European Commission

# 2014

# Annual Activity Report

# Annexes

## Directorate-General for Mobility and Transport

# ANNEX 1:  Statement of the Resources Director

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

I hereby certify that the information provided in Parts 2 and 3 of the present AAR and in its annexes is, to the best of my knowledge, accurate and exhaustive.

Done in Brussels, 27 March 2015

[*Signed*]

Agnieszka KAŹMIERCZAK

[1] Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

# ANNEX 2: Human and Financial resources

| Human Resources by ABB activity | | | | |
|---|---|---|---|---|
| **Code ABB Activity** | **ABB Activity** | **Establishment Plan posts** | **External Personnel** | **Total** |
| 06 02 | European transport policy | 272 | 82 | **354** |
| 06 03 | Horizon 2020 — Research and innovation related to transport | 11 | 4 | **15** |
| 06 AWBL-02 | Policy strategy and coordination for the Directorate-General for mobility and transport | 54 | 12 | **66** |
| 06-32 AWBL-01 | Shared administrative support for Energy and Mobility and Transport | 134 | 16 | **150** |
| 06-32 AWBL-02 | Shared Policy strategy and coordination for Energy and Mobility and Transport | 1 | 0 | **1** |
| | **Total** | **472** | **114** | **586** |

General remark: the above data rely on the snapshot of Commission personnel actually employed in each DG/ service as of 31 December of the reporting year. These data do not necessarily constitute full-time-equivalents throughout the year.

| Implementation of decentralised administrative authorised operations of DG MOVE Global envelope as of 31 December 2014 | | | | | |
|---|---|---|---|---|---|
| | | Appropriations | Commitment Appropriations | Payment Appropriations | % Execution |
| 06.010211.00 | Other management expenditure | - | - | - | |
| 06.010211.00.01.10 | Missions | 1 248 000 | 1 248 000 | 970 746 | |
| 06.010211.00.01.30 | Representation expenses | 22 000 | 22 000 | 13 278 | |
| 06.010211.00.02.20 | External meetings | 516 976 | 516 976 | 334 513 | |
| 06.010211.00.02.40 | Internal meetings and conferences | 61 000 | 60 670 | 39 231 | |
| 06.010211.00.03 | Committee meetings | 621 000 | 621 000 | 420 741 | |
| 06.010211.00.04 | Studies and consultation | - | - | - | |
| 06.010211.00.05 | Information and Management Systems | 107 583 | 107 583 | 10 645 | |
| 06.010211.00.06 | Training and Management Training | 136 299 | 136 299 | 89 850 | |
| **TOTAL** | | **2 712 858** | **2 712 528** | **1 879 004** | **99.99%** |

# ANNEX 3: Draft annual accounts and financial reports

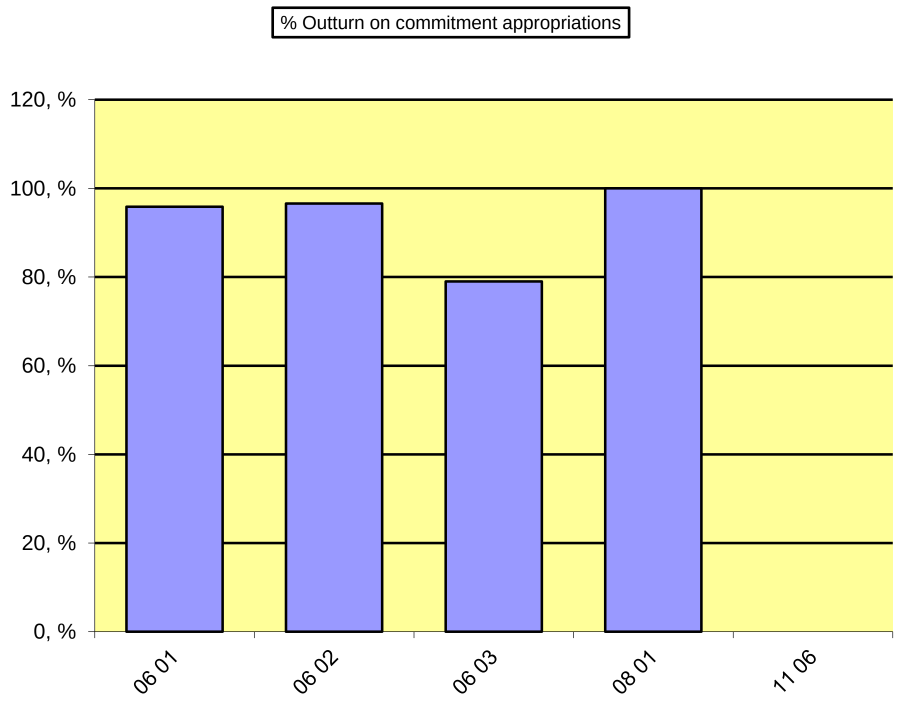
| Annex 3 Financial Reports - DG MOVE - Financial Year 2014 |
|---|



Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2014 (in Mio €) | | | | | |
|---|---|---|---|---|---|
| | | | Commitment appropriations authorised | Commitments made | % |
| | | | 1 | 2 | 3=2/1 |
| **Title 06 Mobility and transport** | | | | | |
| 06 | 06 01 | Administrative expenditure of the `Mobility and transport- policy area | 26.03 | 24.95 | 95.86 % |
| | 06 02 | European transport policy | 281.27 | 271.69 | 96.60 % |
| | 06 03 | Horizon 2020 - Research and innovation related to transport | 93.25 | 73.66 | 79.00 % |
| **Total Title 06** | | | 400.54 | 370.31 | 92.45% |
| **Title 08 Research and Innovation** | | | | | |
| 08 | 08 01 | Administrative expenditure of the `Research and Innovation- policy area | 1.85 | 1.85 | 100.00 % |
| **Total Title 08** | | | 1.85 | 1.85 | 100.00% |
| **Title 11 Maritime affairs and fisheries** | | | | | |
| 11 | 11 06 | European Maritime and Fisheries Fund (EMFF) | 0 | 0 | |
| **Total Title 11** | | | 0 | 0 | |
| **Total DG MOVE** | | | 402.39 | 372.15 | 92.49 % |

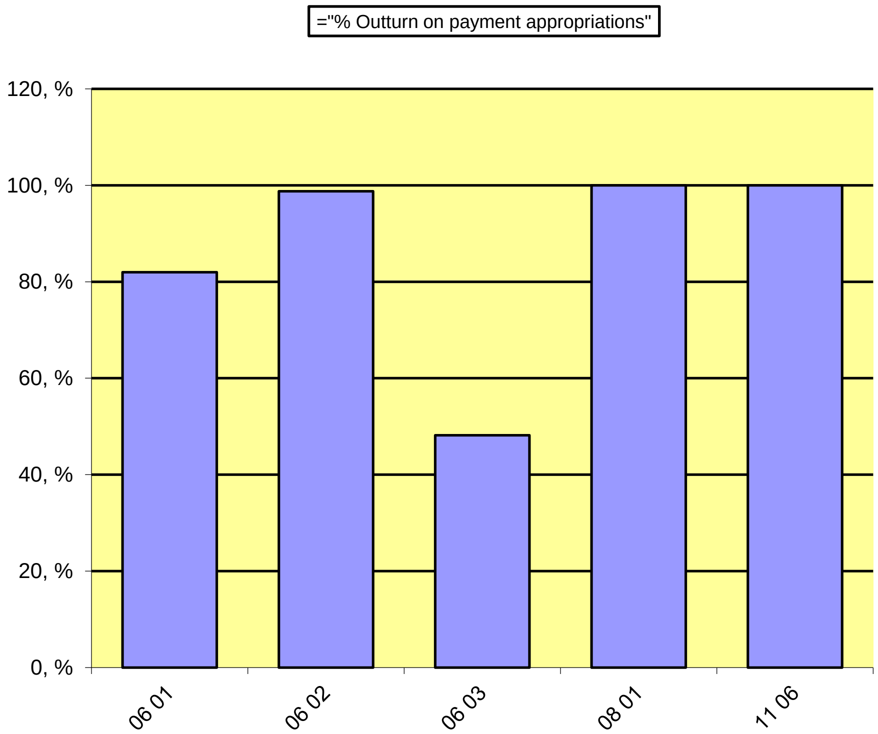
** Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).*




Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2014 (in Mio €) | | | | | |
|---|---|---|---|---|---|
| Chapter | | | Payment appropriations authorised * | Payments made | % |
| | | | 1 | 2 | 3=2/1 |
| **Title 06 Mobility and transport** | | | | | |
| 06 | 06 01 | Administrative expenditure of the `Mobility and transport- policy area | 29.89 | 24.51 | 81.98 % |
| | 06 02 | European transport policy | 328.26 | 324.14 | 98.74 % |
| | 06 03 | Horizon 2020 - Research and innovation related to transport | 70.32 | 33.88 | 48.18 % |
| **Total Title 06** | | | 428.47 | 382.53 | 89.28% |
| **Title 08 Research and Innovation** | | | | | |
| 08 | 08 01 | Administrative expenditure of the `Research and Innovation- policy area | 1.85 | 1.85 | 100.00 % |
| **Total Title 08** | | | 1.85 | 1.85 | 100.00% |
| **Title 11 Maritime affairs and fisheries** | | | | | |
| 11 | 11 06 | European Maritime and Fisheries Fund (EMFF) | 0.05 | 0.05 | 100.00 % |
| **Total Title 11** | | | 0.05 | 0.05 | 100.00% |
| | **Total DG MOVE** | | 430.37 | 384.42 | 89.32 % |

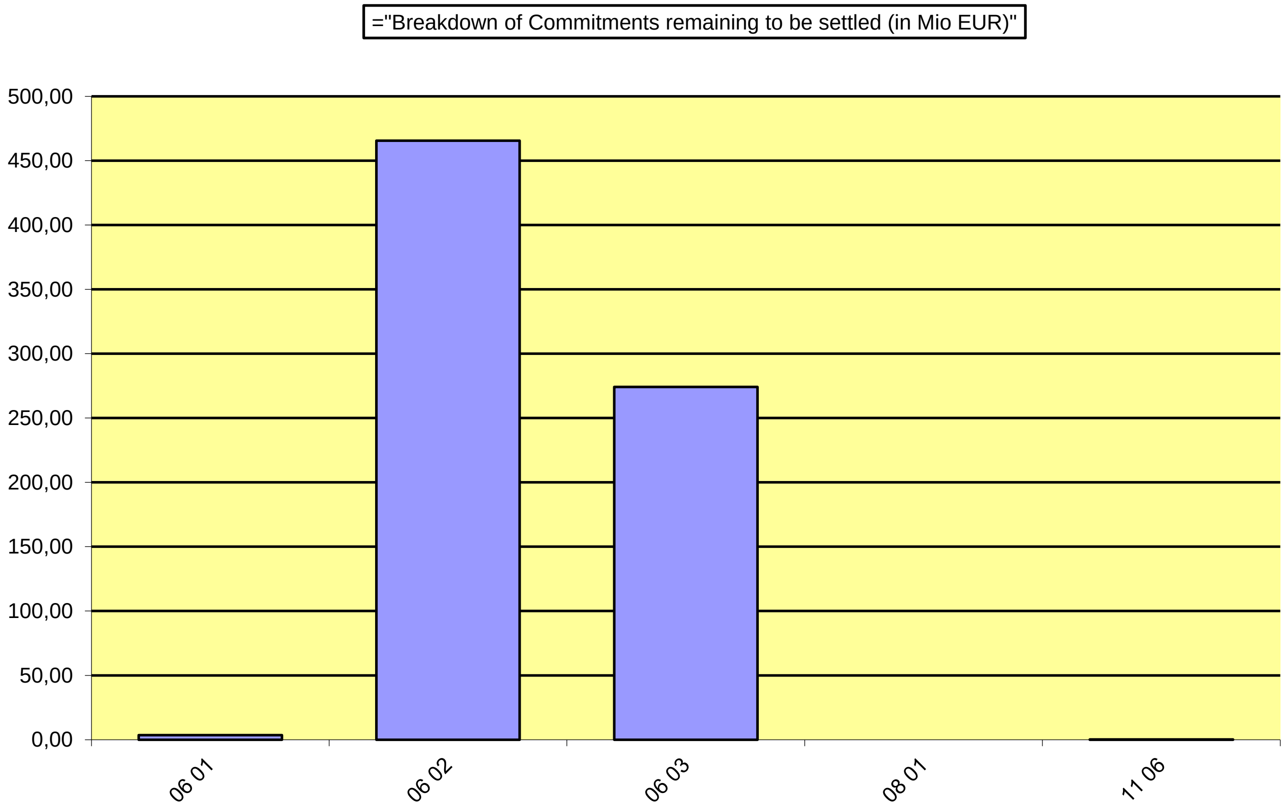
** Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).*




Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2014 (in Mio €) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Chapter | | | 2014 Commitments to be settled | | | | Commitments to be settled from financial years previous to 2014 | Total of commitments to be settled at end of financial year 2014(incl corrections) | Total of commitments to be settled at end of financial year 2013(incl. corrections) |
| | | | Commitments 2014 | Payments 2014 | RAL 2014 | % to be settled | | | |
| | | | 1 | 2 | 3=1-2 | 4=1-2/1 | 5 | 6=3+5 | 7 |
| **Title 06 : Mobility and transport** | | | | | | | | | |
| 06 | 06 01 | Administrative expenditure of the `Mobility and transport- policy area | 24.72 | 21.11 | 3.61 | 14.61 % | - | 3.61 | 3.86 |
| | 06 02 | European transport policy | 271.69 | 101.75 | 169.95 | 62.55 % | 295.57 | 465.51 | 533.50 |
| | 06 03 | Horizon 2020 - Research and innovation related to transport | 73.66 | 0.43 | 73.23 | 99.41 % | 200.90 | 274.13 | 254.38 |
| **Total Title 06** | | | 370.08 | 123.29 | 246.79 | 66.69 % | 496.46 | 743.25 | 791.74 |
| **Title 08 : Research and Innovation** | | | | | | | | | |
| 08 | 08 01 | Administrative expenditure of the `Research and Innovation- policy area | 1.85 | 1.85 | 0 | 0.00 % | 0 | 0 | 0 |
| **Total Title 08** | | | 1.85 | 1.85 | 0 | 0.00 % | 0 | 0 | 0 |
| **Title 11 : Maritime affairs and fisheries** | | | | | | | | | |
| 11 | 11 06 | European Maritime and Fisheries Fund (EMFF) | 0 | 0 | 0 | #DIV/0 | 0.23 | 0.23 | 0.28 |
| **Total Title 11** | | | 0 | 0 | 0 | #DIV/0 | 0.23 | 0.23 | 0.28 |
| | **Total DG MOVE** | | 371.93 | 125.14 | 246.79 | 66.35 % | 496.69 | 743.48 | 792.03 |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors




Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 4 : BALANCE SHEET | | |
|---|---|---|
| **BALANCE SHEET** | **2014** | **2013** |
| A.I. NON CURRENT ASSETS | 233,616,207.81 | 143,546,583.78 |
| A.I.1. Intangible Assets | 0.00 | 0.00 |
| A.I.3. Investmnts Accntd For Using Equity Meth | 0.00 | 0.00 |
| A.I.4. Non-Current Financial Assets | 202,487,202.79 | 124,482,793.79 |
| A.I.5. LT Receivables | 27,279,496.84 | 1,342,694.84 |
| A.I.6. Non-Current Pre-Financing | 3,849,508.18 | |
| A.I.7. OLD LT Pre-Financing | 0.00 | 17,721,095.15 |
| A.II. CURRENT ASSETS | 141,614,689.11 | 109,099,386.37 |
| A.II.2. Current Pre-Financing | 16,721,255.35 | 18,860,336.78 |
| A.II.3. Current Financial Assets | 83,114,966.62 | 45,782,319.62 |
| A.II.4. Exchange Receivables | 373,077.19 | 431,487.39 |
| A.II.5. Non-Exchange Receivables | 448,629.68 | 798,697.24 |
| A.II.7. Cash and Cash Equivalents | 40,956,760.27 | 43,226,545.34 |
| **ASSETS** | **375,230,896.92** | **252,645,970.15** |
| P.I. NET ASSETS/LIABILITIES | -1,356,634.38 | -738,283.38 |
| P.I.1. Reserves | -1,356,634.38 | -738,283.38 |
| P.II. NON CURRENT LIABILITIES | -2,340,236.00 | |
| P.II.3. Long-term financial liabilities | -2,340,236.00 | |
| P.III. CURRENT LIABILITIES | -24,057,567.85 | -22,107,397.45 |
| P.III.4. Accounts Payable | -5,224,606.42 | -10,088,152.95 |
| P.III.5. Accrued charges and deferred income | -18,832,961.43 | -12,019,244.50 |
| **LIABILITIES** | **-27,754,438.23** | **-22,845,680.83** |
| | | |
| **NET ASSETS (ASSETS less LIABILITIES)** | **347,476,458.69** | **229,800,289.32** |
| P.I.2. Accumulated Surplus / Deficit | 266,530,494.66 | 4,539,102.10 |
| Non-allocated central (surplus)/deficit* | -616,347,189.35 | -234,339,391.42 |
| **TOTAL** | **0.00** | **0.00** |

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE |
|---|

| STATEMENT OF FINANCIAL PERFORMANCE | 2014 | 2013 |
|---|---|---|
| II.1 REVENUES | -26,016,082.16 | -9,150,671.19 |
| II.1.1. NON-EXCHANGE REVENUES | -357,035.03 | -1,053,635.33 |
| II.1.1.5. RECOVERY OF EXPENSES | -274,090.84 | -849,975.75 |
| II.1.1.6. OTHER NON-EXCHANGE REVENUES | -82,944.19 | -203,659.58 |
| II.1.2. EXCHANGE REVENUES | -25,659,047.13 | -8,097,035.86 |
| II.1.2.1. FINANCIAL INCOME | -1,199,135.60 | -9,420,737.04 |
| II.1.2.2. OTHER EXCHANGE REVENUE | -24,459,911.53 | 1,323,701.18 |
| II.2. EXPENSES | 278,756,290.80 | 271,142,063.75 |
| II.2. EXPENSES | 278,756,290.80 | 271,142,063.75 |
| 11.2.10.OTHER EXPENSES | 21,441,448.15 | 14,358,986.93 |
| II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM) | 54,212,432.91 | 58,296,297.76 |
| II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM) | 108,321,518.26 | 110,863,419.92 |
| II.2.6. STAFF AND PENSION COSTS | -36,234.00 | -98,134.00 |
| II.2.8. FINANCE COSTS | 63,741.48 | 10,185,978.14 |
| II.2.9. SHARE NET DEFICIT JOINT VENT & ASSOC | 94,753,384.00 | 77,535,515.00 |
| **STATEMENT OF FINANCIAL PERFORMANCE** | **252,740,208.64** | **261,991,392.56** |

It should be noted that the balance sheet and economic outturn account presented in Annex 3 to this Annual Activity Report, represent only the (contingent) assets, (contingent) liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and economic outturn account they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 6: AVERAGE PAYMENT TIMES FOR 2014 - DG MOVE | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Legal Times** | | | | | | | |
| **Maximum Payment Time (Days)** | **Total Number of Payments** | **Nbr of Payments within Time Limit** | **Percentage** | **Average Payment Times (Days)** | **Nbr of Late Payments** | **Percentage** | **Average Payment Times (Days)** |
| 30 | 543 | 522 | 96.13 % | 16.94 | 21 | 3.87 % | 50.67 |
| 45 | 19 | 17 | 89.47 % | 25.00 | 2 | 10.53 % | 69.50 |
| 50 | 2 | 2 | 100.00 % | 27.50 | | | |
| 60 | 88 | 88 | 100.00 % | 27.84 | | | |
| 75 | 1 | 1 | 100.00 % | 14.00 | | | |
| 90 | 33 | 31 | 93.94 % | 56.52 | 2 | 6.06 % | 98.50 |
| 105 | 1 | 1 | 100.00 % | 95.00 | | | |
| **Total Number of Payments** | **687** | **662** | **96.36 %** | | **25** | **3.64 %** | |
| **Average Payment Time** | **21.88** | | | **20.60** | | | **56** |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| Target Times | | | | | | | |
|---|---|---|---|---|---|---|---|
| Target Payment Time (Days) | Total Number of Payments | Nbr of Payments within Target Time | Percentage | Average Payment Times (Days) | Nbr of Late Payments | Percentage | Average Payment Times (Days) |
| 20 | 48 | 44 | 91.67 % | 10.98 | 4 | 8.33 % | 51.25 |
| 30 | 264 | 252 | 95.45 % | 17.16 | 12 | 4.55 % | 55.83 |
| 75 | 11 | 10 | 90.91 % | 37.30 | 1 | 9.09 % | 76.00 |
| 90 | 1 | | | | 1 | 100.00 % | 95.00 |
| **Total Number of Payments** | **324** | **306** | **94.44 %** | | **18** | **5.56 %** | |
| **Average Payment Time** | **19.22** | | | **16.93** | | | **58.11** |

| Suspensions | | | | | | | |
|---|---|---|---|---|---|---|---|
| Average Report Approval Suspension Days | Average Payment Suspension Days | Number of Suspended Payments | % of Total Number | Total Number of Payments | Amount of Suspended Payments | % of Total Amount | Total Paid Amount |
| 3 | 56 | 98 | 14.26 % | 687 | 15,198,499.85 | 4.08 % | 372,900,123.26 |

| Late Interest paid in 2014 | | | |
|---|---|---|---|
| DG | GL Account | Description | Amount (Eur) |
| MOVE | 65010100 | Interest on late payment of charges New FR | 2 034.37 |
| | | | **2 034.37** |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2014 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Chapter | | Revenue and income recognized | | | Revenue and income cashed from | | | Outstanding balance |
| | | Current year RO | Carried over RO | Total | Current Year RO | Carried over RO | Total | |
| | | 1 | 2 | 3=1+2 | 4 | 5 | 6=4+5 | 7=3-6 |
| 52 | REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST | 262,902.66 | 748.20 | 263,650.86 | 262,902.66 | 748.20 | 263,650.86 | 0.00 |
| 59 | OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT | 275,767.56 | 0.00 | 275,767.56 | 275,767.56 | 0.00 | 275,767.56 | 0.00 |
| 66 | OTHER CONTRIBUTIONS AND REFUNDS | 4,295,085.36 | 406,224.92 | 4,701,310.28 | 4,073,186.43 | 262,468.26 | 4,335,654.69 | 365,655.59 |
| 90 | MISCELLANEOUS REVENUE | 78,430.02 | 67,224.19 | 145,654.21 | 78,430.02 | 17,092.67 | 95,522.69 | 50,131.52 |
| **Total DG MOVE** | | **4,912,185.60** | **474,197.31** | **5,386,382.91** | **4,690,286.67** | **280,309.13** | **4,970,595.80** | **415,787.11** |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

## TABLE 8 : RECOVERY OF UNDUE PAYMENTS
## (Number of Recovery Contexts and corresponding Transaction Amount)

| INCOME BUDGET RECOVERY ORDERS ISSUED IN 2014 | Irregularity | | TOTAL Qualified | | TOTAL RC(incl. non-qualified) | | % Qualified/Total RC | |
|---|---|---|---|---|---|---|---|---|
| Year of Origin (commitment) | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount | Nbr | RO Amount |
| **2004** | 3 | 229,889.35 | **3** | **229,889.35** | 5 | 282,147.07 | 60.00% | 81.48% |
| **2006** | 4 | 91,345.05 | **4** | **91,345.05** | 6 | 143,806.02 | 66.67% | 63.52% |
| **2007** | 4 | 37,553.56 | **4** | **37,553.56** | 5 | 40,170.18 | 80.00% | 93.49% |
| **2008** | 3 | 19,436.64 | **3** | **19,436.64** | 9 | 74,657.83 | 33.33% | 26.03% |
| **2009** | 3 | 177,014.87 | **3** | **177,014.87** | 6 | 189,593.42 | 50.00% | 93.37% |
| **2010** | 6 | 54,031.96 | **6** | **54,031.96** | 6 | 54,031.96 | 100.00% | 100.00% |
| **2011** | | | | | 2 | 78,445.54 | | |
| **2012** | 1 | 56.00 | **1** | **56.00** | 1 | 56.00 | 100.00% | 100.00% |
| **2013** | | | | | 5 | 3,801,521.99 | | |
| **Sub-Total** | **24** | **609,327.43** | **24** | **609,327.43** | **45** | **4,664,430.01** | **53.33%** | **13.06%** |

| EXPENSES BUDGET | Error | | Irregularity | | OLAF Notified | | TOTAL Qualified | | TOTAL RC(incl. non-qualified) | | % Qualified/Total RC | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount | Nbr | Amount |
| INCOME LINES IN INVOICES | | | | | | | | | | | | |
| NON ELIGIBLE IN COST CLAIMS | 6 | 215,456.99 | 33 | 3,205,828.26 | 1 | 149,824.15 | **40** | **3,571,109.40** | 51 | 5,107,071.37 | 78.43% | 69.92% |
| CREDIT NOTES | 18 | 938,147.37 | 30 | 1,154,794.93 | | | **48** | **2,092,942.30** | 48 | 2,092,942.30 | 100.00% | 100.00% |
| **Sub-Total** | **24** | **1,153,604.36** | **63** | **4,360,623.19** | **1** | **149,824.15** | **88** | **5,664,051.70** | **99** | **7,200,013.67** | **88.89%** | **78.67%** |
| **GRAND TOTAL** | **24** | **1,153,604.36** | **87** | **4,969,950.62** | **1** | **149,824.15** | **112** | **6,273,379.13** | **144** | **11,864,443.68** | **77.78%** | **47.74%** |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

## TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2014 FOR MOVE

| | Number at 01/01/2014 | Number at 31/12/2014 | Evolution | Open Amount (Eur) at 01/01/2014 | Open Amount (Eur) at 31/12/2014 | Evolution |
|---|---|---|---|---|---|---|
| 2002 | 1 | 1 | 0.00 % | 42,709.92 | 42,709.92 | 0.00 % |
| 2011 | 8 | 6 | -25.00 % | 160,401.00 | 115,472.26 | -28.01 % |
| 2012 | 1 | 1 | 0.00 % | 42,706.00 | 35,706.00 | 0.00 % |
| 2013 | 11 | | 100.00 % | 228,380.39 | | -100.00 % |
| 2014 | | 3 | | | 221,898.93 | |
| | 21 | 11 | -47.62 % | 474,197.31 | 415,787.11 | -12.32 % |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 10 : RECOVERY ORDER WAIVERS IN 2014 >= EUR 100.000 | | | | | | |
|---|---|---|---|---|---|---|
| | Waiver Central Key | Linked RO Central Key | RO Accepted Amount (Eur) | LE Account Group | Commission Decision | Comments |
| | | | | | | |

| | |
|---|---|
| **Total DG** | |

| | |
|---|---|
| **Number of RO waivers** | |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

## TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG MOVE - 2014

### Procurement > EUR 60,000

| Negotiated Procedure Legal base | Number of Procedures | Amount (€) |
|---|---|---|
| Art. 134.1(b) | 2 | 240,000.00 |
| **Total** | **2.** | **240,000.00** |

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

| TABLE 12 : SUMMARY OF PROCEDURES OF DG MOVE EXCLUDING BUILDING CONTRACTS |
|---|

| **Internal Procedures > € 60,000** | | |
|---|---|---|
| **Procedure Type** | **Count** | **Amount (€)** |
| Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP) | 2 | 240,000.00 |
| Open Procedure (Art. 127.2 RAP) | 26 | 20,965,667.50 |
| **TOTAL** | **28** | **21,205,667.50** |

## Additional comments

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

## TABLE 13 : BUILDING CONTRACTS

| | |
|---|---|
| **Total number of contracts :** | |
| **Total amount :** | |

| Legal base | Contract Number | Contractor Name | Description | Amount (€) |
|---|---|---|---|---|
| | | | | |

No data to be reported

## TABLE 14 : CONTRACTS DECLARED SECRET

| | |
|---|---|
| Total Number of Contracts : | |
| Total amount : | |

| Legal base | Contract Number | Contractor Name | Type of contract | Description | Amount (€) |
|---|---|---|---|---|---|
| | | | | | |

No data to be reported

# ANNEX 4: Materiality criteria

## Research programmes

The Standing Instructions for the preparation of Annual Activity Reports stipulate that the quantitative materiality threshold **must not exceed 2% of the authorised payments of the reporting year of the ABB expenditure**. However, the Guidance on AARs also allows a multi-annual approach, especially for budget areas (e.g. programmes) for which a multi-annual control system is more effective. In such cases, the calculation of errors, corrections and materiality of the residual amount at risk should be done on a "cumulative basis" on the basis of the totals over the entire programme lifecycle.

Because of its multiannual nature, the effectiveness of the Research services' control strategy can only be fully measured and assessed at the final stages in the life of the framework programme, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

In addition, basing materiality solely on ABB expenditure for one year may not provide the most appropriate basis for judgements, as ABB expenditure often includes significant levels of pre-financing expenditure (e.g. during the initial years of a new generation of programmes), as well as reimbursements (interim and final payments) based on cost claims that 'clear' those pre-financings. Pre-financing expenditure is very low risk, being paid automatically after the signing of the contract with the beneficiary.

The general control objective for the Research services, following the standard quantitative materiality threshold proposed in the Standing Instructions, is to ensure for each FP (and the Coal and Steel Research Fund for DG RTD), that **the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of each FP's management cycle**. The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for H2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen. In view of the crucial role of ex-post audits defined in the common FP7 and future H2020 audit strategy, this assessment needs to check in particular whether the scope and results of the ex-post audits carried out until the end of the reporting period are sufficient and adequate to meet the multiannual control strategy goals.

The criteria for making a decision on whether there is material error in the expenditure of the DG or service, and so on whether to make a reservation in the AAR, will therefore be principally, though not necessarily exclusively, based on the level of error identified in ex-post audits of cost claims on a multi-annual basis.

## Effectiveness of controls

The starting point to determine the effectiveness of the controls in place is the cumulative level of error expressed as the percentage of errors in favour of the EC, detected by ex-post audits, measured with respect to the amounts accepted after ex-ante controls.

However, to take into account the impact of the ex-post controls, this error level is to be adjusted by subtracting:

- Errors detected corrected as a result of the implementation of audit conclusions.

- Errors corrected as a result of the extrapolation of audit results to non-audited contracts with the same beneficiary.

This results in a residual error rate (RER), which, on a multi-annual basis, is the extrapolated level of error remaining after corrections/recoveries undertaken by Commission services following the audits that have been made. The calculation of the residual error rate, as shown hereunder, is based on the following assumptions:

- (1) all errors detected will be corrected;
- (2) the residual error rate for participations subject to extrapolation is estimated to be equal to the non-systematic error rate; and
- (3) all participations subject to extrapolation are clean from systematic material errors.

The RER develops over time and depends on the assumptions set out above. This indicator is reliable and acceptable for the purposes for which it was intended, i.e. as a legality and regularity indicator on the progress made, through its ex-post strategy, in dealing with errors over a multi-annual basis. However, it also provides an estimate of the effect if not all extrapolations were in fact completed.

The RER is calculated in accordance with the following formula:

$$\mathrm{Re}\,sER\% = \frac{(\mathrm{Re}\,pER\% * (P - A)) - (\mathrm{Re}\,pERsys\% * E)}{P}$$

where:

**ResER%** Residual error rate, expressed as a percentage.

**RepER%** Representative error rate[2], derived solely from the results of audits on a representative sample of beneficiaries, extrapolated by a statistical method to the overall population. This error rate provides an estimate of the level of error in FP7 at the time of the audits but says nothing about the follow-up and corrections/recoveries undertaken by Commission services after the audit, nor of the net final financial impact of errors. This

[2] .

error rate is calculated for FP7 as a whole.

| | |
|---|---|
| **RepERsys%** | Portion of the RepER% representing (negative) systematic errors, expressed as a percentage. The RepER% is composed of two complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. |
| **P** | Total aggregated amount in € of EC share of funding in the auditable population. In FP7, the population is that of all received cost statements, and the € amounts those that reflect the EC share included in the costs claimed in each cost statement. |
| **A** | Total EC share of all audited amounts, expressed in €. This will be collected from audit results. |
| **E** | Total non-audited amounts of all audited beneficiaries. In FP7, this consists of the total EC share, expressed in €, excluding those beneficiaries for which an extrapolation is ongoing). |

If the residual error rate is not (yet) below 2% at the end of a reporting year within the FP's management lifecycle, a reservation must be considered.

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of FP7/H2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

If the CRAS results are not used as the basis for calculating the residual error rate this must be clearly disclosed in the AAR, along with details of why and how the final judgement was made.

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies,[3] the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

## Adequacy of the audit scope

The quantity of the (cumulative) audit effort carried out until the end of each year is to be measured by the actual volume of audits completed. The data is to be shown per year and cumulated, in line with the current AAR presentation of error rates. The multiannual planning and results should be reported in sufficient detail to allow the reader to form an opinion on

3 Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

whether the strategy is on course as foreseen.

The Director-General (or Director for the Executive Agencies) should form a qualitative opinion to determine whether deviations from the multiannual plan are of such significance that they seriously endanger the achievement of the internal control objective. In such case, she or he would be expected to qualify his annual statement of assurance with a reservation.

## Materiality is assessed for each Framework Programme

In 2014, the Research services managed financial operations under the sixth, seventh and H2020 framework programmes, and the Coal and Steel Research Fund. Each is managed under different sets of regulatory and contractual provisions. Therefore, the assessment of the performance of the internal controls has to take into account these differences.

However, it has to be noted that

1. the expenditure for the 6$^{th}$ Framework Programme is now a very small part of operations, and given the full disclosure on the results for this FP in the AAR 2012, information on the 6$^{th}$ FP should only be reported if there are exceptional elements, the non-disclosure of which would result in the reader being misled.

2. no payment against cost claim has been made and no audit has been carried out, thus no error rate has been calculated for H2020.

# ANNEX 5: Internal Control Templates for budget implementation (ICTs)

# Grant direct management – FP7

**Stage 1 - Programming, evaluation and selection of proposals + Stage 2 - Contracting: Not Applicable.**

**Given that DG MOVE manages funds received by cross-sub-delegation from DG RTD, this ICT will focus only on stages 3 and 4, where projects from previous years are managed under DG MOVE budget appropriations (0603).**

## Stage 3: Monitoring the implementation

**Main control objectives:** ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions. | FP7: Coordinators' day" events organised for H2020 (by DG RTD), but with a section on "how to avoid errors", which can have a positive impact on the ongoing FP7 cost claims, as some of the errors and most of the beneficiaries are common for the two programmes and amongst the RTD family.<br><br>Operational and financial checks in accordance with the financial circuits.<br><br>Operation authorisation by the AO<br><br>For riskier operations:<br>- Enhanced ex-ante controls | 100% of the projects are controlled, including only value-adding checks.<br><br>The depth depends on risk criteria and on the results of ex-ante controls. However, as a deliberate policy to reduce administrative burden and to ensure a good balance between trust and control as well as payment deadlines, the level of verification at this stage is reduced to a minimum.<br><br>Audit certificates:<br>- FP7: required for any beneficiary claiming more than € 375 000 (FP7). The content of the audit certificates is analysed | **Costs**:<br>Estimate of cost of staff involved in the management of running projects.<br><br>**Benefits**:<br>EU contribution claimed by the beneficiary, but rejected by staff<br><br>Reductions in error rates identified by audit certificates.<br><br>Qualitative benefits due to operational review of projects and consequent corrective actions imposed on projects | **Effectiveness**<br>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed<br><br>**Efficiency**:<br>Time-to-pay<br><br>Average number & value of running projects managed 'per' staff FTE<br><br>Overall cost of control: cost of control from contracting and monitoring the execution up to payment included/ amount paid |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | - Scientific reviews if necessary, with on-site verification<br><br>If needed: application of:<br>- Suspension/interruption of payments,<br>- Penalties or liquidated damages (for FP7).<br>- Referring grant to OLAF | exhaustively and feedback is given to the Certifying Auditors who have to modify the certificate where appropriate.<br><br>Riskier operations subject to enhanced controls and/or on-site controls and/ or ex-post on-the-spot audit.<br><br>High risk operations identified by risk criteria.<br>Red flags: e.g. suspicions raised by staff, audit results, EWS. | | (%) |

## Stage 4: Ex-post controls

### A - Reviews, audits and monitoring

**Main control objectives**: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.<br><br>Lack of consistency in the audit strategy within the family. | FP7: As of 1st January 2014, the common ex-post control strategy for the entire Research family is implemented by a central service (Common Support Centre, DG RTD)<br><br>- At intervals carry out audits of a representative sample of | Common Representative Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population.<br><br>Risk-based sample, determined in accordance with the selected | **Costs**:<br>- Estimate of cost of staff involved in stage 4 overall (coordination and execution of the audit strategy as well as implementation of the audit results)<br>- Cost of the appointment of | **Effectiveness**:<br><br>Audit coverage: number of audits finalised & value coverage<br><br>Representative error rate.<br><br>Residual error rate in comparison to the tolerable threshold. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side. | operations to measure the level of error in the population after ex-ante controls have been performed;<br>- Additional sample to address specific risks;<br>- When relevant, joint audits with the Court of Auditors.<br><br>Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned<br><br>Validate audit results with beneficiary<br><br>In case of systemic error detected, extrapolation to all the projects run by the audited beneficiary<br><br>If needed: referring the beneficiary or grant to OLAF | risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error | audit firms for the outsourced audits.<br><br>**Benefits**: budget value of the errors detected by the auditors.<br><br>**Non quantifiable benefits**:<br>- Deterrent effect.<br>- Learning effect for beneficiaries.<br>- Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audit. Improvement in rules and guidance from feedback from audit. | Total & Average ex-post audit cost in-house and outsourced (audit fees paid)<br><br>**Efficiency**<br>Cost of control of ex-post audits/value of grants audited |

### B - Implementing results from ex-post audits/controls

**Main control objectives**: Ensuring that the (audit) results from the ex-post controls lead to effective recoveries; Ensuring appropriate accounting of the recoveries made

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner | Systematic registration of audit / control results to be implemented and actual implementation.<br><br>Validation of recovery in accordance with financial circuits.<br>Authorisation by AO<br><br>Notification to OLAF and regular follow up of detected fraud. | Coverage: 100% of final audit results with a financial impact.<br><br>Depth: All audit results are examined in-depth in making the final recoveries.<br>Systemic errors are extrapolated to all the non-audited projects of the same beneficiary | **Costs**:<br>Estimate of cost of staff involved in stage 4 overall (coordination and execution of the audit strategy as well as implementation of the audit results)<br><br>**Benefits**: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).<br><br>**Loss**: budget value of such ROs which are 'waived'. | **Effectiveness**:<br>% of adjustments recovered /offset<br><br>Number/value/% of audit results pending implementation<br><br>Number/value/% of audit results implemented.<br><br>Funding adjustments.<br><br>**Efficiency**<br>Efficiency Indicators: total (average) annual cost of implementing audit audits compared with benefits. |

## Indirect entrusted management DG MOVE

The ICT covers: (1) the operating (administrative) budget of the executive agency INEA, (2) cross delegations to other Commission services, (3) the joint undertakings SESAR and S2R, (4) the financial instruments LTGG and Project Bond Initiative, (5) the operating (administrative) budget of the decentralised agencies.

| | |
|---|---|
| **Stage 1: Establishment (or prolongation) of the mandate to the entrusted entity ("delegation act"/"contribution agreement"/etc.)**<br><br>**Stage 2: Assessment and supervision of the entrusted entity's financial and control framework (towards "budget autonomy"; "financial rules").** | ***NOT APPLICABLE: All entities have been established and achieved budget autonomy prior to 2013. (S2R: delegation act not yet established)***<br><br>***This ICT therefore focuses on stages 3, 4 and 5.*** |

## Stage 3: 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, in order 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 risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner<br><br>The Commission does not react upon and mitigate notified issues in a timely manner. | **(1) Executive Agency: <u>INEA</u>**<br>DG MOVE's Monitoring Strategy is integrated into the new Memorandum of Understanding, which specifies the modalities and procedures of interaction between the Agency and its Parent DGs, notably:<br>• Control activities via Steering Committee;<br>• Regular reporting from the agency (on quarterly basis);<br>• Liaison meetings at hierarchical level;<br>• A number of ad hoc meetings and regular contacts at working level;<br>• Regular updates on the achievements of the programmes objectives;<br>•Budgetary control via the commitment and payment appropriations;<br>• Formal opinion and formal consultation on key documents of the Agency such as the annual work programme and the annual activity report. | **Coverage**: 100% of the EA is monitored/ supervised.<br><br>**Frequency**:<br>- Regular Steering Committee meetings;<br>- Regular reports on use of resources and performance of tasks;<br>- Parent DG's management meetings;<br>- Meetings related to programmes / activities;<br>- Formal opinion on Annual Work Programme and Annual Activity Report | **Costs:** estimate of cost of staff involved in the actual monitoring of the entrusted entities.<br><br>**Benefits**: The average annual budget amount entrusted to the entity. | **Effectiveness**: Number of serious issues arising not identified through standard reporting channels<br><br>Number of serious IAS and ECA findings of control failures; budget amount of the errors concerned.<br><br>**Efficiency:**<br><br>Supervision cost per entrusted entity.<br><br>% cost over annual amount paid / delegated. |
| As above | **(2) Cross-delegations** | **Coverage**: 100 %: Being a Commission service itself, the AOD of the cross-delegated service is required | **Costs:** not applicable | **Effectiveness**: Number of serious issues arising not identified through standard reporting |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | | to implement the appropriations subject to the same rules, responsibilities and accountability arrangements.<br><br>**Frequency**:<br>- The cross-delegation agreements require the AOD's of cross-delegated services to report to DG MOVE on the use of appropriations. | **Benefits**: The average annual budget amount entrusted to the entity. | channels |
| As above | **(3) Joint Undertakings**<br>**<u>SESAR JU</u>**<br>The following supervision mechanisms were applied:<br>• DG MOVE is a member of<br>and chairs the SESAR JU Administrative Board. It therefore participates directly (in many cases with an effective veto right, particularly when acting in concert with Eurocontrol) in all the decisions affecting the budget, accounts, staff and progress of the<br>JU. All the documents related to these issues are evaluated by DG MOVE in cooperation with several other services to establish Commission's position in the Board.<br>• Audit issues are also coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR JU, to which DG MOVE also participates.<br>• Regular financial and technical reporting and meetings to discuss the progress of the technical programme. | **Coverage**: 100% of the entities are monitored/ supervised.<br><br>**Frequency**:<br>- Regular Administrative Board/Governing Board meetings;<br>- Regular reports on use of resources and performance of tasks; | **Costs:** estimate of cost of staff involved in the actual monitoring of the entrusted entities.<br><br>**Benefits**: The average annual budget amount entrusted to the entity. | **Effectiveness**: Number of serious issues arising not identified through standard reporting channels<br><br>**Efficiency:**<br><br>Supervision cost per entrusted entity.<br><br>% cost over annual amount delegated. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | •DG MOVE participates in the Programme Committee chaired by the JU's Executive Director.<br>• DG MOVE regularly participates in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR JU.<br><br>**S2R**<br>Monitoring will be performed through the supervision of the Governing Board (in which the Commission holds 50% of voting rights) and via regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission). Operational and financial reporting provisions are clearly set out in the Statutes of the S2R JU. | | | |
| As above | **(4) Financial Instruments**<br><br>**Marguerite Fund**<br>• DG MOVE has given a cross-delegation to DG ECFIN to finance the "Marguerite Fund". • It is managed by an external management board which makes drawdown requests for credits as required.<br>• DG ECFIN is responsible for monitoring the management of the fund and reports regularly to DG MOVE. | **Coverage**: 100% of the entities are monitored/ supervised.<br><br>**Frequency**:<br>- Regular Steering Committee meetings or similar;<br>- Regular reports on use of resources and performance of tasks;<br>- Formal opinion on Annual Work Programme and Annual Activity Report | **Costs:** estimate of cost of staff involved in the actual monitoring of the entrusted entities.<br><br>**Benefits**: The average annual budget amount entrusted to the entity. | **Effectiveness**: Number of serious issues arising not identified through standard reporting channels<br><br>**Efficiency:**<br><br>Supervision cost per entrusted entity.<br><br>% cost over annual amount delegated. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | **<u>Loans and Guarantees for debt</u>**<br>• This is a joint instrument by the Commission and the EIB. It is managed by the EIB which makes annual drawdown requests.<br>•DG MOVE monitors the EIB's management of the instrument as specified in the cooperation agreement with the EIB.<br><br>**<u>Project Bond Initiative</u>**<br>•This is a joint initiative by the Commission and the EIB.<br>• Commission's participation in the governance and supervision of the financial instruments managed by the EIB.<br>• Service Level agreement with DG ECFIN (acting as Asset Management Designated Service) for the supervision of technical reports and information regarding management aspects of the instruments.<br>• Regular teleconferences and exchanges of information with DG ECFIN on the implementation of projects and management of assets entrusted to the EIB.<br>• General supervision of the implementation of the financial instruments in the context of FIIEG.<br>• Reception and analysis of monthly and quarterly operational reporting from the EIB. | | | |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| As above | **(5) Decentralised Agencies**<br><br>**EASA**<br>EASA is a partially self-financed decentralised agency with a clear governance set-up, documentation and procedures as required by the "Common approach to the decentralised agencies":<br>• These include a Management Board (where DG MOVE holds a permanent seat), a system of external and internal audits as well as procedures against fraud.<br>• Budgetary control via the commitment and payment appropriations;<br>• Quarterly indicators on budgetary and administrative performance of the Agency;<br>• Regular contacts at all levels (Director-General, Director, Head of Unit, staff);<br>• Involvement in audit and discharge procedures.<br><br>**EMSA**<br>EMSA is a permanent EU body with legal, financial and administrative autonomy. The supervision of EMSA takes multiple forms:<br>• Formal supervision mechanisms as foreseen in the EMSA regulation, including participation in EMSA's Administrative Board and the budgetary sub-committee, formal opinion and | **Coverage**: 100% of the entities are monitored/ supervised.<br><br>**Frequency**:<br>- Regular Steering Committee meetings;<br>- Regular reports on use of resources and performance of tasks;<br>- Formal opinion on Annual Work Programme and Annual Activity Report | **Costs:** estimate of cost of staff involved in the actual monitoring of the entrusted entities.<br><br>**Benefits**: The average annual budget amount entrusted to the entity. | **Effectiveness**: Number of serious issues arising not identified through standard reporting channels<br><br>**Efficiency**:<br><br>Supervision cost per entrusted entity.<br><br>% cost over annual amount delegated. |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | formal consultation on key documents of the Agency like the annual work programme, the multi-annual staff policy plan;<br>• Active role of the Commission in the budgetary procedure as foreseen by the EMSA regulation and the Financial Regulation;<br>• Budgetary control via the commitment and payment appropriations;<br>• Quarterly indicators on budgetary and administrative performance of the Agency;<br>• Regular contacts at all levels (Director-General, Director, Head of Unit, staff);<br>• Involvement in audit and discharge procedures.<br><br>**ERA**<br>• Budgetary control via the commitment and payment appropriations;<br>• Quarterly indicators on budgetary and administrative performance of the Agency;<br>• Regular contacts at all levels (Director-General, Director, Head of Unit, staff);<br>• Involvement in audit and discharge procedures.<br>• The Commission participates in 3 meetings a year of the Administrative Board of the Agency as well as the sub-committee on administration and financial matters. | | | |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | | | | |

## Stage 4: Commission contribution: payment or suspension/interruption.

**Main control objectives:** Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution.

**This is very closely linked to stage 3 above.**

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.<br><br>Bad cash forecast leading to the Commission paying too much compared to the entity's needs | See stage 3. | See stage 3. | See stage 3. | See stage 3. |

## Stage 5: Audit and evaluation, Discharge for Joint Undertakings and Decentralised Agencies

**Main control objectives:** Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting. | **(1) INEA: is** subject to audit by the Internal Audit Service of the Commission and by the European Court of Auditors and DG MOVE uses their reports as an element of the supervision of these bodies. | | **Costs:** the estimate of costs provided in stage 3 covers stages 3 to 5.<br><br>**INEA**<br>The cost-benefit analysis carried out in 2013 indicated that the extended delegation of the main EU infrastructure programmes in transport, energy and ICT to INEA (ex-TEN-T EA) would make it possible to implement these programmes efficiently and at a lower cost than in the Commission. It is estimated to deliver cost-savings in the order of € 54 million over the 2014-2020 period, compared to the in-house scenario. The agency is well established to manage the extension as shown by its excellent key performance indicators. | **Effectiveness**: Assurance being provided; residual error rate within a tolerable range.<br><br>Number of serous IAS and ECA findings of control failures.<br><br>**Efficiency**:<br>Note – it is not considered appropriate to separate the indicator by stage, it will be an overall indicator (stages 3-5 together) |
| | **(2) Cross-delegations**<br>• Being a Commission service itself, the AOD of the cross-delegated service is subject to audits by the Internal Audit Service and the Court of Auditors. | | | |

| Main risks | Mitigating controls | Coverage, frequency and depth | Costs and benefits of controls | Control indicators |
|---|---|---|---|---|
| | **(3) Joint Undertakings**<br>Subject to audit by the Internal Audit Service of the Commission and by the European Court of Auditors and DG MOVE uses their reports as an element of the supervision of these bodies.<br><br>**<u>SESAR JU</u>**<br>• As required by the SESAR JU founding Regulation, each three years the Commission carries out an evaluation of the functioning and the results of the JU.<br><br>**<u>S2R</u>**<br>IAS / ECA (not audited yet) | | | |
| | **(4) Financial Instruments**<br>- Subject to audit by the European Court of Auditors and DG MOVE uses their reports as an element of the supervision of these bodies.<br>- Subject to external audits. | | | |
| | **(5) Decentralised Agencies**<br>subject to audit by the Internal Audit Service of the Commission and by the European Court of Auditors and DG MOVE uses their reports as an element of the supervision of these bodies. | | | |

# ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

## SESAR JU (Single European Sky Air traffic management Research Joint Undertaking)

| | Requirement | Information |
|---|---|---|
| 1 | Programmes concerned | FP7 and TEN-T multiannual Programme<br>H2020 programme |
| 2 | Annual budgetary amount entrusted to these bodies | In 2014, DG MOVE paid a net contribution of € 20.97 million[4] from the FP7 programme and € 73.66 million from the TEN-T programme. |
| 3 | Duration of the delegation | Following Council regulation 721/2014of 16 June 2014, extending SESAR JU until 2024, the Commission signed a new general Agreement with SESAR JU on 19 December 2014, prolonging the activities until 31 December 2024<br><br>(Commission Decision C(2014)9835 dated 17 December 2014) |
| 4 | Justification of recourse to indirect centralised management | The aim of the SESAR JU is to rationalise and centralise all air traffic Management related R&D, with the full involvement of the relevant stakeholders.<br><br>The SESAR JU is an EU body in the form of a PPP. The tasks entrusted to the JU could not have been carried out by the Commission because of the complexity of the programme and number of projects. |
| 5 | Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.) | The SESAR JU was established by the Council on the basis of Article 187 of the Treaty. There are two founding mentioned in the founding Regulation (the EU, represented by the Commission, and Eurocontrol (Reg. (EC) 219/2007). All other members of the SESAR JU are selected through open competitive calls based on the criteria established in the SESAR JU Statutes. |
| 6. | Synthetic description of the implementing tasks entrusted to these bodies | The SESAR JU is entrusted with the task to carry out and monitor all the relevant air traffic management research, development and validation activities in accordance with the European ATM Master Plan. The SESAR JU is also in charge of the maintenance of the Master Plan. For this purpose, the SESAR JU manages the FP7 and TEN-T and H2020 funds it is allocated, in accordance with its financial rules and under the supervision of its Administrative Board. |

[4] This is the net actual amount paid to SESAR JU, after deduction of interests on prefinancing (€0.12 million) due to the Commission.

## S2R JU (Shift2Rail Joint Undertaking)

| | Requirement | Information |
|---|---|---|
| 1 | Programme concerned | H2020 Framework programme |
| 2 | Annual budgetary amount entrusted | In 2014, DG MOVE paid € 18 047 to cover staff costs and other administrative expenditure related to the setting up of the Shift2Rail Joint Undertaking. **<u>No payment</u>** was made for the operational activities of the JU as these had not yet started in 2014. |
| 3. | Duration of the delegation | 31.12.2024 |
| 4 | Justification of recourse to indirect centralised management | The Shift2Rail Joint Undertaking (S2R JU) was established as a new public-private partnership, in accordance with Article 187 of the Treaty on the Functioning of the European Union (TFEU), and with the Horizon 2020 Regulation, to provide a platform for coordination of research activities with a view to driving innovation in the rail sector in the years to come.<br><br>The Horizon 2020 Regulation emphasises the achievement of a greater impact on research and innovation by combining H2020 and private-sector funds in public-private partnerships in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges. |
| 5 | Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.) | The Shift2Rail Joint Undertaking (S2R JU) was set up by Council Regulation (EU) No642/2014 of 16 June 2014 (S2R Regulation). The founding members of the S2R JU are listed in the S2R Regulation. They are the European Union plus eight major players from the rail industry having made a commitment of at least EUR 30 million to the S2R JU. Additional associated members are to be selected following an open call that was launched on 6 October 2014. The minimum conditions and key selection criteria for associated membership are laid down in the S2R Regulation. |
| 6. | Synthetic description of the implementing tasks entrusted | The S2R JU will manage the entire budget for rail research under Horizon 2020. The S2R JU is entrusted with the task of developing and ensuring the effective and efficient implementation of a strategic Master Plan, identifying the key R&I priorities to contribute to the achievement of the Single European Railway Area, to a faster and less costly transition to a more attractive, user-friendly, competitive, efficient and sustainable European rail system, and to the development of a strong and globally competitive European rail industry.<br><br>The main bodies of the S2R JU are the Governing Board, in charge of strategic decision-making, and the Executive Director, responsible for day-to-day management. The European Commission and the industrial JU members have equal voting rights in the Governing Board. |

## ANNEX 7: EAMR of the Union Delegations

Not applicable to DG MOVE

# ANNEX 8: Decentralised agencies

| Name | Acronym | Policy concerned | Subsidy paid in 2014 by DG MOVE |
|---|---|---|---|
| European Aviation Safety Agency | EASA | Mobility and Transport - Aviation | **€ 35 209 468** |
| European Maritime Safety Agency | EMSA | Mobility and Transport – Maritime | **€ 52 027 813** |
| European Railway Agency | ERA | Mobility and Transport - Rail | **€ 25 715 600** |

## ANNEX 9: Performance information included in evaluations

| **Title of the Evaluation:** | **Ex-Post Evaluation of TEN-T Coordinators** |
|---|---|
| ABB activity: | European Transport Policy |
| Type of evaluation: | Other (O) |
| Summary of performance related findings and recommendations: | The 2004 revised TEN-T guidelines introduced the concept of European Coordinators, responsible for facilitating the coordinated implementation of Priority Projects.<br><br>**1. Contribution to key policy objectives**<br>The ultimate policy objective of the TEN-T programme is the establishment of a single, multimodal network covering both traditional ground-based structures and equipment to enable safe and efficient traffic flows, by integrating the land, sea and air transport infrastructure components.<br>Coordinators have an important role to play, to unblock obstacles to progress, report to the Commission and European Parliament, as well as interact and promote coordination across stakeholders including Member States, regional and local authorities, European institutions and infrastructure managers<br><br>**2. Main impacts and EU added value**<br>The role of the Coordinators was very useful and effective in helping the Member States and DG MOVE to further progress the development of the TEN-T Network. They have acted as “pivotal heads” able to report to European institutions but also liaised on the ground with all the stakeholders involved, facilitating dialogue and direct relationships. Their role improved the communication of the strategic vision of the Priority and Horizontal Projects and enhanced common knowledge and transparency. Relying largely on their negotiation skills and their previous political experience, Coordinators succeeded and obtained a significant number of key results that might have been achieved without them but certainly not in the same timeframe.<br>On the communication, it is recommended that after each forum meeting, a press release is issued providing a summary of the meeting<br>On the drafting process of the Annual reports, a more formalised approach is suggested probably with the participations of stakeholders<br>Finally, increased interaction amongst the coordinators is recommended either via the setting of regular seminars where representatives of EU institutions could participate, or with the setting of regular meetings amongst the coordinators.<br><br>**3. Issues of sound design, management and implementation**<br>The cost of Coordinators compared to the overall EU budget for TEN-T remains very small. Nevertheless, the purpose of the monthly allowance remains quite vague in the Commission Decision.<br>On the Coordinators' missions, it is recommended that Coordinators and their advisors undertake all missions deemed necessary by DG MOVE. In this vein, the budget required for these missions should be maintained in the coming years. On the monthly allowance, some consideration could be given to a better clarity. |
| Availability of the report on Europa: | http://ec.europa.eu/transport/facts-fundings/evaluations/doc/2014-06-ex-post-evaluation-of-ten-t-coordinators.pdf |

| **Title of the Evaluation:** | **Evaluation of the framework of relevant directives related to the initiative on recognition and modernisation of professional qualifications in inland Navigation** |
|---|---|
| ABB activity: | European Transport Policy |
| Type of evaluation: | Regulatory instrument (R) |
| Summary of performance related findings and recommendations: | The subject of this evaluation are Directive 91/672/EEC on the reciprocal recognition of national boat masters' certificates for the carriage of goods and passengers by inland waterway and Directive 96/50/EC on the harmonization of the conditions for obtaining national boat masters' certificates for the carriage of goods and passengers by inland waterway. Both directives are limited in scope, in respect to both coverage of professional workers (only boa masters) and types of vessels (>20 m and > 12 passengers).<br>**1. Contribution of Directives to key policy objectives**<br>Both directives have contributed to free navigation on inland waterways in Europe. The minimum requirements and the topics on professional knowledge required to obtain a boatmaster certificate, contributed to improved safety. The process of reciprocal recognition of the boatmasters' certificates has facilitated the access to European waterways, thus leading to better labour mobility The two directives have also contributed, to a lesser extent, to the policy of integrating inland waterways into the transport system in Europe.<br>**2. Main result/ impacts and EU added value**<br>Although reciprocal recognition and harmonisation have taken place, some difficulties remain, preventing further harmonisation. These difficulties refer (a) to the exemption of the waterways to which the Rhine Navigation Licenses apply (b) the different national rules and regulations in conjunction with the existence of local knowledge requirements (LKR). (c)differences in the way professional training and education is organised at a national level The evaluation findings suggest several courses for actions for modernising and streamlining the professional qualifications in IWT:<br>• Considering the process of mutual recognition through multilateral and bilateral agreements initiated by the CCNR as a first transitional step which could facilitate the process towards the introduction of unique minimum requirements valid in all MSs<br>• Extending the coverage of workers to all crew members in order to extend the benefits of improved labour mobility and safety beyond the profession of boatmaster.<br>• Considering further two specific aspects related to LKRs which affect labour mobility: (i) the grounds on which LKR situations are defined; (ii) difficulties related to examination of LKR (in particular the issue of language)<br>• Providing insight in genuine professional qualifications by basing the process of mutual recognition on an assessment of competences of boatmasters and crew members.<br>• Modernising professional qualifications by introducing the use of electronic tools.<br>• Keeping a degree of flexibility for the Member States to deviate at a national level in certain areas from common provisions, as foreseen in Directive 96/50/EC.<br>3**. Issues of sound design, management and implementation**<br>The size of the administrative costs of implementing the directives is unknown. It could be assumed that harmonisation of conditions for obtaining the Boat master certificate has resulted in a reduction of administrative costs as a result of efficiency gains. |
| Availability of the report on Europa: | http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=10463697 |

| | |
|---|---|
| **Title of Evaluation:** | **'Evaluation of RIS Implementation for the period of 2006-2011'** |
| ABB activity: | European Transport Policy |
| Type of evaluation: | Regulatory instrument (R) |
| Summary of performance related findings and recommendations: | In 2005 the European Parliament and the European Council adopted the River Information Service (RIS) Directive (2005/44/EC) aiming at harmonising market conditions in the sector of Inland Waterways. In 2013, following a legal obligation (art. 12) the Commission decided to conduct an evaluation of the RIS policy for the period 2006-2011.<br><br>**1. Contribution of the instrument to Europe 2020 / EU Transport policy objectives**<br><br>The initiative falls under the general objective of promoting innovation and research in transport (General objective# 4 of 2014 AMP). More specifically it aims at (a) optimising the integration and interconnection of transport modes and enhancing the interoperability of transport services (Specific objective 9 of 2014 AMP) and (b) promoting innovation for resource-efficient transport that respects the environment (Specific objective 9 of 2014 AMP).<br>In the NAIADES II Communication, it was announced that the Commission will take stock of progress in RIS deployment, identify further development orientations and examine how to facilitate the adaptation of the technical standards to progress in a dynamic way.<br><br>**2. Main results / impact**<br><br>The evaluation report concluded that RIS has been a driver for development in the IWT industry: many public and private parties collaborated to define and implement standards and roll out the key RIS technologies. Major progress was achieved in the implementation of RIS technologies and RIS services, such as fairway information and traffic information services. However, applications focussing on optimising logistics processes and modal integration are missing or not yet functioning. The implementation of some of the key technologies and their usage rate is still in progress. In addition, considerable differences exist between MS in the level and pace of implementation. Therefore the benefits that were expected from the harmonisation of those services have not been realised.<br><br>**3. Issues of sound policy design, management and implementation, including efficiency and effectiveness**<br><br>The evaluation recommends a revision of the legal framework in order to clear a number of key legal obstacles for the full implementation of RIS. The revision of RIS should also broaden RIS implementation to stimulate the deployment of new technologies/services taking account of the substantial innovation in ICT, and should support integration of IWT in the multimodal supply chains. As regards RIS implementation, more attention should be given to public private partnerships and enabling funding from private organisations and the IWT industry itself. |
| Availability of the report on Europa: | http://ec.europa.eu/transport/modes/inland/studies/inland_waterways_en.htm |

| **Title of the evaluation:** | **Ex-post evaluation of the Loan Guarantee Instrument for the Trans-European Transport Network (TEN-T) projects** |
|---|---|
| ABB activity | European Transport Policy |
| Type of evaluation: | Regulatory instrument |
| Summary of performance related findings and recommendations | **1. Contribution of the instrument to Europe 2020 / EU Transport policy objectives**<br>The "loan guarantee instrument for the trans-European transport network projects" (LGTT) is a financial instrument created to support Public-Private Partnerships (PPPs) carrying out TEN-T projects. The legal basis of LGTT is Regulation (EU) 680/2007. The instrument was established by means of a cooperation agreement between the Commission and the European Investment Bank (EIB). The capital contribution of the COM to LGTT is € 250 million.<br>LGTT has been utilised in seven traffic revenue-risk TEN-T PPP transactions in France, Germany, Portugal, Spain and United Kingdom in the port, road and rail sectors, involving a total capital investment of more than € 12 billion<br>**2. Main results / impact**<br>The main conclusions of the ex-post evaluation are:<br>– LGTT has had a positive impact on the projects it has supported; to date, none of the projects have used or drawn the guarantee provided by the LGTT. The parties involved (public authorities, projects' promoters), appreciate the support provided by the LGTT.<br>– However, the overarching conclusion is that LGTT did not achieve its objectives, as it served to support only a small number of projects because of two main reasons: a) the economic crisis, which had severe negative effects on the pipeline of projects and b) the narrow scope of LGTT, focused exclusively on mitigating traffic revenue risks.<br>– Furthermore, the evaluation points out an uneven geographical distribution, as the LGTT instrument was not used in central, eastern and northern Member States. Lack of institutional capacity, low political interest in PPP schemes and competition from Regional Funds are some of the explanations for the absence of LGTT eligible projects in those regions.<br>– Finally, in terms of implementation, stakeholder awareness of LGTT (beyond direct recipients) has been low. Actors in the transport sector perceived LGTT as a complicated instrument, pointing out lack of transparency about projects' selection and evaluation procedures and cost calculations.<br>**3. Issus of sound policy design, management and implementation, including efficiency and effectiveness**<br>Based on the above findings, the main recommendations of the evaluation are:<br>– For the future financial instruments, reconsider the scope of its application: "Before adapting the LGTT further, it should be further investigated to what extent contractors, governments and public procurement authorities promoting PPPs require mitigation of other types of risk"<br>– Improve transparency and understanding of the instrument: As an EU-supported instrument, "all aspects of information about the LGTT should be transparent, understandable and made available to the public, without hindering the commercial interests of the project company and of the procuring authority". |
| Availability of the report on Europa | http://ec.europa.eu/transport/themes/infrastructure/studies/doc/2014_ex-post_evaluation_of_the_loan_guarantee_instrument_for_ten-t_projects.pdf |

| | |
|---|---|
| **Title of the evaluation:** | **Ex-post Evaluation of EPEC (The European Public-Private Partnership (PPP) Expertise Centre)** |
| ABB activity | European Transport Policy |
| Type of evaluation: | Regulatory instrument |
| Summary of performance related findings and recommendations | **1. Contribution of the instrument to Europe 2020 / EU Transport policy objectives**<br><br>EPEC was established in 2008 as the joint initiative between the Commission and the EIB. Its mandate was to support the public sector capacity to implement the public private partnership (PPPs) projects and programmes, improve PPP planning and implementation and spreading best practices in the Member States, including dissemination of information and know-how on the PPPs. Since 2010 the initiative was financed as a direct grant (without publication of the call for proposals) from the trans-European transport network (TEN-T) and Cohesion funds. The TEN-T grant was managed by the TEN-T Executive Agency.<br><br>**2. Main results / impact**<br><br>The main findings of the evaluation are:<br><br>– Through dedicated thematic workshops and horizontal papers on PPP financing and their implementation, EPEC has contributed to raise awareness and spread best practices to its Members at the central level (Ministries), dealing with planning framework / and implementation of the public private procurements;<br><br>– However, dissemination practices of EPEC have been largely insufficient to reach out towards wider circle of regional, local administration and procuring authorities dealing with implementation of the PPPs. Many of the managing authorities were unaware of the existence of EPEC and its mandate, indicating very limited outreach of EPEC's activities beyond central-level administration of the Member States.<br><br>– Better dissemination results could have been achieved with low cost and effort by creating Managing and Procurement Authority mailing lists (coordinated with the governing PPP Units in each Member State). Generally, national languages were insufficiently considered when drafting EPEC documents.<br><br>**3. Issus of sound policy design, management and implementation, including efficiency and effectiveness**<br><br>In the light of the findings of the evaluation, the Commission decided to discontinue its co-sponsoring of EPEC in its current form beyond 2013. New approaches for providing technical assistance to PPP deals supporting TEN-T projects, including the possible re-orientation of EPEC will be discussed with the EIB. |
| Availability of the report on Europa | http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=10565237 |

| **Title of the evaluation:** | **Ad-hoc audit of Marguerite Fund** |
|---|---|
| ABB activity | European Transport Policy |
| Type of evaluation: | Regulatory instrument |
| Summary of performance related findings and recommendations | **1. Contribution of the instrument to Europe 2020 / EU Transport policy objectives**<br>The "2020 European Fund for Energy, Climate Change and Infrastructure" (the "Marguerite Fund") is an investment fund established for the period 2010-2016 for the purpose of facilitate the financing of trans-European networks (TEN-T) projects. The Fund is supported by nine public financial institutions and the Commission. The total size of the Fund is € 710 million. The Commission's contribution (€ 80 million, capital risk) comes from the TEN-T Budget. Since going live in 2010, and until 31.12.2013, the Marguerite Fund has supported 9 TEN projects.<br>**2. Main results / impact**<br>The ad-hoc audit covers the first three years of operation of the fund (2010-2013), with the purpose of:<br>– Assessing the effectiveness and efficiency of the Marguerite Fund;<br>– Draw lessons in view of the design of the financial instruments to be established under the Connecting Europe Facility for the period 2014-2020.<br>The main conclusions of the ad-hoc audit are:<br>In terms of effectiveness, the audit points out that, taking account of the constraints of Marguerite as investment fund (investment restricted to TEN-T, TEN-E and renewable energy projects), the Fund has achieved a satisfactory performance. Concerning efficiency, the ad-hoc finds that the balance between its benefits/outputs and its costs/inputs has been satisfactory.<br>In terms of EU Added Value the audit considers performance as partially unsatisfactory given the significant difficulties in financing TEN-T projects. Nevertheless, the fact that Marguerite is the sole case of cooperation between the EU and national public financial institutions for providing a capital investment fund on a pan-European basis represents a high added value by itself. The ad-hoc audit finds that the activity of Marguerite Fund has been additional with respect to both other private sources of capital and other existing EU instruments.<br>In respect of the possible follow up of Marguerite at the expiry of the agreement (2016), the ad-hoc audit argues for the continuity of the initiative, albeit with a changes of scope and approach to correct the shortcomings that had been identified<br>**3. Issus of sound policy design, management and implementation, including efficiency and effectiveness**<br>The two key lessons learnt, i.e. factors that would help Marguerite to improve its overall performance are:<br>– the need for more flexible Investment Guidelines, adapting the restrictions agreed by the sponsors, for instance as far as the size of eligible projects, as this has resulted in a large number of investment opportunities being rejected;<br>– the need to pursue a stronger collaboration among the Commission, the other investors in the Marguerite fund , EU Member States, national development banks, procuring authorities and other public bodies particularly.<br>The results of the ad-hoc have been an important input for the Commission's ex-ante evaluation of approach for financial instruments under the Connecting Europe Facility for the period 2014-2020. |
| Availability of the report on Europa | To be published |

| Title of the Evaluation: | **Review of Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers** |
|---|---|
| ABB activity: | European Transport Policy |
| Type of evaluation: | Regulatory instrument |
| Summary of<br><br>performance related findings and recommendations: | **1. Contribution to key policy objectives**<br><br>Directive 2003/59/EC is part of the overall effort to increase safety on European roads. It contributes to reaching the objectives of the Europe 2020 through its contribution to life-long learning; to the Transport White Paper's objectives on road safety and CO2 reduction; and to the 4th Road Safety Action Plan's objective of reducing the dead on the road by 50% by 2020.<br><br>**2. Main results/impacts and EU added value**<br><br>Having a Directive on qualification and training at EU level brought added values in terms of improved labour mobility, notwithstanding current problems with recognition, periodic training, and harmonized training requirements across the Member States. It is necessary to have this instrument at EU level because otherwise, varying or no training requirements would have been introduced by the Member States.<br><br>The scope of the Directive in terms of drivers covered is relevant and sufficient to ensure increased road safety and level playing field. However, the scope in terms of training and testing provisions, and in terms of topics, duration etc. is only partially relevant and sufficient to ensure road safety and not sufficient to ensure the level playing field.<br><br>The Directive contributes to ensuring free movement of drivers, but because of problems with recognition of training undergone abroad, the Directive was only partially successful.<br><br>**3. Issues of sound management and implementation**<br><br>The Directive was implemented in the Member States without major problems. Main problems encountered were difficulties in the practical application of exemptions, legal uncertainty regarding minimum age, and problems with mutual recognition of training.<br><br>The Directive does not contribute to the attractiveness of the sector by enhancing requirements for professional competence due to the additional training and financial burden, as well as the lack of prospect to receive a recognized diploma at the end of the training.<br><br>The potential benefits of the Directive in the form of reduced costs of traffic accidents, reduced fuel use and reduced emissions outweigh the costs related to the Directive.<br><br>Main policy recommendations:<br><br>• To realise the potential benefits, training needs to be focused on reduced fuel use and danger recognition.<br>• To improve practical application, provisions of the Directive on exemptions, minimum age and recognition of the training need to be clarified.<br><br>The recommendations will need to be elaborated in the future impact assessment study in greater detail. |
| Availability of the report on Europa | http://ec.europa.eu/transport/facts-fundings/evaluations/doc/2014_ex_post_evaluation_study_training_drivers_en.pdf |

| Title of the Evaluation | Evaluation of the implementation and effects of EU infrastructure charging policy since 1995 |
|---|---|
| ABB activity: | European Transport Policy |
| Type of evaluation: | Regulatory instrument (R) |
| Summary of performance related findings and recommendations: | Evidence from across the EU indicates that transport infrastructure in general, and road infrastructure in particular, is degrading because of decades of delayed or foregone investments in maintenance. Road charging could provide a stable flow of revenues to sustainably manage the infrastructure over its lifetime. The aim of this report was to identify and analyse the experience of Member States with respect to road user charging policy.<br>**1. Contribution of the programme to key policy objectives**<br>The 2011 Transport White Paper called for a wider application of the 'polluter-pays' and 'user-pays' principle in order to ensure more sustainable transport and infrastructure financing. Further actions were suggested to promote and harmonise road charging in order to allow more efficient use and raise additional revenue streams for infrastructure funding.<br>**2. Main results / impacts and EU added value**<br>Roads carry an important share of intra-EU trade, on which the internal market relies. Internal market's functioning supposes that international road transport operates effectively and efficiently, based on the good state of infrastructure maintenance and excessive congestion.<br>As cross-border transport constitutes a big share of inter-urban transport in Europe, these goals require action at an EU level to give satisfactory results. The need for EU action is even clearer when it comes to problems related to potentially discriminatory charging schemes. Indeed, MSs do not have incentives to proactively defend the interests of motorists established in other MSs.<br>**3. Issues of sound design, management and implementation**<br>Revenues from vignettes are very low compared to those collected from distance-based charges and therefore do not meet the financial needs for infrastructure investment. While it is recognised that vignettes are useful as a transition measure because of their simplicity, a transition to fair and efficient pricing implies a greater recourse to tolls.<br>• **Recommendation 1: E**ncourage shift from vignettes to electronic tolls to ensure better recovery of infrastructure costs, as well as improve consistency and compatibility of pricing systems across Europe.<br>Road congestion is estimated to cost the EU economy the equivalent of 1% of its GDP in time losses, additional fuel consumption and pollution. Only few MSs have introduced time-varying charges. One of the key barriers to greater use of time-varying charges was found to be the complexity of complying with the requirement for revenue neutrality.<br>• **Recommendation 2:** Remove soft barriers to uptake of time-varying charges<br>There is a patchwork of different charging systems that international freight transport encounters when travelling across the EU. Although the number of MSs introducing electronic tolling systems is increasing, these are based on different technologies and systems that are not interoperable.<br>• **Recommendation 3:** Encourage Member States to introduce interoperable systems<br>There is a wide variation in the way MSs impose charges with respect to the emissions of the vehicle. Some MSs do not differentiate charges at all, whereas in others different charges are applied. This creates inconsistent price signals for users<br>• **Recommendation 4:** improve the consistency of pricing signals in order to reduce the environmental burdens of transport |
| Availability of the report on Europa: | http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=10296156 |

| | |
|---|---|
| **Title of the evaluation** | **Second mid-term evaluation of the SESAR Joint Undertaking (SJU) 2010-2012. (Independent assessment)** |
| ABB activity: | European Transport Policy |
| Type of evaluation | Regulatory instrument (R) |
| Summary of performance related findings efficiency, and recommendations: | **1. Contribution of the programme/instrument/activity to Europe 2020 targets/flagships/objectives or to other key policy objectives**<br><br>The SJU operated effectively, thus contributing to the objectives of the SESAR Project and to the Single European Sky (SES) policy objectives. In fact, the SJU's work programme supported the preparation for deployment and was aligned with the European ATM Master Plan.<br><br>**2. Main result/ impact of the programme/instrument/activity and EU added value**<br><br>SJU has achieved most of its mid-term objectives of its work programme, also improving delivery rate during the reference period from approximately 60% in 2010 to 82% by the end of 2012. The SJU effectively supported the SESAR deployment phase through the definition of requirements and through the revision of the European ATM Master Plan. As such, the SJU activities were integrated with and supported the other SES pillars, particularly through the European ATM Master Plan.<br><br>The European PPP structure of the SJU allowed it to strike a proper balance between enhancing cooperation among its members and retaining the advantages of a competitive and innovative environment. The SJU added value by avoiding duplication and lack of coordination in the European ATM research and development sector and achieved economies of scale The overall added value of the SJU will be fully measurable once SESAR solutions are implemented. The external assessors recommended that the SJU continue its efforts to improve the rate of completion of its annual, stated goals.<br><br>**3. Issues of sound programme/policy design, management and implementation; including efficiency and effectiveness**<br><br>The evaluation confirmed that the SJU has set up an appropriate management structure with clearly defined roles and responsibilities of the Administrative Board and the Executive Director. The SJU demonstrated its effectiveness by setting up the administrative arrangements needed to manage 336 research projects. The SJU was able to optimise the utilisation of resources and that the procedures and processes in place enhanced effectiveness. The project management procedures allowed the SJU to focus on project monitoring in a systematic manner. Finally, the SJU complied with the principles of sound financial management. It also results that the SJU has developed efficient and appropriate work structures and procedures.<br><br>The independent assessment nevertheless recommended that the SJU and DG MOVE identify and address the specific information needs of the EU Member States. More specifically, this concerns communication on the SJU.<br><br>The independent assessment will be complemented by an internal evaluation of the SJU's contribution to the overall SESAR project and will be submitted to the Council and European Parliament. |
| Availability of the report on Europa | http://ec.europa.eu/transport/facts-fundings/evaluations/annual_en.htm |