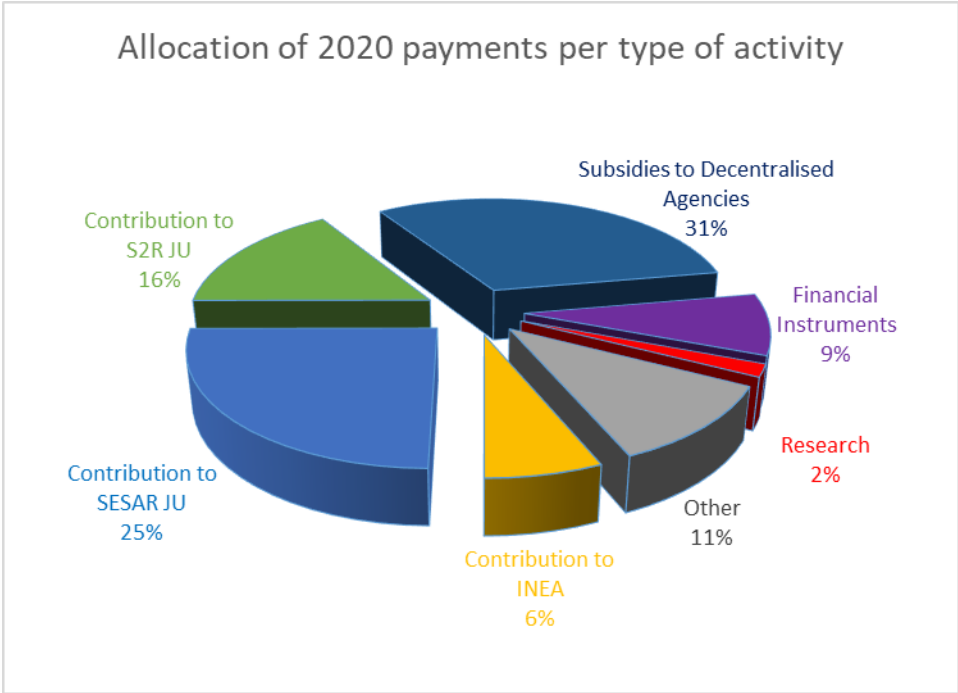
<sup>16</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

<sup>17</sup> Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation).

<sup>18</sup> Article 92.3, Article 125.3, Article 130.4, Article 181.6 and Article 193.2

<sup>19</sup> This chart is based on C1 and E0 credits only (commitment appropriations voted in the current budget (C1), budget modifications and other current year commitment appropriations, modifications due to amending budgets and transfers (C1)) while tables 1 and 2 of Annex 3 include all authorised appropriations.

The chart below provides an overview of DG MOVE’s implementation of its programmes and activities under direct management (12.8% of the expenditure) and indirect management (87.2% of the expenditure).



DG MOVE's management factually concludes that the control results, presented in the sections that follow are complete and reliable and provide reasonable assurance about the achievement of the internal control objectives.

Table 2.1 below provides a summary of the payments made by type of activities. It shows that:

- Based on the main indicator results available, overall suitable controls were in place in 2020 and worked as intended;
- DG MOVE does not need to introduce a reservation for FP7 and SESAR Deployment Manager, following the de-minimis rule<sup>20</sup>, as the payments of DG MOVE to FP7 in 2020 are only EUR 0.36 million and the exposure is only EUR 0.03 million and for SESAR Deployment Manager the payments in 2020 are EUR 4.66 million with an exposure of EUR 0.29 million;
- No new reservation is introduced in this AAR as DG MOVE has reasonable assurance that overall suitable controls are in place and work as intended, taking into account also the multiannual character of the main programmes. The risks are mitigated and/or monitored; improvements and reinforcements are being implemented.

<sup>20</sup> As from 2019, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

**Table 2.1: Overview table: types of activities and main indicators (figures in EUR)**

Risk-types / Activities	Grants / Procurements	Cross-sub-delegations to other DGs	Subsidies / funds to EE (EU Agency, EA, JU) Delegation Agreements with EE	Available ICO indicators	Independent info from IAS /ECA on assurance or on new/overdue critical recommendations available	Reservation
H2020 Grants	67.068			RER: 2.13%	N	N
FP7	358.402			RER: 2.67%	N	N
Financial Instruments			40.491.500	Audit / supervision activities/mngt declaration	N	N
Contribution to SESAR JU			117.711.961	Audit / supervision activities	N	N
Contribution to S2R JU			75.853.838	Audit / supervision activities	N	N
Contribution to INEA			30.986.000	Audit / supervision activities	N	N
Subsidies to Decentralised Agencies			148.091.348	Audit / supervision activities	N	N
Other operational expenditure	40.989.296			Estimated RER < 2%	N	N
SESAR Deployment Manager	4.662.681			RER: in the range of 2.22% - 4.00%	N	N
Agreements with other EU bodies	13.816.600			Audit / supervision activities	N	N
Administrative expenditure	762.466			Estimated RER < 2%	N	N
<b>Totals (coverage)</b>	<b>60.656.514</b>	<b>0</b>	<b>413.134.647</b>			
AAR Annex 3	<b>473.791.160</b>					

### Impact of the COVID-19 Crisis

In 2020, the effort focussed on maintaining the necessary level of financial performance to allow DG MOVE to continue operate and develop its policy agenda in the difficult environment that arose from the COVID-19 crisis, and on the need to operate the financial circuits in an environment where teleworking was the dominant working mode.

The crisis affected the contractual relations between DG MOVE and its external partners. Initiatives taken in this respect included the adoption of provisional procedures to allow continuity of operations in contract and document management, at accompanying the implementation of the Qualified Electronic Signature system and at ensuring its robustness. Additional efforts were made to assess, monitor and address the risks stemming from the crisis.

The travel restrictions significantly affected the ex-post financial control activity. DG MOVE adopted a remote desk approach to ensure the continuity of operations and maintain the necessary degree of protection of the EU financial interest.

As regards the execution of its ex-post audits, DG MOVE relies on the Common Implementation Centre for research programmes and on its own audit capacity for the SESAR Deployment Manager programme. In both cases, the outlook of audit implementation is broadly positive.

### 2.1.1.1 Control Effectiveness

#### A) Legality and regularity of the transactions

DG MOVE is using internal control processes to ensure the adequate management of the risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

The overall control objective is to ensure that the residual error rate affecting the relevant expenditure of 2020 remains below 2%. For the expenditure under the Horizon 2020 programme, control system aims at giving a reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2%.

**DG MOVE's portfolio consists of segments with a relatively low error rate, i.e.** CEF programme support actions, the directly managed procurements, co-delegation, cross sub-delegation, indirectly managed expenditure and payments made to EU Agencies. These low error rates mirror inherent lower risk profile of these activities, the management mode and to the nature of the beneficiaries, and confirm the performance of the related control systems

It also comprises two segments with a relatively high error rate, i.e. the directly managed research grants and the SESAR Deployment Manager Framework partnership. The error rates are due to the complexities of the programme and to type of beneficiaries. These error rates are largely mitigated by efforts made to reinforce the related controls systems.

The assessment on legality and regularity for the directly managed FP7 programme shows a level of detected error which appears to be 'persistently high' over the years in terms of potential financial impact (exposure). This programme however represents a very limited share of the total activity. The impact on the amount at risk and on the overall materiality at DG level is therefore minimal. The estimated residual error rate for the directly managed H2020 funds remains within the estimated band of 2-5% for this programme. Considering the limited exposure of DG MOVE to this programme, the situation does not impair the assurance.

As for the SESAR Deployment Manager, the estimated residual error rate is considered to be in a range of 2.22% to 4.0%. The lower estimate is based on the assumption regarding audit results and recoveries in line with those used for 2019, and represents only a marginal increase against the 2.01% of the previous year. The higher estimate is based on the most conservative assumptions regarding the outcome of audits delayed by the COVID-19 crisis. Although this estimate is above 2%, there is no impact on the assurance. Corrective actions were taken or are ongoing, notably through a simplification of the setup and the maintenance of an extended audit coverage. As this item represents a limited share of DG MOVE's expenditure, the resulting amount at risk has a limited impact on the overall materiality at DG level and does not impair the overall assurance.

Overall, on one hand, the ex-ante controls put in place by DG MOVE contributed to the achievement of the policy and operational objectives and provided an assurance that the projects are running adequately. On the other hand, the ex-post controls had a positive deterrent effect within the programmes, which would foster system improvements and a better compliance with regulatory provisions. In order to maintain a reasonable level of assurance, mitigation measures were taken to ensure the continuation of ex-post financial controls during the COVID-19 crisis. More details on these measures and on the quantified benefits from the ex-ante and ex-post controls exercised by DG MOVE are disclosed in Annex 7.

DG MOVE's relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure are disclosed in Table 2.2 and its accompanying notes below, and further explained in section 2.1.1 of Annex 7.

The estimated overall risk at payment for 2020 expenditure amounts to EUR 6.58 million, representing 1.45% of the DG's total relevant expenditure for 2020 (including the subsidies to Executive Agencies). This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2020 expenditure amount to EUR 2.67 million. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of EUR 3.91 million, representing 0.86%<sup>21</sup> of the DG's total relevant expenditure for 2020, which is lower than the 2019 amount of EUR 4.54 million. This evolution mirrors the lower estimated overall risk at payment (EUR 6.58 million in 2020 compared to EUR 8.28 million in 2019) and translates the decrease of importance of some of the directly managed expenditure (SESAR Deployment Manager, FP7 and H2020). This amount is a conservative estimate and is not considered material as regard assurance building.

In the context of the protection of the EU budget, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the AMPR.

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<sup>21</sup> If not considering the relevant expenditure of DG MOVE regarding the subsidy to INEA this percentage would be 0.94%



Table 2.2 - Estimated risk at closure

	Payments made	Minus new prefinancing	Plus cleared prefinancing	Relevant expenditure	Average error rate (%)	Estimated overall amount at risk at payment	Average recoveries and corrections (adjusted ARC; %)	Estimated future corrections	Estimated overall amount at risk at closure	
Activities	As per AAR Annex 3, table 2	As per ABAC DWH BO report on prefinancing	As per ABAC DWH BO report on prefinancing	= (2) - (3) + (4)	Detected	Estimated	= (5) x (6)	Based on 7Y-avg adjusted historic recovery orders (as per ABAC DWH BO report on corrective capacity) Not applicable to pre-financing, administrative expenditure and disbursements to Entrusted Entities	= (5) x (8)	= (7) - (9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
H2020 Grants	67.068		2.075.130	2.142.198	2,95%		63.195	0,82%	17.566	45.629
FP7	358.402		690.005	1.048.407	5,45%		57.138	2,78%	29.146	27.992
Financial Instruments	40.491.500			40.491.500		0,50%	202.458	0,20%	80.983	121.475
Contribution to SESAR JU (operational)	114.365.129	6.000.000		108.365.129	2,95%		3.196.771	1,25%	1.354.564	1.842.207
Contribution to SESAR JU (admin)	3.346.832			3.346.832		0,00%	0	0,00%	0	0
Contribution to S2R JU (operational)	74.797.838			74.797.838	2,95%		2.206.536	1,00%	747.978	1.458.558
Contribution to S2R JU (admin)	1.056.000			1.056.000		0,00%	0	0,00%	0	0
Contribution to INEA	30.986.000	30.986.000	39.593.314	39.593.314		0,00%	0	0,00%	0	0
Subsidies to Decentralised Agencies	148.091.348	148.091.347	134.117.040	134.117.041		0,00%	0	0,00%	0	0
Other operational expenditure	40.989.296	4.909.203	4.927.301	41.007.394		0,50%	205.037	0,20%	82.015	123.022
SESAR Deployment Manager	4.662.681	3.459.117	6.091.499	7.295.063	8,89%		648.531	4,89%	356.729	291.803
Administrative expenditure	762.466	278.946	124.493	608.013		0,50%	3.040	0,00%	0	3.040
Agreements with other EU bodies	13.816.600	13.816.600		0		0,50%	0	0,20%	0	0
<b>Total</b>	<b>473.791.160</b>	<b>207.541.213</b>	<b>187.618.782</b>	<b>453.868.729</b>			<b>6.582.706</b>		<b>2.668.981</b>	<b>3.913.726</b>
Subsidy to INEA	30.986.000	30.986.000	39.593.314	39.593.314		0,00%	0	0,00%	0	0
<b>Net Total</b>	<b>442.805.160</b>	<b>176.555.213</b>	<b>148.025.468</b>	<b>414.275.415</b>			<b>6.582.706</b>		<b>2.668.981</b>	<b>3.913.726</b>

#### Notes:

- See Annex 7 for the details of the calculation of the RER for each programme
- Column (1) Differentiated for the relevant portfolio segments at a level which is lower than the DG total;
- Column (2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are covered by the Delegated DGs. For Cross-SubDelegations (Internal Rules Article 12), they remain with the Delegating DGs;
- Column (3) 'Minus new pre-financing': new pre-financing actually paid out by the DG itself during the financial year (i.e. excluding any PF received as transfer from another DG);
- Column (4) 'Plus cleared pre-financing': PF actually cleared during the FY, based on accepted invoices (i.e. their 'delta' in FY actuals, not their 'cut-off' based estimated 'consumption');
- Column (5) 'Relevant expenditure': For the purpose of equivalence with ECA's scope of the Commission funds with potential exposure to legality and regularity errors (see ECA's Annual Report methodological Annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the previous pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting;
- Column (6):
  - o The calculated weighted average error rate for the total relevant expenditure in this reporting year is 1.45%
  - o For low-risk types of expenditure, where there are indications that the error rate might be close to zero (e.g. administrative expenditure, separate delegation agreements to EU bodies, contributions to financial instruments, etc.) a 0.5% error rate was used as a conservative estimate. A 0% error rate was used for expenditure considered as risk-free (e.g. operating subsidies paid to INEA and to EU bodies). For these subsidies, the responsibility of the DG is limited to the calculation, but its use falls within the remit of the beneficiary entity. The correctness of the calculation is ensured by a re-check at the time of the final payment.
- Column (8) 'Average recoveries and corrections %': the average, adjusted and weighted average of corrections is 0.59%. The seven-year historic average of recovery orders corresponds to 0.83% (as per the standard ABAC DWH BO report on corrective capacity) for DG MOVE. The percentage has then been adjusted conservatively to only take into account recoveries from the last seven years with a recovery context type 'irregularity' and 'error'. This percentage is further adjusted by deducting certain recoveries of pre-financing, which under today's rules should be considered as being of recovery context type 'none' (instead of 'irregularity'). This percentage does not apply to pre-financing, administrative expenditure or payments made to agencies, which are generally not subject to ex-post recoveries. Overall, this percentage is the best available indication of the expected corrective capacity of the ex-post control systems implemented by the DG over the past years. The adjusted recovery rate is 0.20%. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate. For FP7 payments, the correction rate used in this column corresponds to the difference between the overall detected error rate (5.45%) and the residual error rate (2.67%). For H2020 payments, the correction rate used in this column corresponds to the difference between the R&I family detected error rate (2.95%) and the DG MOVE residual error rate (2.13%). A similar logic is applied for the H2020 segment of SESAR and S2R activities, taking into account the R&I family detected error rate (2.95%) and the residual error rate of 1.7% for SESAR and of 1.95% for S2R. For the SDM payments, the correction rate used in this column corresponds to the difference between the overall detected error rate (8.89%) and the most conservative estimate of the residual error rate (4.00%).

### Conclusion as regard legality and regularity

The AOD's conservative estimation of the amount of *relevant expenditure* during the year not in conformity with the applicable contractual and regulatory provisions at the time of closure (amount at risk at closure) is not considered material as regard assurance building.

Regarding directly managed expenditure, the residual error rate for the FP7 programme and for the SESAR Deployment Manager framework partnership are above the materiality threshold but these segments represent a very limited share of the total activity. Mitigation actions are in place. The amount at risk in this respect is, in accordance with the de-minimis rule is not material as regard assurance building. The residual rate for the H2020 remains within the healthy range (see Annex 5).

Regarding co-delegations, cross-sub delegations and indirectly managed expenditure, there are no indications of any element that would impair the assurance.

No other particular events, weaknesses or issues that could have a material impact on the assurance have been identified.

#### **B) Fraud prevention, detection and correction**

DG MOVE has developed and implemented its own Anti-Fraud Strategy (AFS) since 2012, based on the guidance provided by OLAF. The AFS was revised in 2020 in accordance with the 2019 update of the Commission Anti-Fraud Strategy (2019 CAFS). Its implementation is monitored and reported to the senior management at least thrice yearly.

The revision of the AFS was preceded by a targeted fraud risk assessment and the analysis of the accomplishment of the previous strategy. During 2020, DG MOVE also performed a specific risk assessment for the COVID-19 crisis, focusing on the fraud-related impact of the lockdowns, sanitary measures and the Commission's recovery efforts.

The AFS is accompanied by an Action Plan, which details the concrete actions DG MOVE is taking for implementing the main objectives of the AFS. The actions planned for 2020 were completed. DG MOVE also contributed to the Commission Anti-Fraud Strategy.

In 2020, all OLAF requests were responded to within the deadlines and one fraud suspicion was sent to OLAF for assessment (the case was closed in December 2020 after OLAF found that no further action was necessary). OLAF has been assessing another allegation received from a third party. There were no financial recommendations from OLAF.

Based on the available information, DG MOVE has reasonable assurance that the anti-fraud measures in place are effective.

#### **C) Other control objectives: safeguarding of assets and information, reliability of reporting**

The general control objectives "Safeguarding of assets and information" and "Reliability of reporting" are relevant for DG MOVE.

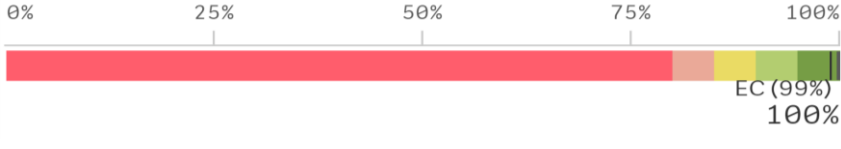
Safeguarding of assets is limited to the question of contingent liabilities. These elements correspond to the guarantees given in the framework of the CEF Debt Instrument. These guarantees remained stable (as of 31 December 2020 these guarantees amounted to EUR 566.4 million). No significant losses were reported.

DG MOVE assessed the reliability of reporting it receives from the entrusted entities (Joint Undertakings, EIB, INEA and Agencies). The information received is compliant with the applicable guidance. DG MOVE concludes that overall the information and reporting are reliable and adequate for drawing assurance conclusions.

*2.1.1.2 Efficiency*

The assessment of the most relevant key indicators and control results shows that DG MOVE is compliant with the rules and efficient with the budget execution.

As far as the **‘timely payments’ indicator** is concerned (i.e. payment accepted amount in time/ payment accepted amount in EUR), despite the pandemic DG MOVE managed to achieve 100% which is above the Commission average.

Timely Payments	DG Score	EC Score
	<b>100%</b>	<b>99%</b>

*2.1.1.3 Economy = the estimated cost of controls*

Ex-ante controls contribute to the achievement of the policy and operational objectives and provide an assurance that the projects are running adequately. Ex-post controls have a positive deterrent effect within the programme, which will foster system improvements and a better compliance with regulatory provisions.

Overall, the total cost of the controls performed by DG MOVE in 2020 is proportionate to its activities (see Annex 7, in particular table Y).

The increasing relative costs reported regarding grants under direct management should be looked at considering two aspects. On one hand, FP7 is in its final stage and the amount of payments made is decreasing at a faster pace than the control activity. On the other hand, these controls cover more than the modest amount of expenditure for H2020, which is directly managed by DG MOVE. The relatively high cost for directly managed procurements are driven by the heterogeneity and the number of transactions. For the SESAR Deployment Manager, the costs remain under control.

The costs related to financial and supervisory controls for both the Joint Undertakings and decentralised agencies are stable and remain low, largely under 1%. The costs exposed by the entities for the management of the entrusted tasks remain stable and proportional.

In 2020, the costs exposed by the entities to which DG MOVE entrusted tasks under indirect management were as follows:

Entity	Amount	Related programme
SESAR JU	EUR 1.31 million	The Single European Sky Air traffic management Research
S2R JU	EUR 0.59 million	Single European Railway Area
EIB	EUR 4.32 million	CEF Delegated Instrument – Transport segment

For EIB the amount corresponds to fees that are calculated in proportion to the value of the operations managed (including both the payments made in 2020 to the entity and ongoing projects funded by earlier contributions). These fees are actually offset by the revenue of the instrument with, as a result, a net amount of EUR 6.37 million being returned to the European Commission. For SESAR JU and S2R JU, the reported amount is based on a yearly assessment of actual cost.

Details of the estimated cost related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre; Common Audit Service) for the Research and Innovation family are reported in the Annual Activity Reports of REA and RTD.

#### *2.1.1.4 Conclusion on the cost-effectiveness of controls*

Based on the most relevant key indicators and control results, DG MOVE has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG MOVE faces some relatively high costs for its directly managed activities, but these costs are proportionate and necessary. As regards the expenditure under indirect management, the costs of the control system remain low compared to the level of expenditure.

The efficiency and the effectiveness of the controls are, as a whole, supported by quantitative and qualitative benefits, identified for the relevant stages of the process, the costs of the controls remain overall low and the higher cost items are justified by objective needs or by specific circumstances, thus providing a positive impact on the assurance.

The strong controls are instrumental to maintain the programme on track in terms of schedule and budget. Tangible results are visible.

In conclusion, DG MOVE considers that the current control system represents a good balance between the invested efforts (internal control costs and remuneration fees), the obtained error rates (effectiveness of controls) and delivery of objectives (efficiency).

#### *2.1.2 Audit observations and recommendations*

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control.

Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

### Internal Audit Service (IAS)

In 2020, the Internal Audit Service (IAS) announced a new audit on the monitoring and enforcement of EU transport legislation in DG MOVE. The preliminary phase is still ongoing and the kick-off meeting (to define audit objectives and planned scope, audit methodology to be followed and timing) was not yet scheduled. The only one open IAS audit recommendation was reported as implemented by mid-2020.

### European Court of Auditors (ECA)

In 2020, DG MOVE was in the lead for three special reports (SR) issued by the European Court of Auditors (ECA).

Name of SR	Date of publication	Outline of the conclusions
<b>SR 06/2020: Sustainable Urban Mobility in the EU</b>	March 2020	ECA recommended to build on previous experiences; to publish better data on urban mobility and the extent to which the EU's most important cities have sustainable urban mobility plans in place; and link access to EU funding to sustainable urban mobility plans.
<b>SR 09/2020: The EU core road network: shorter travel times but network not yet fully functional</b>	April 2020	ECA assessed the progress towards achieving the EU objective of completing a fully functioning Ten-T core road network and found that most central and eastern Member States still lag behind. Observations focus on cross-border sections and on the coordination of parking and clean fuel infrastructure as well as on the need for maintenance by Member States.
<b>SR 10/2020: EU transport infrastructures: more speed needed in megaproject implementation to deliver network effects on time</b>	June 2020	ECA audited eight specific, ongoing, large-scale infrastructure projects. They concluded that their implementation was not efficient enough and the oversight of the completion of the core network corridors by the Member States was distant. They found it likely that six of the eight projects analysed will not be able to operate at full capacity by 2030

As regards the SR 10/2020, it should be noted that the audited projects are highly complex as regards their technical and financial planning, their size, nature and implementation. While these projects incurred delays compared to the initial planning, these delays also correspond in parts to the maturing of large-scale projects and the building of the necessary consents and agreements. The Commission and the project promoters are committed towards the completion of the network. As recognised by the European Council, these projects have an important contribution to improving the connectivity of the EU core transport network and delivering the full benefits of a well-functioning network and the EU financial support was instrumental to ensure long-term engagement and create a stable environment for the project implementation.

DG MOVE was furthermore associated to three other Special Reports: SR 18/2020 - The EU's Emissions Trading System, SR 12/2020 - The European Investment Advisory Hub and SR 22/2020 - Future of EU agencies.

The audit findings do not indicate a systemic problem in DG MOVE's internal controls as these are not related to the functioning of the internal control system; instead focusing on policy development and implementation.

ECA published in 2020, for the first time, two separate Annual Reports: one focusing on traditional compliance aspects, including the annual statement of assurance, and a separate report covering the performance of the EU budget. The recurring ECA financial audits on the Declaration of Assurance (DAS) and on audits on the administrative and on the operational annual accounts of DG MOVE were reviewed under Chapter IV of ECA's Annual Report on compliance - "Competitiveness for Growth and Jobs". No important or critical shortcomings were identified.

The Director-General is regularly informed of the conclusions and the main recommendations stemming from the work of the auditors. The timely implementation of all recommendations is regularly monitored throughout the year and reported at DG MOVE's Control Board meetings.

Annex 8, section 2.1.2. provides a comprehensive overview of ECA and IAS audits and the follow-up of recommendations.

#### Conclusion on audit observations and recommendations

Overall, internal and external audit work contributes significantly to the continuous improvement of DG MOVE systems and operations. Transport policy matters continue to be highly scrutinised by ECA and to benefit from numerous audits and audit recommendations. The IAS, ECA and the Discharge Authority findings and recommendations are subject to a systematic follow up by the Directorate-General.

The current residual risk from the audit recommendations remaining open in DG MOVE does not impair the declaration of assurance.

In its conclusion on the state of internal control in DG MOVE<sup>22</sup>, the IAS stated that the internal control systems in place for audited processes are effective

### 2.1.3 Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG MOVE uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control

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<sup>22</sup> Ares(2021)1222533

principles and has due regard to the risks associated with the environment in which it operates.

In 2020, DG MOVE continued to develop and adapt its organisational structure, internal processes and systems suited to achieving its policy and necessary to ensure operational efficiency and alignment with the Internal Control Framework of the Commission. It has due regard to the risks associated with the environment in which it operates. In addition to already existing control boards, DG MOVE established the IT steering committee at senior management level, which provides coordination and oversight of IT issues.

DG MOVE identified ten risks concerning its operations in 2021 that will be monitored through the Control Board. Several of these risks relate to the impact of the COVID-19 crisis that induced delays in the ongoing or new programmes, about to be launched under the MFF 2021-2027. Action plans to reduce or mitigate these risks were adopted and are being implemented by the responsible Directorates.

Based on the methodology and information sources described in Annex 8, DG MOVE assessed the performance of its internal control system during the reporting year and concluded that it is effective and the components and principles are present and functioning overall well. The minor deficiencies identified in the 2019 assessment in relation to principle 10 were addressed and are now considered as closed. This includes one action that was scheduled to be implemented by mid-2020, corresponding to the observation from an IAS audit on supervision of autonomous EU entities by DG MOVE. The implementation is ready for the follow-up review by the IAS.

Overall, the assessment established that the internal control system of DG MOVE provides reasonable assurance concerning the achievement of operational objectives, the legality and regularity of the underlying transactions and that the resources have been used for their intended purpose and in accordance with the principles of sound financial management.

#### 2.1.4 Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The audit results, the internal control assessment and the control indicators do not reveal any significant weaknesses and do not fulfil any of the materiality criteria laid down in Annex 5.

The information on financial management and internal control stems from management and auditors as listed in section 2.1.2. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated DG MOVE.



Overall, the controls carried out by DG MOVE for the management of the budget, whether implemented directly or indirectly, were effective and efficient for the reporting year. The resources assigned in 2020 to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management. The control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions, safeguarding of assets and information, and the prevention, detection and correction of fraud and irregularities.

The conservative assessment of the authorising officer by delegation concerning the amount of relevant expenditure during the year not in conformity with the applicable contractual and regulatory provisions at the time the payment estimates that the overall amount at risk at closure is not material and corresponds to EUR 3.91 million or 0.86% of the relevant 2020 expenditure<sup>23</sup>.

Regarding directly managed expenditure, DG MOVE implements appropriate ex-ante and ex-post controls, to the extent that they remain cost-effective and supports the other programme objectives and financial management.

Regarding indirectly managed expenditure, there is no indication of any element that would impair the assurance. The information received from the S2R and SESAR Joint Undertakings, from INEA, from the EIB and from the decentralised agencies is considered as adequate and reliable.

DG MOVE updated its Anti-Fraud Strategy in 2020, based on a specific assessment of its fraud risk. The relevant actions stemming from the previous anti-fraud strategy are considered as fully implemented, and two actions from the new action plan were already implemented last year.

DG MOVE assessed its internal control systems and concluded that the internal control framework is implemented and is functioning as intended. Risk management processes work as intended and contribute to the good operation of the control systems.

In relation to the recommendations issued in 2020 by ECA, none are considered to have a material impact on the declaration of assurance of DG MOVE. The corrective actions related to the recommendation stemming from the IAS audit on supervision of autonomous EU entities by DG MOVE were implemented in 2020. Moreover, recommendations issued by ECA and by the Discharge Authority were also systematically addressed. The current residual risk from the audit recommendations remaining open for DG MOVE does not impair the declaration of assurance.

Therefore, under the prevailing risk environment and from a managerial point of view, DG MOVE's authorising officer by delegation can sign the Declaration of Assurance.

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<sup>23</sup> As regards, directly managed FP7 expenditure and the SESAR Deployment Manager, based on the de minimis rule, no reservation is necessary in 2020, despite a residual error rate above 2%. The overall payments are respectively 0.08% and 0.98% of the total payments of DG MOVE for 2020, with a financial impact of respectively EUR 0.03 million and EUR 0.29 million.

## **Overall Conclusion**

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## 2.1.5 Declaration of Assurance

I, the undersigned,

Director-General of DG MOVE, in my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view<sup>24</sup> .

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the limited conclusion and observations of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.

Confirm that I am not aware of anything not reported here which could harm the interests of the institution or those of the Commission.

Brussels, 31 March 2021

(signed)

Henrik HOLOLEI

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<sup>24</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

## 2.2 Modern and efficient administration – other aspects

For an extensive reporting on all components, please refer to Annex 9.

### 2.2.1 Human resource management

In 2020, marked by the adaptation of the working methods to the challenges posed by the COVID-19 pandemic, DG MOVE continued its efforts to create internal synergies to address political priorities. The stability of its workforce and maintaining the technical expertise in the current and future transport key areas will request significant efforts in the years to come.

To ensure the effective management of human resources, DG MOVE is in the process of developing a local HR strategy with a medium to long-term outlook (3–5 years) consistent with the overall corporate HR strategy. The development plans with the objective to monitor the mandatory HR indicators identified in the Strategic Plan were upgraded and the appropriate actions were taken to meet the 2020-2024 targets.

Following the Commission’s decision on gender targets<sup>25</sup>, DG MOVE carefully assess current and future management vacancies in the DG and is active in opening the career path towards middle management and Deputy Head of Unit occupation by females.

To get the most out of the talent and experience of its staff, DG MOVE supported internal rotations of middle managers: the rotation of January 2019 was followed by the rotation of another batch of Heads of Unit as of January 2021; and by regular internal mobility of staff pursuing a change in their careers. Facing the challenges due to COVID-19, the training offer for managers and staff was made available on-line, which opened it up to a larger audience.

DG MOVE’s internal communication actions have consistently ensured that the relevant information on work and well-being reaches all staff, consolidated a stronger and more interconnected network of staff, and reassured staff that they receive the news in real time. It substantially contributed to a continuous high level of staff engagement.

### 2.2.2 Digital transformation and information management

The Digital Strategy adopted by the Commission in 2018 is a unique opportunity to exploit the potential of digitalisation to create innovative solutions for a more trustworthy, effective, efficient, transparent and secure Commission.

#### ***Implementation of the EC Digital Strategy***

Having in mind the principles of the EC Digital Strategy, DG MOVE has reviewed its local IT environment and business practices to identify areas for improvement. As a result, DG MOVE’s Senior Management selected the following domains for modernisation:

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<sup>25</sup> SEC(2020)246

- Data handling
- Integration of local IT solutions
- Process optimisation and interaction with stakeholders.

Following the conceptual model of the Digital Commission laid down in the EC Digital Strategy, DG MOVE's contributed to the implementation of the Strategy in 2020 with:

- Digital solutions: DG MOVE reviewed its IT systems portfolio and defined the key IT systems and areas for integration/modernisation. The implementation will start in 2021.
- Digital workplace: In 2020, DG MOVE implemented modern communication and collaboration tools and, in the context of the COVID-19 outbreak, started to use them extensively (Skype for Business and Signal; digital conferences with Member States and other stakeholders via Webex platform; the wide use of the new Microsoft Teams platform).
- Reusable solutions platform: In its IT projects, DG MOVE consistently used the available corporate building blocks (e.g. user authentication). For recurring software features where no corporate building blocks were available, DG MOVE ensured that the newly developed local solutions were reusable across projects (e.g. application monitoring).
- Digital infrastructure: DG MOVE started to implement projects on cloud infrastructure. The first projects on cloud, TRIMODE (future transport modelling system) will be operational in 2021.

### ***Data ecosystem***

In 2020, DG MOVE reviewed its approach and current infrastructure/service offering for data management based on the sharing and reusability principles set forward in the EC Digital Strategy and the Data Strategy. DG MOVE decided to redesign and implement a new local data infrastructure in line with the corporate data platform in the course of 2021. It will replace the sporadic data warehouses and individual dashboards and offer standard data analytics and modern reporting services across projects based on the available corporate solutions (e.g. Business Objects, Qlik Sense).

DG MOVE actively participated in the work of the corporate Local Data Correspondent network. The high value data assets have been captured in the corporate asset inventory and the in-depth analysis of each asset (in terms of their content and procedures) started. DG JRC and DG ESTAT are currently implementing a corporate platform to document the metadata of such data assets and will make available a temporary solution to other DGs in the first quarter of 2021. DG MOVE will use the corporate platform for the detailed analysis and will subsequently finalise the gap analysis report and the related action plans.

## **Information Management**

In 2016, the Commission adopted the its corporate strategy on Information Management stating that data and information are to be considered as strategic assets by DGs and should be complete, reliable, relevant and easy to retrieve<sup>26</sup>.

DG MOVE developed a dashboard on information management indicators<sup>27</sup>. The regular monitoring carried out by the CAD (Centre d'Administration des Documents) team combined with the efforts of filling by the operational units resulted in reaching by end of 2020 the target of registered documents not filed below 2%<sup>28</sup>.

In 2020, due to the COVID-19 context, an effective use of paperless workflows became a priority; internal mail distribution and financial workflows were adapted; DG MOVE implemented the use of Qualified Electronic Signature (QES) for documents requiring a blue-ink signature in collaboration with DG DIGIT and SG.

## **Data Protection**

In line with the new transparency requirements, DG MOVE converted all existing notifications into records (introducing new legal elements) or archived them if obsolete. Under the current data protection rules, DG MOVE notified to the Data Protection Officer (DPO) 12 business processes, which required the processing of personal data.

Privacy statements have been regularly updated or newly created. Privacy statements are brought to the attention of data subjects at the moment of collection of personal data and inform the data subjects how to exercise their rights.

External processing agreements are in line with the Commission's (DG BUDG) general templates and instructions.

DG MOVE Data Protection Coordinator (DPC) provided two information sessions for staff in charge of IT projects; and regularly advised all staff on data protection matters. Furthermore, a data protection devoted intranet page was created and regularly updated with hands-on information<sup>29</sup>.

In 2020, DG MOVE reported to the European Commission's DPO on the state of compliance in DG MOVE with the new data protection rules as established in Regulation (EU) 2018/1725 by providing duly completed questionnaire on the implementation of Commission's Data Protection Action Plan<sup>30</sup>.

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<sup>26</sup> data, information and knowledge should be shared as widely as possible within the Commission, unless there are legal requirements or clear justifications for access to be restricted

<sup>27</sup> Regularly updated and accessible to all staff on Document Management Collaborative Space - <https://myintracomm-collab.ec.europa.eu/networks/eDomecME/SitePages/Home.aspx>

<sup>28</sup> 1.60%

<sup>29</sup> e.g. models on privacy statement on various types of processing, info on how to carry out compliant data processing operations and information on data protection training etc.

<sup>30</sup> C(2018)7432 final.

The current data protection legislation allows international transfers of personal data in principle if the EU standards for the protection of the rights and freedoms of the data subject are guaranteed also after the transfer. Moreover, the invalidation of the EU-U.S. Privacy Shield (the Schrems II judgement) poses concrete challenges for services transferring personal data to third countries or using international cloud services. DG MOVE will assess its processing activities in light of the requirements of the Schrems II ruling and will coordinate with relevant Commission services and Commission IT governance bodies, as well as the Commission's DPO, to be able to draw from horizontal approaches to similar situations. DG MOVE and other Commission services, coordinated by the DPO, replied to a request from the European Data Protection Supervisor (EDPS) to all EU institutions to identify and map their international transfers and to report certain categories of transfers and are awaiting the EDPS' reaction. The goal is to minimise the risks linked to ongoing and future international transfers of personal data, notably by informing all data subjects of the legal situation in which such transfers take place, in order for operations undertaken by the Commission services to comply with EU data protection law.

### 2.2.3 Sound environmental management

The Commission's Political Guidelines for the period 2019-2024 recognise the importance of European Union leading role in reducing environmental impacts. DG MOVE implements its own activities through the European Commission's environmental management (EMAS). The key priorities are: efficient use of natural resources (mainly energy, water and paper), reduction of the overall CO<sub>2</sub> emissions, waste prevention, recycling and re-use, and sustainable mobility. Due to the COVID-19 crisis, staff awareness on EMAS could not be promoted on the spot in DG MOVE's premises and the initial output was replaced by EMAS tips to apply at home.

Regarding buildings, DG MOVE contributed to the end of the year energy saving action by closing DM24 and DM28 buildings during the Christmas and New Year's holiday period. DG MOVE reassessed the needs regarding the opening hours of the buildings and decided to leave the buildings open during weekends (but without heating and air conditioning) and to close the garages during weekends.

The COVID-19 crisis accelerated the re-equipment of meeting rooms to allow hybrid meetings. In collaboration with the Directorate-General for Interpretation (SCIC), two meeting rooms were equipped with videoconferencing facilities (in 2020 most of the meetings were held by videoconference).

Due to the COVID-19 crisis, the VeloMai action took place in October 2020 and encouraged the use of bicycle for commuting.

### 2.2.4 Example(s) of initiatives to improve economy and efficiency of financial and non-financial activities.

DG MOVE analysed lessons learned from exceptional measures taken under the COVID-19 pandemic and quickly reacted by adapting its contractual procedures to ensure business continuity and legality in these specific circumstances: e.g. simplified electronic exchange of

contracts and grants were temporarily accepted instead of blue-ink signed paper documents. This approach allowed to continue operations until a solution for electronic signature – currently in use – was developed at corporate level.

In 2020, the “Payment scheme” function in Accrual Based Accounting (ABAC) was systematically used to improve accuracy of payment forecasts and decreased number of clerical mistakes. This was complemented by data quality checks. The use of payment schemes results in more accurate payment forecast while avoiding double encoding work.

DG MOVE linked its budget IT tool VIGIE with the new public procurement management tool (PPMT) to simplify the entry of information, to ensure the Director-General’s approval of procurement procedures in PPMT and to further improve the monitoring of budgetary execution. The use of the new public procurement management tool (PPMT) became mandatory in 2020 for all open calls for tenders. This avoids the duplication of information between the two tools and allows to monitor more accurately the budget execution.

To improve the external experts’ evaluation of CEF Transport proposals, DG MOVE adopted the practice of performing external evaluations remotely.

In 2020, DG MOVE took additional steps to improve the data collection on transport infrastructure in TENtec. The implementation of a new up- and downloading functionality in TENtec allows for Member States and external contractors to include their transport infrastructure data in a simplified and more efficient way.