European Commission

# Annual Activity Report 2025

## Annexes

Directorate-General for Environment

# Contents

# ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

*I declare that in accordance with the Commission's communication on the internal control framework[1], I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.*

*With a view to implementing the criteria for a strengthened common control approach on the reliability of performance information on EU financial programmes, DG ENV has put in place an assurance process based on the control framework and procedures to identify possible significant weaknesses. No issues were identified*

***I hereby certify that the information provided in the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.***

*Brussels, 26 March 2026*

*e-Signed*

*Valérie DREZET-HUMEZ*

[1] C(2017)2373 of 19.04.2017

# ANNEX 2: Performance tables

*Notes:*

- *Divergences in baseline figures from those in the 2025 Management Plan are due to data revisions at the data source; for the indicators where this is the case, it is indicated in the table.*
- *On most indicators, data are not reported annually, meaning that latest available data in the 2025 reporting period often refer to preceding years; the column "latest known result" indicates the latest year for which data is available.*
- *The following initiatives, that had been listed in the 2025 Management Plan under various specific objectives to reflect their potentially cross-cutting nature, are below reported only under one specific objective to avoid confusion: GreenData4All, Mid-term evaluation of LIFE programme,*
- *The tables below list some initiatives conceived only during 2025 or brought forward from 2026, which are not yet listed in the output tables of the 2025 Management Plan, such as the environmental omnibus proposals or the roadmap on nature credits*

**General objective 1: A new plan for Europe's sustainable prosperity and competitiveness**

***Specific Objective 1.1: The EU circular economy optimises the value of resources thanks to a well-functioning single market for waste and secondary raw materials, increasingly sustainable products and services***

*Related to spending programmes: LIFE, Single Market Programme*

**Result indicator 1.1.1: Circular material use rate – Key Performance Indicator**
**Explanation: Share of material resources used which came from recycled waste materials, thus saving extractions of primary raw materials (%)**
**Source of data: Eurostat env_ac_cur**

| **Baseline (2023)** (data revision after 2025 MP publication) | **Interim milestone (2027)** | **Target (2029)** *2030 target from Clean Industrial Deal (corrected compared to lower target in 2025 MP)* | **Latest known result (2024)** |
|---|---|---|---|
| 12.1% | Increase | 24% by 2030 | 12.2% |

**Result indicator 1.1.2: Waste generation**
**Explanation: Total amount of waste generated by households and businesses by economic activity according to NACE Rev. 2 (tonnes per capita)**
**Source of data: Eurostat env_wasgen**

| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2022)** |
|---|---|---|---|
| 5 | Decrease | Decrease | 5 |

| **Result indicator 1.1.3: Intra-EU trade of waste**<br>**Explanation: Quantities of selected waste categories traded among EU Member States: plastic; paper and cardboard; precious metal; iron and steel; copper, aluminium and nickel (tonnes)**<br>**Source of data: Eurostat cei_srm020** | | | |
|---|---|---|---|
| **Baseline (2023)**<br>(wrong value in 2025 MP) | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2024)** |
| 7.5 million | Increase | Increase | 8.8 million |

| **Result indicator 1.1.4: Recycling rate of WEEE separately collected**<br>**Explanation: Weight of WEEE entering recycling/preparing for re-use facility divided by weight of all separately collected WEEE (%)**<br>**Source of data: Eurostat cei_wm060** | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 80.7% (estimate) | Increase | Increase | 82.2% (estimate) |

| **Result indicator 1.1.5: Collection rate of portable batteries and accumulators sold in the EU**<br>**Explanation: Ratio of weight of collected batteries in reference year divided by average weight of batteries sold during reference year and previous two years (%)**<br>**Source of data: Eurostat env_waspb [Collection rate (%) = Weight collected in reference year ÷ Average weight sold (reference year + 2 previous years) × 100]** | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 46.5% | Increase | Increase | 49% |

| **Result indicator 1.1.6: Compliance with EU waste management rules**<br>**Explanation: Number of landfills failing to comply with EU standards on waste management and covered by an infringement procedure (number)**<br>**Source of data: DG Environment (Internal Infringements Database)** | | | |
|---|---|---|---|
| **Baseline (2023)** | **Interim milestone** (2027) | **Target** (2029) | **Latest known results** (2025) |
| 792<br>(comment on longer-term trend: down from 1753 in 2019) | Significant reduction | Significant reduction | 797<br>(imperfect enforcement action at national or subnational levels) |

| **Main outputs in 2025:** | | | |
|---|---|---|---|
| **Initiatives linked to regulatory simplification and burden reduction** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| GreenData4All: legislative proposal revising the INSPIRE Directive | Adoption | Q4 | Adopted (COM(2025) 985, 10 December 2025). Part of Environmental Omnibus Package. Simplifies INSPIRE by aligning with horizontal data legislation. |
| Delegated Act on derogations to the prohibition of the destruction of unsold textiles and footwear (ESPR) | Adoption | Q4 | Draft published 30 June 2025; consultation closed 11 August 2025. Adopted 9 February 2026 |
| Environmental omnibus: amendments to the Waste Framework, Waste Electric and Electronic Equipment, and Singe Use Plastics Directives, Batteries, and Packaging and Packaging Waste Regulations | Adoption | Q4 | Adopted on 10/12/2025, COM(2025) 986, COM(2025) 983, COM(2025) 982 |
| **Evaluations and fitness checks (part of the stress testing EU acquis)** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Mid-term evaluation of the LIFE programme 2021-2027 | Publication | Q3 | Envisaged for Q1/2026 to align with preparations for next MFF |
| Evaluation of Directive 2012/19/EU on waste electrical and electronic equipment (WEEE) | Publication | Q3 | Published (SWD(2025) 185, 2 July 2025). Will inform WEEE revision under Circular Economy Act. |

| Major public consultations | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (situation on 31/12/2025)** |
| Youth Policy Dialogue | Conclusion | Q1 | Concluded (21 February 2025). Commissioner Roswall hosted dialogue at Solna Gymnasium, Sweden with 400+ students on EU environmental policies. |

| Major implementation activities and enforcement actions | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Commission Implementing Decision on the financing of the LIFE programme and the adoption of the work programme for the years 2025 to 2027 | Adoption | Q3 | Adopted in Q2 (C(2025)955, 15 April 2025). |
| Communication on the Ecodesign for Sustainable Products and Energy Labelling Working Plan 2025-2030 | Adoption | Q2 | Adopted 16 April 2025 (SWD(2025) 112) |
| Implementing Act under ESPR on the disclosure of information on unsold consumer products | Adoption | Q4 | Draft published 12 June 2025; consultation closed 10 July 2025. Adopted 9 February 2026 |
| Commission Delegated Regulation supplementing Regulation 2023/1542 establishing the methodology for calculation and verification of rates for recycling efficiency and recovery of materials of waste batteries, and the format for the documentation | Adoption | Q4 | Q1 (C/2025/1674) |

| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
|---|---|---|---|
| Environmental Implementation Review 2025 | Adoption | Q2 | Adopted (COM(2025) 420) 7 July 2025. Fourth EIR package with 27 country reports. Conference co-hosted by Commissioner Roswall and CoR President Tüttő. |
| **Implementation dialogues, Annual Progress Report(s) and reality checks** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Implementation Dialogue on Circular Economy | Conclusion | Q4 | Dialogues in which circular economy was addressed: Implementation Dialogue on Environmental Assessments and Permitting (10 April 2025); Implementation Dialogue on Chemicals Industry Package (25 March 2025). Findings fed into Environmental Omnibus Package. |
| 2025 Progress Report on Simplification, Implementation and Enforcement of Commissioner Roswall | Publication | Q3 | Published 21 October |

| **General objective 1: A new plan for Europe's sustainable prosperity and competitiveness**<br>***Specific Objective 1.2: A more circular bioeconomy enhances resource efficiency and resilience in the EU by leveraging the potential of innovation, secondary bio-based materials, and the sustainable production of primary resources***<br>**Result indicator 1.2.1: Value added of bioeconomy from secondary sectors – KPI**<br>**Explanation: Value added from the bio-based manufacturing industries (billion EUR current prices)**<br>**Source of data: Eurostat, re-published by JRC Bioeconomy Knowledge Centre** | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 542 billion EUR | Increase | Increase | 583 billion EUR |

| **Result indicator 1.2.2: Circular material use rate of biomass**<br>**Explanation: Share of biomass used which came from recycled waste materials, saving extractions of primary raw materials (%)**<br>**Source of data: Eurostat env_ac_curm** | | | |
|---|---|---|---|
| **Baseline (2022)**<br>(data revision after 2025 MP publication) | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2024)** |
| 9.2% | Increase | Increase | 9.9% |

| **Result indicator 1.2.3: Food waste**<br>**Explanation: Amount of food waste generated as fresh mass along the food value chain (kg per capita)**<br>**Source of data: Eurostat env_wasfw** | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 129 | Decrease | Reduce by 30% by 2030 vs 2021-23 | 130 |

**Main outputs in 2025:** [2]

| **New policy initiatives** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| A Bioeconomy Strategy for a competitive and sustainable Europe | Adoption | Q4 | Adopted (COM(2025) 960, 27 November 2025) |

| **Major public consultations** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (situation on 31/12/2025)** |
| Strategic bioeconomy dialogue | Conclusion | Q2 | Dialogue held on 16 May 2025 |
| Implementation dialogues, Annual Progress Report(s) and reality checks | Implementation dialogues, Annual Progress Report(s) and reality checks | Implementation dialogues, Annual Progress Report(s) and reality checks | Implementation dialogues, Annual Progress Report(s) and reality checks |
| Youth Policy Dialogue | Conclusion | Q1 | Concluded (21 February 2025). Commissioner Roswall hosted dialogue at Solna Gymnasium, Sweden with 400+ students on EU environmental policies |

[2] Deliverables listed in the 2025 Management Plan under this objective's category "major implementation activities" had been wrongly doubly assigned. They are here reported on under objectives 1.1 and 6.1

| Implementation dialogues, Annual Progress Report(s) and reality checks | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Implementation Dialogue on Circular Economy | Conclusion | Q4 | Dialogues in which circular economy was addressed: Implementation Dialogue on Environmental Assessments and Permitting (10 April 2025); Implementation Dialogue on Chemicals Industry Package (25 March 2025). Findings fed into Environmental Omnibus Package. |

**General objective 1: A new plan for Europe's sustainable prosperity and competitiveness**

***Specific Objective 1.3: Industrial emissions into air, soil and water are reduced through the effective application of the EU environmental acquis, supported by innovation and investments for the use of best available techniques***

*Related to spending programmes: LIFE, Horizon Europe, Cohesion funds*

**Result indicator 1.3.1: Industrial releases to air from European facilities**
**Explanation: Releases of polycyclic aromatic hydrocarbons, non-methane volatile organic compounds, and heavy metals (mercury, cadmium, lead, nickel) from industrial facilities (% change from 2010)**
**Source of data: European Environment Agency**
**This result indicator is selected as a KPI**

| **Baseline (2022)** (data revision after 2025 MP publication) | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
|---|---|---|---|
| -55% PAHs, -34% NMVOC, -39% Hg, -53% Cd, -76% Pb, -57% Ni | Decrease | Decrease | -61% PAHs, -41% NMVOC, -60% Hg, -61% Cd, -83% Pb, -58% Ni |

**Result indicator 1.3.2: Premature deaths due to PM2.5 exposure**
**Explanation: Number of premature deaths attributable to long-term exposure to PM2.5 concentrations above 5μg/m³ (number)**
**Source of data: European Environment Agency**

| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
|---|---|---|---|
| 239,000 | Decrease | 2030: reduce 55% vs 2005 | 182,000 (-57% vs 2005) |

| Result indicator 1.3.3: Industrial releases to water from European facilities<br>Explanation: Releases of polycyclic aromatic hydrocarbons, nonylphenol/nonylphenol ethoxylates, and heavy metals (mercury, cadmium, lead, nickel) to water (% change from 2010)<br>Source of data: European Environment Agency | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| -9% PAHs, -89% NP/NPEs, -39% Ni, -56% Cd, -59% Hg, -64% Pb | Decrease | Decrease | -31% PAHs, -91% NP/NPEs, -46% Ni, -60% Cd, -67% Hg, -68% Pb |

| Result indicator 1.3.4: Air emissions of Persistent organic pollutants (POPs)<br>Explanation: Emissions of dioxins/furans, hexachlorobenzene, polychlorinated biphenyls, polycyclic aromatic hydrocarbons (% change from 2005)<br>Source of data: European Environment Agency | | | |
|---|---|---|---|
| **Baseline (2022)**<br>(data revision after 2025 MP publication) | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| HCB: -54%, PCBs: -67%, PCDDs/PCDFs: -71%, PAHs: -22% | Decrease | Decrease | HCB: -62%, PCBs: -68%, PCDDs/PCDFs: -72%, PAHs: -28% |

| Result indicator 1.3.5: Percentage of sites with PFOS Environmental Quality Standards exceedance<br>Explanation: Percentage of monitored sites with PFOS exceedance across water body categories (%)<br>Source of data: European Environment Agency | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2022)** |
| 60% rivers, 35% lakes, 73% transitional/coastal | Decrease | Decrease | 60% rivers, 35% lakes, 73% transitional/coastal |

| Result indicator 1.3.6: Compliance with Air Quality legislation<br>Explanation: Number of air quality zones where PM10 and NO2 emission limit values are exceeded and covered by infringement procedure (number)<br>Source of data: DG Environment (Internal Infringements Database) | | | |
|---|---|---|---|
| **Baseline (2023)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2025)** |
| 51 zones for PM10;<br>23 zones for NO2 | Significant reduction in the number of zones | Significant reduction in the number of zones | 35 zones for PM10;<br>14 zones for NO2<br>*air data: 2024, infringement cases: 2025* |

| **Main outputs in 2025:** | | | |
|---|---|---|---|
| **New policy initiatives** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Targeted revision of the REACH Regulation | Adoption | Q4 | Proposal pending. Part of Chemicals Industry Package. Public consultation concluded 25 April 2025; CARACAL-54 meeting 3 April 2025 |
| **Initiatives linked to regulatory simplification and burden reduction** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Environmental omnibus, including amendments to the Industrial Emissions Directive, the Medium Combustion Plants Directive and the Industrial Emissions Portal Regulation | Adoption | Q4 | Adopted on 10/12/2025, COM(2025) 981, COM(2025) 986 |
| Regulation on speeding up environmental assessments (part of environmental simplification package) | Adoption | Q4 | Adopted on 10/12/2025, COM(2025) 984 |
| Legislative proposal revising the INSPIRE Directive (part of environmental omnibus proposal) | Adoption | Q4 | Adopted (COM(2025) 985, 10 December 2025) |
| **Major public consultations** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Youth Policy Dialogue | Conclusion | Q1 | Concluded (21 February 2025). Commissioner Roswall hosted dialogue at Solna Gymnasium, Sweden with 400+ students on EU environmental policies |

| Major implementation activities and enforcement actions | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Commission Implementing Decision on the financing of the LIFE programme and the adoption of the work programme for the years 2025 to 2027 | Adoption | Q3 | Adopted in Q2 (C(2025)955, 15 April 2025) |
| Environmental Implementation Review 2025 | Adoption | Q2 | Adopted (COM(2025) 420) 7 July 2025. Fourth EIR package with 27 country reports. Conference co-hosted by Commissioner Roswall and CoR President Tüttő. |
| **Implementation dialogues, Annual Progress Report(s) and reality checks** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Implementation dialogue on environmental assessments and permitting | Conclusion | Q2 | Implementation Dialogue on Environmental Assessments and Permitting held 10 April 2025. |
| CARACAL meeting (reality check on REACH and CLP) | Conclusion | Q2 | CARACAL-54 meeting held 3 April 2025. Implementation Dialogue on Chemicals Industry Package held 25 March 2025. |
| 5th EU Clean Air Forum | Conclusion | Q4 | Held 1-2 December 2025 in Bonn. Co-organized by ECMWF/CAMS and DG ENV. Commissioner Roswall opened the Forum. |

| Output | Indicator | Target | Latest known results (31/12/2025) |
|---|---|---|---|
| Commission delegated act to amend Annex II of Regulation (EU) 2024/1244 of 24 April 2024 on reporting of environmental data from industrial installations, concerning the pollutants list and relevant thresholds, in accordance with Article 15(3) of the same regulation | Adoption | Q4 | Superseded by environmental omnibus proposals adopted in December 2025 |
| 2025 Progress Report on Simplification, Implementation and Enforcement of Commissioner Roswall | Publication | Q3 | Published 21 October |
| **Other major outputs** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Conclusion of interinstitutional negotiations on proposal of a Soil Monitoring Directive | Adoption | Q2 | Adopted (Directive (EU) 2025/2360, published 26 November 2025, entered into force 16 December 2025). |

| **General objective 4: Sustaining our quality of life: food security, water and nature**<br>***Specific Objective 4.1: Europe's ecosystems and nature are restored and protected through efficient implementation of the EU environmental acquis, supported by incentives for nature-positive actions and private investment***<br>*Related to spending programmes: LIFE, InvestEU, agricultural and cohesion funds* | | | |
|---|---|---|---|
| **Result indicator 4.1.1: Grassland butterfly index – Key Performance Index**<br>**Explanation: Population trends of 17 butterfly species monitored across the EU (Index base year 2000 = 100)**<br>**Source of data: European Butterfly Monitoring Scheme, re-published by Eurostat**<br>**sdg_15_61** | | | |
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2024)** |
| 68.42 (3) | Increase | Increase | 63.49 |
| **Result indicator 4.1.2: Terrestrial protected areas**<br>**Explanation: Surface of terrestrial protected areas as percentage of total terrestrial area, comprising nationally designated protected areas and Natura 2000 sites (%)**<br>**Source of data: European Environment Agency, re-published by Eurostat**<br>**sdg_15_20** | | | |
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 26.1% | Increase | 30% (by 2030 as per EU Biodiversity Strategy) | 26.4% |
| **Result indicator 4.1.3: Marine protected areas**<br>**Explanation: Surface of marine protected areas as percentage of total marine area, comprising nationally designated protected areas and Natura 2000 sites (%)**<br>**Source of data: European Environment Agency, re-published by Eurostat**<br>**sdg_14_10** | | | |
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 12.3% | Increase | 30% (by 2030 as per EU Biodiversity Strategy) | 13.7% |

(3) Change in methodology in 2025 (recalculation of index) led to new baseline compared to 2025 Management Plan. The EU Nature Restoration Regulation (adopted 2024) specified the Grassland Butterfly Index as one of three indicators for agricultural ecosystems under Article 11. This prompted a major expansion of butterfly monitoring to cover all 27 EU Member States, requiring the methodology change.

| Result indicator 4.1.4: Forest connectivity<br>Explanation: Average percentage of the 10-hectare area surrounding a 100m² forest grid cell covered by forest (%)<br>Source of data: European Environment Agency, based on Copernicus Land Monitoring Service High-Resolution Forest Type Layer | | | |
|---|---|---|---|
| **Baseline (2021)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2021)** |
| 80.6% | Increase | Increase | 80.6% |
| **Result indicator 4.1.5: Compliance with EU nature protection legislation**<br>**Explanation: Percentage of Natura 2000 sites (terrestrial and marine) assessed in EU investigation/infringement cases that have not yet been designated as Special Areas of Conservation under Article 4(4) of the Habitats Directive (%)**<br>**Source of data: DG Environment (Internal Infringements Database)** | | | |
| **Baseline** (2023) | **Interim milestone** (2027) | **Target** (2029) | **Latest known results** (2025) |
| 3% | Significant reduction | Significant reduction | 1.8% |

| **Main outputs in 2025:**<br>**New policy initiatives** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Proposal for a Directive Implementing the Agreement on Marine Biological Diversity of Areas beyond National Jurisdiction | Adoption | Q3 | Adopted (COM(2025) 173), 24 April 2025. EU ratified BBNJ Agreement on 28 May 2025 alongside 6 Member States. |
| Roadmap towards nature credits | Adoption | Q3 | Adopted 7 July (COM(2025) 374) |
| **Initiatives linked to regulatory simplification and burden reduction** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Legislative proposal revising the INSPIRE Directive (part of environmental omnibus) | Adoption | Q4 | Adopted (COM(2025) 985), 10 December 2025 |

| Evaluations and fitness checks (part of the stress testing EU acquis) | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Fitness check of legislation on Trade of Seal Products | Publication | Q3 | In finalisation, publication envisaged for Q1/2026 |
| **Major public consultations** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (situation on 31/12/2025)** |
| Youth Policy Dialogue | Conclusion | Q1 | Concluded (21 February 2025). Commissioner Roswall hosted dialogue at Solna Gymnasium, Sweden with 400+ students on EU environmental policies |
| **Major implementation activities and enforcement actions** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Commission Implementing Decision on the financing of the LIFE programme and the adoption of the work programme for the years 2025 to 2027 | Adoption | Q3 | Adopted in Q2 (C(2025)955), 15 April 2025 |
| Environmental Implementation Review 2025 | Adoption | Q2 | Adopted (COM(2025) 420) 7 July 2025. Fourth EIR package with 27 country reports. Conference co-hosted by Commissioner Roswall and CoR President Tüttő. |
| Report to Council and EP on financing for Nature Restoration pursuant to Art 21(7) of the Nature Restoration Regulation | Publication | Q3 | Finalisation being coordinated with process on next MFF |
| Implementing act uniform format for national restoration plans pursuant to Article 15(7) of the Nature Restoration Regulation | Adoption | Q2 | Adopted 20 May 2025 (Implementing Regulation (EU) 2025/912) |

| Output | Indicator | Target | Latest known results (31/12/2025) |
|---|---|---|---|
| Delegated act establishing method for monitoring pollinator diversity and populations pursuant to Article 10(2) of the Nature Restoration Regulation | Adoption | Q3 | Adopted 19 September 2025 (Delegated Regulation (EU) 2025/2188) |
| Guidance on a framework for developing methodologies to monitor high-diversity landscape features pursuant to Article 14(7) of the Nature Restoration Regulation | Adoption | Q1 | Published 14 February 2025 (C/2025/980) |
| Implementing act – update of list of invasive alien species of Union concern | Adoption | Q3 | Adopted 17 July 2025 (Implementing Regulation (EU) 2025/1422) |
| Implementing Regulation on the assessment of countries or parts thereof in the context of Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR Benchmarking) | Adoption | Q2 | Adopted 22 May 2025 |
| Commission Notice (C/2024/6789) Guidance document - EU Regulation on certain commodities and products associated with deforestation and forest degradation (Update) | Adoption | Q2 | Adopted 23 May 2025 |
| **Implementation dialogues, Annual Progress Report(s) and reality checks** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |

| | | | |
|---|---|---|---|
| 2025 Progress Report on Simplification, Implementation and Enforcement of Commissioner Roswall | Publication | Q3 | Published 21 October |
| **Other major outputs** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Conclusion of interinstitutional negotiations on proposal of a Soil Monitoring Directive | Adoption | Q2 | Adopted (Directive (EU) 2025/2360, published 26 November 2025, entered into force 16 December 2025). |
| Conclusion of interinstitutional negotiations on the amendment of the Annexes of the Habitats Directive | Adoption | Not defined in 2025 Management Plan | Ongoing. Wolf protection status change under Bern Convention being transposed into EU legislation. |
| Conclusion of interinstitutional negotiations on the proposal setting up a Standing Forestry Committee | Adoption by the co-legislators | | Commission announcement in 2026 Work Programme to withdraw proposal |

**General objective 4: Sustaining our quality of life**

***Specific Objective 4.2: Access to clean water is increasingly secured thanks to better water management practices and infrastructure, improved water efficiency and more sustainable water use***

*Related to spending programmes: LIFE, agricultural and cohesion funds*

**Result indicator: 4.2.1: Water Exploitation Index+ (WEI+)**
**Explanation: Total water consumption as a percentage of renewable freshwater resources available for a given territory and period. Values above 20% indicate water scarcity conditions. – Key Performance Indicator**
**Source of data: EEA, Water scarcity conditions in Europe**
**This result indicator is selected as a KPI**

| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
|---|---|---|---|
| 5.76% | Decrease | Decrease | 5.15% |

| **Result indicator: 4.2.2: Nitrates in groundwater**<br>**Explanation: Concentrations of nitrate ($NO_3$) in groundwater, measured as milligrams per litre (mg $NO_3$/l), aggregated to annual average values.**<br>**Source of data: EEA, Nitrate in groundwater in Europe** | | | |
|---|---|---|---|
| **Baseline (2022)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2023)** |
| 20.65 mg NO3/l; 14.1% exceedances | Decrease | Reduce nutrient losses by 50% by 2030 | 18.1 mg NO3/l |

| **Result indicator 4.2.3: Soil health (proportion of EU land affected by soil degradation)** *Note: title and explanation adapted following updates of dataset metadata*<br>**Explanation: Proportion of EU land likely affected by one or more soil degradation processes per land cover class, expressed as a percentage.**<br>**Source of data: JRC, EU Soil Observatory Soil Degradation Dashboard** | | | |
|---|---|---|---|
| **Baseline (2018)** | **Interim milestone (2027)** | **Target (2029)**<br>*Target and interim milestone concretised compared to 2025 MP following dataset update* | **Latest known result (2018)** |
| 62% EU continental land | Halt negative trend | Reversed negative trend | 62% |

| **Result indicator 4.2.4: Compliance with EU wastewater legislation**<br>**Explanation: Number of agglomerations failing to comply with EU standards on collection and treatment of urban wastewater under the Urban Waste Water Treatment Directive (91/271/EEC) and covered by an infringement procedure.**<br>**Source of data: DG Environment (Internal Infringements Database)** | | | |
|---|---|---|---|
| **Baseline** (2024) | **Interim milestone** (2027) | **Target** (2029) | **Latest known results** (2025) |
| 3398 | Significant reduction | Significant reduction | 2916 |

| **Main outputs in 2025:** | | | |
|---|---|---|---|
| **New policy initiatives** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Water Resilience Strategy | Adoption | Q2 | Adopted 4 June 2025 (COM/2025/280) |
| Recommendation on Water Efficiency | Adoption | Q2 | Adopted (C(2025) 3580), 4 June 2025 |

| **Initiatives linked to regulatory simplification and burden reduction** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| RENURE amendment of the Nitrates Directive | Adoption by the Committee | Q1 | Approved by Nitrates Committee 19 September 2025. Adopted 9 January 2026. |
| Legislative proposal revising the INSPIRE Directive (part of environmental omnibus proposal) | Adoption | Q4 | Adopted (COM(2025) 985, 10 December 2025) |

| **Evaluations and fitness checks (part of the stress testing EU acquis)** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Evaluation of the Bathing Water Directive | Publication | Q1 | Published (SWD(2025) 53), 6 March 2025 |
| Evaluation of the Marine Strategy Framework Directive | Publication | Q1 | Published (SWD(2025) 50), 6 March 2025. Is informing ongoing revision. |
| Evaluation of the Nitrates Directive | Publication | Q4 | Ongoing. Public consultation closed 8 March 2024. Submitted to Regulatory Scrutiny Board in 2025 and Q1 2026. Full evaluation publication planned for Q2 2026. |

| **Major public consultations** | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (situation on 31/12/2025)** |
| Revision of the Marine Strategy Framework Directive: call for evidence & public consultation | Launch | Q4 | Launched on 15 December 2025 with closure on 9 March 2026 |
| Youth Policy Dialogue | Conclusion | Q1 | Concluded (21 February 2025). Commissioner Roswall hosted dialogue at Solna Gymnasium, Sweden with 400+ students on EU environmental policies. |

| Major implementation activities and enforcement actions | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Commission Implementing Decision on the financing of the LIFE programme and the adoption of the work programme for the years 2025 to 2027 | Adoption | Q3 | Adopted in Q2 (C(2025)955), 15 April |
| Environmental Implementation Review 2025 | Adoption | Q2 | Adopted (COM(2025) 420), 7 July 2025 |
| **Implementation dialogues, Annual Progress Report(s) and reality checks** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Report on the programmes of measures under the Marine Strategy Framework Directive | Published | Q1 | COM(2025)3<br>Presents key outcomes on 2046 measures related to all marine regions in the reporting countries, as well as relevant pressures on marine ecosystems. |
| 2025 Progress Report on Simplification, Implementation and Enforcement of Commissioner Roswall | Adoption | Q3 | Published 21 October |
| **Other major outputs** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Commission Proposal for Council Decision on conclusion of a Global legally-binding instrument on plastic pollution | Adoption | Q3 | International negotiations ongoing. INC-5 sessions resumed Geneva in 2025. Treaty completion dependent on international negotiations progress. |
| Commission Implementing Decision granting a derogation on nitrates to Ireland under the Nitrates Directive | Adoption | Q4 | Adopted on 22 December 2025. |

| General objective 6: A global Europe<br>***Specific Objective 6.1: The EU builds coalitions with strategic partners and like-minded countries, through leading progress on global environmental issues and close cooperation with partner countries impacted by EU environmental policy***<br>*Related to spending programmes: LIFE, NDICI* | | | |
|---|---|---|---|
| **Result indicator 6.1.1: Commission policy dialogues and other outreach activities with partner countries on global environmental issues and EU environmental policy – Key Performance Indicator**<br>**Explanation: Outreach activities in terms of policy dialogues and other outreach activities with partner countries in the course of the year.**<br>**Source of data: European Commission** | | | |
| **Baseline (2024)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2025)** |
| High level of outreach activities | Keep stable and targeted | Keep stable and targeted | Kept up outreach level in cooperation with EEAS and Member States, targeted most effective interlocutor level (technical, executive high-level, political) and most relevant partner countries |

| **Main outputs in 2025:** [4] | | | |
|---|---|---|---|
| **New policy initiatives** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Water Resilience Strategy | Adoption | Q2 | Adopted 4 June 2025 (COM/2025/280) |
| Proposal for a Directive Implementing the BBNJ Agreement (Marine Biological Diversity of Areas beyond National Jurisdiction) | Adoption | Q3 | Adopted (COM(2025) 173), 24 April 2025. EU ratified BBNJ Agreement on 28 May 2025 alongside 6 Member States. |
| **Initiatives linked to regulatory simplification and burden reduction** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Fitness check of legislation on Trade of Seal Products | Publication | Q3 | In finalisation, publication envisaged for Q1/2026 |

4 Some deliverables reallocated between “implementation” and “other major” activities compared to 2025 Management Plan to better reflect the actual output

| Major implementation activities and enforcement actions | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Council of Europe Convention on the Protection of the Environment through environmental crime | Signature | Q4 | Signed by Commission on behalf of EU on 3 December |
| Meetings of the Conferences of the Parties to international conventions (Alpine, Basel/Rotterdam/Stockholm, Ramsar, CITES, Climate, Aarhus) | Participation and Continuous engagement | Q2-Q4 | Participated and ensured continued effective engagement in the COPs upholding multilateralism in environmental matters.<br>Aarhus Convention: EU coordination led by DG ENV yielded agreement to explore modernisation and more efficient operation (no amendment to the Convention) |
| Ministerial meetings of the Regional Sea Conventions Barcelona and OSPAR | Participation and Continuous engagement | Q2-Q4 | EU coordination led by DG ENV yielded, among others, the following outcomes:<br>Barcelona Convention: An updated strategy for sustainable development; a strengthened ecosystem approach; & an updated regional climate adaptation framework.<br>OSPAR: extension of maritime area to cover the whole pf Macaronesia, a prohibition of scrubbers discharges in territorial waters and a restriction on plastic floating devices. |
| Meeting of the Parties to the Minamata Convention | Participation and Continuous engagement | Q2-Q4 | EU coordination led by DG ENV yielded global ban on the manufacture and trade of mercury-added dental amalgam |

| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
|---|---|---|---|
| High-level dialogues on environment with ASEAN, LAC, Brazil, China, Mexico, Norway, Western Balkans | Continuous and targeted exchange | Q1-Q4 | Dialogues with Mexico, South Africa, Japan, China (3 dialogues), Australia<br>First ever environmental ministerial dialogue on environment and climate action took place in 2025. |
| Water Partnerships with China, India, Egypt, South Africa | Continuous engagement | Q1-Q4 | Programme of Action under the water partnership with Egypt established in 2025. Continuous engagement with China in preparation for the 2026 dialogue, and engagement on water cooperation projects with India continued. |
| Multi-Stakeholder Platform on Protecting and Restoring the World's Forests (MSP) and EUDR bilateral outreach | Regular consultations | Q1-Q4 | 8 meetings of the MSP, and over 130 bilateral meetings with international partners |
| UNEA, G7, G20, WEF, WTO and OECD forums and ministerial meetings | Continuous engagement | Q1-Q4 | At UNEA, EU coordination led by DG ENV yielded a Medium-Term Strategy, Ministerial Declaration, a series of resolutions well aligned with EU priorities.<br>G7 Environment Ministers adopted a workplan for the G7 Water Coalition and an action plan for the G7 Alliance on Resource Efficiency. G20 Environment Ministers adopted declarations on air quality and on crimes affecting the environment. |

| Output | Indicator | Target | Latest known results (31/12/2025) |
|---|---|---|---|
| Implementing Regulation on the assessment of countries or parts thereof in the context of Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR Benchmarking) | Adoption | Q2 | Adopted 22 May 2025 |
| Delegated Regulation amending Regulation (EU) 2023/1115 of the European Parliament and Council as regards the list of relevant commodities and relevant products within the scope of EUDR | Adoption | Q3 | Superseded by additional simplification amendments to the Regulation proposed and adopted in 2025 |
| Commission Notice (C/2024/6789) Guidance document - EU Regulation on certain commodities and products associated with deforestation and forest degradation (Update) | Adoption | Q2 | Adopted 23 May 2025 |

**Other major outputs**

| Output | Indicator | Target | Latest known results (31/12/2025) |
|---|---|---|---|
| Commission Proposal for Council Decision on conclusion of a Global legally-binding instrument on plastic pollution | Adoption | Q3 | International negotiations ongoing. INC-5 sessions resumed Geneva in 2025. Treaty completion dependent on international negotiations progress. |

| Output | Indicator | Target | Latest known results (31/12/2025) |
|---|---|---|---|
| Sixteenth meeting of the Conference of the Parties to the Convention on Biological Diversity (resumed session) | Decisions on resource mobilisation, financial mechanism, monitoring framework, and planning, reporting and review | Q1 | Conclusion of the resumed session of COP16 in February 2025. CBD parties took key decisions on biodiversity financing and the process for the Global Review of Implementation of the Kunming-Montreal Global Biodiversity Framework |
| 7th national report under Convention for Biological Diversity | Submission | Q4 | Submitted in February 2026 (in line with the deadline) |
| 33rd meeting of the International Resource Panel (IRP33) | Continuous engagement in the IRP Steering Committee to advance natural resource policies | Q2 | Conducted in Q2 2025 |

| **General objective 6: A global Europe**<br>***Specific Objective 6.2: The EU supports the preparations of candidate countries to assume obligations under the environmental acquis***<br>**Result indicator 6.2.1: Consultations with candidate countries on environmental acquis – Key Performance Indicator**<br>**Explanation: Environment-specific legal/technical support to candidate countries to fulfil accession criteria.**<br>**Source of data: European Commission** | | | |
|---|---|---|---|
| **Baseline (2024)** | **Interim milestone (2027)** | **Target (2029)** | **Latest known result (2025)** |
| High level of regular consultations | Keep stable | Keep stable | Kept up high level of effective regular consultations |

| Main outputs in 2025: | | | |
|---|---|---|---|
| **Major implementation activities and enforcement actions** | | | |
| **Output** | **Indicator** | **Target** | **Latest known results (31/12/2025)** |
| Association Agreement to the LIFE programme with Montenegro | Signature | Q2 | Signed on 15 May 2025 in Brussels by. Commissioner Roswall and Minister Ćulafić. Montenegro is 5th non-EU country to join LIFE (after Iceland, Ukraine, Moldova, North Macedonia). Montenegrin entities eligible for LIFE beginning for 2025 calls |
| Annual Enlargement Reports | Publication | Q4 | The 2025 Enlargement Package was published in November 2025 with a strong input from DG ENV on Chapter 27 |
| Annual Association Agreement Committees and Sub-committees (EU-Ukraine, EU-Moldova, EU-Georgia); Annual Stabilisation and Association Committees and Subcommittees (EU-Albania, EU-Bosnia and Herzegovina, EU-Kosovo, EU-Montenegro, EU-North Macedonia, EU-Serbia), EU-Türkiye | Continuous progress monitoring and support | Q1-Q4 | All of the indicated Annual Association Agreement Sub-committees took place in 2025 with active participation and involvement of DG ENV staff. |
| High-level dialogues on environment with Western Balkans | Continuous and targeted exchange | Q1-Q4 | Regular technical level association sub-committees (dialogues) took place with Western Balkans and other Enlargement countries |

# ANNEX 3: Draft annual accounts and financial reports

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex3/BUDG_Annex3...

# Annex 4:  FINANCIAL SCORECARD

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2024, 6 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole:

Commitment Appropriations (CA) Implementation

1. CA Forecast Implementation
2. Payment Appropriations (PA) Implementation
3. PA Forecast Implementation
4. Global Commitment Absorption
5. Timely Payments
6. Data Quality

For each indicator, it's value (in %) for the Commission service is compared to the common target (in %).

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex4/BUDG_Annex4...

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. In some cases, this has resulted in lower performance for the Timely Payments financial indicators.  The reasons behind the late payments vary, are not due to a systematic weakness but for most of them are attributable to the migration to SUMMA (e.g. migration issues of invoices from ABAC), a challenge also encountered by other DGs.

| Indicator | Objective | DG Score | EC Score |
|---|---|---|---|
| 1. CA Implementation | Ensure the efficient use of commitment appropriations expiring at the end of financial year | 99,77% | 99,00% |
| 2. CA Forecast Implementation | Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year | 93,97% | 99,42% |
| 3. PA Implementation | Ensure the efficient use of payment appropriations expiring at the end of financial year | 99,66% | 99,86% |
| 4. PA Forecast Implementation | Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year | 99,09% | 98,61% |
| 5. Timely Payments | Ensure efficient processing of payments within the legal deadlines | 95,56% | 97,33% |
| 6. Data Quality | Ensure that essential information is accurately and completely encoded in the information system. | 98,95% | 96,59% |

# ANNEX 5: Materiality criteria

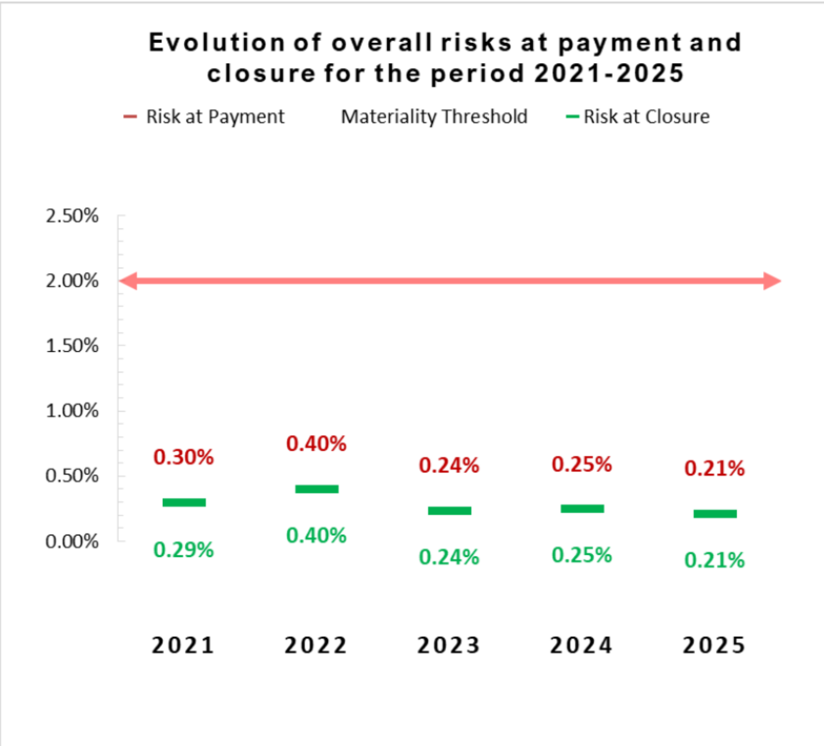
Section 2.1 of this report sets out the main elements used to identify possible weaknesses in the internal control system. The significance/ materiality of any weaknesses identified is assessed according to the following criteria:

1) Qualitative criteria

The qualitative criteria for assessing the significance of any weaknesses identified are:
— the nature and scope of the weakness;
— the duration of the weakness;
— the existence of compensatory measures;
— the existence of effective corrective actions to correct the weaknesses;
— the residual reputational, financial, operational and legal/regulatory risk.

2) Quantitative criteria

Since 2019 (5), a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a department's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. Cases where the 'de minimis' threshold applies this year are reported in Annex 9.




(5) Agreement of the Corporate Management Board of 30/4/2019.

# ANNEX 6: Relevant control systems for budget implementation (RCSS)

## RCS n°1 – Procurement and Administrative Agreements

DG ENV implements a significant portion of its budget by concluding service contracts through competitive procurement procedures. In addition, Service Level Agreements in the form of administrative agreements are concluded with the Joint Research Centre (JRC) for scientific and technical support, to benefit from its expertise, independency from vested interests and experience. The scientific and technical support from the JRC can concern, inter alia, topics pertaining to circular economy, waste, biodiversity, water and air quality.

The issues listed in this RCS fully apply to the actions carried out through procurement. The aspects related to planning of the needs and contract monitoring also apply to administrative agreements.

This segment also includes administrative expenses for salaries and/or missions, which are reported by the service responsible for the commitment, although the payments are executed by another service, notably the PMO and/or DG HR (Type III co-delegation for which these expenses were reported by the service executing the payments until 2024). The executing service implements the necessary technical-level controls and submits a declaration to DG Environment on the compliance of these payments with the principle of sound financial management, as well as their legality and regularity. These expenses are considered to present a low level of risk and are therefore subject to a flat rate of 0.5%, as corroborated by the control results of the executing service(s). More information on the implemented controls can be found in the DG HR/PMO annual activity report(s).

***Stage 1: Planning and tendering***

**A: Planning**

**Main control objectives:** Effectiveness, efficiency and economy. Compliance (legality and regularity)

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **Needs not sufficiently specified in a planning stage** | • Detailed internal Management Plan, requiring detailed information for all actions planned by the DG (e.g. rationale and justification of the need). | • Once per year for every envisaged action, with the possibility to provide updates through biannual reviews. | **Effectiveness:**<br>• Procured study/service highly contributes to policy priorities.<br>• High percentage of executed internal Management Plan at the end of the year.<br><br>**Efficiency:**<br>• Cost of preparing internal Man Plan compared to cost of insufficient prioritization and poor definition of needs.<br><br>**Economy:**<br>• Estimation of costs involved (staff involved in the process)<br><br>**Benefits**:<br>• Prioritization and proper usage of DG's budget. |
| • **Inaccurate budget planning (over/ under estimating)** | • The assumptions used to estimate the budget need to be provided for each action in the internal Management Plan.<br>• Revision of the | • Once per year for every envisaged action, with the possibility to provide updates through biannual reviews. | **Effectiveness:**<br>• Low percentage of cancelled procedures and offers of poor quality.<br><br>**Efficiency:**<br>• Cost of preparing internal Man Plan compared to costs from inefficient budget estimate**.** |

| | | | |
|---|---|---|---|
| | internal Management Plan by the finance unit, which notably cross-checks the total requests against the available budget. | | **Economy:**<br>• Estimation of costs involved (staff involved in the process).<br><br>**Benefits:**<br>• Optimal budget estimate. |
| • **Lack of competition** | • If applicable, individual Prior information notice (PIN) published app. 2 weeks before the launch of the call.<br>• Desk officers consider possible market response before publishing tenders (market research).<br>• Selection criteria is written in an open manner to allow wide competition. | PIN provides an overview of contract; its subject and approximate value. | **Effectiveness:**<br>• Higher average number of offers received per procedure.<br><br>**Efficiency:**<br>• Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure.<br><br>**Economy:**<br>• Estimation of costs involved (staff involved in the process)<br><br>**Benefits:**<br>• Steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players. |
| • **Insufficient time allocation for financial procedures** | • The financial unit produces budget dashboard notes per year, which indicates the number of actions which are late according to the dates planned in the internal Management | • All items in Management Plan have a target date for launch.<br>• Financial dashboards monitor compliance with target launch dates set in Management Plan. | **Effectiveness:**<br>• Low number of global commitments.<br>• High level of budgetary execution.<br>• Evenly distributed budgetary execution.<br><br>**Efficiency**<br>• Cost of preparing the dashboards compared to costs of budget under execution and/or late contracting. |

| | | | |
|---|---|---|---|
| | Plan.<br>• Tool made available on the DG intranet allowing to calculate the time limits of different financial procedures. | Produced around 8 times per year. Monitoring covers all items in the Management Plan. | **Economy:**<br>• Estimation of costs involved (staff involved in the process)<br>**Benefits:**<br>• Avoidance of bottlenecks at the end of the year; decrease risks of contracts not signed before end of the year. |

**B: Tendering**

**Main control objectives:** Effectiveness, efficiency and economy. Compliance (legality and regularity)

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **Poor quality of tender specifications and selection of wrong procedure** | • Ex ante consultation with the financial unit during preparatory stage and agreement on the final version of the tender specifications.<br>• Additional verification and AOSD supervision (upstream control).<br>• Training organized by the financial unit on drafting the tender specifications. | • 100% of tender specifications for PPMT Calls, all specifications for specific contracts under a framework contract above the threshold, and negotiated procedures are reviewed and scrutinized<br>• Files above 700.000€; random selection of other projects and all EP Pilots go to ex-ante assessment by the DG ENV advisory committee on procurement (ENVAC);<br>• Training is organized at least twice per year. | **Effectiveness:**<br>• Very low number of procedures where only one or no offers were received;<br>• Average number of requests for clarification per tender.<br><br>**Efficiency:**<br>• Cost of financial verification and organization of trainings compared to cost of cancelling or repeating a procedure.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits**:<br>• Better quality tender specifications, limit the risk of litigation, limit the risk of cancellation of tender, better skilled desk officers. |

| | | | |
|---|---|---|---|
| • **Biased, inaccurate, unfair evaluation procedure** | • Opening Committee and Evaluation Committee.<br>• Opinion by consultative committee ENVAC before concluding the contract;<br>• Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision.<br>• Training organized by the financial unit on evaluation of tenders;<br>• Model evaluation report and guidelines.<br>• Tenderers able to attend openings.<br>• Award decision communicated to tenderers with indication of redress procedures. | • Formal evaluation process; nomination of the Committees by the AOS for every file above the threshold. Minimum of three members (one from another Directorate);<br>• ENVAC assesses full procurement and evaluation process and the draft award decision for all files above 700.000€ and a number of files below the amount by a random selection (all documents related to the procurement procedure publications, committee reports, winning offer, draft contract);<br>• 100% when above conditions are fulfilled; Templates and guidelines up-to- date following DG BUDG updates;<br>• For open calls tenderers are able to attend the opening of offers;<br>• Successful and unsuccessful tenderers always informed on the evaluation outcome. | **Effectiveness:**<br>• Low number of files rejected or suspended for comments by ENVAC.<br><br>**Efficiency:**<br>• Cost of staff involved (opening, evaluation committee members, ENVAC members, financial unit) compared to cost of possible litigation.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits**:<br>• Compliance with financial regulation, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency. |

| | | | |
|---|---|---|---|
| • **Confidentiality issues/ conflict of interest** | • Opening and Evaluation Committee members' signed declaration of absence of conflict of interests;<br>• Checks by the financial unit. | • 100% of the members of the opening committee and the evaluation committee;<br>• Red flags checked by the FU for every file. | **Effectiveness:**<br>• No or very low amount of indemnities.<br><br>**Efficiency:**<br>• Cost of financial unit staff involved compared to cost of possible litigation.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits**:<br>• Potential irregularities/inefficiencies prevented. |
| • **Inadequate number of offers/ poor quality offers** | • Selection and award criteria announced in advance.<br>• Financial regulation followed in terms of minimum time granted for preparation of tenders.<br>• Realistic budget. | • Appropriate selection and award criteria published with the tender<br>• financial regulation respected | **Effectiveness:**<br>• Low number of cancelled procedures.<br><br>**Efficiency:**<br>• Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition.<br><br>**Economy:**<br>• Estimation of costs involved.<br>**Benefits:**<br>• Ensure better quality offers. |

| | | | |
|---|---|---|---|
| • **Unreliable contractor/ False declarations** | • Exclusion criteria determined;<br>• Early detection and exclusion system (EDES) verified at several stages during the procedure;<br>• Performance statements | • 100% checked. The required documents provided by the tenderers are consistent with the specifications and appropriate for evaluation purposes (as required by the financial regulation); Financial turnover and declaration on honour;<br>• 100% of successful contractors checked in the EDES;<br>• | **Effectiveness:**<br>• Low number of discontinued contracts.<br><br>**Efficiency:**<br>• Cost of staff involved compared to cost of contract discontinuation.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits**:<br>• Avoid contracting with excluded economic operators. |

***Stage 2: Contract implementation and Financial transactions***

**Main control objectives**: Ensuring that the implementation of the contract complies with the signed contract

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **Contractor fails to deliver all that was contracted in accordance with technical specifications and terms and conditions of the contracts.**<br>• **Contract termination because contractor fails to deliver.** | • Operational and financial checks in accordance with the financial regulation and contract clauses;<br>• Operation authorisation by the authorizing officer;<br>• Request of bank guarantee;<br>• Non-performance clauses in contract to be implemented after having heard views of contractor.<br>. | • 100% of the contracts are continuously monitored;<br>• Riskier operations subject to in-depth controls.<br>• High-risk operations identified by risk criteria. Amount and potential impact on the DG operations of late or no delivery (bank guarantees);<br>• Clauses on liquidated damages/ termination of contract are integral part of every contract (general conditions). | **Effectiveness:**<br>• High % of errors prevented (amount of errors/irregularities averted over total payments).<br>• Low amount of liquidated damages.<br><br>**Efficiency:**<br>• Cost of financial checks in place is more economic than litigation with the contractor.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits**:<br>• Irregularities, errors and overpayments prevented |

| | | | |
|---|---|---|---|
| • **Not structured financial and contract monitoring** | • Payment made on the basis of a deliverable.<br>• Financial unit monitoring tables<br>• Trainings on contract management organized by the financial unit. | • 100% payments made only after a deliverable has been fully accepted ;<br>• Tables monitored and updated on a regular basis (after each payment, amendment, etc.); | **Effectiveness:**<br>• Low number of errors; overpayments.<br><br>**Efficiency:**<br>• Cost of financial unit monitoring compared to cost of possible errors and overpayments.<br><br>**Economy:**<br>• Estimation of costs involved.<br><br>**Benefits:**<br>• Irregularities, errors and overpayments prevented, better informed desk officers. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **Fraud not detected** | • Four eyes principle and written procedures and checklists for initiators and verifiers;<br>• Fraud awareness trainings. | • Four eyes principle applied to 100% of files;<br>• All financial unit staff and financial correspondents. | **Effectiveness:**<br>• Low (or inexistent) number of court litigations.<br>• Low (or inexistent) number of Ombudsman cases.<br>• Low number of open OLAF recommendations for implementation.<br>**Efficiency:**<br>• Cost of financial unit staff detecting red flags non-compliance is more economic than cost of possible litigation.<br>**Economy:**<br>• Estimation of costs involved.<br>**Benefits:**<br>• Detection of red flags and issues of non-compliance |
| • **Payment delays** | • Financial unit central monitoring table with due dates for invoices and deliverables.<br>• Optimization of available payment appropriations during Global transfer. | • Table monitored and updated on a regular basis<br>• Global transfer prepared based on the financial initiators follow-up tables | **Effectiveness:**<br>• Short payment delays;<br>• Low amount of late interest payments and damages paid (by the Commission);<br>• High rate of implementation of the payment appropriations.<br>**Efficiency:**<br>• Cost of improving financial monitoring tools compared to cost of late interest and damages paid by the Commission.<br>**Economy:**<br>• Estimation of costs involved.<br>**Benefits:**<br>• Detection of dormant invoices, maximization of budget execution. |

***Stage 3: Supervisory measures and ex post control***

**Main control objectives:** Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected.

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **An error or non-compliance with regulatory and contractual provisions, or an attempt to fraud is not prevented, detected or corrected by ex-ante control.** | • Audits by Internal Audit Service and European Court of Auditors;<br>• Ex-post publication (possible reaction from unsuccessful tenderers);<br>• Review of exceptions reported;<br>• Review of procedures as needed;<br>• Yearly review and 'lessons learnt' based on ENVAC conclusions;<br>• Statistics on payment delays in the budget dashboard note. | • Representative sample, review of the procedures implemented (procurement and financial transactions);<br>• Potentially 100%;<br>• Ad hoc/ hands-on trainings;<br>• 100% once a year; look for any systematic problems in the procurement procedure, in the financial transaction procedure and for weaknesses in the selection process of the ex-post controls (exceptions reported, review of procedures, ENVAC conclusions);<br>• Statistics on payment delays on Directors' meeting (at least six times a year) | **Effectiveness:**<br>• Low number of errors detected (related to fraud, irregularities and error);<br>• Increased number of system improvements made.<br><br>**Efficiency:**<br>• Cost of staff involved compared to cost of not detecting fraud, irregularities and inadequate systems in place.<br><br>**Economy:**<br>• Proportion of overall cost of control over total expenditure (payments authorised)<br><br>**Benefits:**<br>• Detection of possible fraud and errors. Deterrents and systematic weaknesses corrected. |

## RCS n°2 – Financial Instruments - Indirect management

DG ENV is responsible for the Natural Capital Financing Facility. The Delegation Agreement with the EIB was signed in December 2014, with an implementation phase of NCFF until and including 2022. No new signatures of operations are taking place at this stage, but NCFF continues its disbursement period with the financial intermediaries and final recipients. For this reason, the RCS only covers the risks related to the monitoring of the implementation of the financial instrument.

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **The design of the accounting and reporting arrangements would not provide sufficient transparency (True & Fair View)** | • Separate records per Financial Instrument are to be kept by the IFI; and harmonised reporting has been required by the Commission (cf. FAFA & Das). | **Coverage / Frequency:** 100%<br><br>**Depth**: In-depth assessment of the statement of expenses | **Economy**:<br>• Estimation of the cost of staff involved in the monitoring of the Financial Instrument. |
| • **The remuneration of the EIB, the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the objective** | • Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap;<br>• Reimbursement of cost for technical assistance and additional tasks to be defined in the FAFA and the delegation agreement;<br>• Review by the designated service of the statement of expenses together with evidence provided by the IFI; | **Coverage / Frequency:** 100%<br><br>**Depth**: In depth assessment of the statement of expenses | **Economy:**<br>Estimation of the cost of staff involved in the monitoring of the Financial Instrument. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • **Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.** | • Monitoring or supervision (49) of entrusted entities;<br>• Regular reporting by the EIB to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year;<br>• Independent audit opinion;<br>• In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI levels;<br>• Regular submission of disbursement and repayment (assigned revenue) forecasts;<br>• Reporting on financial risk & off-balance-sheets liabilities;<br>• Reporting on treasury management.<br>• | **Coverage:** 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.<br>Riskier operations subject to more in-depth controls and/or audits.<br><br>**Depth:** depends on risk criteria such as past experience of/with the IFI/FI, complexity or lack of experience on the area of financed actions or the management modalities<br>If needed: suspension or interruption of payments, or even application of exit strategy (winding up) | **Effectiveness**:<br>• Success performance ratios (e,g. "leverage", "co-risk-taking", number of FR supported by the Financial Instrument, disbursement rate)<br>• Number of control failures detected; value of the issues concerned prevented/corrected.<br>• Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of critical IAS and ECA findings<br>• Number of cases submitted to OLAF<br>**Efficiency**:<br>• e.g. Management (fees) and supervision costs (FTE) over assets under management<br>**Cost-Effectiveness**:<br>• Average cost per Financial Instrument; % cost over value delegated<br>• Costs/Benefits ratio<br>**Economy:**<br>• Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any.<br>**Benefits**:<br>• Value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR.<br>**Losses**: E.g. write-offs of equity/loans, loan guarantees called above expectations. |

## RCS n°3 – Grants, Prizes (direct management) and Contribution agreements (indirect management)

### *Stage 1 – Programming, evaluation and selection of proposals*

**A: Preparation, adoption and publication of the Annual Work Programme and Preparations to launch invitations to submit a proposal**

**Main control objectives**: Ensuring that the Commission executes the procedure that contribute the most towards the achievement of the policy or program objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy).

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| The annual work programme does not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant. | Hierarchical validation of the contribution to the annual work programme within the authorising department. Careful preparation of short specifications containing the main technical and procedural elements with a view to ensuring that we receive the best proposal possible. Further information in the communication accompanying the contribution agreement on the need to prevent and tackle fraud.<br><br>Adoption by the Commission of a Financing Decision justifying legally why a direct grant has to be given to a certain entity.<br><br>DG Environment is managing several actions to promote the external dimension of the European Green Deal under the NDICI-Global Europe financing Instrument. A yearly screening group composed of members from DG ENV, DG INTPA and EEAS examines the proposals tabled on the | If risk materialises, the impact of the grant would not be significant for the DG.<br><br>**Coverage / Frequency**: 100%<br><br>**Depth**: The check is made for each individual call for proposals or direct grant. | **Effectiveness**:<br><br>• Budget amount of the work programmes concerned.<br>• Success ratios; % of number/value proposals received over number expected / budget available.<br>**Efficiency**:<br><br>• Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time.<br>**Economy:**<br><br>• Estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.<br>**Benefits**:<br><br>The (average annual) total budgetary amount of |

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| | basis of concept notes. Successful concepts to promote global environmental governance are proposed for financing under the NDICI for grants and contribution agreements with International Organisations and entities.<br><br>Direct grants are checked by the finance and the technical Units. | | the annual work programme or calls with prevented, detected and/or corrected errors. |

B- Selecting and awarding: Evaluation of proposals

**Main control objectives**: Ensuring that the presented proposals meet the objectives of the financing decision and are well targeted (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| The proposal is not properly evaluated by the evaluation committee and the technical or financial aspects are not sufficiently fine-tuned to the objectives or priorities of the action | To assign technical and financial staff that can examine the proposal in depth and ask for adjustments in case of need.<br><br>Set up of an independent evaluation committee that contains technical expertise as well as financial expertise so that all the aspects of the proposals are examined. Systematic request for further information, clarifications or additional elements when needed. | 100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators.<br><br>100% of proposals are evaluated in a thorough manner by an independent committee<br><br>Depth may be determined by screening of outline proposals (two-step evaluation).<br><br>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators<br>Depth depends on several risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion. | **Effectiveness:**<br><br>• No litigation cases or Ombudsman cases<br>• No administrative complaints.<br>• Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions.<br>• Number of supervisory control failures.<br><br>**Efficiency Indicators**:<br><br>• Average cost per call and/or per (selected) proposal.<br>• % cost over annual amount disbursed in grants.<br>• Time-to grant is shorter than foreseen in the Financial Regulation (inform applicants of the results within 6 months from the call deadline; additional 3 months to make a legal commitment).<br><br>**Economy:**<br><br>• Estimation of cost of staff involved in the ex-ante checks<br>• Programme management and monitoring<br>• Budget & accounting<br>• Financial management |

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| | | | • General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management<br>• Anti-fraud<br>• Cost of experts.<br><br>**Benefits**:<br><br>• Amount of expenditures declared ineligible compared to total amount of proposals received.<br>• Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects). |

***Stage 2 – Contracting***

Transformation of selected proposals into legally binding grant agreements

**Main control objectives**: Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| The description of the action in the grant/contribution agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.<br><br>The beneficiary lacks operational and/or financial capacity to carry out the actions.<br><br>Procedures do not comply with the regulatory or financial framework. | Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed adjustments / budget reviews.<br><br>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.<br><br>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.<br><br>Reinforce financial and contractual circuits. Financial viability checks.<br><br>Continuous monitoring of the implementation of the action and preparation of technical amendments when needed. | 100% of the selected proposals and beneficiaries are scrutinised.<br><br>**Coverage**: 100% of draft grant/contribution agreements.<br><br>**Depth/Risk** may be determined after considering the type or nature of the beneficiary (e.g. Small and Medium Enterprises, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.<br><br>Based on legal nature of the applicant/beneficiary | **Effectiveness**:<br>• % of selected proposals with recommendations implemented in grant/contribution agreement.<br>• Amount of proposed costs rejected.<br>**Efficiency Indicators**:<br>• Value of grant agreements completed over budget requested in the corresponding proposals (%).<br>• Time-to-Grant.<br>**Economy:**<br>• Estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls).<br>**Benefits**:<br>• Prevented, detected, corrected errors or irregularities during the evaluation and selection. |

***Stage 3 – Monitoring the execution***

This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

**Main control objectives**: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

| Main risks | Mitigating controls | Coverage, frequency and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant/contribution agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. | Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.<br><br>Operation authorisation by the AO.<br><br>Audit certificates.<br><br>For riskier operations, ex-ante in-depth and/or on-site verification.<br><br>For old LIFE projects: each project is monitored by an external entity. | 100% of the projects are controlled, including only value-adding checks.<br><br>Pre- 2014 LIFE projects are monitored by an external monitoring team.<br><br>Riskier operations subject to in- depth and/or on-site controls.<br><br>The depth depends on the risk criteria. | **Effectiveness**:<br><br>• % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned.<br>• Number of projects with cost claim errors; budget amount of the cost items rejected.<br>• Number of penalties damages; amount of the penalties damages.<br>• Success ratios; % of value of cost claims items adjusted over cost claims value.<br><br>**Efficiency Indicators**:<br><br>• Cost/benefit ratio % cost over annual amount disbursed.<br><br>**Economy:**<br><br>• Estimation of cost of staff involved in the actual management of running projects (costs of |

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| | | | initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits).<br>• Costs of audit certificates.<br><br>**Benefits**:<br><br>• Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary but rejected by the project officers.<br>• Budget value of the part of the grant not paid out as pre-financing for projects that have been terminated by the Commission.<br>Budget value of penalties and liquidated damages. |

## RCS n°4 - Supervision of the CINEA executive agency

CINEA manages the bulk of the grants of the LIFE 2021-2027 programme, as well as the legacy of the LIFE 2014-2020 programme.
DG ENV's control strategy for CINEA encompasses both the delegated EU funds and the subsidy payments to the executive agency's operating budget as the same internal control system applies.
CINEA is responsible for reporting on the implementation of the expenditures falling under its remit. DG ENV's reporting is limited to the significant elements concerning the implementation by the Agency of the LIFE programme in the field of environment.

### *Stage 1: Ex-ante controls*

**A – Establishment (or prolongation) of the mandate to the agency ('delegation act' or 'contribution agreement')**

**Main control objectives:** Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy) and gives all the references necessary for a smooth running of the new entity.

| Main inherent risks | Mitigating controls | Coverage, frequency, and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • The establishment (or prolongation) act and the mandate of the agency could lack clear references regarding the responsibilities of each involved actor | • The adopted text on delegations to agencies integrated clarifications on the responsibilities and role of each actor, following the ex-ante evaluation and widespread consultation, ISC etc. | **Coverage/frequency:**<br>• 100 % once for the establishment and partial for amendments/extensions and derivated acts.<br>• | **Effectiveness:**<br>• No major ECA criticism. |

B – Assessment and supervision of the Agency's financial and control framework

**Main control objectives:** Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives (ICOs) (effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; adequate management of the risks relating to the legality and regularity of the underlying transactions).

| Main inherent risks | Mitigating controls | Coverage, frequency, and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • The financial and control framework deployed by the agency is not fully mature to guarantee achieving all 5 ICOs | • Delegation to the Executive Agencies (EA) was subject to the DGs ensuring that the agency has the capacity to manage the newly delegated tasks. The agencies have prepared a readiness assessment.<br><br>• In this assessment the EA Director has given assurance that the agency has sufficient staff, that the internal control systems and procedures, the accounting systems and IT tools and administrative procedures have been introduced in the agency in accordance with the rules of sound financial management in order to ascertain the achievement of all internal control objectives (Art. 36(2) FR), including the legality and regularity of the underlying operations.<br><br>• The Commission supervises the EA's risk management and internal control at Steering Committee, management and operational level. Among others, this is done by monitoring relevant dashboards | **Coverage/frequency:**<br>• 100% of entrusted entities/once at the beginning and partial (problem focused) for amendments or work arrangements | **Effectiveness:**<br>• The entrusted entity is granted budget autonomy, without significant delays |

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| | (e.g. risk register, anti-fraud strategy…) and reports (AWP/AAR) looking at the conclusions of relevant reports (ECA, European Ombudsman, OLAF…) | | |

C – Operations: monitoring, supervision, reporting

**Main control objectives**: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, achievement of objectives, sound financial management, true and fair view reporting, anti-fraud strategy).

| Main inherent risks | Mitigating controls | Coverage, frequency, and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • The Commission is not informed of relevant management issues encountered by the agency in a timely manner.<br>• The Commission does not react upon and mitigate notified issues in a timely manner. | 1) Monitoring is based on the general Memorandum of Understanding for CINEA and a specific MoU for the LIFE programme. The MoUs specify the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including:<br>• DG ENV representation in Steering Committee;<br>• LIFE working group meetings at hierarchical level;<br>• Monthly meetings and regular contacts at working level;<br>• Reports on the performance of the tasks assigned to the Agency covering the first six months of | **Coverage**:<br>• As determined by the MoUs and as per operational needs<br>**Frequency**:<br>• As determined in the MoUs and as per operational needs | **Effectiveness:**<br>• % of execution by CINEA of commitment and payment appropriations related to the LIFE programme<br>• Number of critical / very important IAS and ECA recommendations issued to CINEA<br><br>**Economy:**<br>• Agency's operating budget+ supervision costs in DG ENV/ total budget entrusted (%)<br>• Ratio FTEs/funds entrusted. |

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| | a year<br>• Regular updates on the achievements of the delegated programmes' objectives;<br>• Regular collection, quality control and storage of the project performance indicators (KPIs);<br>• Formal opinion and consultation on key documents (annual work programme and the annual activity report)<br>2) Review of:<br>• Annual Activity Report of CINEA<br>• Audit reports of the IAS and ECA | | |

***Stage 2: Ex-post controls***

E – Audit and evaluation

**Main control objectives:** Ensuring that assurance building information on the agency activities is being provided, through independent sources as well.

| Main inherent risks | Mitigating controls | Coverage, frequency, and depth | Cost-Effectiveness indicators (three E's) |
|---|---|---|---|
| • The Commission has not received sufficient information, which prevents drawing conclusions on the assurance for the budget entrusted to the agency – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting. | • Audit rights by the Internal Audit Service of the Commission and by the European Court of Auditors<br>• Review of the Annual Activity Report of CINEA<br>• Periodic evaluations of the executive agencies and of the LIFE programme | **Coverage:**<br>• Audits performed on sample.<br>• Review of the LIFE related elements<br>• Evaluation covers all programmes entrusted.<br><br>**Frequency:**<br>• Determined by audit bodies; annual ECA report on agencies.<br>• Annual evaluations – determined in legal base<br><br>**Depth:**<br>• depends on the type of entity and the level of risks assessed | • Assurance being provided (via management /audit reporting)<br>• Absence of reservations (in relation to ENV related programmes) to CINEA's statement of assurance<br>• Residual error rate reported for programmes (falling under the political responsibility of DG ENV)<br>• Number of serious IAS and ECA findings of control failures |

## RCS n°5 - Subsidies to the operating budgets of EU decentralised agencies

DG ENV pays annual subsidies from the EU budget to two agencies, the European Environment Agency (EEA) and the European Chemicals Agency (ECHA) for its tasks in the area of environmental legislation (the lead responsible DG for ECHA is DG GROW). For detailed information on the agencies, see Annex 13.

***Stage 1. "Mandate of the agency": founding regulation***

**Main control objectives**: ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), that the agency spends the money as intended (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy)

| Subsidy payments to EU decentralised agencies | | | | |
|---|---|---|---|---|
| Main inherent risks | Mitigating controls | Control coverage | Costs/benefits of controls | Cost-Effectiveness indicators |
| The **establishment (or amendment) of the mandate of an EU agency** should be legally sound as any legal weakness could undermine the legal basis for the agency's management of the EU funds paid by DG ENV. | The legal framework of the EU agency is laid down in its founding regulation without expiry date. Amendments follow the Commission's legislative procedures and, since July 2012 the "Common Approach"[7] laid down by the Interinstitutional working group on EU agencies, e.g.<br>- An impact assessment is carried out prior to establishing an EU agency and when amending its mandate. In case of an existing agency, this can be carried out back-to-back with an evaluation which assesses the state of the art of the Agency according to the Better Regulation criteria.<br>- Standard provisions including appropriate legal provisions are used as a reference point when a new agency is created or when existing founding acts are revised on a case-by-case basis;<br>In case of an establishment of an agency or an amendment of its founding regulation, DG ENV manages/participates to the interservice meetings/consultations; DG ENV also manages/ folllows all subsequent procedural steps (Council, Parliament, etc.) towards the adoption of the regulation by the Council and the Parliament. | **100% in-depth** once in establishment phase<br>**100% in-depth** case by case if amendment or a review is planned.<br><br>**Frequency:** When amendment or review of an agency's founding regulation is planned | **Cost of control**:<br>- Estimated ENV staff costs involved in establishing an EU agency or the review or amendment of its founding regulation<br>- Cost for external service contract for impact assessments, etc.<br>**Benefits:**<br>Legality and regularity of the total annual budget amount paid as subsidy to the agency | Number of legal issues a/o negative opinions during interservice consultations<br>⇨ Target: 0<br>- Quality of the legal work not challenged by auditors or OLAF.<br>⇨ Target: 100% |

| Subsidy payments to EU decentralised agencies | | | | |
|---|---|---|---|---|
| **Main inherent risks** | **Mitigating controls** | **Control coverage** | **Costs/benefits of controls** | **Cost-Effectiveness indicators** |
| The **financial and control framework deployed by the EU agency** should be fully mature to guarantee that the control objectives are met. | 1. Implementing rules to the Staff Regulations (SR) adopted by the Commission apply by analogy to the agencies. The agency's Management Board, after submitting a formal decision proposal and having obtained the agreement of all the members, including the Commission, may decide to depart from these rules, not apply them or adopt rules on other subjects. DG ENV, in co-operation with DG HR, consults, monitors, and approves or rejects the proposal.<br>2. The agency's Management Board adopts the financial regulation (FR) of the agency based on the Commission's "framework financial regulation" (FFR) for EU agencies.<br><br>Deviations from the FFR need the Commissioner's prior consent: DG ENV in co-operation with DG BUDG consults and monitors | **100% in-depth** per agency as need be, e.g. if amendments are to be made | **Cost of control:** Included in general estimate of ENV's staff costs for monitoring and supervising the agency's activities and support the participation in the Management Board<br><br>**Benefits of control:** Legality and regularity of the total annual budget amount paid as subsidy to the agency | - EU agencies adopting their own control framework in compliance with the Commission's framework<br>⇨ Target: all agencies |

***Stage 2. Assessment of the agency's control framework and financial rules***

**Main control objectives**: ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously respecting the five control objectives set forth in the Financial Regulation: (i) legality and regularity, (ii) sound financial management, (iii) true and fair view reporting, (iv) safeguarding assets and information, (v) anti-fraud strategy

***Stage 3: Operations: DG ENV's monitoring and supervision ("control with the EU agency")***

**Main control objectives**: ensuring that DG ENV is fully and timely informed of any relevant management issues encountered by the agency, in order to possibly mitigate any potential financial and/or reputational impacts

| Subsidy payments to EU decentralised agencies | | | | |
|---|---|---|---|---|
| **Main inherent risks** | **Mitigating controls** | **Control coverage** | **Costs/benefits of controls** | **Cost-Effectiveness indicators** |
| DG ENV should be informed timely of relevant management issues encountered by the EU agency: DG ENV should react upon notified issues timely and adequately, if not, this could reflect negatively on the Commission's reputation | 1. Coordinating Units in DG ENV ensure a coherent approach towards the agencies and exchange of good practises following the "guidance paper on relations with decentralised agencies" and the Common Approach on Decentralised Agencies[6]; the Commission guidelines for the programming document and the template for the activity report (since 2015) are applicable.<br>2. Regular bilateral meetings with the agencies take place at different hierarchical and working level with the aim to ensure efficient exchange of information and good co-operation. In addition, DG ENV annually convenes meetings bringing together the Executive Director of the EEA, the Director-General of DG ENV and the respective Senior Management teams.<br>3. DG ENV participates in the Management Board (MB) of the EEA and ECHA and in the Bureau (executive board) of the EEA; MB adopts the agency's Single Programming Document (SPD, combining multiannual and annual strategic and resource programming) as well as "strategy documents". DG ENV prepares a formal Commission Opinion on the SPD, expressing an official position on its content, and adopts the final text of the SPD through the Management Board.<br>4. The EEA and ECHA report to its MB on the achievement of objectives, budget implementation and all other important issues relating to operational and financial management and internal audit.<br>5. The "Template for Consolidated Annual Activity Report" for agencies foresees that the agencies report on the "Assessment of the effectiveness of the internal control systems".<br>6. After adoption by the MB, the agencies publish its annual report, final accounts and report on financial management | **Coverage**:<br>- all of the agencys activities are monitored and supervised<br><br>**Frequency**: depending on legal obligations of the agency (e.g. n° of MB meetings per year); working relations established with DG ENV; in addition on special request or in specific cases | **Cost of controls:**<br>- Included in the general estimate of DG ENV's staff costs for monitoring and supervising the agency's activities<br>- Mission costs for monitoring activities and participating to the Management Board and Bureau<br><br>**Benefits of control**:<br>- Legality and regularity of the total annual budget amount paid as subsidy to the agency | - Regular meetings between the EEA/ECHA and DG ENV at management and technical level<br>⇨ Target: as per operational need. For the EEA, there is an annual ENV-EEA Joint Senior Management Meeting + other several coordination meetings<br><br>EEA and ECHA MB meetings with participation of DG ENV (and of other DGs) |

***Stage 4: Audit and evaluation, discharge***

**Main control objectives**: ensuring that independent sources provide DG ENV with information which may confirm or contradict the management reporting received from the agencies

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| DG ENV should get sufficient **information,** also from independent sources**, on the EU agency's management achievements** to draw conclusions on the assurance for the subsidies paid to the agency; if not, this might reflect negatively on the Commission's reputation. | 1. The Internal Audit Service of the Commission (IAS) is the internal auditor of EU agencies and has the same rights and obligations towards EU agencies as towards the Commission.<br>2. Every year, the European Court of Auditors (ECA) audits the accounts and transactions of the agency and issues a declaration of assurance; in addition, the ECA issues Special Reports on agencies.<br>3. Every year, the agency undergoes the discharge procedure.<br>4. EEA and ECHA are subject to regular external evaluations conducted by the Commission | **Coverage**: 100% of the agency's activities audited and evaluated<br>**Depth** of control: auditors have full access to the agency's internal control information<br>**Frequency**:<br>- Regularly by the IAS<br>- Annually by the Court of Auditors<br>- EEA and ECHA are evaluated every 5 years | **Cost of control**:<br>- Included in the general estimate of ENV's staff costs for monitoring and supervising the agency's activities<br>- Cost of the external studies supporting the Commission evaluations<br><br>**Benefits of control:** Legality and regularity of the total annual budget amount paid as subsidy to the agency | - Court of Auditors' assurance on the accounts and operating budget<br>⇨ Target: positive assurance<br>⇨ Target: all recommendations implemented<br>- Discharge authorities grant discharge to the agency<br>⇨ Target: discharge granted<br>⇨ Target: all recommendations of the discharge authorities implemented<br>- External evaluation concluding positively on the agency's activities. |

In addition to the spending covered by the above RCS, DG Environment pays membership fees to the multilateral environmental agreements to which the European Union is a member. To ensure their sound financial management, DG ENV checks the audit reports for the implementation of the corresponding Work and Budget Programmes. These audit reports are public documents shared with Parties to at each Conference of the Parties of a Multilateral Environmental Agreement. Parties can react on comments made by auditors and include articles in the budget decision of the Conference of the Parties to ensure that recommendations are implemented in due time.

# ANNEX 7: Specific annexes related to financial management

## Fraud risk management

Anti-Fraud Strategies are updated every four years. DG Environment's AFS was last updated in November 2024, following a fraud risk assessment.

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission anti-fraud strategy ([5]) aimed at the prevention, detection and correction ([6]) of fraud

**Indicator 1: Implementation of the actions included in the DG anti-fraud strategy over the whole lifetime of the strategic plan (2025-2029)**

**Source of data:** the annual activity report, the DG anti-fraud strategy, OLAF reporting

| | | |
|---|---|---|
| | | |
| | | |
| **Baseline** | **Target** | **Latest known results** (situation on 31/12/2025) |
| 95% implementation of the actions envisaged in DG ENV's AFS 2020-2023 | 95%-100% implementation of actions envisaged under DG ENV's AFS 2024-2027 | 60% of envisaged actions for AFS 2024-2027 implemented |

**Main outputs in 2025:**

| **Description** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
|---|---|---|---|
| To conduct an internal survey to explore the level of fraud awareness | Launching of survey | Survey launched and analyzed to feed the forthcoming internal training | Survey launched in June 2025, analysed and results presented. |
| Increasing fraud awareness and trainings | Organization of internal training with OLAF on zero tolerance towards fraud. | Internal training for staff members of the DG | Workshop completed in September 2025. |
| Reinforcement of cooperation with CINEA on anti-fraud matters | Organization of two official meetings to discuss cooperation on anti-fraud issues. | Internal training for staff members of the DG | Two official cooperation meetings completed and exchange of information and cooperation. |
| Reinforcement of anti-fraud in indirect management | Preparation of communication on anti-fraud to be | Paragraph on anti-fraud awareness to | Ongoing. |

| | | | |
|---|---|---|---|
| | addressed to partners. | be included in official communications. | |

# 1. Reports and documentation considered for the assessment of the DG's functioning in view of the AOD's assurance:

Reports and documentation considered for the assessment of the DG's functioning in view of the AOD's assurance:

- the annual reports and declarations by Authorising Officers by subdelegation in which all financial transactions are verified;
- the reports on control results from entrusted entities, as well as the result of the Commission supervisory controls on the activities of these bodies, and participation in the management board meetings of the European Climate Infrastructure and Environment Executive Agency (CINEA);
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level, and the contribution of the Risk Coordinator;
- the observations, recommendations and the conclusions on the state of internal control reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA);
- the annual review report of the DG Environment's Advisory Committee on procurement (ENVAC);
- Periodic reports and dashboards to management on resource issues.

Two complementary audit reports for two pillar assessed entities have been reviewed.

# 2. Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions.

In line with the requirements of the Financial Regulation, DG Environment reports for the year 2025:

- No cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3).
- No cases of "confirmation of instructions" (FR art 92.3)
- No cases of financing not linked to costs (FR art 125.3)
- No Financial Framework Partnerships >4 years (FR art 131.4)
- No cases of flat-rates >7% for funding indirect costs (FR art 184.6)
- No cases of financial support to third parties >EUR 60 000 (FR art 207)
- No of non-financial donations provided in the form of services, supplies or works

- No derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation. Nevertheless, two specific grant agreements, concluded under the umbrella of framework grant agreements, were signed on 9 May 2025 and 12 May 2025 respectively, but the on the 1 May 2025, so with few days of retroactivity.

# 3. Table Y on the estimated “cost of controls” at Commission level

Details of the estimated cost of the control activities **related to payments** for salaries and/or missions executed **by DG HR/PMO are reported in their respective annual activity report(s).**

**Overview of department ’s estimated cost of controls at Commission (EC) level:**

EXPENDITURE

The absolute values are presented in EUR

| ENV | Ex ante controls*** | | | Ex post controls | | | Total | |
|---|---|---|---|---|---|---|---|---|
| | (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
| Segment of expenditure (as in Table X) / Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR* | EC total costs | related payments Made | Ratio (%)** *(a)/(b)* | EC total costs | total value verified and/or audited | Ratio (%) *(d)/(e)* | EC total estimated cost of controls *(a)+(d)* | Ratio (%)** *(g)/(b)* |
| RCS 1 - Procurement, Administrative agreements and administrative expenditure | 1,338,150.00 € | 47,890,213.81 € | 2.79% | - € | - € | 0.00% | 1,338,150.00 € | 2.79% |
| RCS 2 - Financial instrument (Natural Capital Financing Facility | - € | 2,000,000.00 € | 0.00% | - € | - € | 0.00% | - € | 0.00% |
| RCS 3 - LIFE - Legacy grants | - € | 1,633,580.86 € | 0.00% | - € | - € | 0.00% | - € | 0.00% |
| RCS 3 - Other grants (other than LIFE legacy) & Prizes | 759,145.00 € | 6,224,206.78 € | 12.20% | 73,110.00 € | - € | 0.00% | 832,255.00 € | 13.37% |
| RCS 3 - Contribution agreements with international organisations or agencies | - € | 25,789,649.48 € | 0.00% | - € | - € | 0.00% | - € | 0.00% |
| RCS 5 - EU Decentralised agencies - Subsidies | 299,185.00 € | 78,646,064.90 € | 0.38% | - € | - € | 0.00% | 299,185.00 € | 0.38% |
| Multilateral environmental agreements | 68,365.00 € | 3,908,860.74 € | 1.75% | - € | - € | 0.00% | 68,365.00 € | 1.75% |
| **OVERALL total estimated cost of control at EC level for expenditure** | **2,464,845.00 €** | **166,092,576.57 €** | **1.48%** | **73,110.00 €** | **- €** | **0.00%** | **2,537,955.00 €** | **1.53%** |

** if the control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc, they may be grouped*

*** ratio possibly "Not Applicable (N/A)", e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc*

**** any 'holistic' control elements (e.g. with 'combined' ex-ante & ex-post characteristics) can be reported in the ex-ante column provided that a footnote clarifies this (their nature + their cost). Example: MS system audits in shared management*

***** These include revenue operations (e.g. assigned revenue, fines, interest); assets (e.g. (in)tangible or financial assets, inventories, treasury) and financial liabilities or 'off balance sheet' items (e.g. employee benefits, guarantees offered or other commitments)*

*Note to Table Y: Table Y ‘Cost of Controls’ sheet will be adapted to show the ratio without payments made under type III co-delegation to ensure comparability with previous years.*

Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s).

In 2025, administrative expenses related to salaries and/or missions are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO and/or DG HR ( ), which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission’s new IT accounting system. In 2025, these expenses represented 1.23% of the DG Environment’s total payments.

# ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of internal control systems

This section complements the information presented under section 2.2. of the Annual Activity Report of DG Environment for 2025:

ECA 2024 Annual Report on the performance of the EU budget:

For the Statement of Assurance 2024, ECA audited four transactions, of which

Regarding the 2024 Annual Report, DG ENV was concerned by the following chapters:

- Chapter 4 'Revenue'. ECA mentioned that in 2024, member states submitted to the Commission their annual statements with statistical data on the weight of the plastics packaging waste generated and recycled for the purposes of the plastics own resource for 2022 and revised data for 2021. In its 2024 annual opinion, the Statistics on plastic packaging waste expert group, composed of representatives from all member states and chaired by the Commission, stated that these data were appropriate with respect to reliability, comparability, and exhaustiveness while acknowledging that further improving the plastic packaging waste calculations was a continuous process. However, to estimate the plastic packaging waste generated, member states must use two different compilation methods and provide a single estimate by balancing the available results ([7]). We examined whether member states complied with Regulation (EU) 2023/595 establishing the form for the statement relating to plastics own resource. The ECA recommended in special report 16/2024 ([8]) on the plastics own resource that the Commission, together with the member states, should improve the comparability and reliability of data used for the calculation of member states' contributions by 2026.
- Chapter 7 'Natural resources and environment', where the estimated overall level of error of 2.6% (2.2% in 2023) is slightly above materiality (paragraph 7.17). DG ENV **had no quantifiable error** that contributed to the overall level of error estimated by the Court. There are no recommendations that directly concern DG ENV in Chapter 7.

**Special Reports**

- SPECIAL REPORT No 23 2025 - Municipal waste management – Despite gradual improvement, challenges remain for the EU's progress towards circularity

  The aim of EU waste policy is to transition to a circular economy. It set targets for preparing for reuse and recycling and for limiting landfill. Separate waste collection

([7]) Special report 16/2024: EU revenue based on non recycled plastic packaging waste
([8]) ibid

mostly remains at a low level, and the waste tariffs that citizens are charged do not cover all waste management costs. The ECA recommended that the Commission should address challenges in the recycling market (making circular economy practices more viable), make better use of monitoring and enforcement tools, and assess the feasibility of harmonising landfill and incineration taxes.

In the preparation for the Circular Economy Act, the Commission will focus on creating demand for secondary materials and a single market for waste, notably in relation to critical raw materials. For instance, there can be potential to foster secondary critical raw materials market via recycled content provisions such as the ones in the Batteries regulation (example: lithium, cobalt, nickel). This may include measures that can improve the economic viability of circular practices, including recycling. The Circular Economy Act will be based on an impact assessment that considers both supply and demand side obstacles to greater circularity. It should be noted that the Commission alone cannot ensure the economic viability of all circular practices. Other actors, including the private sector, Member States and other EU institutions are essential to support the transition to the circular economy.

DG Environment was not in a position to accept recommendations 2a and 2b, based on firm legal grounds shared with the ECA.
For recommendation 2a, enforcement is one of the relevant tools to ensure compliance. As acknowledged by the ECA, the Commission enjoys discretionary power in deciding whether and when to initiate infringement proceedings. The Commission has already initiated relevant infringements to tackle the key obligations i.e. complete and conform transposition. In addition, the Commission has initiated infringements, on waste targets that have expired, as well as other cases pointing out to systemic bad application of the EU waste management legislation; infringements for systemic bad application of legislation have sometimes resulted in the imposition of fines by the CJEU.
The abovementioned Commission enforcement action (need and timing of these infringements) was fully based on the priorities and substantive criteria laid down by the Commission's policy on enforcement. The Commission will continue using all necessary tools to facilitate compliance, including where necessary infringement procedures. However, at this stage, the Commission cannot make any commitments on the need and timing of any possible future infringements concerning the waste targets that may be missed by the Member States.

As regards recommendation 2b, the Commission maintains and facilitates the understanding of circular economy across national authorities and the private sector. Therefore, it strives to combine high-level ministerial meetings with stakeholder conferences and communication activities, including via hybrid formats such as the Circular Talks [9] and Platform [10]. Furthermore, the Commission facilitates follow-up thematic workshops via the TAIEX Peer2Peer programme, for example on embedding circularity in RPP implementation, developing national Circular Economy (CE) strategies, waste prevention, and improving the circularity of large sectors such as construction, textiles or electronics. Moreover, the Commission holds meetings at operational level with

(9) EU Circular Talks | European Circular Economy Stakeholder Platform
(10) Homepage | European Circular Economy Stakeholder Platform

member state authorities to discuss how the EU environmental legislation is applied and promote effective implementation; these meetings mostly discuss infringement cases hindering compliance with EU environmental law, as well as broader implementation issues, in the light of the EIR country reports. As indicated in President Ursula von der Leyen's mission letters, European Commissioners are to visit all the Member States by mid- mandate. This will provide an opportunity for political level meetings to discuss national efforts and achievements in transitioning to a more circular economy.

- SPECIAL REPORT No 25 2025 - LIFE strategic projects Bridge the gap between strategy and implementation, but impact not entirely clear

  The LIFE programme was set up to address various environmental and climate challenges facing the EU, including air and water pollution, biodiversity loss, and climate change. LIFE strategic projects support member states in implementing strategies to face up to these challenges. The ECA audit assessed whether these projects were designed to meet their objectives, and how this happened in practice. ECA found that LIFE strategic projects encourage cooperation and attract extra funding, but that there are shortcomings in prioritising needs, monitoring and sharing results. Furthermore, the impact and sustainability of project outcomes are often unclear. ECA recommended clearer criteria for choosing projects, better guidance, more sharing of good practices, and stronger plans to ensure results last beyond the funding period. DG Environment accepted all 4 recommendations.

- SPECIAL REPORT No 02/2025 - Urban pollution in the EU

  Air and noise pollution can harm our health, particularly in urban areas, where most EU citizens live. The ECA checked how the selected cities implement the EU rules designed to better protect our health. ECA found that although air quality is improving, air quality standards either are not always met, or have only recently been met. ECA also found that our cities are still too noisy. ECA considered that the lack of EU noise reduction targets disincentivises member states to prioritise actions to reduce noise pollution. ECA also noted that the noise reporting thresholds cover only part of the EU population that may be exposed to harmful noise. The ECA recommended actions to reduce harmful levels of noise.
  DG Environment accepted recommendations 1a and 1b.

# ANNEX 9: Specific annexes related to control results and assurance reservations

### A. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

Table X: Estimated risk at payment and at closure

**Table X: Estimated risk at payment and at closure (amounts in EUR mios)**

| DG ENV<br>-1 | Payments made (2025; M EUR)<br>-2 | minus new prefinancing (plus retentions made) (in 2025; M EUR)<br>-3 | plus cleared prefinancing (minus retentions released and deductions of expenditure made by MS) (in 2025; M EUR)<br>-4 | Relevant expenditure (for 2025; M EUR)<br>-5 | Detected error rate or equivalent estimates<br>-6 | Estimated risk at payment (2025; M EUR)<br>-7 | Adjusted Average Recoveries and Corrections (adjusted ARC; %)<br>-8 | Estimated future corrections [and deductions] (for 2025; M EUR)<br>-9 | Estimated risk at Closure (2025; M EUR)<br>-10 |
|---|---|---|---|---|---|---|---|---|---|
| RCS 1 - Procurement, Administrative agreements and administrative expenditure | 49.96 | - 0.29 | 0.79 | 50.46 | 0.50% - 0.50% | 0.25 - 0.25 | 0.00% - 0.00% | 0.00 - 0.00 | 0.25 - 0.25 |
| RCS 2 - Financial instrument (Natural Capital Financing Facility - NCFF) | 2.00 | 0.00 | 0.00 | 2.00 | 0.15% - 0.15% | 0.00 - 0.00 | 0.00% - 0.00% | 0.00 - 0.00 | 0.00 - 0.00 |
| RCS 3 - LIFE - Legacy grants | 1.63 | 0.00 | 3.52 | 5.15 | 0.15% - 0.15% | 0.01 - 0.01 | 0.00% - 0.00% | 0.00 - 0.00 | 0.01 - 0.01 |
| RCS 3 - Other grants (other than LIFE legacy) & Prizes | 6.22 | - 3.01 | 6.42 | 9.63 | 0.15% - 0.15% | 0.01 - 0.01 | 0.00% - 0.00% | 0.00 - 0.00 | 0.01 - 0.01 |
| RCS 3 - Contribution agreements with international organisations or agencies | 25.79 | - 25.59 | 3.20 | 3.40 | 0.50% - 0.50% | 0.02 - 0.02 | 0.00% - 0.00% | 0.00 - 0.00 | 0.02 - 0.02 |
| RCS 5 - EU Decentralised agencies - Subsidies | 79.65 | - 71.22 | 65.37 | 72.79 | 0.00% - 0.00% | 0.00 - 0.00 | 0.00% - 0.00% | 0.00 - 0.00 | 0.00 - 0.00 |
| Multilateral environmental agreements | 3.91 | 0.00 | 0.00 | 3.91 | 0.50% - 0.50% | 0.02 - 0.02 | 0.00% - 0.00% | 0.00 - 0.00 | 0.02 - 0.02 |
| **DG total** | **169.16** | **- 100.10** | **79.29** | **147.34** | | **0.31 - 0.31** | **0.00% - 0.00%** | **0.00 - 0.00** | **0.31 - 0.31** |
| | | | | | **Overall risk at payment in %** | **0.21% - 0.21%**<br>*(7) / (5)* | | **Overall risk at closure in %** | **0.21% - 0.21%**<br>*(10) / (5)* |

Notes to the table X :

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.

(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 reported by the Delegated departments. For Cross-Sub Delegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-Sub Delegations.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the 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 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.

(6) In this column, we disclose the detected error rates or equivalent estimates.

(7) For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. administrative expenditure, operating contributions to agencies), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence. Similarly, the subsidies given by partner DGs to decentralised agencies as part of their establishment and core tasks are considered error-free types of expenditure and the rate which should be used is 0%.

(8) The adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. The AOD *replaced* this historic average by a rate of 0% since DG Environment has an entirely ex ante control system.

(9) For some programmes with no set closure point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

(10) RCS 1 includes administrative expenses related to salaries and/or missions previously reported by the PMO and/or DG HR. More information can be found in Annexes 6 and 7.

(11) Payments made after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments

B. **. Reservations** Non applicable

# ANNEX 10: Reporting – Human resources, digital transformation and data management, and sound environmental management

### Human Resource management

| **Objective:** DG ENVIRONMENT employs a skilled, diverse and motivated workforce to deliver on the Commission's priorities | | |
|---|---|---|
| **Indicator 1: Percentage of female middle managers**<br>**Source of data:** SYSPER | | |
| **Baseline**<br>(2024) | **Target**<br>(2029) | **Latest known results**<br>(situation on 31/12/2025) |
| 43% | attain at least 50% | 43.5% |
| **Indicator 2: Staff engagement index**<br>**Source of data:** Commission staff survey [data to be provided by DG HR] | | |
| **Baseline**<br>(2023) | **Target** ([11])<br>(2029) | **Latest known results***<br>(situation on 31/12/2025) |
| 76% | Maintain or increase | New staff engagement index (2025): 77%<br>Old staff engagement index (2023): -1 percentage point |

| **Main outputs in 2025:** | | | |
|---|---|---|---|
| **Description** | **Indicator** | **Target** | **Latest known results**<br>(situation on 31/12/2025) |
| All-staff meetings on policy and HR related issues | Number of meetings / Number of participants | Three times in 2025, with participation of 60% of all staff (cumulated virtual and in-person participation) | 2 All-staff meetings on policy and HR related issues. Participation rate unknown. |

([11]) The Commission baseline score for the Staff Engagement Index is 73% (based on the 2023 staff survey results).

* A new method of measuring staff engagement was introduced in 2025. The new Staff Engagement Index provides a more comprehensive view of staff engagement covering purpose, pride and motivation, autonomy and growth and collaboration and trust. The old Staff Engagement Index, which focused more on job content and relations with immediate colleagues and manager, will be used exclusively for comparisons with past data.

| Description | Indicator | Target | Latest known results (situation on 31/12/2025) |
|---|---|---|---|
| Dedicated welcome sessions to onboard new staff | Number of sessions | Two in 2025 | 2 newcomers' welcome sessions were organised in 2025. |
| Dedicated events organised by the ENV's AST network on exchanging of best practise and / or improving working methods | Number of meetings of the ENV's AST network | 6 meetings in 2025 | 8 workshops in addition to the regular meetings of the network. |
| Team events organised at all levels (unit, Directorate, DG level) | Staff participation in team events | At least 40% of all staff participate in at least one team event | 50% of all staff participated in at least one team event. |
| Learning & Development courses targeting specific needs of the DG | Satisfaction with the specific courses offered to DG staff | Satisfaction rate with L&D offers above 70% | Learning & Development courses targeting specific n Satisfaction rate is above 70%. |
| Management appointments closely monitored to ensure gender balance | Overall appointments by gender | December 2024: 43% female middle managers. Target: Gender balance | 43.5% females middle managers. |
| Shortlists for first management appointments including female candidates, as much as possible | Relative proportion of male and female candidates in shortlists | Gender balance in shortlists for first management appointments | HRC, as observer to all MM procedures, ensured gender balance in shortlists for first management appointments. |

### Digital transformation and data management

| **Objective:** DG Environment is using innovative, trusted digital solutions for better policymaking, data management and administrative processes to build a digitally transformed, user-focused and data-driven Commission | | | |
|---|---|---|---|
| **Indicator 1: Digital Culture: % of statutory staff that has completed at least one IT training course** ([12])<br>**Source of data:** Digital Commission Dashboard (data measured at DG-level) | | | |
| **Baseline**<br>(2024) | **Interim milestone**<br>(2027) | **Target**<br>(2029) | **Latest known results**<br>(situation on 31/12/2025) |
| 33.62% | [% increase compared to baseline] | 33% | 30% |
| **Indicator 2: Seamless digital environment: cloud adoption – % of IT systems utilising cloud infrastructure services compared to the total number of IT systems**<br>**Source of data:** Digital Commission Dashboard (- data measured at DG-level) | | | |
| **Baseline**<br>(2024) | **Interim milestone**<br>(2027) | **Target**<br>(2029) | **Latest known results**<br>(situation on 31/12/2025) |
| 14% | 2025: 30% | | 23% |
| **Indicator 3: Maturity level in implementing corporate data policies across four key areas: data management, ownership and responsibilities, data quality, and data skills (basic, developing, established, advanced, or trendsetting).**<br>**Source of data:** DG ENV assessment | | | |
| **Baseline**<br>(2024) | **Interim milestone**<br>(2027) | **Target**<br>(2029) | **Latest known results**<br>(situation on 31/12/2025) |
| Data management: established<br>Data ownership: established<br>Data quality: established<br>Data skills: developing | "Established" for all four areas | "Advanced" overall | "Established" overall<br>Data management: established<br>Data ownership: established<br>Data quality: established<br>Data skills: developing |

([12]) This KPI will be accompanied by an informative package that will be shared in AAR templates on a yearly basis. The package will include: (i) link to implementing guidelines – list of training courses available in EU Learn; and (ii) dedicated instructions on how to register a new training course in EU Learn (when this is organised at DG level directly by the DG), in order to record the actual number of participants and sessions.

| **Indicator 4: Compliance indicator ([13]): percentage of staff trained on data protection compliance combined with the percentage of public records of processing operations reviewed within the last two years.**<br>**Source of data:** DG ENV | | | |
|---|---|---|---|
| **Baseline**<br>(2024) | **Interim milestone**<br>(2027) | **Target**<br>(2029) | **Latest known results**<br>(situation on 31/12/2025) |
| 56% | >90% | 100% | 56% |

**Main outputs in 2025:**

**Digital transformation**

| **Output** | **Indicator** | **Target** | **Latest known results**<br>(situation on 31/12/2025) |
|---|---|---|---|
| Digital culture | Training courses on IT-related topics organised by the DG | 6 | 8 |
| EUDR information system | Deployed in production and under active and stable usage as mandated by the legislation | Q4 2025 | The legislation was amended with new requirements and date of application on end 2026. System is already deployed, and under extensive usage, but will require changes to comply with new legislative text. |
| Waste Shipment Regulation information system | Full interoperability documentation made available to MS and operators | Q4 2025 | Full interoperability documentation was made available to MS in Q4/2025 and January 2026 for operators |
| Digital Ready Policy making | Implementation of Digital Checks across all DG ENV legislative proposals | 100% new legislative proposals checked | Since 15 May 2025, DG ENV has been carrying out digital checks on all (100%) of its new legislative initiatives |

([13]) The compliance indicator is calculated with a 50% weight attributed to the following two values: first, the number of public records with a publication date within the last 2 years / public records of the department. Second, the percentage of staff in the department who have attended data protection awareness-raising activities”

| Data management | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Data management | Number of data assets in the corporate catalogue | All locally-identified ones | All locally-identified ones |
| Data management | Continue to focus on integrating corporate requirements, with one focus in 2025 on AI | 2-3 Meetings of DG ENVs Data, Information and Knowledge Management Group | 3 meetings, 1 of them on AI in data management (AI focus being progressively transferred to the work of the 3 AI Champions' nominated through 2025) |

| Data protection | | | |
|---|---|---|---|
| **Output** | **Indicator** | **Target** (Baseline: 50%) | **Latest known results** (situation on 31/12/2025) |
| Data protection | Percentage of revised Data Protection Records over the period 2025-2026 | 100% | 67% (DG ENV is also the coordinating Service for the decentralised record [DPR-EC-03928 – Management of subscriptions to receive information] which is not part of the calculation) |

### Sound environmental management

**Objective:** Reaching climate neutrality by 2030 and a reduced environmental footprint for the Commission.

**Indicator:** **% reduction in emissions from staff professional travel (t CO2eq).**
**Source of data:** Emissions data from corporate (DG HR) database

| **Baseline** (2019) | **Target** (2030) | **Latest known results** (situation on 31/12/2025) |
|---|---|---|
| 915.71 | 50% of reduction (baseline 2019) | 411.26 (55%) |

| Main outputs in 2025: | | | |
|---|---|---|---|
| **Description** | **Indicator** | **Target** | **Latest known results** (situation on 31/12/2025) |
| Emissions from experts' travel under the administrative budget | Number of actions to reduce emissions from experts travel under the administrative budget / Delivery of specific related outputs | Implement measures in revised guide to management of expert missions published in May 2025. | Total missions' CO2 emissions (all travel modes incl.) amounts to 290'535.85kg. (Reduction of over 50% compared to emissions in 2024.<br><br>Data as of 13/01/2026 |
| Energy saving actions | % of Department buildings participating in the annual BEST energy saving actions | DG ENV will continue to participate in BEST throughout 2025, namely during summer and end of year (as was the case in 2024) | Achieved and implemented |
| Staff awareness actions | Number of staff awareness actions in line with EMAS/greening corporate campaigns | Velomai +<br>call for volunteers for the Spring campaign: sustainable travelers – EU staff travelling on missions (Greener travel ambassadors).<br>Local EMAS teams will organise spring-cleaning initiatives, clothes swaps, repair cafes and even cooking with leftovers workshops, i.a.<br>Waste reduction campaign (ENV EMAS) | In 2025 we organized the annual cake sale for raising money for the purchase of plants and trees in the BRE2 courtyard.<br>A spring cleaning exercise in the surrounding area of the building will take place in early 2026. |
| Sustainable events | % Department's events, incorporating the EC Guidelines for sustainable events | Ensure that all sustainable events follow the existing guidelines recently updated by DG SCIC | Achieved |

# ANNEX 11: Implementation through non-EU entrusted entities

The following contribution agreements were signed in 2025.

DG ENV receives a management declaration for each ongoing contribution agreement with every progress and final report unless the international organisation has established an arrangement to provide annually a global management declaration

| Entrusted body | Programme concerned | Annual budgetary amount entrusted | Duration of the delegation | Justification of the recourse to indirect management | Justification of the selection of the bodies | Summary description of the implementing tasks entrusted |
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| WHO | 09 02 02 (Life Op.) Circular economy and quality of life | EUR 300 000 | 06/05/2025 - 05/11/2027 | The financing decision (C(2023)939) states that this action may be implemented by the WHO. The WHO is an international organisation and a pillar assessed entity. | The WHO is a highly specialised, EU-wide recognised organisation and the key reference partner of the Commission in relation to parametric values of drinking water. | Title: health effects of PFAS -Per- and PolyFluoroAlkyl Substances in drinking water ( Phase II) (ref. PO 4500090991)<br>The objective of the action is to assess whether the Per- and PolyFluoroAlkyl Substances (PFAS) parametric values in the Directive (EU) 2020/2184 of the European Parliament and of the Council are effectively protecting human health, taking into account recent scientific progress on PFAS and its impact on human health. The assessment results will contribute, if deemed necessary, to review the PFAS parametric values in the Directive (EU) 2020/2184 and hence contribute to the protection of human health for all Union citizens |
| UNEP | 14 02 02 41 (NDICI-Global Europe) | EUR 21 550 000 | 11/04/2025 – 11/04/2030 | The financing decision (C(2024) 5553) states that this action may be implemented by the UNEP. The UNEP is an international organisation and a pillar assessed entity. | The UN Environment Programme has a monopoly and technical capacity by hosting the secretariats for many multilateral environmental agreements and research bodies, bringing together nations and the environmental community to tackle the environmental and global challenges. In addition to its technical competence | Title: Programme Cooperation Agreement to improve international environmental governance (PCA IV) (PO 4500090406)<br><br>The action aims to improve international environmental sustainability. It directly contributes to expanding the impact of the European Green Deal beyond the EU by improving international environment governance and focusing on the promotion of EU Strategies adopted in the context of the Green Deal and jointly shared with the UN Environment Programme (UNEP). It will enable further EU voluntary support to implement the programme of work of both |

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| | | | | | on environment, UNEP has the administrative power to prepare the meetings of the UN Environment Assembly, regularly reviews the implementation of its decisions and therefore to have direct official channels of communication for projects' implementation with national Authorities. | UNEP and related multilateral environmental agreements (MEAs) in a number of areas, specifically the protection of biodiversity and the sustainable management of ecosystems, the just transition to more circular economies, the sound management of chemicals and waste, the making and enforcement of environmental laws and policies, and the generation and management of knowledge for policymaking. The action will ensure that these processes effectively engage and benefit developing and emerging economies,while contributing to the implementation of the 2030 Agenda and the sustainable development goals (SDGs). |
| UNECE | 14 02 02 41 (NDICI-Global Europe) | EUR 500 000 | 27/03/2025-27/12/2027 | The financing decision (C(2024) 5553) states that this action may be implemented by the UNECE. UNECE is covered by the United Nations Secretariat (UNS) pillar assessment and subject to the same supervisory measures. | The UNECE hosts and provides secretariat to the Convention on the Protection and Use of Transboundary Watercourses and International Lakes (Water Convention). | Title: Strengthening transboundary water cooperation through joint monitoring and assessment and coordinated environmental action ( PO 4500088182)<br>The Overall Objective of this action is to strengthen transboundary water cooperation worldwide through enhanced capacity. Furthermore, this action aims to strengthen joint or coordinated monitoring and assessment of the water quantity and quality of transboundary water resources, both surface and groundwater. Another objective of this action is to enhance environmental sustainability in transboundary basins through the improved use of best available practices and approaches, notably Integrated Water Resource Management (IWRM) and the Water-Energy Food-Ecosystem (WEFE) nexus approach. |
| UNECE | 14 02 02 41 (NDICI-Global Europe) | EUR 500 000 | 17/06/2025-17/01/2029 | The financing decision (C(2024) 5553) states that this action may be | The UNECE, hosting the secretariat of the Convention on the Transboundary Effects of | Title: Addressing emerging environmental and industrial risks linked with decarbonization and the global energy transition (PO 4500105483) |

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| | | | | implemented by the UNECE. UNECE is covered by the United Nations Secretariat (UNS) pillar assessment and subject to the same supervisory measures. | Industrial Accidents, has a high degree of specialization with technical competence on industrial accident prevention, preparedness and response. | The overall objective of the action is to address emerging environmental and industrial risks linked to decarbonisation and the global energy transition.<br>The action will strengthen international environmental governance and the implementation of key multilateral environmental agreements on the environment, chemicals, waste and water. Through awareness raising, knowledge and information exchanges and training, this action will promote industrial safety and environmental protection by advancing global environmental research, knowledge, networks, capacities and international standards for evidence-based policies, programmes, operations and investment decisions. It will also enhance international action to prevent and tackle pollution, ensure a healthy environment and strengthen the sound management of industrial processes, mining, chemicals and waste. The activities will benefit countries applying EU instruments, standards and mechanisms (e.g. Seveso III Directive, Extractive Waste Directive, Critical Raw Materials Act) and will overall support knowledge sharing and the approximation of standards globally to ensure environmental protection while decarbonising and transitioning energy sources and storage systems. |
| OECD | 09 02 02 (Life Op.) Circular economy and quality of life | EUR 330 000 | 01/05/2025-30/04/2028 | The financing decision (C(2025)955) states that this action may be implemented by the OECD. The OECD is a pillar assessed | The OECD has run, with support from the Commission, the first three phases of an international project to exchange good practice on BAT (best available technique) permitting for | Title: Best Available Techniques (BAT) for preventing and controlling industrial emissions - Phase IV ( PO 4500105612)<br>This action aims to promote international exchanges on the use of Best Available Techniques (BAT) to regulate the environmental performance of large industrial installations. The BAT concept is a |

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| | | | | international organisation. | industrial production activities. | key policy tool to prevent and control industrial emissions in many countries around the world, and thus to ensure a high level of environmental and human health protection. The action provides a stage for sharing and spreading the Union's policies at an international level and thereby contributing to levelling the international playing field. It will contribute to the European Green Deal's objectives on zero pollution, carbon neutrality and circular economy. |
| IUCN | 09 02 01 (Life Op.) Nature and biodiversity | EUR 100 000 | 23/06/2025 – 23/04/2026 | The financing decision (C(2025)955) states that this action may be implemented by the IUCN. The IUCN is assimilated to an international organisation for the purpose of indirect management and it is pillar assessed. | The IUCN has provided technical assistance to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) since 1987 by producing an analysis of the proposals to amend the CITES Appendices. The IUCN is seen as uniquely qualified for this action, based on their science-based expertise and international networking capabilities. | Title: Assistance to Parties to the Convention on International Trade in Endangered Species of wild fauna and flora (CITES) for the analysis of listing proposals- (PO 4500107754)<br>The IUCN will provide their assistance to Parties to the Convention on International Trade in Endangered Species of wild fauna and flora (CITES), for the analysis of listing proposals to amend the CITES Appendices in view of the 20th Conference of the Parties. Such analyses are very useful to facilitate the work of all the Parties to CITES and ensure that the decisions taken at the Conference of Parties are evidence based. |
| OECD | 09 02 02 (Life Op.) Circular economy and quality of life | EUR 80 000 | 29/09/2025-28/09/2026 | The financing decision (C(2024) 4547) states that this action may be implemented by the OECD. The OECD is an international organisation and a pillar assessed entity. | The OECD has considerable expertise in the area of green and sustainable chemistry. It is a leading authority in both hazard and exposure assessment, setting a number of international standards. The OECD's experience, technical competence and ability to | Title: Financing of green and sustainable chemistry ( PO 4500113962)<br><br>This action will identify current obstacles to investment in green and sustainable chemistry and possible future work streams that could promote investment towards green and sustainable chemistry. It will examine potential connections to themes in green and sustainable finance and investment that could be further explored in |

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| | | | | | bring together different issues and discuss them with member countries means that it can deliver the results envisaged in a way that no other organisation could do, and certainly it can do it much more efficiently. | a chemistry context. Such connections could provide framing and caveats for discussion on how future work could identify possible policy options to increase financing towards green and sustainable chemistry. |
| OECD | 14 02 02 41 (NDICI – Global Europe) | EUR 500 000 | 01/05/2025-30/04/2027 | The financing decision (C(2024) 5553) states that this action may be implemented by the OECD. The OECD is an international organisation and a pillar assessed entity. | The OECD has the technical capacity on the environmentally sound management of chemicals throughout their life cycle, in accordance with agreed international frameworks. | Title: Fostering best available practices and standardised tools for chemical risk assessment and management (PO 4500113990)<br>This action has the overall objective to improve the implementation of chemicals management systems in participating countries, in particular in emerging economies and developing countries that are setting up such systems. The action aims to expand and maintain the OECD system of Mutual Acceptance of Data through the development of internationally harmonised test methods and Good Laboratory Practices to identify hazardous chemicals and to disseminate and train on those tools. Another objective is to increase chemical accident prevention, preparedness and response. It will also promote the management of risks from per- and polyfluoroalkyl substances (PFAS) making sure to preserve the critical uses of PFAS if there are no valid alternatives. Lastly it will expand and maintain the coverage of Pollutant Release and Transfer Registers. |
| OECD | 09 02 02 (Life Op.) Circular economy and quality of life | EUR 150 000 | 01/01/2026-01/01/2028 | The financing decision (C(2025)6797 ) states that this action may be | The OECD has extensive expertise in the analysis of the costs of environmental policy for businesses, and in the identification of | Title: Analysis to support the stress testing of environmental legislation (PO 4500141998)<br>The overall objective of this action is to contribute to a better understanding of the cumulative costs of environmental |

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| | | | | implemented by the OECD. The OECD is an international organisation and a pillar assessed entity. | efficient policies. It has a broad mixture of relevant competences related to statistical aspects (such as the cost of environmental protection expenditure), business perspectives, and environmental policy. The Working Parties of the OECD (e.g. on integrating environmental and economic policies) allow for dialogue and for developing synergies across the OECD. | compliance for businesses and regulatory agencies and to examine how such costs can be reduced. This will be examined by an empirical analysis drawing on existing databases and possibly including the gathering of new data from businesses that are affected by multiple environmental regulations. The first objective of this action is to estimate the impact of overlapping policies on firm level environmental performance and operating expenses. The second objective is to empirically estimate how the regulatory burden associated with overlapping environmental policies affects firm performance, as measured by e.g. competitiveness and profitability, and to identify potential approaches for easing the regulatory burden without compromising environmental quality. |

# ANNEX 12: EAMR of the Union Delegations

Not applicable for DG Environment

# ANNEX 13: Decentralised agencies and other Union bodies

| Name of the entity | Role of the DG | Policy area concerned | Amount paid in 2025 in € | | | |
|---|---|---|---|---|---|---|
| | | | Contribution to | | | Contribution agreement |
| | | | Operating (admin) budget | Opera-tional budget | Total in € | |
| **European Chemicals Agency - ECHA** | ECHA is under the overall coordination of DG GROW (lead parent DG). Financially, DG Environment contributes to ECHA's budget for the work it performs in the area of environmental regulations and directives. DG Environment works closely with DG GROW and DG SANTE on work planning & programming and administrative questions related to the Agency. For the operational day-to-day work, DG Environment has direct contact with the Agency | 09- Environment and Climate Action | 7.223.951,80 | | 7.223.951,80 | |
| **European Environment Agency - EEA** | DG Environment is the parent DG of the EEA. It pays the EU contribution to its operating budget and, together with DG RTD, represents the Commission in the EEA Management Board. DG Environment coordinates with Commission services on any EEA issues, notably on its strategic documents, work planning & programming and any budgetary and administrative questions | 09- Environment and Climate Action | 71.422.113,10 | | 71.422.113,10 | |
| | | **Total** | **78.646.064,90** | | **78.646.064,90** | |