



Annual activity report 2022

annexes

DIRECTORATE-GENERAL FOR MOBILITY AND
TRANSPORT (DG MOVE)

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ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control

For the director in charge of risk management and internal control:

"I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the DG/Executive Agency to the Director-General/Executive Director.

I hereby certify that the information provided in section 2 of the present Annual activity report and in its annexes is, to the best of my knowledge, accurate and complete."

Brussels, 31 March 2023

Anne MONTAGNON

e-signed

For the director taking responsibility for the completeness and reliability of management reporting on results and on the achievement of objectives:

I hereby certify² that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2023

Mona BJÖRKLUND

e-signed

¹ C(2017)2373 of 19.04.2017

² On the basis of the AOSD reports submitted by the Directors in DG MOVE.

ANNEX 2: Performance tables

General objective 1: A European Green Deal			
Impact indicator: Greenhouse gas emissions			
Source of the data: European Environmental Agency (Eurostat online data code: sdg_13_10)			
Baseline (2018)	Interim Milestone (2020)	Target (2030)	Latest known results (2021)
	-20%	[The target is set by the EU 2030 Climate Plan³]	
-23%		-55%	-30%
Impact indicator: Climate mainstreaming in the European Union budget			
Source of the data: European Commission Draft Budget Reports			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
		[The target was proposed together with the Commission's proposal for MFF 2021-2027 and NextGenerationEU]	
21% ⁴	30%	30%	34.8%
Impact indicator: Rail and inland waterways as a percentage of total freight transport			
Source of the data: Eurostat (Eurostat online source code: sdg_09_60)			
Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
		[The European Green Deal calls for a substantial part of the 75% of inland freight today carried by road to shift to rail and inland waterways. One of the flagship initiatives of the Sustainable and Smart Mobility Strategy aims at greening the freight transport by boosting freight transport by rail and inland waterways. The most used indicator for comparing the transport activity across modes is the modal split indicator]	
24.7%	Increase	Increase	22.6% ⁵

³ Art.4: In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2030 climate target shall be a domestic reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55 % compared to 1990 levels by 2030.

⁴ Proportion of climate related spending (mainstreaming) in the EU budget.

⁵ The aggregated indicator hides considerable differences at country level. In 2020 there were several countries with freight transport shares for rail and inland waterways close or above 50%: Bulgaria, Latvia, Lithuania, the Netherlands, and Romania. A look at the absolute transport performance of goods reveals that in the EU road freight transport (in tonne-kilometres) is strongly linked to economic growth. Neither

Specific objective 1.1: A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable and alternative transport fuels for land, waterborne and air

Related to spending programme(s): Connecting Europe Facility

Result indicator: Share of CEF Transport invested into sustainable modes of transport

Source of the data: CINEA

Baseline (2014-2020)	Interim Milestone	Target (2024)	Latest known results (2021)
		[The target has been defined taking into consideration the performance of the CEF 2014-2020 programme (around 70%) and considering an increased contribution due to the focus of the new CEF 2021-2027 programme on sustainable transport modes]	
0	on path	80% of CEF II Transport committed expenditures	74% in 2021 ⁶

sea nor air freight transport are currently represented in the indicator. The performance of inland waterways transport mode is strongly linked to environmental and hydraulic conditions, such as water levels and the impact of droughts.

⁶ This figure is based on CINEA's assessment and is expected to further evolve with the individualisation of 2022, 2023 and following years appropriations. Nevertheless, considering the enhanced support to Solidarity Lanes and UA connectivity under the Military Mobility and General calls, the share of non-climate related expenditure might be slightly higher than initially expected. At the same time, contribution is expected to be in line with the CEF legal base (recital 5) including the goal to dedicate at least 60% of the expenditure to climate related objectives.

Result indicator: Number of alternative fuel supply points built or upgraded with the support of CEF

Source of data: CINEA

Baseline (2014-2020)	Interim Milestone	Target (2024) [The target has been defined considering the budget allocated to the Alternative Fuels Infrastructure Facility (AFIF) and the Unit contribution identified in the Decision on Unit Contributions⁷]	Latest known results (2021)
13 000 alternative fuel supply points built or upgraded	N/A	Support provided for building at least 50 000 additional alternative fuel supply points	CEF 2021-2027 actions are still ongoing and no alternative fuels charging infrastructure has been completed for the time being. As per the methodological approach developed with CINEA, only closed and assessed projects can actively contribute to these KPI reports

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of data: DG MOVE

Baseline (year)	Interim Milestone		Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2022)
	(2022)	(year)		
N/A	Positive trend	...	Positive trend	2 ⁸

⁷ Decision authorising the use of Unit contributions to support the deployment of ERTMS, electric vehicles recharging infrastructure and the retrofitting of noisy wagons under the Connecting Europe Facility (CEF) – transport sector.

⁸ In 2022 there were 5 major initiatives prepared by DG MOVE and adopted by the Commission, and 2 of them had a simplification/administrative burden reduction component: proposal for the stability for Directive on the inclusion of improved stability requirements and its alignment with stability requirements defined by the International Maritime Organisation and proposal for repealing Regulation (EEC) No 1108/70 of the Council introducing an accounting system for expenditure on infrastructure in respect of transport by rail, road and inland waterway, and Commission Regulation (EC) No 851/2006 specifying the items to be included under the various headings in the forms of accounts shown in Annex I to Council Regulation (EEC) No 1108/70. The other 3 proposals did not create a new administrative burden, and they were needed to address the impact of Russia's aggression against Ukraine: Proposal for a Regulation on Union guidelines for the development of the trans-European transport network, amending Regulation (EU)

Specific objective 1.2: A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable alternative transport fuels for land, waterborne and air both in the EU and globally

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
CountEmissions EU - EU framework for harmonised measurement of transport and logistics emissions	Adoption	Q4 2022	Postponed to Q2 2023, part of the 'greening freight package'

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Measures to better manage and coordinate international rail traffic, including a revision of Regulation (EU) 913/2010 concerning a European rail network for competitive freight and through new rules for capacity allocation in the rail sector	Adoption	Q4 2022	Postponed to Q2 2023, part of the 'greening transport package'
Report to the European Parliament and to the Council on Directive (EU) 2015/719 on Weights and Dimensions of certain road vehicles	Commission Report to EP and Council	Q2 2022	Delayed, due to several reasons, including the quality of support study, decision to come forward with a green transport package in 2023 (CWP), and procedural reasons. Foreseen for Q2 2023

2021/1153 and Regulation (EU) No 913/2010 and repealing Regulation (EU) 1315/2013, [Proposal for a Regulation amending Council Regulation \(EEC\) No 95/93 as regards temporary relief from the slot utilisation rules at Community airports due to the COVID-19 pandemic, and](#) Proposal for a Regulation laying down specific and temporary measures, in view of Russia's invasion of Ukraine, concerning driver documents issued by Ukraine in accordance with its legislation.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Following up on the SSMS and the 2021 action plan to boost long-distance and cross-border passenger rail services, the Commission will invite the rail sector to propose pilot services to address obstacles to this type of cross-border services	Selection / set up of appropriate framework and start of exchange with the sector	Q2 2022	Evaluation of submitted proposals has been finalised. Result needs to be shared with hierarchy and made public. Support for selected pilots will be provided i.e., by using CEF-funded contracts with RNE and for the Issues Logbook

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Impact assessment accompanying the CountEmissions EU proposal	Impact assessment	Q4 2022	Ongoing. Interim report of the support study received in Q4 2022
Impact assessment accompanying the proposal for the revision of the Combined Transport Directive	Impact assessment	Q4 2022	Ongoing. Draft final report of the support study received in December 2022
Back-to-back evaluation and impact assessment for revising the Ship-source pollution Directive	Staff Working Document	Q4 2022	Submitted to RSB for hearing on 30 November. Negative opinion, resubmission planned for early 2023
Fitness check evaluation of an array of legal acts related to market access in inland waterway transport	Draft evaluation	Q4 2022	Completed (draft final report submitted by the contractor, evaluation to be finalised in 2023)
Impact assessment accompanying the proposal for the revision of the River Information Services Directive 2005/44/EC	Draft evaluation	Q4 2022	The impact assessment, initiated in 2022 as planned, is now scheduled for finalisation in Q3/2023 due to delays incurred with the finalisation of the support study

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Public consultation in the framework of the CountEmissions EU initiative	Launch	Q2 2022	Finalised in Q4 2022
Public consultation in the framework of the impact assessment for the revision of the Combined Transport Directive	Launch Stakeholder meeting	Q4 2021 – Q1 2022 Q2/Q3 2022	Both finalised, in Q2 and Q4 2022 respectively

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Public consultation on the Fitness check evaluation of an array of legal acts related to market access in inland waterway transport	Launch	Q1 2022	Finalised
Public consultation in the framework of the revision of the Train Drivers' Directive (2007/59/EC)	Launch	Q1 2022	Completed Q2 2022
Public consultation in the framework of the evaluation of ERA	Launch	Q4 2022	Completed Q4 2022
Public consultation on the setting up of an EU regulatory framework on hyperloop	Launch	Q4 2022	Expected in 2023
Measures to better manage and coordinate international rail traffic, including a revision of Regulation (EU) 913/2010 concerning a European rail network for competitive freight and through new rules for capacity allocation in the rail sector	Launch	Q1 2022	Completed in June 2022
Public consultation in the framework of the impact assessment for the revision of the Weights and Dimensions Directive	Launch	Q2 2022	Completed Q2 2022
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
European Mobility Week	Number of cities participating	3 200 cities	2 989
Urban Mobility Days	Number of hashtag mentions #UMD22	300	276 (during Sept 2022)
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Renewal of the Commission Expert group Sustainable Transport Forum	Commission decision for establishment of new group published	2022	Process completed. Decision adopted in February 2023

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Launch of reformed Commission Expert group on urban mobility (EGUM)	Commission Decision establishing the group adopted and group operational	2022	Commission Decision (C(2022) 5320) adopted in July 2022, membership established and 1 st meeting took place on 25/10/2022
Recommendation on SUMP	Adoption	2022	ISC completed in December 2022. Recommendation adopted in March 2023
Improved set of SUMI	Publication on Europa	2022	The approach changed in the course of 2022. Based on a preliminary draft set of SUMI, the Commission included in its proposal for a revised TEN-T Regulation (Dec 2021) for 424 urban nodes along the TEN-T network the requirement to collect and submit key urban mobility data to the Commission. The revised TEN-T Regulation is still under negotiations between the co-legislators. The Council general approach requires the indicator methodologies to be defined within an implementing act, to be approved only following the entry into force of the TEN-T Regulation. This is yet subject trilogue negotiations.
Connecting Europe Facility evaluation and award decisions relating to the 2021 calls (including Alternative Fuels Infrastructure Facility first cut-off date)	Signature of Grant Agreements following the calls launched in 2021	2022	All grants resulting from the CEF 2021 Calls for proposals have been signed by November 2022
Horizon Europe Calls from Work Programme 2021-2022 (destinations 5&6) – evaluation and award decisions to the selected transport projects	Signature of Horizon Europe grants, delegations, contributions for transport projects and programmes	Throughout 2022	Selection of transport projects under the 2022 Calls (Cluster 5 and Cities Mission), for a total EU contribution of EUR 625 million
Launch operation of Renewable and Low Carbon Fuels Value Chain industrial Alliance	Memorandum of Understanding and Joint Declaration work plan adopted, and general assembly held	2022	Memorandum of Understanding and Joint Declaration work plan adopted in April 2022, general assembly held in July 2022 and thematic roundtables were constituted in November 2022

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
FuelEU Maritime (legislative proposal)	Commission proposal	General Approach Q2 2022	General Approach Q2 2022 (2 June 2022) EP position adopted (19 October 2022) Trilogue ongoing
ReFuelEU Aviation (legislative proposal)	Commission proposal	General Approach Q2 2022	ReFuelEU Aviation negotiations proceeded well during the course of 2022. Political agreement between the co-legislators is expected in the first half of 2023
AFIR (legislative proposal)	Commission proposal	General Approach Q2 2022	General approach by Council on 2 June 2022; General mandate by EP on 19 October 2022; first trilogue 27 October, 2nd trilogue 13 December
Revision of the TEN-T Regulation (legislative proposal)	Commission proposal	General approach Q4 2022	GA 5 December, EP report to go to the Plenary in March 2023

General objective 2: A Europe fit for the digital age

Impact indicator: Aggregate score in the Digital Economy and Society Index (DESI)

Source of the data: [DESI](#)

Baseline (2019)	Interim Milestone (2022)		Target (2024) ⁹	Latest known results (2022)
	(year)	(year)		
52.45	Increase	Increase	increase	52.3

Impact indicator: Enterprises selling online (transport and storage sector)

Source of the data: Eurostat (Eurostat online data code: [isoc_ec_eseln2](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
17%	Increase	Increase	19%

Impact indicator: The share of companies adopting artificial intelligence

Source of the data: European Commission Study on AI

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
8%	Increase	Increase	8% ¹⁰

⁹ Digital Economy and Society Index is calculated as the equally weighted average of the four main DESI dimensions - Human Capital, Connectivity, Integration of Digital Technology and Digital Public Services.

¹⁰ The latest value is from 2021. It will be measured again this year (2023), so we will have a new data point in one year time (January 2024).

Specific objective 2.1: A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding

Related to spending programme(s): N/A

Result indicator: Creating a European mobility data space

Source of the data: Relevant Commission initiatives

Baseline (2020)	Interim Milestone (2022)		Target (2024) [The target is derived from the specific objective of the Sustainable and Smart Mobility Strategy]	Latest known results (2021)
	(year)	(year)		
Deliver initiatives listed in the EU data strategy for 2020	Data sets established as foreseen in the Regulation on Maritime Single Window and in the Regulation on electronic freight transport Regulatory framework for interoperable data-sharing in rail transport reviewed	Operational All activities mentioned in the EU data strategy are completed Several projects are co-funded by EU programmes such as Digital Europe Programme	The adoption of the data set in the context of the Regulation on the European Maritime Single Window environment is foreseen for Q2/Q3 2022. The adoption of the data set in the context of the Regulation on electronic freight transport information is foreseen for Q1 2023	Deliver initiatives listed in the EU data strategy for 2020
Deliver initiatives listed in the EU data strategy for 2020	Data sets established as foreseen in the Regulation on Maritime Single Window and in the Regulation on electronic freight transport Regulatory framework for interoperable data-sharing in rail transport reviewed	Operational All activities mentioned in the EU data strategy are completed Several projects are co-funded by EU programmes such as Digital Europe Programme	The adoption of the data set in the context of the Regulation on the European Maritime Single Window environment is foreseen for Q2/Q3 2022. The adoption of the data set in the context of the Regulation on electronic freight transport information is foreseen for Q1 2023	Deliver initiatives listed in the EU data strategy for 2020

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of data: DG MOVE

Baseline (2020)	Interim Milestone (2022)	Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2022)
N/A	Positive trend	Positive trend	No major initiatives adopted

Specific objective 2.2: A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Implementing act on the functionalities of access by roadside inspectors to the data on company's risk rating	Adoption	Q4 2022	Slightly delayed to Q1 2023
Common European Mobility data space	Adoption (tbc) + Implementation of the MDS access node	Q2 2022 + Q4 2022	Q2 2023, part of the Digital Mobility Package ¹¹
Multimodal digital mobility services New Regulation + revision of delegated Regulation	Adoption	Q4 2022	Q2 2023, part of the Digital Mobility Package ¹²
Setup of the SESAR 3 Joint Undertaking	Transit from current SJU to the SESAR 3 JU	Q4 2021	Completed. Single Basic Regulation adopted on 19 November 2021 and first Governing Board meeting held on 14 December 2021
Set-up of the EU-RAIL Joint Undertaking	Transit from current S2R to EU-RAIL	Q4 2021	Completed

¹¹ Needs to be prepared together with the initiative on the multimodal digital mobility services.

¹² Modifications in the policy options led to delays in the IA process, including the contractor's work.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
TSI package-ERTMS/Control-Command and Signalling (CCS), deployment plans for automatic train operation, automated traffic management and advanced CCS, interoperable data sharing in rail transport	Adoption	Q4 2022	Q1/2 2023
By 31 December 2022, the Commission is to report to the European Parliament and the Council on the availability of common information and through-ticketing systems, to be accompanied, if appropriate, by legislative proposals	Commission Report to EP and Council	Q4 2022	This will be addressed in the work on impact assessment accompanying the proposal on multimodal digital mobility services

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Common European mobility data space	Launch	Q2 2022	Call for evidence completed in Q4 2022 ¹³

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Launch pre-infringement to assess compliance with obligation to establish and apply a penalty regime under SES	EU Pilots	Q2 2022	Prior information request was sent to MS, which will be assessed, and further action may be taken on this basis in 2023

¹³ The starting point for the common European mobility data space is to respect what is already in place in terms of mobility and data legislation and deployment, to take into account consultations for new legislative initiatives and the objectives and main elements already announced in the EU Strategy for Data and the Sustainable and Smart Mobility Strategy. Therefore, it was decided that a public consultation would have limited added value. This initiative needs to be prepared together with the multimodal digital mobility services.

External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Participation at the 2022 World Air Traffic Management Congress with an 'Europe for Aviation' stand together with 8 European aviation organisations	Number of #EuropeforAviation hashtag mentions	1000	73
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Intelligent Transport Systems	Commission proposal	General approach	Council GA June 2022, 1 st trilogue December 2022
Delegated and Implementing Regulations defining the specifications of the European Maritime Single Window environment (EMSWe)	Adoption	Q1 2022	Implementing Act adopted on 28/11/2022 ¹⁴ Delegated act adopted on 7/11/2022 ¹⁵
Connecting Europe Facility-Smart and Interoperable Mobility call 2021	Signature of Grant Agreements	Q3 2022	All grants resulting from the CEF 2021 Calls for proposals have been signed by November 2022
Connecting Europe Facility-Smart and Interoperable Mobility call- 2022	Launch of the call	Q3 2022	Publication of the CEF Transport 2022 Calls on 13/09/2022
Horizon Europe Calls from Work Programme 2021-2022 –evaluation and award decisions to the selected transport projects	Signature of Horizon Europe grants, delegations, contributions for transport projects and programmes	Throughout 2022	Selection of transport projects under the 2022 Calls (Cluster 5 and Cities Mission), for a total EU contribution of EUR 625 million

¹⁴ The Digital Transport and Trade Facilitation Committee asked for some clarifications and modifications of the text, therefore voting was delayed in order to seek consensus.

¹⁵ The highly technical and extensive content (more than 200 pages) took extra time for fine-tuning together with the Member States experts.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Amended proposal for a Regulation on the implementation of the Single European Sky (SES2+ recast) COM(2020) 579 Proposal for a Regulation	Adoption	Q4 2022	Discussions continued at technical level between the European Parliament and the Council in 2022. Two technical meetings were held under the French Presidency, and six technical meetings under the Czech Presidency. Due to wide gap in positions between the co-legislators, a mix of technical and political discussions will be needed to converge towards a common position
Proposal for a Regulation amending Regulation (EU) 2018/1139 as regards the capacity of EASA to act as PRB (COM(2020) 577)	Adoption	Q4 2022	See above as part of the same package
Finalisation of the setup of the SESAR 3 Joint Undertaking	Selection of SESAR 3 JU Executive Director Launch first Horizon Europe call for proposals for the SESAR 3 WP	Q2 2022 Q3 2022	Completed. The new Executive Director was appointed on 5 May 2022. The first HE call for proposals was launched on 7 April 2022
Implementation of the 2021 SESAR Deployment Programme ¹⁶	Publication of the first CEF call for proposals for Common Project One implementation projects	Q4 2022	Completed. The College approved the 2022 edition of the SESAR Deployment Programme on 12 August 2022
Drone Strategy 2.0	Adoption	Q4 2022	Adopted 29 November 2022
Assessment by the Commission of the performance targets contained in the performance plans for the third reference period (RP3) submitted by Member States and Switzerland, and in the Network Performance Plan for RP3 submitted by the Network Manager	Adoption of Commission Decisions on the performance targets contained in the RP3 performance plans	In accordance with the deadlines set in Implementing Regulation (EU) 2019/317	The Commission adopted in 2022 a total of 32 Decisions regarding the RP3 performance plans. Overall, the assessment of RP3 performance targets is completed except for two Member States whose cost-efficiency performance targets are subject to a detailed examination to be completed by the Commission in the first quarter of 2023

¹⁶ SESAR deployment programme is supported by CEF.

General objective 3: An economy that works for people

Impact indicator: Real GDP growth rate

Source of the data: Eurostat (Eurostat online data code: [TEC00115](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
1.8%	Increase	Increase	5.4%

Impact indicator: Investment share of GDP

Source of the data: Eurostat (Eurostat online data code: [sdg_08_11](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
21.49%	Increase	Increase	22.4%

Impact indicator: European Union trade openness

Source of the data: Eurostat (Balance of payments, National Accounts data); Table (Eurostat online data code: [bop_gdp6_q](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
42.7%	Increase	Increase	42.9%

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

Related to spending programme: Connecting Europe Facility

Result indicator: Number of cross-border and missing links addressed with the support of CEF

Source of the data: CINEA

Baseline	Interim Milestone (2024)	Target (2030)	Latest known results (2022)
-			
0	10	300	32 ¹⁷

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

¹⁷ This indicator refers to the CEF 2021-2027 programme which has only started to be implemented as from 2021.

Source of the data: DG MOVE

Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
-			
N/A	Positive trend	Positive trend	No major initiatives reducing or increasing administrative burden in 2022

Specific objective 3.2: A fully integrated and connected Trans-European Transport network with appropriate funding for a robust and modern European transport infrastructure with fully restored connectivity

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results
			(situation on 31/12/2022)
Development of the Passenger Locator Forms' exchange platform (ePLF)	Increase the number of MS connected to the ePLF and using it for exchanging passenger data	By Q4 2022 double the number of Member States connected to the ePLF platform	By the end of May 2022, thanks to the much improved epidemiological situation, all Member States had stopped collecting PLFs, thus eliminating the need for connecting to the ePLF. The ePLF project was consequently terminated at the end of 2022. Yet the current ePLF will continue to be maintained with existing resources until they are exhausted in April 2024 to ensure rapid reactivation if required

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results
			(situation on 31/12/2022)
Legislative proposal relating to efficient exchange of odometer readings	Adoption	Q4 2022	Item will be dealt with as part of revision of Roadworthiness Package, planned for Q3/2023

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Implementing decisions for major cross border projects on the core network (Lyon-Turin, Brenner Base Tunnel)	Adoption	Q2 2022 (depending on approval from Member States concerned)	The discussions with FR and IT on the implementing decision for the Lyon-Turin Tunnel are ongoing. Expected date of adoption: Q2-Q3/2023. The implementing decision for the Brenner has been put on hold due to ongoing discussions in the high-level group on the Brenner transit. New target for its adoption is Q4/2023. An implementing decision will be adopted in Q1 for the railway line between Brussels-Luxembourg (Eurocaprail) Finally, an implementing decision will be adopted (Q3/Q4) for the railway connection between Lisbon-Madrid (it will replace the existing decision Evora-Mérida)

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Connecting Europe Facility 2014-2020- Ex-post evaluation	Call for evidence	Q3 2022	Process delayed by the need to establish a full monitoring and evaluation framework for the CEF Programme. Expected new target Q2 2023 ¹⁸

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Recovery and Resilience Plans targets and milestones monitoring for further release of the funds	Continuation of work on RRP's linked to their implementation	In line with central services requirements	In line with central services requirements

External communication actions

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Connecting Europe Days (3-day event)	Number of hashtag mentions	300	486 (during June 2022)

Public consultations

¹⁸ The monitoring and evaluation framework for the CEF 2021-2027 programme was not adopted by the end of 2022, due to complexity of this exercise, entailing coordination with all the CEF parent DGs and Executive Agencies and limited resources in the policy unit responsible.

Public consultation in the framework of back-to-back evaluation and impact assessment of the Roadworthiness Directives	Launch	Q3 2022	06/07/2022 – 28/09/2022 Consultation closed
Public consultation in the framework of the impact assessment on the revision of the provisions related to rest periods and working times of bus and coach drivers in occasional services	Launch	Q2 2022	Completed Q2 2022

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Connecting Europe Facility calls-2021	Signature of Grant Agreements	Q3 2022	All grants resulting from the CEF 2021 Calls for proposals were signed by November 2022
Connecting Europe Facility calls- 2022	Launch of the calls	Q3 2022	Publication of the CEF Transport 2022 Calls on 13/09/2022

Specific objective 3.3: An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently

Related to spending programme(s): N/A

Result indicator: Transposition rate in transport legislation (%)

Source of the data: DG MOVE.A4

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
99,8%	NA	99% of Directives to be transposed in any given year (target used by the Commission for the Single Market Scoreboard)	98,96%%

Result indicator: Number/share of women in the transport sector

Source of the data: Eurostat, Labour Force Survey

Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
22%	Maintain or increase percentage	Maintain or increase percentage	22%

Result indicator: Passengers' awareness of their rights and passengers' complaints to enforcement authorities

Source of the data: Eurobarometer surveys and National Enforcement Bodies' (NEB) activity reports as far as available¹⁹ Europe Direct Contact Centre (EDCC) 2019 Annual Activity Report, DG GROW (Figures for the Your Europe passenger rights website)

Baseline (2019)	Interim Milestone	Target (2024)	Baseline 2019	Latest known results (2022) ²⁰
6 615 questions to EDCC (7th most popular subject)	increase	increase	6 615 questions to EDCC (7th most popular subject)	7 198 questions to EDCC (following significant variations in 2020 (21 806 questions) and 2021 (3 931 questions) due to COVID. Most questions relate to air passenger rights
Visits of the Your Europe passenger rights website: 2.9 million	Increase	Increase	Visits of the Your Europe passenger rights website: 2.9 million	2022: 2.8 million ²¹ 2021: 5.5 million
35% of European citizens benefited from strengthened air passenger rights (annual Standard Eurobarometer Spring edition)	+2%/year	45%	35% of European citizens benefited from strengthened air passenger rights (annual Standard Eurobarometer Spring edition)	Spring Eurobarometer 2021 contains no data on this.
43% of Europeans citizens who travelled long-distance know the EU has established passenger rights (outcome of the next Special Eurobarometer on passenger Rights planned for 2022 with field work in 2023)	+1.5%/year	50%	43% of Europeans citizens who travelled long-distance know the EU has established passenger rights (outcome of the next Special Eurobarometer on passenger Rights planned for 2022 with field work in 2023)	Data to be available only in 2024 when the survey will be completed (tbc due to budget cuts)

¹⁹ Eurobarometer Standard No 91, Spring 2019, and Eurobarometer Special No 485 on passenger rights, January 2020.

²⁰ The new Eurobarometer survey on passenger rights has been postponed from 2022 to 2023, meaning that fresh data would be available in 2024 only.

²¹ Due to Russia's aggression against Ukraine it was decided not to run an information campaign during Easter and summer 2022. Instead, the campaign started in December 2022 and will last till summer 2023 included.

Specific objective 3.4: An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently and where EU passenger rights are respected

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Review of the existing passenger rights regulatory framework	Launch of the impact assessment	Q1 2022	Planned for Q3 2023 ²²
Possible revision of the Regulation on a computerised reservation system (CRS) Code of Conduct (EC) No 80/2009	Adoption	Q4 2022	The revision of the CRS Code of Conduct will be merged into another legislative initiative on the Multimodal Digital Mobility Services (MDMS). This joint initiative will be delivered during the course of 2023
Possible revision of the Air Services Regulation (EC) No 1008/2008	Adoption	Q4 2022	This initiative is pending the final political steer on the preferred options, to enable finalisation of the impact assessment. Adoption not expected before the second half of 2023
Proposal for a Regulation of the European Parliament and of the Council on common rules for the allocation of slots at European Union airports	Adoption	Q4 2022	The Call of Evidence and public consultation were published on 29 August 2022. The Commission's proposal is pending political steer and could be adopted in the second half of 2023
Revision of Regulation on Driving and rest time rules for drivers involved in the carriage of passengers by bus and coach	Adoption	Q3 2022	Delayed ²³ . Foreseen for Q1 2023
Revision of the Directive 2007/59/EC on the certification of train drivers operating locomotives and trains on the railway system in the Community	Adoption	Q4 2022	Q3 2023 ²⁴

²² Among other issues, due to unexpected difficulties in the tendering process for the support study.

²³ Among other issues, due to unexpected difficulties in the tendering process for the support study.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Implementing Act following the adoption of the proposed revision of Directive 2006/22/EC on recording of periods away from the vehicle	Adoption	Q3 2022	Delayed ²⁵ . Foreseen for Q3 2023
Legislative act amending the rules related to the use of hired vehicles for commercial purposes	Adoption	Q2 2022	Completed Q2 2022
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Public Consultation on the review of the existing passenger rights regulatory framework	Launch	Q2 2022	Q3/Q4 2022 (from 14/09 to 7/12/22)
Public Consultation on a possible revision of the Air Services Regulation (EC) No 1008/2008	Launch	Q1 2022	Completed (March-June 2022)
Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Implementing Act revising Regulation 2016/480 following adoption of the proposed revision of Regulation (EC) No 1071/2009 on access to national electronic registers	Adoption	Q2 2022	Delayed. Foreseen for Q1 2023 ²⁶

²⁴ Delayed due to the complexity of issues to be addressed in the impact assessment and resource constraints.

²⁵ Among other issues, due to lack of resources, tied up due to the Russia's aggression against Ukraine.

²⁶ Among other issues, due to lack of resources, tied up due to the Russia's aggression against Ukraine.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Implementing regulation on the content of initial and continuous training of control officers in the road sector to facilitate the implementation of Regulation (EC) No 561/2006 and Regulation (EU) No 165/2014	Adoption	Q3 2022	Delayed. Foreseen for Q3 2023 ²⁷
Enforcement of passenger rights Regulations	Expert group meetings (air, rail, bus & coach, sea and inland waterways)	Continuous	Four meetings of modal sub-groups as well as ad hoc meetings took place
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Communication campaign on passenger rights and update of the passenger rights application	Visits to passenger rights pages on Your Europe	3.3 million (2020 level increase by 10%)	Updated passenger rights application available since May 2022. The online communication campaign started in December 2022, generating more than 900 000 clicks
Conference on recommendations for the transition to automation and digitalisation and their impact on the transport workforce (Action 69 SSMS)	Number of stakeholder groups participating, and number of Member States represented	Q3 2022	DECIDE planning PLAN/2022/2026 for Action 69 SSMS validated on 25/10/2022; contract signed on 28/11/2022; conference will take place on 21/03/2023
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Contribute to promoting gender equality in the context of the "Platform for Change - Women in Transport"	Actions under the Platform, signatures of the Declaration, increase members of the Platform	Increase 10%	22 actions 30 Platform members (increase by almost 10%) 3 meetings in 2022 (22 March, 22 June, 30 November) Activity report published on DG MOVE website
Promote diversity in transport by supporting a network of diversity ambassadors	Number of diversity ambassadors	50	Network of Diversity Ambassadors was launched in November with a call for applications. 54 applications were received in 2022. A first online meeting of Ambassadors took place on 14 December

²⁷ Among other issues, due to lack of resources, tied up due to the Russia's aggression against Ukraine.

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Carry out a screening of transport policy and relevant initiatives, identify and analyse equality gaps and develop practical tools and training material for DG MOVE staff to apply equality mainstreaming in their daily work	Development of equality tools and learning material	Q4 2022	Study contract was signed on 28/09/2022. Work of the contractor is ongoing covering 18 months. Inception Report received on 10/11/22
Study on the social dimension of the future EU transport system regarding users and passengers	Publication	Q1 2022	Published 14/09/2022 https://op.europa.eu/s/xpjF

General objective 4: A stronger Europe in the world

Impact indicator: Readiness of enlargement countries on economic criteria

Source of the data: European Commission

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
2.64	Increase	Increase	2.78

Impact indicator: European Union preferential trade and investment agreements

Source of the data: DG TRADE based on Eurostat data (datasets: ext_lt_intertrd,bop_its6_tot, bop_fdi6_geo) [for the raw indicators ([goods](#), [services](#) and [FDI stocks](#)); [DG Trade](#) for the list of countries covered by trade and investment agreements

Baseline Goods average 2017-2019 Services average 2016-2018 investments average 2016-2018			Latest known value Goods (XY) Services (XY) Investments average (XY)			Interim milestone (2022)	Target (2024)
<i>Goods</i>			<i>Goods</i>			<i>Goods</i>	<i>Goods</i>
Imp.	Exp.	Total	Imp.	Exp.	Total	Maintain	Maintain
13.9%	15.7%	14.8%					
<i>Services</i>			<i>Services</i>			<i>Services</i>	<i>Services</i>
Imp.	Exp.	Total	Imp.	Exp.	Total	Maintain	Maintain
21.4%	23.4%	22.4%					
<i>FDI stock</i>			<i>FDI stock</i>			<i>FDI stock</i>	<i>FDI stock</i>
Imp.	Exp.	Total	Imp.	Exp.	Total	Maintain	Maintain
26.1%	31.2%	28.6%					

Specific objective 4.1: A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards

Related to spending programme(s): N/A

Result indicator: Number of international comprehensive air transport agreements signed with partner countries

Source of the data: MOVE.E2

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
8 ²⁸ (Western Balkan countries, Morocco, Jordan, Georgia, Moldova, Israel, United States and Canada)	15 (End-2019 + United Kingdom, Ukraine, Qatar, Armenia, ASEAN, Tunisia, and Oman = end-2022)	19 (End-2022 + Azerbaijan, Colombia, India and the Republic of Korea = end-2024)	13 ²⁹ . In October 2022, the EU-air transport agreement with ASEAN was signed. In May 2022, the Commission adopted proposals for Council decisions to open negotiations with Colombia, India and South Korea. In September 2022, the EU and Japan finalised negotiations on a Horizontal Agreement that will restore legal certainty to all bilateral air services agreements between Japan and EU Member States

²⁸ Does not include agreement with Switzerland (1999).

²⁹ Tunisia and Oman pending signature.

Specific objective 4.2: A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Present proposals for new Council decisions authorising the Commission to open negotiations on comprehensive air transport agreements with certain key partner countries	Adoption of Council decisions authorising the Commission to open negotiations with certain key partners	2022	In May 2022, COM adopted proposals for Council decisions authorising the Commission to open negotiations with Colombia, India and South Korea. It is expected that the Council will adopt one or more of the proposals during the course of 2023

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
The Interbus Protocol on regular and special regular carriage of passenger services by coach and bus signed and ratified by a majority of Contracting Parties of the Interbus Agreement	Number of signatures / ratifications.	7	3 ³⁰

³⁰ As regards the signature of the Interbus Agreement, the third countries cannot be forced to sign. The lack of resources tied up due to the Russia's aggression against Ukraine did not allow for a wider diplomatic outreach.

Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Alignment of AETR ³¹ with provisions of Regulation (EC) No 561/2006 and of Tachograph Regulation (EU) No 165/2014, as amended by Mobility Package 1	Provisional agreement of AETR countries to align AETR	Q4 2022	Delayed. No prospect of completion in the short to medium term given the opposition by Russia and Belarus following the Ukraine war
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Position papers and proposals for Council decisions to establish EU positions for IMO meetings. Union submissions to bring forward detailed and concrete proposals on environment and safety-related topics.	Council agrees or adopts these documents	Position papers and Union submissions in all quarters of 2022. Proposals for Council decisions in Q1 and Q3 2022 (timing subject to IMO meeting schedule)	Position papers and Union submissions in all quarters of 2022. Proposals for Council decisions in Q1 and Q3 2022
Supervision of the implementation of the EU-US MoC on ATM modernisation	Meetings of the Executive Committee and of the Representatives of the Parties Report on state of harmonisation	Q2-Q4 2022 Q4 2022	The Executive Committee met on 24 March 2022. The scheduled meeting of the Executive Committee in October was postponed to March 2023 due to the re-assignment of the FAA co-chair to other functions. The Parties' teams developed a draft State of Harmonisation report, which will be finalised in time for the Executive Committee in March 2023

³¹ The European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR)

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Participation in, and EU coordination of ICAO 41st Assembly	Joint European working papers	Q4 2022	Completed successfully. Large amounts of European working papers lead to strong European influence on the outcome of the Assembly

General objective 5: Promoting our European way of life

Impact indicator: Avoidable mortality

Source of the data: Eurostat (Eurostat data code: [sdg_03_42](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2019)
<i>Preventable deaths:</i> 162.48 per 100 000 inhabitants	Decrease	Decrease	<i>Preventable deaths:</i> 153.95 per 100 000 inhabitants
<i>Treatable deaths:</i> 93.16 per 100 000 inhabitants	Decrease	Decrease	<i>Treatable deaths:</i> 89.2 per 100 000 inhabitants

Impact indicator: Investment share of GDP

Source of the data: Eurostat (Eurostat online data code: [sdg_08_11](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
21.5%	Increase	Increase	22.4%

Specific objective 5.1: High levels of transport safety and security are ensured, and new security and safety challenges are addressed

Result indicator: Total number of road fatalities in the EU

Source of the data: CARE database

(https://ec.europa.eu/transport/road_safety/specialist/statistics_en)

Baseline (2020 ³²)	Interim Milestone (2024)	Target (2030) [The target is set out in the EU policy framework for road safety 2021-2030 and in line with the UN General Assembly Resolution on road safety of August 2020]	Latest known results (2022)
N/A	Reduction by 24% (proportionate to 10-year target)	Reduction by 50%	The latest available EU-wide statistics indicate that the total number of road fatalities stood at 19 900 in 2021. Following the unprecedented annual fall of 17% between 2019 and 2020 - due largely to the effect of the COVID pandemic on mobility - the number of fatalities increased by 6% between 2020 and 2021 as traffic levels increased. Over the last decade between 2010 and 2020, the number of road deaths dropped by 36%. This was short of the target of 50% fewer deaths that had been set for that decade. However, with 42 road deaths per 1 million inhabitants, the EU has among the safest roads in the world. As a comparison, the world average lies at more than 180

³² The fatality reduction target for 2030 was set in the EU Road Safety Policy Framework 2021-2030 (COM(2018) 293 final). Due to containment measures during the COVID-19 crisis, leading to extreme decreases in road traffic, it is clear that 2020 will be an outlier year. In 2019, there were 22 800 road fatalities in the EU.

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures

Source of the data: DG MOVE

Baseline	Interim Milestone (2022)	Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2022)
N/A	Positive trend	Positive trend	No major initiatives reducing or increasing the burden

Specific objective 5.2: High levels of transport safety and security are ensured, and new security and safety challenges are addressed

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Contingency Plan for Transport	Adoption	Q1/Q2 2022	Adopted
Revision of existing legislation to adapt to emerging threats in civil aviation	Adoption	Q3 2022	Adopted in Q1 2023 ³³
Development of best practices and/or guidance material aiming to improve rail security	Endorsement by the LANDSEC Working Party on rail security	Q2 2022	Endorsed in Q4 2022
Joint action in the area of passenger ship security	Completion of an EU-wide risk assessment exercise in passenger ship security; endorsement of possible guidance material	Q4 2022	Completed
Marine Equipment, Implementing Regulation	Adoption	Q3 2022	Adopted Q3 2022

³³ Further technical discussions with MS were required to finalise the legislative texts

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Maritime safety package: Legislative Proposal on revised Flag State responsibilities	Adoption	Q2 2022	adoption planned for Q2 2023 ³⁴
Maritime safety package: Legislative Proposal on revised Port State control	Adoption	Q2 2022	adoption planned for Q2 2023
Maritime safety package: Legislative Proposal on revised Accident investigation	Adoption	Q2 2022	adoption planned for Q2 2023
Revision of Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences ³⁵	Adoption	Q4 2022	Adopted Q1 2023
Revision of Directive (EU) 2015/413 facilitating cross-border exchange of information on road-safety-related traffic offences	Adoption	Q4 2022	Adopted Q1 2023

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Evaluation of Fishing Vessel Safety Directive (MOVE.D2)	Staff Working Document	Q4 2022	Ongoing – planned for finalisation Q2 2023

³⁴ The delays encountered to deliver on the impact assessments and consequently the revision proposals relate to methodological issues, lack of maritime data and most importantly staff being taken over by other more urgent tasks such as the preparation and follow-up of maritime sanctions against Russia. The revision proposals are planned for adoption in the first half of 2023 together with the ship-source pollution directive and the EMSA mandate as part of the ‘maritime package’.

³⁵ This proposal will also contribute to the headline ambition “A New Push for European Democracy”.

ANNEX 3: Draft annual accounts and financial reports

AAR 2022 Version 3

Annex 3 Financial Reports - DG MOVE- Financial Year 2022

Table 1: Commitments

Table 2: Payments

Table 3: Commitments to be settled

Table 4: Balance Sheet

Table 5: Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6: Average Payment Times

Table 7: Income

Table 8: Recovery of undue Payments

Table 9: Ageing Balance of Recovery Orders

Table 10: Waivers of Recovery Orders

Table 11: Negotiated Procedures

Table 12: Summary of Procedures

Table 13: Building Contracts

Table 14: Contracts declared Secret

Table 15: FPA duration exceeds 4 years

Table 16: Commitments co-delegation type 3 in 2022

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

Refresh date : 23/03/2023

Additional comments

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

Refresh date: 23/03/2023

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG MOVE					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	17.85	14.32	80.23 %
	01 02	Horizon Europe	308.74	308.72	99.99 %
Total Title 01			326.59	323.04	98.91 %
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	9.34	9.32	99.86 %
	02 02	InvestEU Fund	0.00	0.00	0.00 %
	02 03	Connecting Europe Facility (CEF)	32.28	31.52	97.64 %
	02 10	Decentralised agencies	155.57	153.90	98.92 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	18.82	17.75	94.30 %
Total Title 02			216.01	212.48	98.37 %
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	0.00 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.99	0.99	100.00 %
Total Title 03			0.99	0.99	100.00 %
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.46	6.46	100.00 %
	05 03	Cohesion Fund (CF)	0.56	0.56	100.00 %
Total Title 05			7.02	7.02	100.00 %
Title 06 Recovery and Resilience					
06	06 07	Emergency support within the Union	0.00	0.00	0.00 %
Total Title 06			0.00	0.00	0.00 %
Title 08 Agriculture and Maritime Policy					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.07	4.07	100.00 %
Total Title 08			4.07	4.07	100.00 %
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	13.79	13.78	99.94 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	2.00	2.00	100.00 %
Total Title 09			15.79	15.78	99.95 %
Title 13 Defence					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.13	1.13	100.00 %
	13 04	Military mobility	0.00	0.00	0.00 %

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

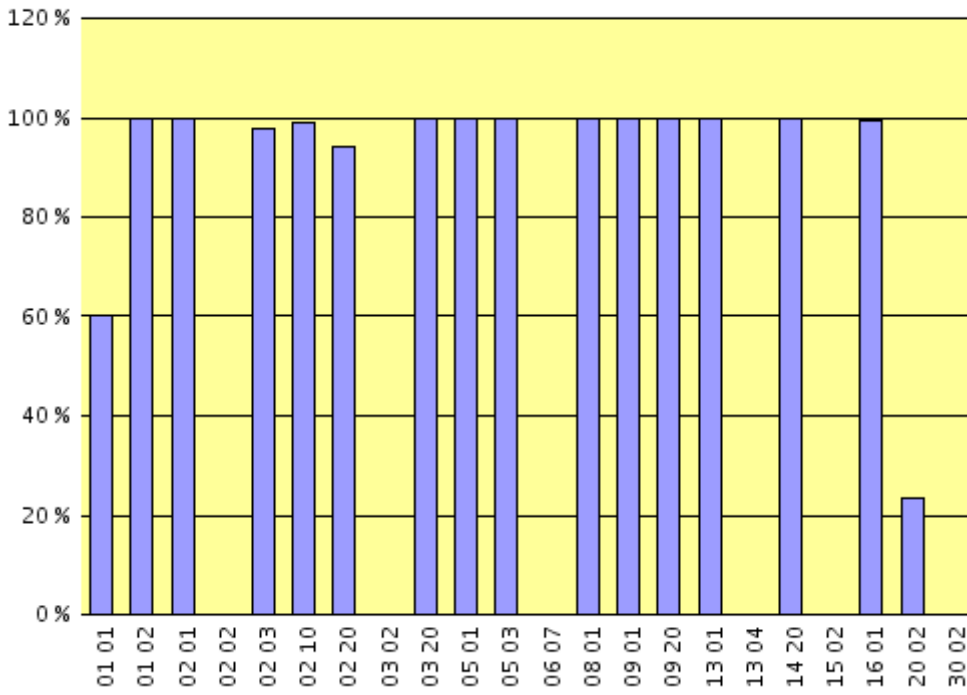
Refresh date: 23/03/2023

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG MOVE					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Total Title 13			1.13	1.13	100.00 %
Title 14 External Action					
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.40	2.40	100.00 %
Total Title 14			2.40	2.40	100.00 %
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %
Total Title 15			0.00	0.00	0.00 %
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	5.06	5.03	99.39 %
Total Title 16			5.06	5.03	99.39 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.16	0.04	23.43 %
Total Title 20			0.16	0.04	23.43 %
Title 30 Reserves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00 %
Total Excluding NGEU			579.23	571.99	98.75 %
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	10.93	3.00	27.46 %
Total Title 01			10.93	3.00	27.46 %
Total NGEU Only			10.93	3.00	27.46 %
Total DG MOVE			590.16	574.99	97.43 %

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

Refresh date: 23/02/2023

% Outturn on Commitment Appropriations in 2022 for DG MOVE



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

Refresh date: 23/03/2023

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG MOVE					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	18.56	14.80	79.76 %
	01 02	Horizon Europe	312.74	310.73	99.36 %
Total Title 01			331.30	325.53	98.26%
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	9.48	9.11	96.08 %
	02 02	InvestEU Fund	2.84	0.00	0.00 %
	02 03	Connecting Europe Facility (CEF)	29.24	28.55	97.63 %
	02 10	Decentralised agencies	155.57	153.90	98.92 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	21.88	15.02	68.64 %
Total Title 02			219.02	206.57	94.32%
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	0.00 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 03			0.00	0.00	0.00%
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.46	6.46	100.00 %
	05 03	Cohesion Fund (CF)	2.98	2.57	86.07 %
Total Title 05			9.44	9.02	95.60%
Title 06 Recovery and Resilience					
06	06 07	Emergency support within the Union	0.93	0.91	98.37 %
Total Title 06			0.93	0.91	98.37%
Title 08 Agriculture and Maritime Policy					
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.07	4.07	100.00 %
Total Title 08			4.07	4.07	100.00%
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	13.79	13.78	99.94 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	1.00	1.00	100.00 %
Total Title 09			14.79	14.78	99.95%
Title 13 Defence					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.13	0.96	84.85 %
	13 04	Military mobility	0.00	0.00	0.00 %

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

Refresh date: 23/02/2023

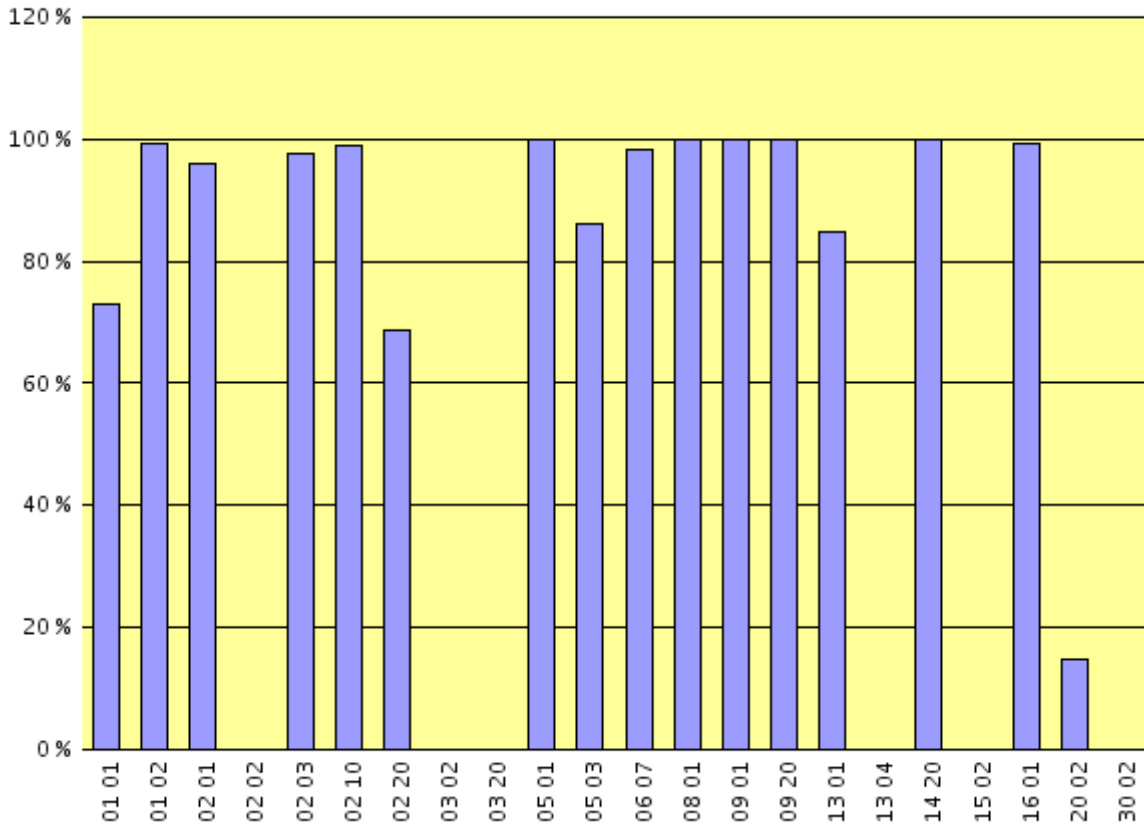
TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG MOVE					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Total Title 13			1.13	0.96	84.85%
Title 14 External Action					
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.40	2.40	100.00 %
Total Title 14			2.40	2.40	100.00%
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %
Total Title 15			0.00	0.00	0.00%
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	5.06	5.03	99.39 %
Total Title 16			5.06	5.03	99.39%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.18	0.03	14.79 %
Total Title 20			0.18	0.03	14.79%
Title 30 Reserves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Total Title 30			0.00	0.00	0.00%
Total Excluding NGEU			588.32	569.32	96.77%
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	5.76	2.92	50.77 %
Total Title 01			5.76	2.92	50.77%
Total NGEU Only			5.76	2.92	50.77%
Total DG MOVE			594.08	572.24	96.32 %

* 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

Refresh date: 23/03/2023

% Outturn on Payment Appropriations in 2022 for DG MOVE



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

Refresh date: 23/03/2023

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	14.32	14.11	0.20	1.46%	0.02	0.22	1.18
	01 02	Horizon Europe	308.72	210.40	98.32	31.85%	62.65	160.97	167.02
Total Title 01			323.04	224.51	98.52	30.50%	62.66	161.19	168.20
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	9.32	9.03	0.29	3.14%	0.00	0.29	0.14
	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
	02 03	Connecting Europe Facility (CEF)	31.52	7.32	24.20	76.78%	35.93	60.13	61.67
	02 10	Decentralised agencies	153.90	118.17	35.73	23.22%	0.00	35.73	35.73
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	17.75	3.35	14.39	81.10%	19.86	34.25	32.68
Total Title 02			212.48	137.87	74.61	35.11%	55.78	130.40	130.22

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

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TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.00	0.00	0.00	0.00%	0.03	0.03	0.03
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.99	0.00	0.99	100.00%	0.00	0.99	0.00
Total Title 03			0.99	0.00	0.99	100.00%	0.03	1.02	0.03

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.46	6.46	0.00	0.00%	0.00	0.00	0.00
	05 03	Cohesion Fund (CF)	0.56	0.23	0.33	58.39%	2.35	2.68	5.73
Total Title 05			7.02	6.69	0.33	4.69%	2.35	2.68	5.73

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 07	Emergency support within the Union	0.00	0.00	0.00	0.00%	0.75	0.75	1.67
Total Title 06			0.00	0.00	0.00	0.00%	0.75	0.75	1.67

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

DG MOVE_aar_2022_annexes

Refresh date: 23/03/2023

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.07	4.07	0.00	0.00%	0.00	0.00	0.00
Total Title 08			4.07	4.07	0.00	0.00%	0.00	0.00	0.00
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	13.78	13.78	0.00	0.00%	0.00	0.00	0.00
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	2.00	1.00	1.00	50.00%	0.00	1.00	0.00
Total Title 09			15.78	14.78	1.00	6.34%	0.00	1.00	0.00
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.13	0.96	0.17	15.15%	0.00	0.17	0.00
	13 04	Military mobility	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 13			1.13	0.96	0.17	15.15%	0.00	0.17	0.00

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

Refresh date: 23/03/2023

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.40	2.40	0.00	0.00%	0.00	0.00	0.00
Total Title 14			2.40	2.40	0.00	0.00%	0.00	0.00	0.00
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00	0.00%	2.17	2.17	2.17
Total Title 15			0.00	0.00	0.00	0.00%	2.17	2.17	2.17
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	5.03	5.03	0.00	0.00%	0.00	0.00	0.00
Total Title 16			5.03	5.03	0.00	0.00%	0.00	0.00	0.00

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

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TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.04	0.03	0.01	34.52%	0.00	0.01	0.01
Total Title 20			0.04	0.03	0.01	34.52%	0.00	0.01	0.01

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 30			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Excluding NGEU			571.99	396.35	175.64	30.71%	123.75	299.39	308.02

TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG MOVE

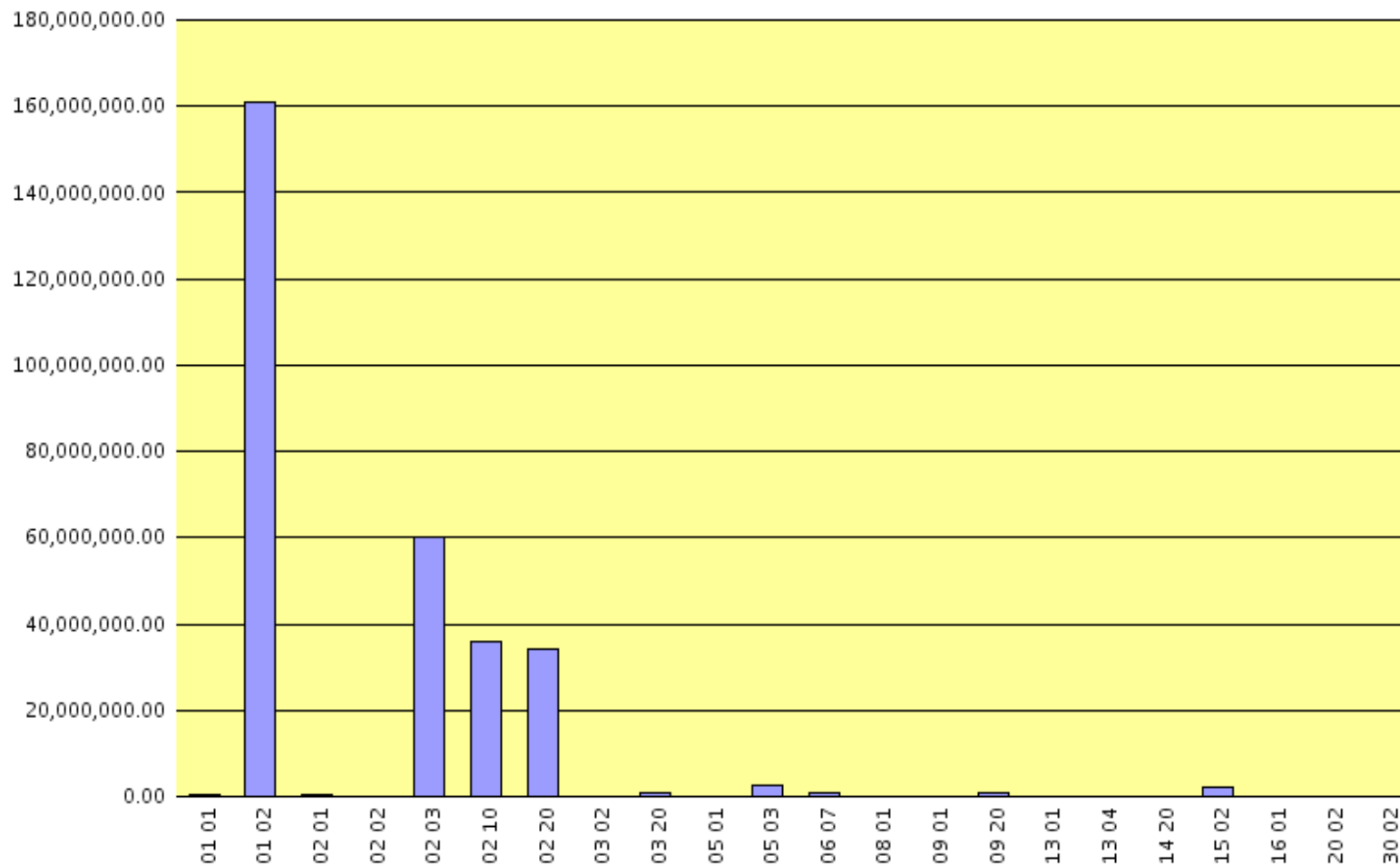
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	3.00	2.92	0.08	2.54%	0.00	0.08	0.00
Total Title 01			3.00	2.92	0.08	2.54%	0.00	0.08	0.00
Total NGEU Only			3.00	2.92	0.08	2.54%	0.00	0.08	0.00

Total for DG MOVE			574.99	399.27	175.72	30.56 %	123.75	299.46	308.02
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Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date: 23/03/2023

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 MOVE



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

Refresh date: 23/03/2023

TABLE 4: BALANCE SHEET for DG MOVE

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	591,040,407.27	652,012,105.52
A.I.1. Intangible Assets	0.00	0.00
A.I.3. Invstmnts Accntd For Using Equity Meth	0.00	0.00
A.I.4. Non-Current Financial Assets	570,708,313.77	627,933,229.30
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	20,332,093.50	24,078,876.22
A.II. CURRENT ASSETS	167,865,347.42	62,324,699.42
A.II.2. Current Pre-Financing	161,246,204.42	55,102,120.49
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	6,619,143.00	7,222,578.78
A.II.6. Cash and Cash Equivalents	0.00	0.15
ASSETS	758,905,754.69	714,336,804.94
P.III. NET ASSETS/LIABILITIES	0.00	0.00
P.III.1. Reserves	0.00	0.00
P.II. CURRENT LIABILITIES	-35,952,863.31	-31,370,651.57
P.II.3. Current Financial Liabilities	-30,925,569.64	-27,431,044.06
P.II.4. Current Payables	-5,027,293.67	-3,939,607.51
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
LIABILITIES	-35,952,863.31	-31,370,651.57
NET ASSETS (ASSETS less LIABILITIES)	722,952,891.38	682,966,153.37
P.III.2. Accumulated Surplus/Deficit	2,982,724,798.67	2,660,260,079.26
Non-allocated central (surplus)/deficit*	-3,705,677,690.05	-3,343,226,232.63
TOTAL DG MOVE	0.00	0.00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, 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 statement of financial performance 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

Refresh date: 23/03/2023

TABLE 5: STATEMENT OF FINANCIAL PERFORMANCE for DG MOVE

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-2,396,250.28	-5,268,520.77
II.1.1. NON-EXCHANGE REVENUES	-840,849.47	-3,424,651.03
II.1.1.6. RECOVERY OF EXPENSES	-535,955.37	-3,389,199.38
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-304,894.10	-35,451.65
II.1.2. EXCHANGE REVENUES	-1,555,400.81	-1,843,869.74
II.1.2.1. FINANCIAL INCOME	-2,816,527.13	-5,605,644.62
II.1.2.2. OTHER EXCHANGE REVENUE	1,261,126.32	3,761,774.88
II.2. EXPENSES	522,054,212.15	327,733,240.18
II.2. EXPENSES	522,054,212.15	327,733,240.18
II.2.1. OTHER EXPENSES	63,577,067.25	48,265,974.88
II.2.2. EXP IMPLM BY COMMISS & EX. AGENC. (DM)	40,039,616.65	38,357,397.44
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	361,435,661.06	234,865,912.34
II.2.6. STAFF AND PENSION COSTS	-145,470.00	-385,030.00
II.2.8. FINANCE COSTS	57,147,337.19	6,628,985.52
STATEMENT OF FINANCIAL PERFORMANCE	519,657,961.87	322,464,719.41

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, 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 statement of financial performance 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

Refresh date: 23/03/2023

TABLE 5 bis: OFF BALANCE SHEET for DG MOVE

OFF BALANCE	2022	2021
OB.1. Contingent Assets	519,589.65	39,629.60
GR for pre-financing	519,589.65	39,629.60
OB.2. Contingent Liabilities	-602,000,216.00	-522,000,216.21
OB.2.1. Guarantees given for EU FI	-602,000,216.00	-522,000,216.21
OB.4. Balancing Accounts	601,480,626.35	521,960,586.61
OB.4. Balancing Accounts	601,480,626.35	521,960,586.61
OFF BALANCE	0.00	0.00

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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, 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 statement of financial performance 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

Refresh date: 23/03/2023

TABLE 6: AVERAGE PAYMENT TIMES FOR DG MOVE

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	426	424	99.53 %	14.95	2	0.47 %	35.00	1,000,000.00	0. %
60	103	100	97.09 %	29.14	3	2.91 %	108.67	1,148,436.80	5. %
90	24	23	95.83 %	37.96	1	4.17 %	91.00	11,578.50	0. %

Total Number of Payments	553	547	98.92 %		6	1.08 %		2,160,015.30	0. %
Average Net Payment Time	19.19			18.51			81.17		
Average Gross Payment Time	24.33			23.41			108.5		

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
0	35	81	14.65 %	553	65,447,482.96	11.46 %	570,980,332.04

DG	GL Account	Description	Amount (Eur)

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex 3 BO User Guide (https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx).

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

Refresh date: 23/03/2023

TABLE 7: SITUATION ON REVENUE AND INCOME in 2022 for DG MOVE

Chapter		Revenue and income recognised			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	
33	Other administrative revenue	1,967,425.63	145,203.40	2,112,629.03	2,011,017.53	0.00	2,011,017.53	101,611.50
42	Fines and penalties	20,000.00	0.00	20,000.00	20,000.00	0.00	20,000.00	0.00
60	Single market, innovation and digital	6,560,263.55	253,133.07	6,813,396.62	6,419,539.38	253,133.07	6,672,672.45	140,724.17
65	Neighbourhood and the world	551,238.23	0.00	551,238.23	551,238.23	0.00	551,238.23	0.00
66	Other contributions and refunds	2,452,602.40	0.00	2,452,602.40	2,432,186.40	0.00	2,432,186.40	20,416.00
67	Completion for outstanding recovery orders prior to 2021	-435,282.77	1,543,585.93	1,108,303.16	0.00	0.00	0.00	1,108,303.16
Total DG MOVE		11,116,247.04	1,941,922.40	13,058,169.44	11,433,981.54	253,133.07	11,687,114.61	1,371,054.83

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

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TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG MOVE

EX-ANTE CONTROLS	Irregularity	Total undue payments recovered
NON-ELIGIBLE IN COST CLAIMS	120,211.78	120,211.78
CREDIT NOTES	17,916.67	17,916.67
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	138,128.45	138,128.45

EX-POST CONTROLS	Irregularity	Total undue payments recovered
INCOME LINES IN INVOICES		
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	-15,282.86	-15,282.86
Sub-Total	-15,282.86	-15,282.86
GRAND TOTAL (EX-ANTE + EX-POST)	122,845.59	122,845.59

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

Refresh date: 23/02/2022

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2022 for DG MOVE

	Number at 01/01/2022	Number at 31/12/2022	Evolution	Open Amount (Eur) at 01/01/2022	Open Amount (Eur) at 31/12/2022	Evolution
2011	4	4	0.00 %	81,637.58	81,637.58	0.00 %
2016	4	4	0.00 %	387,333.09	387,333.09	0.00 %
2017	5	5	0.00 %	765,091.79	765,091.79	0.00 %
2018	1	1	0.00 %	64,758.75	64,758.75	0.00 %
2021	10	4	-60.00 %	643,101.19	389,968.12	-39.36 %
2022		8			161,140.17	
	24	26	8.33 %	1,941,922.40	1,849,929.50	-4.74 %

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

Refresh date: 23/03/2023

TABLE 10: Recovery Order Waivers >= 60 000 € in 2022 for DG MOVE

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG MOVE	
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Number of RO waivers	
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There are no waivers below 60 000 €

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

Refresh date: 23/03/2023

TABLE 11: Negotiated Procedures in 2022 for DG MOVE

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	3	8,868,928.00
Total	3	8,868,928.00

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

Refresh date: 23/03/2023

TABLE 12: Summary of Procedures in 2022 for DG MOVE

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	8,868,928.00
Open procedure (FR 164 (1)(a))	17	51,000,776.13
Total	20	59,869,704.13

Additional Comments:

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

Refresh date: 23/03/2023

TABLE 13: BUILDING CONTRACTS in 2022 for DG MOVE

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

TABLE 14: CONTRACTS DECLARED SECRET in 2022 for DG MOVE

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

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

Refresh date: 23/03/2023

TABLE 15: FPA duration exceeds 4 years - DG MOVE

FPA Local Key (Root)	FPA In Force From Date	FPA Expiry Date	FPA Duration	Duration in Days	FPA Local Identifier	FPA User Reference	FPA Version Type	FPA Status Desc	FPA Type of Change
SI2.3117	18-10-2022	31-12-2027		1,900	SESAR Deployment Manager FPA - CEF-T-2021- (SDM2 FPA)	SESAR DEPLOYMENT MANAGER FPA - CEF-T-2021- (SDM2 FPA)	CURRENT	In Force	Amendment
SI2.3385	15-03-2022	31-12-2031		3,578	MOVE 2021/SESAR3 JU/01 - FFPA	MOVE 2021/SESAR3 JU/01 - FFPA	CURRENT	In Force	New Framework Partnership Agreement
2									

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

DG MOVE_aar_2022_annexes

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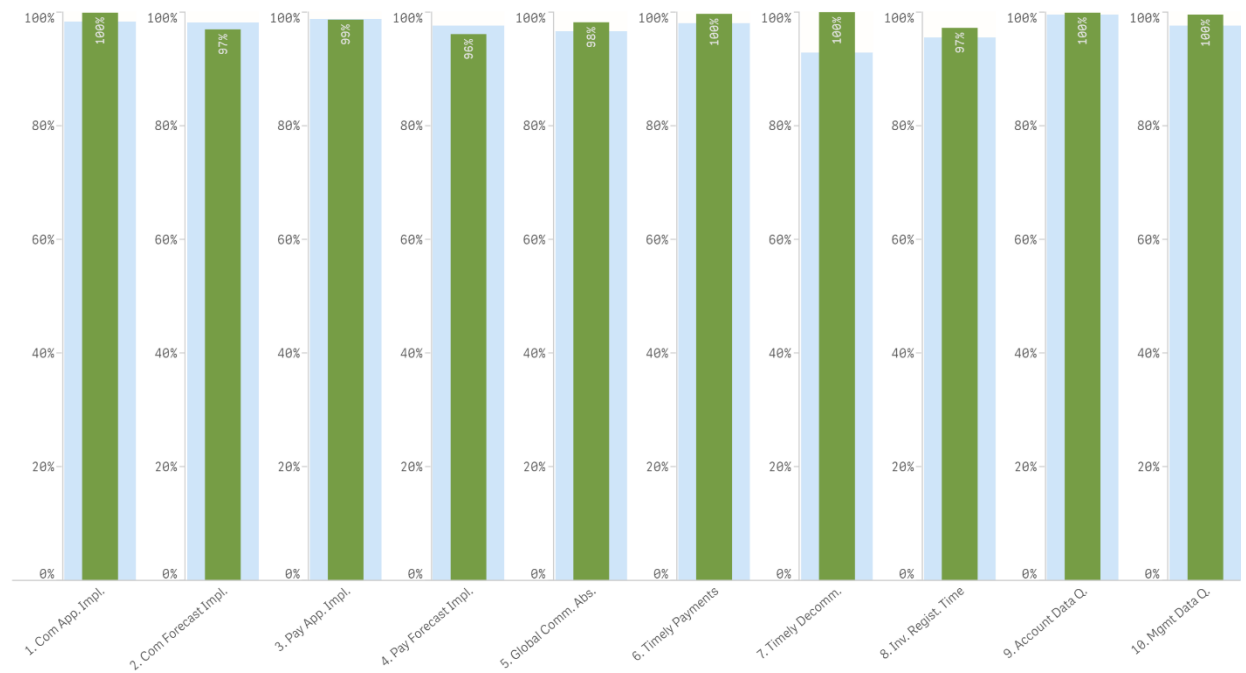
TABLE 16: Commitments co-delegation type 3 in 2022 for DG MOVE

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

Refresh date: 23/03/2023

ANNEX 4: Financial scorecard

MOVE Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment	MOVE Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		97%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		99%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		96%	98%
5. Global Commitment Absorption ³⁶	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		98%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines		100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		100%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central		97%	95%

³⁶ Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

	accounting system ABAC			
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		100%	98%

ANNEX 5: Materiality criteria

This annex provides a detailed explanation on how the AOD defined the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to his/her declaration.

Introduction

Deciding whether a weakness is significant is a **matter of judgement** by the Authorising Officer by Delegation (AOD), who remains responsible for the declaration of assurance, including any reservations to it. In doing so, the AOD should **identify the overall impact of a weakness** and **judge whether it is material** enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets at the moment of designing the internal control system under his/her responsibility. For DG MOVE, the materiality of residual weaknesses identified (i.e., after mitigating and corrective measures) is assessed on the basis of qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The **qualitative assessment** includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Directors, the Authorising Officers by Sub-Delegation, the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. In addition, the duration and any mitigating controls or corrective actions are taken into consideration.

The **quantitative assessment** aims at estimating any financial impact ("amount at risk") resulting from the errors detected. DG MOVE's expenditure is composed of (in order of importance), directly managed grants, indirectly managed grants and financial instruments and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact). This analysis and the conclusions are presented concisely in the body of the Annual Activity report.

Qualitative criteria for defining significant weaknesses

For all methods of implementation under the operational budget, the relevant parameters are:

- Consideration of significant control system weaknesses

Control system weaknesses (whether this is in a system operated by the Commission or by a third party) may be identified by management itself (for example through ex-post audits or through the assessment of the effectiveness of internal control systems), by internal or external auditors or by third party control instances. They may relate to the design or operational effectiveness of a control or of an entire system.

- Critical issues outlined by the European Court of Auditors, the Internal Audit Service, DG BUDG and OLAF

Any critical recommendations made by the European Court of Auditors, the IAS, DG BUDG or OLAF, which have not been effectively addressed should be assessed in terms of their significance. Here, the term "critical recommendation" is used in a wider sense; it includes those recommendations labelled by the auditor as "critical" as well as those not labelled at all which is assessed as having a critical impact on the assurance. The impact on assurance of recommendations labelled "very important" for which there is a significant delay in the implementation of the action plan will also be taken into account.

- Significant reputational events

Events or weaknesses which have a significant reputational impact on DG R&I, or indirectly on the Commission, will be reported irrespective of the amount of damage to DG R&I administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

When assessing the significance of any weaknesses, the following factors are taken into account:

- the nature and scope of the weakness
- the duration of the weakness
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible.

Quantitative criteria for defining reservations

This section provides the methodology for measuring the residual amount at risk and determining its materiality.

DG MOVE's expenditure is composed of indirectly managed grants, directly managed grants, financial instruments, contribution to administrative expenditure of executive agencies, JUs and decentralised agencies and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure.

Considering that the fact that the research framework programmes' implementing bodies³⁷ are sharing a common ex-post audit approach, the following section focusses on this specific management system.

³⁷ Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the Research Framework Programmes.

Research framework programmes – common aspects

The assessment of the effectiveness of the different programmes' control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate (RER), calculated on a representative sample on a multi-annual basis.

Assessment of the 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 adjusted by subtracting:

- Errors detected and corrected as a result of the implementation of audit conclusions.
- Errors corrected as a result of the extension of audit results to non-audited contracts with the same beneficiary.

This results in a residual error rate, which is calculated as follows:

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

where:

ResER%	Residual error rate, expressed as a percentage.
RepER%	Representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possible individual detected error rates.
RepERsys%	portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%.
P	Total requested EC contribution (€) in the auditable population (i.e., all paid financial statements).
A	Total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
E	Total non-audited requested EC contribution (€) of all audited beneficiaries.

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each Framework Programme (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 Horizon 2020. 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 CRS 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.

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies³⁸, 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 then be 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.

Multiannual approach

The Commission's central services' guidance relating to the quantitative materiality threshold refers to a percentage of the authorised payments of the reporting year of the Activity Based Budgeting (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 and Innovation family 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 signature of the contract.

³⁸ 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.

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of the Executive Agencies implementing Research and Innovation Framework Programmes) 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 respective common audit strategies, 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 thus, 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.

Adequacy of the audit scope

The quantity of the (cumulative) audit effort carried out until the end of each year is 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 whether the strategy is on course as foreseen.

The Director-General 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 a case, the Director General would be expected to qualify his annual statement of assurance with a reservation.

2020 Revised Methodology for the calculation of the error rate for Horizon 2020

European Court of Auditors' observations

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated due to the fact that the *“ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant”*.

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 01 January 2020. The main change in the methodology is that the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

In this respect, an additional 0.38% (calculated on 1 937 H2020 audit participations by difference with the previous methodology) has been used to top up the detected error rate for 2021.

IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in the year 2020. The findings of this limited review confirmed that there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The IAS recommended that:

1. The Common Implementation Center (CIC) should:
 - 1.1 Calculate the corporate H2020 residual error rate based on the actual level of implementation of audit results and extension of audit findings stemming from data encoded by the Authorising Officers;
 - 1.2 Considering that there is no data on the sampled amounts for audits closed before 2020, estimate the amount actually audited by calculating the ratio of costs actually audited to the total amount of the related accepted cost claims for all the audits closed since 1 January 2020 ('A' parameter in the formula for calculating the residual error rate) and adapt parameter 'E' accordingly;
 - 1.3 Formalise the changes in the residual error rate calculation (e.g., in a written CAS procedure).
2. The Common Audit Service (CAS) should:
 - 2.1 Change the audit report template to include a line in the table of Annex 1 with the audited amounts (sampled);
 - 2.2 Include fields in AUDEX to encode the audited amounts per participation and cost category and any other IT tool used to register the ex-post audits' data which feed the Microsoft Access database for the calculation of the representative detected error rate;
 - 2.3 Calculate the top-up automatically in the Microsoft Access database. For Horizon Europe, the calculation will be in line with the new methodology and no top up calculation will be required.

The recommendations 1.1 to 2.2 above are fully implemented. The recommendation 2.3 which refers to Horizon Europe will be completed once the audit campaign for Horizon Europe starts. Nevertheless, the new methodology, without the need for a top up calculation, is already being implemented for H2020 audits.

Research Framework programmes – specific aspects

The control system of each framework programme is designed to achieve the operational and financial control objectives set in their respective legislative base and legal framework. If the effectiveness of those control systems does not reach the expected level, a reservation must be issued in the annual activity report and corrective measures should be taken.

As each programme has a different control system, the following section details the considerations leading to the establishment of their respective materiality threshold and the conclusions to draw with regard to the declaration of assurance.

Horizon 2020 Framework Programme

The control system established for Horizon 2020 is designed to achieve a control result in a range of 2-5% detected error rate, which should be as close as possible to 2%, after corrections. Consequently, this range has been considered in the legislation as the control objective set for the framework programme.

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme³⁹ which states that:

“It remains the ultimate objective of the Commission to achieve a residual error rate of less than 2% of total expenditure over the lifetime of the programme, and to that end, it has introduced a number of simplification measures. However, other objectives such as the attractiveness and the success of the EU research policy, international competitiveness, scientific excellence and in particular, the costs of controls need to be considered.

Taking these elements in balance, it is proposed that the Directorates General charged with the implementation of the research and innovation budget will establish a cost-effective internal control system that will give reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2 % at the closure of the multi-annual programmes, once the financial impact of all audits, correction and recovery measures have been taken into account.

Horizon 2020 introduces a significant number of important simplification measures that will lower the error rate in all the categories of error. However, [...] the continuation of a funding model based on the reimbursement of actual costs is the favoured option. A systematic resort to output-based funding, flat rates or lump sums appears premature at this stage [...]. Retaining a system based on the reimbursement of actual costs does however mean that errors will continue to occur.

³⁹ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

An analysis of errors identified during audits of the Seventh Framework Programme (FP7) suggests that around 25-35 % of them would be avoided by the simplification measures proposed. The error rate can then be expected to fall by 1.5 %, i.e., from close to 5 % to around 3.5 %, a figure that is referred to in the Commission Communication striking the right balance between the administrative costs of control and the risk of error.

The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5 % is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2 %."

Horizon Europe Framework Programme

For the Horizon Europe Framework Programme⁴⁰, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e., the level of errors which remain undetected and uncorrected, does not exceed 2%⁴¹.

Other directly managed expenditure

The assessment of the effectiveness of the different programmes' control system is based on ex-ante and, when available, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated from the best available estimates.

The type of controls deployed is aligned with the risk profile of the expenditure component. Service contracts, reimbursement of experts and administrative expenditure are considered as low risk regarding legality and regularity. Moreover, the individual amounts are relatively limited. Therefore, there might be no available ex-post audit results available as the costs of such controls would exceed the potential benefits. However, this expenditure remains subject to extensive ex-ante controls.

For other operational programmes (i.e., CEF Programme support actions or other Transport and Mobility grants), the audit coverage is determined in function of the risk associated with the expenditure. Given the limited size of these programmes, the calculation of the residual error rate based on a representative sample is not possible. The consequences are therefore assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information, including the detected error rate. The relative impact on the Declaration of Assurance would be then considered by analysing the

⁴⁰ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe.

⁴¹ No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme will start at the earliest end of 2023.

available information on qualitative grounds and considering evidence from other sources and areas.

As regards the SESAR Deployment Manager, a framework partnership agreement under CEF, an estimate of the residual error rate is calculated on the base of the audits carried out according to the yearly audit work plans.

$$RER = \frac{(DER \times (P - A)) + NI}{P}$$

- RER* *Residual error rate, expressed in percentage*
- DER* *Detected error rate for the same period, expressed in percentage*
- P* *Auditable requested EC contributions*
- A* *Actual, audited amounts*
- NIA* *Audit results not implemented*

De minimis threshold for financial reservation

Since 2019⁴², 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 DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. This is without prejudice of maintaining a reservation for its reputational reasons if applicable.

The implementation of this 'de minimis' threshold applies at the level of the annual activity report reservations, i.e., not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s). Given the amounts involved, this threshold has no effect on the annual activity report reservations of DG MOVE for 2022.

⁴² Agreement of the Corporate Management Board of 30/4/2019.

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)

RCS 1) Grants under direct management (FP7, Horizon 2020 and Horizon Europe)

DG MOVE uses one Relevant Control System (RCS) per ongoing research programme for the management of grants (FP7, Horizon 2020, Horizon Europe).

For FP7 RCS, Ex-ante control stages A, B, C do not apply anymore since the corresponding tasks are no longer carried out. These stages can be consulted in previous Annual Activity Reports of DG R&I. The last FP7 grant agreements are under the monitoring phase which is very similar to H2020 but have different materiality criteria.

The RCS for Horizon Europe is similar to that of H2020. The main improvements for Horizon Europe are the co-creation of the work programme by the Directors' Groups according to the work of the various instances, and the simplification introduced with the single daily rate for personnel costs and the rollout of simplified cost forms, in particular lump sum funding and unit costs for personnel costs.

The Control Strategy for Horizon Europe grant management is under preparation and will be finalised by the first quarter of 2023. The ex-ante control guidance is already available, and the ex-post audit strategy is expected to be adopted by the HE steering board in January. However, the new controls already in place are reported in section 1 "Ex-ante controls" (sub-sections A, C and D) and highlighted in grey.

The error rates per programme are presented in Table X of Annex 9.

Stage 1: Ex-ante controls

For H2020, DG R&I centralises the majority of the ex-ante controls performed. DG MOVE participates in the different committees and working groups that contribute to the governance of the programmes, and reports on the relevant indicators. DG MOVE monitors and reports on the indicators that remain within its remit, in particular as regards financial and budgetary performance.

Effectiveness, efficiency, and qualitative benefits are detailed per stages A to D.

Economy and quantitative benefits are calculated overall for the ex-ante controls and detailed at the end of Stage 1.

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals

Main internal control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The work programme and subsequent calls for proposals do not adequately reflect the policy objectives and priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p>	<ul style="list-style-type: none"> • For Horizon 2020 and Horizon Europe, hierarchical validation within the authorising department Inter-service consultation, including all relevant services. • Adoption by the Commission • Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various entities and with the processes established in this decision. • In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon 2020 and Horizon Europe research with harmonised procedures, guidance and IT tools. • The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation. • The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design. 	<p>Coverage/Frequency: 100%</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules.</p> <p>Under Horizon Europe, all business processes follow a governance system under the due supervision of entities such as the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p>Effectiveness:</p> <p>The work programmes are adopted by the Commission.</p> <p>Success rates in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.</p> <p>Qualitative Benefits:</p> <p>A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the best can be chosen. There will therefore be real competition for funds.</p> <p>Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme⁴³.</p>

⁴³ The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission.

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance with legal base; Prevention of fraud.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, selection and award criteria.</p> <p>Conflict of interest regarding the expert evaluators.</p>	<ul style="list-style-type: none"> • Procedure for selecting and appointing expert evaluators. • Conflict of interest checks. • Assessment by independent experts. • Appropriate briefing of experts, including on the evaluation of cost estimations in lump sum proposals. • Comprehensive IT system supporting the evaluation of proposals and allowing better monitoring of the process. Involvement of external observers in the evaluation process. • Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication. • Systematic checks on operational and legal aspects performed before signature of the Grant Agreement. • Redress procedure. 	<p>100% vetting (including selection) of experts for technical expertise and independence (e.g., conflicts of interests, nationality bias, ex-employer bias, collusion).</p> <hr/> <p>100% of proposals are evaluated.</p> <p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>100% of contested decisions are analysed by redress committee.</p>	<p>Effectiveness:</p> <p>Number of proposals evaluated.</p> <p>Efficiency Indicators:</p> <p>% of Time-To-Inform on time.</p> <p>% of number of (successful) redress challenges upheld / total number of proposals evaluated.</p> <hr/> <p>Qualitative benefits:</p> <p>Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle: better planned, better implemented projects.</p>

C - Contracting

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of the budget available); Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
<p>The beneficiary lacks operational and/or financial capacity to carry out the actions. Procedures do not comply with regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.</p>	<ol style="list-style-type: none"> 1) Validation of beneficiaries (financial capacity checks on demand). 2) Systematic checks on operational and legal aspects performed before signature of the GA*. 3) Risk assessment and risk-based checks before the grant agreement signature and reinforced monitoring flagging if necessary. 4) Ad hoc anti-fraud checks for riskier beneficiaries. 5) Signature of the GA by the AO. 6) Financial Verification when necessary. 7) Mutual Insurance Mechanism (MIM) (ex H2020 Participants Guarantee Fund). 8) An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary. 9) As hoc security checks and screenings. Security review carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny. 	<p>Coverage:</p> <ul style="list-style-type: none"> - 100% of the selected proposals and beneficiaries are scrutinised. - 100% of draft grant agreements. <p>Depth</p> <p>Differentiated following the conclusion of the risk assessment.</p> <p>Controls implemented when justified by the call/proposal content.</p>	<p>Effectiveness:</p> <p>Number of grants signed.</p> <p>Efficiency Indicators:</p> <p>% of Time-to-grant on time.</p> <p>Average Time-to-grant.</p>

D - Monitoring the implementation

Main internal 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	Effectiveness, efficiency, economy indicators
<p>The actions foreseen are not carried out in accordance with the grant agreement (for example deliverables, open access to results and publications...).</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p> <p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries.</p> <p>Ethics requirements are not fulfilled.</p>	<p>1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors. <u>Guidance on reporting for lump sum grants (notion of work package completion).</u></p> <p>2) Specialised aid with web-based tools to inform most error-prone beneficiaries (i.e., SMEs who participate for the first time) about cost calculation practices.</p> <p>3) Effective external communication about guidance to the beneficiaries (e.g., Funding and Tender portal, info days for the calls, coordinators' days on grant preparation and grant management).</p> <p>4) Anti-fraud awareness raising training for the project officers IT Plagiarism detection tool for deliverables.</p> <p>5) Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family).</p> <p>6) Operational and financial checks in accordance with the financial circuits.</p> <p>7) Operation authorisation by the AO.</p> <p>8) For riskier operations, reinforced monitoring.</p> <p>9) Selection and appointment of experts for scientific reviews. of intermediate and/or final reporting.</p> <p>10) If needed: application of Suspension/interruption of payments.</p> <p>11) Referral of grant/beneficiary to OLAF/EPPO.</p>	<p>Coverage / Frequency: 100% of the projects are controlled, including only value-adding checks. Riskier operations subject to more in-depth controls.</p> <p>Depth: Depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum.</p> <p>High risk operations identified by risk criteria. Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.</p> <p>Audit certificates required for any beneficiary claiming more than: EUR 325 000 (Horizon 2020). EUR 430 000 (Horizon Europe) <u>except lump sum grants</u></p>	<p>Effectiveness: Number of payments (interim and final).</p> <p>Efficiency: Time-to-pay: % of payments (in value) made on time.</p> <p>Time-to pay: Average number days net/gross + suspension days.</p> <p>Qualitative Benefits: Projects are executed and produce benefits for the community.</p>

Overall economy for ex-ante control

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			<p>Economy</p> <p>(The estimation is established for the grant process, which includes both Horizon 2020 and Horizon Europe).</p> <p>a. <u>Estimation of cost of staff involved in the ex-ante checks</u></p> <ul style="list-style-type: none"> - Programme management and monitoring - Financial management - Budget and accounting - General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management - Anti-fraud - Development and support of IT systems linked to managing funding programmes. <p>b. <u>Estimation of other costs linked to ex-ante checks</u></p> <ul style="list-style-type: none"> - Cost of experts and costs of experts' management - Costs of IT external contracts of CIC. <p>Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD.</p>

Stage 2: Ex post controls

E - Reviews, audits and monitoring

Main internal 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	Effectiveness, efficiency, economy indicators
<p>The ex-post controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>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.</p>	<p>Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020 and Horizon Europe), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. - Calculate the representative error rate for the R&I programme. - Additional sample to address specific risks. - When relevant, joint audits with the Court of Auditors. <p>Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned.</p> <p>Validate audit results with beneficiary.</p> <p>In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).</p>	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. <p>Depth: - Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error.</p>	<p>Effectiveness:</p> <p>Representative and residual error rate identified.</p> <p>Number of audits finalised % of beneficiaries & value coverage.</p> <p>Economy/Efficiency:</p> <p>Percentage of implementation of CAS audit plan.</p>

F - Implementing results from ex-post audits/controls

Main internal control objectives: Ensuring that the results from the ex-post controls, including corrections from financial audits, lead to effective recoveries; ensuring appropriate accounting of the recoveries made.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The financial recommendations stemming from the ex-post audit are not implemented.</p> <p>Cases of potential fraud detected are not addressed in a timely manner or not addressed at all.</p>	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Guidance on monitoring and reporting on implementation of ex-post audit results.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AOSD.</p> <p>Coordination at the level of the R&I family: FAIR committee.</p> <p>If needed:</p> <ul style="list-style-type: none"> -Notification to OLAF and regular follow up of detected potential fraud -Reinforced monitoring implemented on ongoing projects. 	<p>Coverage: 100% of final audit results with a financial impact.</p> <p>Depth: All audit results are examined in-depth in making the final recoveries. Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p>Effectiveness:</p> <p>Amounts being recovered and offset.</p> <p>Efficiency:</p> <p>Number/value/% of audit results pending implementation, Number/value/% of audit results implemented.</p>

Overall economy for ex-post control

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			<p>Economy</p> <p>(The estimation is established for the grant process which includes both Horizon 2020 and Horizon Europe).</p> <p>Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits.</p> <p>Costs of the appointment of audit firms and missions.</p> <p>Details of the estimated cost of controls related to shared/pooled control activities hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of DG R&I.</p>

RCS 2) Grants under direct management (CEF programme support actions and other specific grants)

Stage 1 – Ex-ante

A - Preparation, adoption and publication of the Annual Work Programme and Calls for proposals

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals submitted; Compliance; Prevention of fraud.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The annual work programme and the subsequent procedures to grant to or contract with specifically designated beneficiaries do not adequately reflect the policy objectives and priorities; are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The annual work programmes are not consistent with the policy framework.</p>	<ol style="list-style-type: none"> 1) Hierarchical validation within the authorising department 2) Inter-service consultation, including all relevant services 3) Adoption by the Commission 4) Explicit allocation of responsibility 	<p>Coverage / Frequency: 100% annually</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>Depth All the underlying implementation tools are defined and developed at family level.</p>	<p>Effectiveness Success ratios in terms of budget implementation: commitments implemented / commitments allocated.</p>

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud. In most cases, however CEF support action will be implemented with specifically designated beneficiaries or contractors.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The selection of beneficiaries /contractors is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme.	Validation by the AOSD of ranked list of proposals and, if applicable: - Opinion of advisory bodies; - comitology; - inter-service consultation; - adoption by the Commission; - publication Redress procedure	Coverage / Frequency: - 100% vetting (including selecting) of experts for technical expertise and independence (e.g., conflicts of interests, nationality bias, ex-employer bias, collusion) - 100% of proposals evaluated - 100% of contested decisions are analysed by redress committee.	Effectiveness: - % of number of (successful) redress challenges / total number of proposals received. - number of litigation cases Efficiency: - Average time to publication of selection results - % of Time-To-Inform on time

C – Contracting (new grant agreements, contracts and amendments)

Main internal control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of budget available); Compliance; Prevention of Fraud.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The description of the action in the grant agreement/contract 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. The beneficiary lacks operational and/or financial capacity to carry	1) Project Officers implement evaluators' recommendations in discussion with selected applicants ⁴⁴ 2) Hierarchical validation of proposed adjustments 3) Validation of beneficiaries before the signature of GA, including systematic checks on operational and legal aspects 4) ad hoc anti-fraud checks for riskier beneficiaries 5) Signature of the grant agreement by the AO	Coverage / Frequency: - 100% of the selected proposals and beneficiaries - 100% of draft grant agreements. Depth may be differentiated; determined after considering the type or nature of the	Efficiency: Average time to grant % of Time-to-grant on time

⁴⁴ Given the constraints on the time to grant set out in the Horizon 2020 legislation, negotiation with applicants is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>A potentially fraudulent proposal/beneficiary was not detected in the evaluation phase.</p>		beneficiary (e.g., SMEs, joint ventures) and/or of the modalities (e.g., substantial subcontracting) and/or the total value of the grant.	

D – Monitoring the implementation and Financial Management

Main internal control objectives: ensuring that the operational and policy objectives are met; 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	Cost-effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p>	<p>1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors</p> <p>2) Effective external communication / guidance to beneficiaries</p> <p>3) Anti-fraud awareness raising and training for project officers</p> <p>4) Operational and financial checks in accordance with the financial circuits</p> <p>5) Operation authorisation by the AO</p> <p>6) For riskier operations:</p> <ul style="list-style-type: none"> - Enhanced ex-ante controls - Selection and appointment of expert for scientific reviews of intermediate and/or final reporting - On-site verification visits <p>7) If needed, application of</p> <ul style="list-style-type: none"> - Suspension/interruption of payments - Penalties or liquidated damages 	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - 100% of the payments (op. and fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls. <p>Depth: depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <ul style="list-style-type: none"> - Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual 	<p>Effectiveness:</p> <p>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed</p> <p>Efficiency:</p> <p>Average number and value of running projects managed 'per' staff FTE</p> <p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Average number of days</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	- Referring grant/beneficiary to OLAF	or 'population' risk assessment	

Stage 2 – Ex-post

E - Reviews, audits and monitoring

Main internal 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	Cost-effectiveness indicators (three E's)
<p>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.</p> <p>Lack of consistency in the ex-post audit strategy.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk.</p>	<p>1) ex-post audit planning in line with programme lifecycle and based on risk analysis</p> <p>2) In case of fraud suspicion, referring the beneficiary or grant to OLAF.</p>	<p>Coverage / Frequency:</p> <p>- Risk-based selection of projects, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error.</p> <p>Depth: common audit ex-post methodology</p>	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised and value coverage</p> <p>Representative / detected error rate.</p> <p>Residual error rate</p>

F - Implementing results from ex-post audits/controls

Main internal 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	Cost-effectiveness indicators (three E's)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.	1) Systematic registration of audit / control results to be implemented and actual implementation. 2) Validation of recovery in accordance with financial circuits. 3) Authorisation of recovery by AO. 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries	Coverage: 100% of final audit results with a financial impact Depth: All audit results are examined in-depth in making the final recoveries	Effectiveness: % of adjustments recovered /offset Number/value/% of audit results pending implementation Number/value/% of audit results implemented Funding adjustments Efficiency: - total (average) annual cost of implementing audit audits compared with benefits

RCS 3) Grants under direct management (SESAR Deployment Manager)

Stage 1 – Ex-ante controls

A - Preparation, adoption and signature of Framework Partnership agreement

Not applicable – the framework partnership agreement already in place covers the period 2015-2020

B – Specific Grant Agreement (contracting)

Main internal control objectives: Ensuring that the specific grant agreement meets the policy objectives; Compliance; Prevention of fraud

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The description of the actions / tasks in the specific grant agreement includes tasks that do not contribute to the objectives of the SES.</p> <p>The planned budget overestimates the costs necessary to carry out the action(s).</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>The tasks, actions and the responsibilities of the SDM are agreed in the framework partnership agreement, which in turn is based on the SES policy objectives defined by DG MOVE.</p> <p>The grant agreement is approved through a hierarchical validation process.</p> <p>Grant agreement is signed by AO</p> <p>The financial and operational viability of the beneficiary assessed before the signature of the framework partnership agreement.</p>	<p>Coverage: all specific grant agreement signed under the framework partnership agreement</p>	<p>Effectiveness: contribution to the achievement of SES policy objectives and the SESAR deployment targets</p> <p>Economy: costs of staff involved in the process</p>

C – Monitoring the execution and Financial Management

Main internal control objectives: Ensuring that the operational results (deliverables) from the project 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	Cost-effectiveness indicators (three E's)
<p>The planned actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>Reinforced monitoring through the operational Directorate in charge of SES</p> <p>If needed: suspension / interruption of payments; penalties, liquidated damages</p> <p>Referring fraud suspicions to OLAF</p>	<p>Coverage: all payments subject to standard operational and financial verification</p> <p>Depth depends on risk criteria.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Number of control failures - Number of projects with cost claim errors - Budget amount of errors / cost items rejected <p>Efficiency: Timely payment</p> <p>Economy: total EC cost / funds managed</p> <p>Economy: cost of staff involved</p>

Stage 2 – Ex-post

E - Reviews, audits and monitoring

Main internal control objectives: Detect and correct errors after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules; fraud detection.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>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.</p> <p>Lack of consistency in the ex-post audit strategy.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk</p>	<ol style="list-style-type: none"> 1) Ex-post audit strategy 2) Annual ex-post audit planning in line with programme lifecycle and based on risk analysis 3) In case of fraud suspicion, referring the beneficiary or grant to OLAF 	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - up to 90% of the budget over the lifecycle of the project - systematic coverage (100%) of all participants with eligible costs over EUR 100 000 <p>Depth: in line with the ex-post audit methodology of DG MOVE</p>	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised and value coverage Representative / detected error rate.</p> <p>Residual error rate</p> <p>Efficiency:</p> <p>Evolution of the adjustments made and of the corrective actions</p> <p>Economy: Cost of audits</p>

F - Implementing results from ex-post audits/controls

Main internal 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	Cost-effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and</p>	<ol style="list-style-type: none"> 1) Systematic registration of audit / control results to be implemented and actual implementation 2) Validation of recovery in accordance with financial circuits. 	<p>Coverage: 100% of final audit results with a financial impact</p>	<p>Effectiveness:</p> <p>% of adjustments recovered /offset</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
effective manner.	3) Authorisation of recovery by AO. 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries	Depth: All audit results are examined in-depth in making the final recoveries	Number/value/% of audit results pending implementation Number/value/% of audit results implemented Efficiency Funding adjustments Economy - total (average) annual cost of ex-post controls vs. total value audited or vs relevant expenditure

RCS 4) Directly managed procurement

This RCS covers, amongst others, the contracts with the Single European Sky advisory bodies (Eurocontrol, Network Manager and the Performance Review Body) and the contracts implemented under the heading “other operational expenditure”. Administrative arrangements with the Joint Research Centre are also covered, except as regards stage 1C and stage 2, for which the specific provisions of these arrangements apply.

Stage 1 – Ex-ante controls

A - Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services provided due to contracting issues</p> <p>The required technical financial capability is not adequately planned</p>	<p>Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements</p> <p>Validation by AO(S)D of justification and planning</p> <p>Documented discussions / decisions</p>	<p>100% of the forecast procurements (open procedures with prior notification and use of framework contracts) are justified and validated through the Vigie system and the CEF Work Programme.</p> <p>All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.</p>	<p>Effectiveness: Number of projected tenders cancelled.</p> <p>Economy: average cost per tender.</p>

B – Needs assessment and definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission does not receive good offers or cannot select good experts for the required specific expertise.</p>	<p>AOSD supervision and approval of tender specifications / terms of reference</p>	<p>100% of specifications drafted by technical experts. All specifications for open call for tenders validated by AOSD.</p> <p>Depth: 100% of tenders above financial threshold (>60k)</p>	<p>Effectiveness</p> <ul style="list-style-type: none"> - Number of open procedures or tenders where only one or no offers were received. - Number of requests for clarification regarding the tender.

C – Selection of the offer and evaluation

Main internal control objectives: Effectiveness, efficiency and economy. Compliance (legality and regularity). Fraud prevention and detection

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The most economically advantageous offer is not being selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>The offer retained does not present the required technical expertise or is financially not sustainable</p>	<p>Formal evaluation process, including Opening Committee and Evaluation Committee</p> <p>Opinion by consultative committee ('CCAM')</p> <p>Declaration of absence of conflicts of interest by members of Opening and Evaluation Committee</p> <p>Documented evaluation and exclusion criteria</p>	<p>100% of offers analysed</p> <p>Depth: all documents submitted</p> <p>100% of opening/evaluation committee members sign declaration</p> <p>100% criteria checked</p>	<p>Effectiveness</p> <ul style="list-style-type: none"> - Number of valid complaints or legal cases opened - Contract signed in time to implement the action <p>Economy</p> <ul style="list-style-type: none"> - Cost of control vs amount paid

D – Receipt of services and financial transactions

Main internal control objectives: Ensuring that the implementation of the contract is in compliance with the signed contract

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.</p> <p>Insufficient performance or timeliness of the contractor</p> <p>Invoices received do not correspond to the services delivered or to the actual performance of the contractor</p>	<p>Monitoring and assessment of deliverables. Regular implementation report on the fulfilment of the contracted tasks. Request of supporting documentation for claimed costs / link between deliverables and payments.</p> <p>Financial checks in accordance with the financial circuits</p> <p>Operational authorisation by AO(S)D.</p>	<p>100% of the contracts are controlled. Follow-up of all actions by the technical officer in charge</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - number and amount of payment made - issues regarding legality and regularity <p>Efficiency:</p> <ul style="list-style-type: none"> - Timely payment <p>Economy</p> <ul style="list-style-type: none"> - Cost of control vs amount paid

Stage 2 – Ex-post controls

E – Supervisory measures

Main internal 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, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Desk review of procurement and financial transactions and their conformity with the FR and the Vade mecum Review of exceptions reported and/or lessons learned	Risk-based	Effectiveness: Amounts associated with errors detected

RCS 5+6+7) Indirect entrusted management

This combined RCS covers: (1) the operating (administrative) budget of the executive agency INEA / CINEA⁴⁵, (2) the SESAR and S2R joint undertakings (3) the operating (administrative) budget of the decentralised agencies ERA, EASA and EMSA.

Stage 1: Ex-ante controls

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

Main internal control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality and 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 risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The establishment (or prolongation) act of the mandate of the entrusted	1) Ex-ante evaluation of the entity 2) Widespread consultation, with internal and external	Coverage/Frequency:	Effectiveness:

⁴⁵ In fact, only the operating (administrative) budget of the executive agency is actually paid by DG MOVE. The operational budget is directly allocated to the Agency—in this case DG MOVE does not strictly have a financial responsibility but does still have a responsibility to supervise the agency in terms of the achievement of results.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>For PPPs: the evaluation method of the in-kind contributions provided by the industry partners is not clear.</p>	<p>stakeholders</p> <p>3) Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting.</p> <p>4) Inter-service consultation, including all relevant DGs</p> <p>5) Mandate adopted by the Commission.</p> <p>6) Allocation of supervision responsibility within the DG</p>	<p>100%/once and partial for amendments or extensions.</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied</p>	<p>Timely establishment of the delegation or contribution agreements</p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Economy:</p> <p>Overall supervision cost per (type of) entrusted entity / total budget entrusted (%)</p> <p>Ratio FTEs/funds entrusted.</p>

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

Main internal 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 (*legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy*).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 Internal Control Objectives (ICOs)</p>	<p>1) DG internal or independent external ex-ante assessment before granting budget autonomy</p> <p>2) Hierarchical validation within the authorising department;</p> <p>3) Use of Model-or Framework- financial rules (MFF or FFF);</p> <p>4) Requiring justification and prior consent for any deviating financial rules;</p> <p>5) Standard business processes and IT tools;</p> <p>6) Secondment and selection of key staff of entrusted entities</p> <p>7) Review of audit reports (IAS, ECA).</p>	<p>Coverage/frequency: 100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.</p> <p>Depth: determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget</p>	<p>Effectiveness:</p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Number of recommendations to EE as result of ex-ante or later assessment</p> <p>Establishment of risk fiches for the EE (Decentralised Agencies and Jus)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
		concerned.	Economy: Included in the overall supervision costs

C – Operations: monitoring, supervision, reporting

Main internal 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 and regularity, achievement of objectives, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>	<p>CINEA</p> <p>1) DG MOVE's Monitoring Strategy is integrated into the Memorandum of Understanding. The MoU specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including:</p> <ul style="list-style-type: none"> • DG MOVE representation in Steering Committee; • Liaison meetings at hierarchical level; • Ad hoc meetings and regular contacts at working level; • Quarterly operational reports from the agency; • Regular updates on the achievements of the delegated programmes' objectives; • Budgetary control via commitment and payment appropriations process; • Formal opinion and consultation on key documents (annual work programme and the annual activity report) <p>• 2) Review of</p> <ul style="list-style-type: none"> • Annual Activity Report of CINEA 	<p>Coverage: as determined by the MoU</p> <p>Frequency: as determined in the MoU</p>	<p>Effectiveness:</p> <p>Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE</p> <p>Regularity of meetings and reporting flows between CINEA and the parent DGs (CINEA only)</p> <p>Economy</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> Audit reports of the IAS and ECA 		
As above	<p>SESAR JU</p> <p>1) DG MOVE is a member of and chairs the SESAR JU Administrative Board; 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 JU</p> <p>2) All documents related to above issues are evaluated by DG MOVE in cooperation with several other services to establish Commission's position in the Board (line-to-take)</p> <p>3) Audit issues are coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR JU</p> <p>4) Regular financial and technical reporting and operational meetings to discuss the progress of the technical programme</p> <p>5) DG MOVE participates in the Programme Committee chaired by the JU's Executive Director</p> <p>6) DG MOVE officials regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR JU</p> <p>S2R JU</p> <p>1) Monitoring through participation in the Governing Board (in which the Commission holds 50% of voting rights)</p> <p>2) Regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission)</p> <p>3) Operational and financial reporting provisions set out in the Statutes of the S2R JU</p>	<p>Coverage: As determined by the Statutes of the JU</p> <p>Frequency: As determined by the Statutes of the JU</p>	<p>Effectiveness: Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p> <p>Regularity of the Governing Boards meetings and of the reporting flows between the Agencies and Jus and the Commission</p> <p>Economy: Overall supervision cost per (type of) entrusted entity (%)</p>
As above	<p>Decentralised Agencies</p> <p>1) The governance and supervision approach determined by the 'Common approach to the decentralised agencies. Measures in place include:</p>	<p>Coverage: all agencies / as determined by founding act</p> <p>Frequency: - Annual Work Programme and</p>	<p>Effectiveness: Number of critical / very important IAS and ECA recommendations issued to</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> - DG MOVE membership in the Management/Administrative Board; - Budgetary control via the commitment and payment appropriations; - Quarterly indicators on budgetary and administrative performance of the Agency; - Regular contacts at all levels (Director-General, Director, Head of Unit, staff); - Formal opinion and formal consultation on key documents of the Agencies (annual work programme, multi-annual staff policy plan); - External and internal audits as well as procedures against fraud; - DG MOVE involvement in audit and discharge procedures. 	<p>Annual Activity Report</p> <ul style="list-style-type: none"> - Quarterly operational reports - Regular contacts - at least biannual Board meetings 	<p>CINEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p> <p>Economy:</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

D – Commission contribution: payment or suspension/interruption

Main internal 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	Cost-effectiveness indicators (three E's)
Bad cash forecast leading to the Commission paying too much compared to the EE's needs.	<ol style="list-style-type: none"> 1) Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting 2) Management review of the supervision results. 3) Standard procedures for the validation of all payments and 	<p>Coverage: 100% of the contribution payments</p> <p>Frequency: following the rhythm of the payments</p>	<p>Effectiveness: existence or not of legality and regularity issues, effective payment of the Commission contribution</p> <p>Economy: cost of control vs</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	recovery of non-used operating budget subsidy 4) Good internal communication to ensure that issues are known and dealt with (see stage 3).		budgetary support

Stage 2 – Ex-post

E – Audit and evaluation, Discharge for Joint Undertakings and Decentralised Agencies

Main internal 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	Cost-effectiveness indicators (three E's)
The Commission has not received 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.	<p>CINEA</p> <p>1) Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by ECA 2) DG MOVE analysis of audit reports as an element of the supervision of these bodies 3) Interim evaluations by independent experts of achievement of policy objectives</p> <p>Joint Undertakings</p> <p>4) Statutes specifying audit rights by the IAS / ECA 5) DG MOVE analysis of audit reports as an element of the supervision of these bodies 6) Every three years Commission evaluation of the functioning and the results of the JU</p> <p>Decentralised Agencies</p> <p>7) Subject to audit by IAS and ECA 8) DG MOVE analysis of audit reports as an element of the supervision of these bodies</p>	<p>Coverage:</p> <ul style="list-style-type: none"> - Audits performed on sample as needed (e.g., random/representative, value targeted, risk based) - evaluation covers all programmes entrusted <p>Frequency:</p> <ul style="list-style-type: none"> - audits – determined by audit bodies - evaluations – determined in legal base - annual ECA report on JUs <p>Depth depends on the type of entity and the level of risks assessed</p>	<p>Effectiveness: Assurance being provided (via management /audit reporting)</p> <ul style="list-style-type: none"> - residual error rate reported for programmes managed by entrusted entity - number of serious IAS and ECA findings of control failures.

RCS 8) CEF Debt Instruments

This ICT covers: Financial Instruments (FIs) entrusted to International Financial Institutions (IFIs) under indirect management (2014-2020), i.e., the Delegation Agreement (DA) signed by DG MOVE with the **European Investment Bank (EIB)** for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI), including PBI and LGTT as from 2016. Stage 1 was completed as of end December 2015 and is no longer applicable – it is listed here for completeness.

Stage 1 – Ex-ante controls

A - Set-up/design of the Financial Instrument and designation of International Financial Institution

Main internal control objectives:

- Ensuring that the FI is adequate for meeting the policy or programme objectives (effectiveness); Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy).
- Ensuring that the most promising IFI is pre-determined or selected to ensure that the FI is implemented effectively and efficiently; Sound financial management; Legality and regularity; Fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The IFI does not have the experience and financial capacities as well as the administrative and control capacities to ensure effective and sound implementation of the FI.</p> <p>The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).</p>	<p>1) The selection of the EIB as entrusted entity was:</p> <ul style="list-style-type: none"> • In line with Art. 58.1(c) (iii) FR. • Explicitly indicated in the CEF Regulation as a potential entrusted entity. (Recitals 41 and 50 and annex I, part III only) <p>2) Ex-ante assessment of the EIB in accordance with articles 61(1) and 60(2) FR ('six pillar assessment') successfully carried out prior to the signature of the FAFA by DG ECFIN.</p> <p>3) Formal signature of Financial and Administrative Framework Agreement (responsibility of DG ECFIN).</p>	<p>Coverage/Frequency for DA: once</p> <p>Depth: In-depth control, full engagement of operational and financial unit resources.</p>	<p>Effectiveness: Where applicable, opinions by advisory or audit bodies (recommendations, actions taken).</p> <p>Economy: costs vs. net assets managed</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	4) Periodic evaluations (see also Stage 3) of EIB operations Mid-term evaluation of CEF.		
The DA with the IFI is inadequate to cover operational and management risks	1) The main principles of the DA are based on the FAFA. 2) Draft DA was reviewed in inter-service consultation (including all relevant DGs, horizontal and operational). 3) Hierarchical validation (incl. at DG level) of the delegation agreement (DA), formal adoption by Commission decision 4) Detailed provisions in DA with regards to: <ul style="list-style-type: none"> • Operational and policy objectives; • Obligations and tasks of the Bank • Governance provisions • Operational and financial reporting obligations Control, monitoring and audit provisions	Coverage/Frequency: 100% / once	Effectiveness: - Findings in audit reports - Observations in the audit certificate supporting the financial statements and management representations
The Commission's interests are not protected by the DA, including - the RSM (Risk-Sharing Mechanism) is too generous to the IFI (risk of unbalanced risks) - the fees paid to the IFI are not in line with the implementation of the FI	1) Alignment of interest is provided through: <ul style="list-style-type: none"> • Standardised risk-sharing model between EIB and Commission agreed in DA, in line with horizontal guidance from DG BUDG and ECFIN. • A fee structure designed to compensate the EIB for the implementation of the financial instruments linked to the achievement of the policy objectives. 2) Each agreement between EIB and beneficiaries covers control (e.g., audit rights of the EC) and reporting obligations	Coverage/Frequency: 100 % / once Depth: In-depth control, full engagement of operational and financial unit resources.	Effectiveness: Findings in audit reports Observations in the audit certificate supporting the financial statements and management representations

B – Implementation of the FI, incl. commitments and payments

Main internal control objectives:

- Ensuring that the funds allocation is optimal (best value for public money; effectiveness, economy, efficiency) to meet the policy objectives (effectiveness).
- Ensuring that the remuneration paid to the IFI is adequate (cost-effectiveness).

- Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view).

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
Final Recipients / Projects selected may not be eligible	1) Annual approval of CEF FI work programme by the CEF Coordination Committee. 2) Policy guidance, review of proposed pipeline of projects by CEF Steering Committee (chair ECFIN, with MOVE, ENER and CNECT) 3) EIB applies evaluation and selection criteria and process set out in Annex 1 of DA	Coverage/Frequency: 100% - all agreements signed by EIB	Effectiveness: - number of monitoring reports
Undue or erroneous payments Undue or erroneous recoveries/re-payments	1.a) Ex-ante controls by Commission: all payments made to EIB are subject to the normal financial circuit of DG ENER, including independent ex-ante verification. 1.b) Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance. 2) Due diligence: The EIB has to: - set up and operate an internal control system - apply effective and proportionate anti-fraud measures - carry out ex ante and ex post controls, including on-the-spot checks on representative and/or risk-based samples of transactions, in accordance with Annex 8 of DA - require the Final Recipients to repay any amount unduly paid	Coverage/Frequency: Ex-ante verification of commitments: 100% Ex-ante verification of payments: 100% Verification of EIB transactions on sample checks	Effectiveness: - number of erroneous operations - number of findings from external auditor Efficiency: Rate of recovery / % of corrections of errors
The remuneration or the reimbursement of any exceptional costs or additional tasks are unjustifiably high	1) Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap. 2) Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement. 3) Review of the statement of expenses together with evidence provided by the EIB.	Coverage: 100% of fees and eligible expenses are verified before payment against contractual conditions and supporting documentation required under the DA	Effectiveness: - existence of documented checks - number of findings from external auditor

Stage 2: Ex-post controls

C – Monitoring and assurance building

Main internal 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 (Fraud prevention and detection).
- Ensuring that the (audit) results from the ex-post controls lead to assurance for the accountable AOD (5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The actions supported do not reflect the policy objectives for the CEF DI.	1) Commission Services monitor the implementation of the FI on the basis of a documented approach. 2) The Commission has several monitoring instruments that include: <ul style="list-style-type: none"> • the CEF FI Steering Committee • review of the pipeline of projects • operational reports • financial statements • risk and performance reports • pipeline reports • summary of audits and controls carried out during the reporting year 3) Interim and ex-post evaluations are carried by EIB and Commission services.	Coverage/Frequency: as per documented control approach. Steering Committee: at least 2x/year. Operational reports 2x/year Financial statements: monthly. Risk and performance reports: quarterly.	Effectiveness: on the basis of success ratios and KPIs defined for CEF policy objectives: <ul style="list-style-type: none"> - leverage - co-risk taking - number of FRs supported by the Financial Instrument - disbursement rate Economy: <ul style="list-style-type: none"> - Total cost of monitoring and supervision by DG staff over value delegated - Management fees over value of budget delegated to EIB

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not achieving the policy objectives and are in non-compliance with applicable regulations.</p>	<p>1) EIB maintains internal control system and applies anti-fraud measures.</p> <p>2) EIB annual report is audited by independent auditor, which covers the internal control system.</p> <p>3) The Commission carries out controls and monitoring by means of:</p> <ul style="list-style-type: none"> - participation in the Steering Committee; - the financial statements provided by the Bank; - representative and/or risk-based on-the-spot checks on the final recipients. 	<p>Coverage: 100% of the portfolio.</p> <p>Depth: depends on risk criteria such as past experience with the IFI, complexity or lack of experience on the area of financed actions or the management modalities.</p>	<p>Effectiveness:</p> <ol style="list-style-type: none"> 1) - Existence of EIB policies to prevent and deter fraud 2) - absence of qualification on the grounds in the auditor's opinion 3) Assurance being provided If any, analysis of 'issues' reported in management declarations: Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings 4) Number of cases submitted to OLAF.

For All RCS:

Overall economy indicators

Estimation of cost of staff involved in the ex-ante checks		Estimation of other costs linked to ex-ante checks
<ul style="list-style-type: none"> • Programme management and monitoring • Financial management • Budget and accounting • General Coordination incl. Strategic Programming and Planning, internal control, assurance and 		<ul style="list-style-type: none"> • Cost of experts

<p>quality management</p> <ul style="list-style-type: none"> • Staff performing supervisory tasks as regards entrusted entities and other partner organisations • Anti-fraud • Development and support of IT systems linked to managing funding programmes 		
<ul style="list-style-type: none"> • Estimation of cost of staff involved in the ex-post checks 		<ul style="list-style-type: none"> • Estimation of other costs linked to ex-post checks
<ul style="list-style-type: none"> • Audit staff • Financial staff involved in the implementation 		<ul style="list-style-type: none"> • Costs of services procured for audit and other assurance

ANNEX 7: Specific annexes related to "financial management"

2.1.1. Control results

1. Effectiveness of Controls

a) Legality and regularity of the transactions

The present section distinguishes, on one side, the controls exerted over the main programmes directly managed by DG MOVE and on the other the controls exerted over the budget entrusted to other entities.

Direct management

This section provides details on the control effectiveness for some of the expenditures made under direct management (SESAR Deployment Manager, CEF Transport Actions, SES Advisory Bodies and operational procurements).

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

The Horizon 2020 Programme (H2020) and Horizon Europe

During 2022 there were no payments related to H2020 grants and no cleared pre-financing from previous years. Due to that, this program will not be covered in detail in this AAR. Since 2018 a large number of actions, formerly managed by DG MOVE, were transferred to CINEA. As a result, the number of audited actions managed by DG MOVE has decreased significantly, which does not allow a complete analysis of the coverage.

- **Ex-post controls and recoveries**

This stage includes the ex-post audits as well as the recovery of any amounts found to have been paid in excess of the amount due.

Common ex-post audit strategy of the Research Directorates General

The ex-post control for grant management is largely centralised in the Common Implementation Centre (CIC), in particular in the Common Audit Service (CAS) for the whole Research and Innovation Family.

Since 2007, the Research and Innovation Family of DGs and Executive Agencies⁴⁶ (R&I Family) has adopted a common audit strategy intended to ensure the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systematic and systematic errors.

For Horizon 2020 CAS carries out all audits, including those concerning grants concluded by the Executive Agencies and the Joint Undertakings. This is a major step forward in ensuring a harmonised approach, legal certainty, equality of treatment and minimising the audit burden on beneficiaries.

The main indicators on legality and regularity⁴⁷ of EU Framework Programmes for Research and Innovation are:

Cumulative representative detected error rate, based on errors detected by ex-post audits on a Common Representative Sample (CRS) of cost claims across the R&I Family.

Cumulative residual error rate, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

The targets set for this control system are respectively:

- For H2020, to ensure that the cumulative residual error rate remains within a range of 2-5 % aiming to be as close as possible to 2%. Progress against Horizon 2020 targets is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.
- For Horizon Europe, to ensure that the cumulative residual error rate does not exceed 2%⁴⁸.

It should be noted, however, that due to its multi-annual nature, the effectiveness of the control strategy of the R&I Family can be measured and assessed fully only in the final stages of the EU Framework Programme, once the ex-post control strategy has been fully implemented, and errors, including those of a systematic nature, have been detected and corrected.

Despite objective challenges due to carry over from the COVID-19 pandemic, the foreseen audit target was achieved. The CAS managed to finalise audits on 633 participations corresponding to 103.6% of the planned most probable scenario for the 2022 target⁴⁹.

⁴⁶ DG AGRI, DG CNECT, DG DEFIS, DG EAC, DG MOVE, DG ENER, ERC, DG GROW, DG HOME, CINEA, JRC, REA and DG R&I.

⁴⁷ These indicators are described in point 1.1 of Annex 5.

⁴⁸ No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

↳ Results of the Horizon 2020 ex-post audits

In 2020 the Commission refined its methodology for calculating the Horizon 2020 error rates in line with the European Court of Auditors' observations in its 2018 and 2019 Annual Reports⁵⁰. The methodology applied is described in Annex 5 'Materiality criteria'. As of January 2020, DG R&I applied the revised methodology on a sample of 1 937 audit conclusions. This results in the following error rates for Horizon 2020⁵¹ on 31 December 2022:

- Representative detected error rate: 2.71%⁵²
- Cumulative residual error rate for the R&I Family DGs: 1.67% (1.78 % for DG MOVE⁵³).

In line with the Financial Statement⁵⁴ accompanying the Commission's proposal for the Horizon 2020 regulation, a reservation is not necessary for the related expenditure if the cumulative residual error rate for the programme falls within the target range of 2-5%. In 2022, and despite the above-mentioned caveats, the cumulative residual error rate for Horizon 2020, calculated at 1.78%, more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions have been taken to address any identified weaknesses.

Since H2020 is a multi-annual programme, the error rates, and especially the residual error rate, should be considered within a time perspective. Specifically, the cleaning effect of audits will tend to increase the difference between the representative detected error rate and the cumulative residual error rate, with the latter finishing at a lower value.

⁴⁹ Given the uncertainties related to the evolution of the COVID-19 pandemic and related carry over, the CAS developed two scenarios for the closure of audit targets.

⁵⁰ When calculating the multi-annual error rate, the Commission took into account the results of the audit re-performed by the ECA as part of Module 2 of the DAS 2018-2019.

⁵¹ The Horizon 2020 audit campaign started in 2016. At this stage, four Common Representative Samples with a total of 628 expected results have been selected. By the end of 2022, cost claims amounting to EUR 40.8 billion have been submitted by the beneficiaries to the services. The audit coverage for Horizon 2020 is presented in annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 4 060 participations were finalised by 31/12/2022 (of which 633 in 2022).

⁵² Based on the 479 representative results out of the 628 expected in the four Common Representative Samples.

⁵³ It should be noted that in 2021 many H2020 actions managed by DG MOVE were transferred to Executive Agencies. Hence, this figure is based only on the actions that remained with DG MOVE at the end of 2021.

⁵⁴ The legislative financial statement accompanying the Commission's proposal for the Horizon 2020 regulation states: "The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5% is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

These error rates are calculated on the basis of the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results.

Given the results of the audit campaign, and the observations made by the European Court of Auditors in its Annual Reports, the Common Implementation Centre, in close cooperation with central Commission services, defined actions aimed at significantly simplifying the rules, and paving the way for a significant reduction of the error rate in Horizon Europe. Apart from the use of a Corporate Model Grant Agreement and a common Annotated Grant Agreement for all programmes directly managed by the Commission, other actions include further simplification, such as the increased use of simplified forms of funding (including lump sums and unit costs), focused communication campaigns to more “error-prone” types of beneficiaries with higher than average error rates, such as SMEs and newcomers, and enhanced training to external audit firms performing audits on behalf of the Commission (the last three measures also target H2020 grants and beneficiaries). Focusing on the most common errors, these events will be straightforward, reaching more participants and achieving higher impact.

In addition, the ECA recommended certain improvements related to the quality of the audit process. Following the recommendation of the ECA the Commission reinforced or introduced a number of actions to remedy the risks identified by the ECA. The Court has acknowledged all these efforts to improve the quality of audits and considers its recommendation to be fully implemented.

[Horizon Europe](#)

2022 was the second year of implementation of the Horizon Europe framework programme. No representative error rate for Horizon Europe is available in 2022 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023 at the earliest, once a meaningful number of payments can be audited. Consequently, without elements allowing an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate, the detected and residual error rate will be estimated to 2%⁵⁵ for DG MOVE.

[Implementation of audit results](#)

For H2020 grants in total, over the period 2014-2022, the results of the H2020 audits relate to 16 participations with funding adjustments of EUR 241 811. All but one were implemented:

[Implementation of extrapolated audit results](#)

⁵⁵ These rates correspond to the objective set for Horizon Europe.

The extrapolation process allows correcting systemic errors of a beneficiary detected by an audit in all its ongoing participations. These corrections stem from audits made by DG MOVE or other DGs in the research family where systematic errors were found.

By the end of 2022, eight such participations for H2020 were found, and the beneficiaries were asked to rectify the errors in DG MOVE projects and submit revised cost statements. All participations were concerned by systematic errors and five of them were implemented (of which two in favour of the EC). Three participations that remain to be implemented⁵⁶.

The Commission closely monitors the implementation of extrapolation cases. It has to be noted that it is not unexpected to have open cases at this stage, as it might take 18 months before new declarations are received from beneficiaries.

Liquidated damages

Liquidated damages are due where a beneficiary has overstated expenses and has in consequence received unjustified EU contribution. Liquidated damages will only be applied where the unjustified contribution exceeds 2% of the total contribution claimed and accepted for the given period(s) ('de minimis' rule corresponding to the materiality level of the Court of Auditors). By the end of 2022 DG MOVE identified no liquidated damages under H2020.

The SESAR Deployment Manager (SDM) and CEF Transport/Programme Support Actions

The SESAR project is part of an innovation cycle that brings innovative air traffic management (ATM) concepts from their definition, through their development and validation to their deployment into the operational environment. In this cycle, the essential SESAR solutions developed and validated by the SESAR 3 Joint Undertaking are then deployed as 'common projects' through the SESAR deployment framework.

The SDM⁵⁷, a body that pursues the synchronised and timely deployment of common projects, assists the Commission in translating common projects into a detailed deployment programme and ensuring its implementation and monitoring.

The SESAR Deployment Alliance consortium (SDA), which comprises 19 partners, including major European air navigation service providers, airlines and airports, fulfilled these tasks for the period 2014-2021⁵⁸.

⁵⁶ Cases to be implemented are those for which the Commission has written to the beneficiaries requesting them to submit revised cost statements to correct the systematic issues detected.

⁵⁷ Commission Implementing Regulation (EU) N°409/2013.

⁵⁸ Article 9 of Regulation (EU) 409/2013.

The Commission supported financially the work of SDA as deployment manager through specific grant agreements as CEF Programme Support Actions. This support was extended until mid-2022 in order to ensure the continuity with the successor mechanism.

In 2022, payments made to the SDA amounted to EUR 7.84 million.

Payments made to major⁵⁹ partners against the SDM specific grant agreements were systematically audited in 2018-2022.

The audits finalised as of end 2022 effectively covered 85% of the expenditure (96% of participations audited) related to the first five specific grant agreements (SGA1 to SGA5). Corrections in 2022 amounted to EUR 0.38 million. The audits finalised to date resulted in cumulated adjustments of EUR 2.4 million. In total EUR 2.17 million⁶⁰ were recovered or are being recovered at this stage. Seven of the audits finalised in 2022 are still under implementation, corresponding to EUR 0.2 million of additional audit corrections.

The amount at risk at payment was estimated using the error rate measured against audited participations. Although the detected rate remains high at 7.14% (vs 8.07% in 2021), it is favourably impacted by the results of SGA4 and SGA5 audits, for which the observed errors are minimal. The main source of error is related to the complex staffing structure of the SDM. The coordinator undertook significant steps to simplify this setup. The definition of the financial aspects of SDA's work and the reporting requirements were improved.

The amount at risk at closure was estimated by extrapolating the errors observed in the audits carried out to date to the current expenditure and taking into account the level of implementation of corrections. For 2022, the equivalent RER⁶¹ is estimated at 1.87% (vs up to 2.48% in 2021). The amount at risk at closure is estimated at EUR 0.11 million.

The assurance drawn in this respect stems from the monitoring of SDM's activities, the implementation reports received from SDA and from the audit coverage. The cumulated amount of corrections is significant in respect of payments made but limited in scope as it concerns a single grant agreement. The comprehensive audit coverage and the implementation of the adjustments limits the effective residual exposure as regards EU funds, and this translates into a limited contribution to DG MOVE's overall amount at risk at closure.

⁵⁹ The consortium includes some minority partners for which cost claimed are too limited to justify a specific audit.

⁶⁰ The audits include both adjustments in favour of the beneficiary and in favour of the Commission. The detected error rate only takes into account adjustments in favour of the Commission, whereas the amounts recovered take into account the balance of these adjustments and may therefore be inferior to the detected errors.

⁶¹ The RER is calculated on the basis of the audits carried out on SGA1 to SGA4, for which reliable and sufficient data sets exist.

DG MOVE furthermore manages a limited number of other directly managed grants, like CEF programme support actions or technical assistance, principally supporting infrastructure policies (Programme support actions for Railways Infrastructure managers and national ministries in cohesion member states) and capacity in key partners (EUROCAE, ICAO) for the implementation of transport policies.

Payments made in this respect amounted to EUR 10.2 million.

Operational and financial controls for these actions are carried out in accordance with the financial circuits and may include the requirement to provide audit certificates. DG MOVE assesses periodically, through its ex-post control planning or through specific screening exercises, the need for reinforced monitoring or for an increased ex-post audit coverage. One audit was completed in 2022, resulting in a correction of EUR 10 560, corresponding to a 3.7% error rate. This single case is however not representative of the overall economy of these grants as the supported actions differ widely in scope and nature. Two audits were ongoing at year end.

Single European Sky (SES) Advisory Bodies

The SES initiative establishes a regulatory framework that includes common binding rules on Air Traffic Management (ATM) safety, on ATM services, on airspace management and on interoperability. The framework includes a technological pillar, 'SESAR project' (Single European Sky ATM Research) that is managed through the eponymous Joint Undertaking. The 2009 revision created support bodies to the SES: the Network Manager⁶² (NM) that performs the design of the European Route Network and the coordination of air traffic resources and the Performance Review Body (PRB)⁶³ that assists the Commission in the implementation of the SES performance and charging schemes.

Eurocontrol was appointed as the Network Manager for the SES until the end of 2019 and was re-appointed for the period 1 January 2020 - 31 December 2029⁶⁴. Its overarching mission is to contribute to the delivery of the ATM's performance in the pan-European network in the areas of safety, capacity, environment/flight efficiency and cost-effectiveness.

The PRB is an expert group of the Commission and made-up of nine members, including a chair. Eurocontrol and EASA collect performance data that is in a pre-analysed form used by the PRB. The PRB assists the Commission and national supervisory authorities in the implementation of the performance scheme for air navigation services. The PRB cooperates with the European Aviation Safety Agency in the performance of its tasks when they relate to safety.

The current mandate of the PRB runs from 2021 until 2023. The Framework Contract

⁶² Commission Regulation (EU) No 677/2011

⁶³ Commission Implementing Regulation (EU) No 390/2013

⁶⁴ Commission Implementing Decision (EU) 2019/709.

related to the assistance to the implementation of the SES performance and charging schemes was signed with Eurocontrol on 16 November 2022.

In 2022, payments made in this respect totalled EUR 10.13 million.

These support actions are implemented through service contracts and are considered as low risk regarding legality and regularity. Moreover, the individual amounts are relatively limited. No ex-post audits are performed as the costs of such controls would exceed the potential benefits.

Assurance is drawn in this respect from the performance of the ex-ante controls, from the absence of issues at this level, from a positive assessment of the performance of the support bodies and from the effective delivery of the services and their compliance with the regulatory framework and with the contractual provisions.

Other Operational Expenditure

This segment represents an array of diverse initiatives, including directly managed procurements servicing the activities (studies, specific contracts, etc.) as well as Administrative agreements with other EU institutions. These activities are considered as low-risk, due to the nature of the transactions (procurements) or of the beneficiaries (other EU Institutions).

Cross sub-delegations

DG MOVE has the possibility to cross sub-delegate some activities to different services within the Commission, in order to arrange the provision of certain operations more efficiently. Being a Commission service itself, the AOD of the cross sub-delegated service is bound to implement the appropriations subject to the same rules, responsibilities and accountability arrangements as DG MOVE.

In 2022, DG MOVE gave cross sub-delegations to DG FISMA of EUR 0.03 million with no payments made during the year.

Indirect management and direct management by other services

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG's supervisory controls on the budget implementation tasks carried out by other Commission DGs and entrusted entities distinct from the Commission, i.e.:

- The CINEA Executive Agency;
- Joint Undertakings (SESAR 3 JU and EU-Rail JU);
- Decentralised Agencies (EASA, EMSA, ERA);
- The European Investment Bank (EIB) (for financial instruments)

For all these cases, DG MOVE's supervision arrangements are based on the principle of controlling 'with' the relevant entity.

CINEA Executive Agency

Under the new Multi-annual Financial Framework 2021-2027 and as of the 1 April 2021, the Innovation & Networks Executive Agency (INEA) became the European Climate, Infrastructure and Environment Executive Agency (CINEA). DG MOVE is the leading DG working with six other parent DGs (ENER, R&I, CLIMA, ENV, MARE and REGIO).

The Commission has delegated to CINEA the task of executing the operational budget and performing tasks linked to the implementation of its delegated Union programmes in the following fields/programmes:

- Sustainable transport and Energy infrastructure – Connecting Europe Facility (CEF);
- Research and innovation against climate change and for sustainable energy and transport – Horizon Europe (HE);
- Climate change, nature and biodiversity, clean energy transition, circular economy, quality of life – LIFE;
- Innovative low-carbon technologies for emissions reduction – Innovation Fund (IF);
- Support transition towards a climate-neutral economy – Just Transition Mechanism (JTM);
- Increase investment in renewable energy production capacity – Renewable Energy Financing Mechanism (RENEWFM);
- Support for the fisheries and maritime policies and ocean governance - European Maritime, Fisheries and Aquaculture Fund (EMFAF).

As to DG MOVE, the Agency mandate covers the transport part of the CEF programme and the transport part under the Horizon Europe programme (including the H2020 legacy). The Agency implements, in the framework of CEF, the SESAR related trans-European air traffic management (ATM) network projects. DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and gives key feedback to DG MOVE. DG MOVE is responsible for implementing the supervision and monitoring arrangements towards CINEA regarding DG MOVE delegated programmes.

In 2022, DG MOVE contributed EUR 56.05 million to the Agency's running costs in payments. CINEA has duly justified the use of the subsidy and any unused appropriations will be recovered by the parent DGs.

Supervision arrangements

All relevant decisions on the operation of the Agency (organisation, budget, staffing etc.) are discussed and approved by the Steering Committee (SC), which meets four times per year. CINEA's SC is formed by members from each of the five Parent DGs with the highest delegated budget (MOVE, ENER, R&I, ENV and CLIMA), and observers from the other Parent

DGs (MARE and REGIO), as well as from DG HR in representation of the central services. It is chaired by the Director-General of DG MOVE.

The working relations between the Parent DGs and CINEA for all delegated programmes are defined through Memorandums of Understanding (MoUs). A general MoU including the General provisions, common to all Agencies and Parent DGs, and sectorial provisions specific to each delegated programme are also applicable. In their supervision of CINEA, the Parent DGs review in particular the objectives and performance indicators in the Annual Work Programme in accordance with the Delegation decision and the MoU.

DG MOVE's Director-General held monthly meetings with CINEA's Director on the Agency's governance and programme management. These meetings ensure a timely exchange of information on the assurance and supervision matters and reinforce the coordination on common issues. In addition, the CINEA Budget and Finance Network, including representatives both from parent DGs and DG BUDGET discussed finance and budget matters with CINEA during meetings in 2022. Finally, in 2022 regular meetings took place between the other Parent DGs and CINEA on the implementation of the respective programmes.

CINEA produces monthly overview reporting on all KPIs, execution of administrative and operational budget and multi-annual error rates as well as respect of deadlines (e.g., time-to-grant).

Under the Council Regulation on Executive Agencies, the Commission conducts an evaluation of the Agencies every three years and submits the evaluation report to the other EU institutions. The remaining INEA evaluation concerning the period from January 2017 until March 2021 took place during 2022.

[Additional sources of assurance](#)

CINEA reports on the implementation of budget in its own Annual Activity report. According to the draft 2022 report, most of the KPIs have met their target. CINEA's Management considers that suitable controls are in place and working as intended. In addition, the residual error rate for the CEF Transport is 1.63%, while for Horizon 2020, the residual error rate is calculated at 2.00%⁶⁵. As regards the implementation of the operating budget, the residual error rate is estimated at 0.5%, significantly below the target of 2%.

Consequently, CINEA's Director, in her capacity as AOD, has signed the declaration of assurance without reservations.

The IAS and ECA audits provide additional elements of assurance. DG MOVE follows closely the proceedings and conclusions of their audits concerning CINEA primarily. Concerning the IAS work, in 2022, one assurance engagement was relevant to CINEA as a whole, concerning protection of personal data. Four important recommendations were issued and

⁶⁵ For H2020, the error rate is established within the range of 2%-5%.

accepted by CINEA, who plans to have the corresponding actions implemented in 2023. ECA found the 2021 annual accounts presented fairly, in all material respects, the financial position of the Agency, the results of its operations, its cash flows, and the changes in net assets. No important or critical shortcomings were identified. Furthermore, the Agency provided support to its parent DGs in the context of ECA special audits and reviews.

Conclusion

The regular supervision of CINEA did not identify any particular events, issues or problems that could have a material impact on assurance or that would need to be included in this report. Overall, DG MOVE considers that its supervision of CINEA is effective and appropriate.

Joint Undertakings (JU)⁶⁶: SESAR 3 JU and Europe Rail JU

DG MOVE is responsible for the SESAR 3 JU, a public-private partnership developing operational and technical improvements for the modernisation of the European and global air traffic management system.

DG MOVE is also responsible for the EU-Rail JU, established under Horizon 2020, whose objective is to provide a platform for pooling together and better coordinating research and innovation efforts in the rail sector.

For both JUs, the duration of the delegation was foreseen until 31 December 2024.

Following adoption on 19 November 2021 of the Single Basic Act⁶⁷ (SBA) establishing the new generation JUs under Horizon Europe, SESAR 3 JU and Europe's Rail JU became the legal successors of SESAR JU and Shift2Rail JU (S2R JU). The new JUs are set up as Union bodies for the period ending on 31 December 2031 and financed under the new Multiannual Financial Framework until 2027.

Discussions with the new generation JUs on the financial framework partnership agreement (FFPA) under Horizon Europe were concluded early 2022. The FFPA sets up the framework for the SESAR 3 JU to receive EU funds and will be signed once for the duration of the entire partnership (2021-2031).

DG MOVE plays a key role in the monitoring of the JUs and relies on the JUs to achieve their policy objectives. DG MOVE is a member of the Administrative Board (SESAR 3 JU) and Governing Board (EU-Rail JU).

Arrangements in place ensure that all key proposals to the Boards are properly assessed and that the Commission position is agreed beforehand between all concerned services.

⁶⁶ Ex-Article 185 initiatives – Article 71 of the Financial Regulation.

⁶⁷ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014.

Each JU is required to produce an Annual Activity Report and the JU Director signs a declaration of assurance in line with the one used in the Commission. The regular reporting and extensive formal and informal contacts facilitate interaction. The JUs are bound to inform the Commission, without delay, of any significant development in the area of risk management, internal control and audit.

In December 2017, DG MOVE adopted a strategy on the DG's relations with decentralised agencies and JUs. It encompasses governance, core businesses, management and financial issues to ensure that the necessary processes are in place. It clarifies roles and responsibilities, internal coordination and aligns JUs with key EU political priorities.

The supervision strategy is implemented through a regular follow-up of the JUs' businesses, management and financial issues. A risk profile is established for each entity. These elements have been regularly updated in 2022 and are closely followed by Senior Management with regard to the higher-level risks.

The Single European Sky Air traffic management Research Joint Undertaking (SESAR JU) and its legal successor The Single European Sky Air traffic management Research 3 (SESAR 3 JU)

In 2021, the Single Programming Document of the SESAR JU for the 2021-2023 period was adopted by the Administrative Board. It provides multi-annual (2021 to 2023) and annual (2022) programming components and forms the multi-annual and annual work programmes of the SESAR JU.

While SESAR JU was set up under Article 70 of the Financial Regulation, its legal and universal successor, SESAR 3 JU, is set up under Article 71 of the Financial Regulation. The new JU does not require the adoption of a Single Programming Document but of an Annual Work Programme. In 2022, DG MOVE provided in total EUR 128.41 million in terms of commitment appropriations under Horizon Europe Programme, of which EUR 40 million were carried over from 2021 in accordance with Articles 12(2)(b) and (c) of the Financial Regulations. In addition, the amount paid to the JU in 2022 amounted to EUR 137.82 million, from both H2020 and Horizon Europe programme lines. From the latter, an amount of EUR 20 million was carried over from 2021. The SESAR 3 JU execution rates were 86.85% for commitment appropriations and 24.6% for payment appropriations. The vacancy rate was 5.4%.

Supervision

The SESAR JU Founding Regulation⁶⁸ and General Agreement define the governance and supervision requirements.

The Commission, represented by DG MOVE, supervises the SESAR 3 JU through its participation in the Governing Board (the main governance body, chaired by DG MOVE) and

⁶⁸ Reg. (EC)219/2007

through specific arrangements. DG MOVE participates directly in all the decisions affecting the budget, accounts, staff and performance of the JU. The overall governance and supervision arrangements of SESAR 3 JU remain identical to the provisions of its predecessor SESAR JU.

DG MOVE participates in the Programme Committee chaired by the JU's Executive Director. Staff from the unit in charge of the SES regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the JU.

The SESAR 3 JU is audited (like other EU bodies) by the IAS and by ECA. Moreover, audit issues are further coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR 3 JU, to which DG MOVE participates. At the end of 2022, there were no open critical or very important recommendations stemming from audits performed by ECA, the IAS, evaluations or the Internal Audit Capability.

The SESAR 3 JU is subject to an annual ECA audit to ensure the adequacy of its control arrangements. ECA found that the 2021 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

One of ECA's observations related to the payment of the employer's contributions to the EU pension scheme for which the Commission neither provided for this expenditure in the JU budget nor formally requested any payment until end of 2021. The JU informed ECA of its intention to follow the 'Guidance for the calculation of the Joint Undertakings employer's pension contributions' issued by DG BUDG in June 2022. The JU confirmed that in December 2022 they received the first debit note from PMO concerning their 2022 contribution.

In 2021, the IAS assessed the adequacy of the design and the efficiency and effectiveness of the internal control system in place in SESAR 3 JU in managing its human resources and promoting an ethical environment. The audit concluded that the internal controls put in place by the JU for the human resources management and promotion of the ethical environment are overall adequately designed, efficient and effectively implemented and support the JU in achieving its business objectives. The IAS issued five recommendations in relation to workload management, recruitment process, appraisal and reclassification processes, and management of ethics related processes as well as internal communication. Five recommendations were issued. SESAR 3 JU accepted the recommendation and prepared an action plan to mitigate the identified risks.

Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems which could have a material impact on assurance.

The Shift2Rail Joint Undertaking (S2R JU) and its legal successor Europe's Rail JU (EU-Rail JU)

The core objective of the EU-Rail JU is to enable a faster and cheaper transition to a more attractive, competitive, efficient, integrated and sustainable European rail system, thereby supporting the achievement of the Single European Railway Area and the competitiveness of the rail sector as a whole. It brings together the coordination, programming and execution of rail-related research and innovation activities under the responsibility of a single, dedicated structure.

The initial Joint undertaking (S2R JU) aimed at ensuring a significantly higher leverage effect of EU funds by making EU funding (of up to EUR 450 million between 2014-2020) conditional to firm financial commitments from the rail industry. Its legal successor EU-Rail JU started its in November 2021.

In 2022, DG MOVE provided EUR 165.82 million in terms of commitment appropriations and paid EUR 157.39 million under both H2020 and Horizon Europe programmes. As regards Horizon Europe programme, the 2021 commitment appropriations (EUR 73 million) and payment appropriations (EUR 13 million) were carried over to 2022, in accordance with Articles 12(2)(b) and (c) of the Financial Regulations.

Supervision

As an EU body under Article 71 of the Financial Regulation⁶⁹, EU-Rail JU functions under strict monitoring rules. The main JU's bodies are the Governing Board (in charge of strategic decision-making) and the Executive Director (responsible for day-to-day management). Monitoring is performed through the supervision of the Governing Board (in which the Commission holds 50% of voting rights, corresponding to a blocking vote).

The Commission chairs the EU-Rail JU Governing Board. The supervision of the EU-Rail JU is ensured through a regular involvement of the Commission in the usual planning and reporting of the JU (budget request, calls' definition, financial planning, Annual Work Plans). Any decision taken by the Governing Board (incl. on budget, staff, etc.) is subject to the consultation of an inter-service group within the Commission.

DG MOVE maintains a regular coordination with the Joint Undertaking and its Executive Director. Quarterly coordination meetings between DG MOVE, the European Railway Agency (ERA) and EU-Rail JU are organised. Updates on administrative issues (incl. staff and budget) and the progress on the pipeline of projects are regularly presented to the Governing Board. All EU-Rail JU reports and decisions are scrutinised. The performance of the JU is monitored through a set of key performance indicators.

The EU-Rail JU is audited (like other EU bodies) by the IAS and by ECA to ensure the adequacy of its control arrangements. ECA found the 2021 annual accounts present fairly,

⁶⁹ Official Journal of the European Union, L 193, 30 July 2018.

in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

ECA noted the JU obligation in relation to the payment of the employer's contributions to the EU pension scheme for which the Commission neither provided for this expenditure in the JU budget nor formally requested any payment until end of 2021. The JU informed ECA of its willingness to resolve the matter in cooperation with the Commission's services. The JU confirmed that in December 2022 they received the first debit note from PMO concerning their 2022 contribution.

In addition, ECA observed the low execution rate for payments in 2021 (61%) due to the poor quality of beneficiaries' technical reports and delays in submission of payment requests. The JU informed the Governing Board of these delays and the amount of payment appropriations that would remain unused by the end of 2021, to be transferred to unused appropriations with a view to reactivate them for the 2022 payment appropriations.

In 2022, the IAS Audit on H2020 grant implementation and closing has started. No audit results are available yet. All audit recommendations from previous years have been properly addressed and implemented (as reported in the JUs 2020 AAR). The observations made do not impair the assurance received from the JU.

Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems which could have a material impact on assurance.

Decentralised Agencies: EASA, EMSA, ERA

DG MOVE is a parent DG for three decentralised agencies:

- The European Aviation Safety Agency (**EASA**) is based in Cologne (DG MOVE paid in 2022 a subsidy of EUR 40.61 million). The main objective of EASA is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper functioning and development of civil aviation safety. This is achieved through opinions and recommendations to the Commission, certification specifications and guidance material, decisions regarding airworthiness and certifications of aviation products and the oversight of approved organisations and EU Member States. In addition to the subsidy, DG MOVE awarded several grants to the Agency in support of its actions in key policy fields. These grants are considered as low risk given the nature of the actions and of the beneficiary.
- The European Maritime Safety Agency (**EMSA**) is based in Lisbon (DG MOVE paid in 2022 a subsidy of EUR 86.35 million). EMSA provides technical assistance and support to the European Commission and Member States to ensure maritime safety, maritime security, efficiency of maritime traffic and transport, prevention and response to pollution from ships, response to marine pollution from oil and gas installations. It has

also been given operational tasks in the field of oil pollution response, vessel monitoring and in long-range identification and tracking of vessels. In addition, EMSA cooperates with Frontex and the European Fisheries Control Agency (EFCA) on coast guard functions. EMSA is a key actor when it comes to the implementation of the Fit-for-55 package.

- The European Agency for Railways (**ERA**), based in Valenciennes (DG MOVE paid in 2022 a subsidy of EUR 26.93 million), provides technical assistance to the Commission and Member States in the area of railway safety and interoperability. It involves the development and implementation of Technical Specifications for Interoperability and a common approach to questions concerning railway safety. The Regulation (EU) 2016/796 of the European parliament and of the Council (into force since June 2016), provides ERA with new authorisation and certification tasks. Since June 2019, ERA acts as an EU body for rail vehicle authorisation and single safety certification.

These Agencies are autonomous bodies and have full responsibility regarding the management of their resources and of their assurance processes. No event is known to have occurred that would have an impact on DG MOVE.

Supervision

EASA, EMSA and ERA are European regulatory agencies with a clearly established governance set-up, documentation and procedures (in line with the 'Common approach to the decentralised agencies'). DG MOVE is a member of the Administrative Board (EMSA)/Management Board (EASA/ERA) and relies on these Decentralised Agencies to achieve the policy objectives entrusted to them. Arrangements in place ensure that all key proposals to the Boards are properly assessed by DG MOVE, and the Commission position is agreed through formal opinions and formal consultations.

In 2017, DG MOVE adopted the supervision strategy on the DG's relations with decentralised agencies and JUs. This mechanism covers the relation between DG MOVE and its partner agencies and joint undertakings. The supervision strategy is updated annually at the first DG MOVE Control Board of the year, in order to take into account the latest developments relevant for supervision and provide the latest factual data. DG MOVE is involved in coordination meetings, providing opinions on annual/multiannual work programmes, draft budget, staff policy plan and reporting. It is involved in the audit and discharge procedures of the three agencies. DG MOVE is informed by other DGs of extra budget (contributions agreements, SLAs, grants, etc.) provided to the agencies.

The agencies have full responsibility for the implementation of their budget, while DG MOVE is responsible for the regular payment of the contributions established by the Budgetary Authority. The working arrangements with the agencies have been defined by either Memoranda of Understanding or working methods of the committees set up for this purpose. DG MOVE is represented in the meetings of these committees, which take place prior to the Administrative/Management Board meetings.

Performance indicators were set up for the monitoring and follow-up of the implementation

of the budget, the audit recommendations and administrative matters. A report (on budget implementation, vacancy rate and audit recommendations) is provided by the Agencies on a bi-annual basis to DG MOVE, to help detect any weakness. After the closure of the financial year, DG MOVE claims any surplus paid to the Agency based on the budget outturn calculations provided to the Commission.

Finally, the Commission provides assistance to the agencies with regard to the application of the financial regulations, and through the use of different Commission tools and services (ABAC, Medical Service, recruitment via EPSO, training, PMO, DG HR).

DG MOVE closely monitors the risks identified in the framework of its supervision of ERA, EASA, and EMSA. In 2022, the key risks related to budgetary matters, to the implementation of the interagency agreements and to the fees and charges schemes were identified. Appropriate actions were identified to mitigate these risks.

Audits by the IAS

By the end of 2022, EASA did not have critical or very important recommendations from audits by the IAS. The IAS concluded that all followed-up recommendations were properly implemented by the agency.

At the end of 2022, no critical or very important recommendations from the IAS addressed to EMSA were still open or subject to the auditor's review. As for ERA, there remain four very important recommendations from the 2021 IAS audit report on data management and IT security. ERA accepted all recommendations and established an action plan to mitigate the risks identified by end of 2023.

Audits by the European Court of Auditors (ECA)

In the Declaration of Assurance 2021, ECA found the annual accounts of EASA, EMSA, and ERA legal and regular in all material aspects and that they present fairly in all material respects the financial position of the Agencies.

ECA addressed one observation to EASA assessing two cases of a potential conflict of interest in relation to a senior member of staff taking up a new job elsewhere. EASA addressed the issue with mitigating measures in place and relevant restrictions. In addition, there is still an old observation from the Court of Auditors related to the financial surplus that the Agency has accumulated over the years. The status is ongoing.

As regards EMSA, ECA noted that in 2021, EMSA amended 14 specific contracts. The value of these contracts represented an increase of 76 % of the contracts' initial value, whereas the Financial Regulation allows the modification of contracts up to the limit of 10 % of their initial value. However, the amounts paid in 2021 resulted from the application of the unit prices set in the respective framework contracts and were within the original framework contract ceiling. Thus, the resulting payments were not affected. EMSA took measures to amend future tender specifications and contract templates accordingly. Observations from previous years were completed.

ECA addressed to ERA an observation on the monitoring of internal users of ABAC; the outstanding observation on the inclusion of SME criteria in Fees and Charges is also being addressed.

Overall, the Decentralised Agencies take ECA's observations into account in their continuous development of systems and procedures for controls and governance processes to achieve their objectives.

Audits by EASA Internal Audit Capability

The very important recommendations from EASA Internal Audit Capability service are still open. These actions are part of the ongoing Contract Management follow up audit.

Conclusion

In conclusion, the regular supervision of the decentralised agencies did not identify particular issues that would need to be included in this report or that could have a material impact on the assurance. Overall, DG MOVE considers that its supervision of the Decentralised Agencies is effective and appropriate.

The EIB for CEF Debt instruments

The CEF debt instrument (CEF DI) aims to facilitate greater private sector involvement in the long-term financing of transport, energy and telecommunication projects. The objective is to contribute to Trans-European Network (TEN) goals by addressing market failures. DG MOVE uses innovative financial instruments for leveraging⁷⁰ EU investment.

The CEF DI implementation has been running since July 2015, when the Delegation Agreement (DA) with the European Investment Bank (EIB) was signed⁷¹ and they become the entrusted entity for the implementing tasks of this financial instrument (debt) under the Connecting Europe Facility Regulation (EU) 1316/2013.

All operations under the CEF DI are supported by a risk sharing mechanism with the EIB where the EU takes 95% to 100% of the first loss piece (FLP) of the portfolio of such operations (100% only in the case of non-securitised financing).

The CEF DI (both the products and budget) has been used effectively to deliver projects of EU added value. By the end of 2022, the CEF DI portfolio has grown to 27 active projects for a total investment realised of EUR 15.24 billion. There were no new contributions.

⁷⁰ The EC contribution contributes to cover present or future first losses on a portfolio of operations. The amount of the contribution is invested in an asset portfolio and serves as a collateral for the loans supporting the investments.

⁷¹ According to the latest DA for CEF DI, the EIB shall be responsible for managing the financial instruments in accordance with the Legal Basis, the Financial and Administrative Framework Agreement (FAFA) and the DA, in particular supporting projects aligned with the TEN-T policy eligible under the CEF regulation.

Governance and supervision arrangements

The bi-annual Steering Committee between the Commission (DG MOVE, DG ENER, DG CNECT, DG CLIMA and DG ECFIN) ended in 2020 with the end of the commitment period. Regular contacts take place with the EIB on the pipeline of projects for the financial instrument (including through to the formal pipeline report submitted twice a year) on the objectives in terms of policy prioritisation use of NER 300 funds, and on state of advancement of specific projects or leads. It includes the policy check of the new operations proposed by the EIB (based on checklist) in coordination with DG CLIMA for the assessment of eligibility to NER300 fund contributions.

As part of the supervision and monitoring activities, DG MOVE is involved in regular contacts at working level, coordination meetings and additional exchange of information on the pipeline and the implementation of projects and management of assets entrusted to the EIB.

Managing risk exposure

The facility's treasury portfolio is exposed to credit, liquidity and market risks. The mandate of the EIB includes the management of these risks. Asset management guidelines define the eligibility criteria, the maximum maturity, and the interest rate risk and credit risk exposure rules. A quarterly reporting on performance provides the necessary information to the Commission.

Support from the NER300 Programme

The remaining operations are only under NER300 budget and will have to be signed by end 2023, whereas CEF budget was used to the maximum extent possible. All contributions to the Financial Instrument become an integral, non-divisible and jointly and severally liable part of the respective portfolio (CEF Debt Portfolio and the NSF Portfolio). Consequently, the NER300 Programme funds contributed to CEF DI participate, pro-rata with the other contributions, in the risk and revenue sharing and asset management arrangements.

Financial Data

The Asset portfolio generated a negative economic result. DG MOVE's share in this economic result, as reported by the unaudited financial statements, amounted to EUR (58.8) million. This result is due to a decrease of the fair value of the treasury portfolio, in line with the market values in a context of increasing interest rates, for EUR (48) million. In addition, the fair value of the quasi-equity portfolio decreased by EUR (8.7) million due to the deterioration of the market conditions. There were however no guarantee calls for distressed operations at yearend, and there are therefore no indication that this could result in any effective loss at redemption.

Economic result of the CEF Debt Instrument (Share attributable to DG MOVE in EUR thousands)

DG MOVE share of results in portfolio	2022	2021
Remuneration received for guarantee given	2 817	5 606
Fair value change of financial asset		
Other operational and financial revenue	-8 705	+1 439
Fees paid to EIB	-4 457	-917
Net fair value adjustment of the portfolio	-48 442	-6 629
Realised losses	0	0
Economic result	-58 787	-501

Source: Unaudited financial statements. Amounts rounded to the closest thousand

DG MOVE's share in the net assets of the funds at year-end was EUR 561.43 million (EUR 626 million in 2021).

The underlying debt portfolio is, by nature, exposed to creditor risk that is covered by the FLP mechanism. As at 31 December 2022, the EU First Loss Piece for the Debt Portfolio protects the underlying operations. The overall expected loss of the underlying operations remains under control.

The EIB deploys specific fraud prevention and detection processes and reports directly to OLAF. In 2022, the EIB's Inspectorate General reported no fraud case related to CEF operations.

 **Assurance received**

The EIB provided its financial statements and management declaration on 17 February 2023. The declaration covers the EU funds engaged in the current financial instruments and the unaudited statements for 2022. The EIB gave reasonable assurance that:

- the information set out in the Financial Statements was in accordance with the accounting principles and is complete and accurate;
- the funds contributed by or on behalf of the Commission had been used for the intended purposes;
- the EIB had applied a professional degree of care and diligence to the management of the Financial Instruments;
- the control systems and procedures put in place provided reasonable assurance as to the legality and regularity of the related financial operations.

The statutory audit performed on the financial statements concluded that these were prepared in all material aspects in accordance with the applicable rules.

As a result of the regular reporting provided by the EIB, the management declaration and financial statements and the regular contacts with the EIB, DG ECFIN and DG BUDG, DG MOVE has an appropriate overview of the state of implementation of TEN-T projects supported by the financial instruments.

Conclusion

DG MOVE's supervision of the financial instruments did not identify any particular issues that would need to be included in this report. Consequently, DG MOVE considers that their supervision is effective and appropriate.

b) Fraud prevention, detection and correction

The current DG MOVE anti-fraud strategy covers the definition of fraud, potential fraud risks in DG ENER's activities and its environment; main objectives and measures for the period of 2021-2027; roles and responsibilities for antifraud actions; and finally provisions for implementation, monitoring and updates.

In 2022, 19 actions out of 20 were implemented. Continuous actions are organising the fraud prevention capability, the cooperation with the OLAF, staff awareness (internal control newsletters, training, newcomers' event) or the participation in the different networks. Specific actions aim at building cooperation mechanisms or improving the scrutiny of potentially riskier activities. The ongoing action relates to the revision of an action plan for the years 2023-2024.

The implementation of the anti-fraud strategy is regularly monitored and reported to senior management (progress of antifraud actions is tracked since December 2020 through performance indicators from the Internal Control Monitoring Criteria).

DG MOVE also contributes to the Commission anti-fraud actions. In addition to the actions mentioned above, it monitored and followed up OLAF requests and recommendations, maintained a local anti-fraud correspondent function and participated in the peer reviews chaired by OLAF.

State of implementation of the anti-fraud indicators mentioned in the Strategic Plan 2020-2024

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy⁷² aimed at the prevention, detection and correction⁷³ of fraud

Indicator 1: Implementation of the actions included in DG MOVE Anti-Fraud strategy over the whole strategic plan lifecycle (2020-2024)

Source of data: DG MOVE annual activity report, DG MOVE antifraud strategy, OLAF reporting

Baseline (2020)	Target (2024)	Latest known results (2022)
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⁷² Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan.

⁷³ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

95%	100% of actions implemented on time	100% of the actions planned for and achievable in 2022 were implemented, representing 95% of all actions for 2020-2024	
Indicator 2 : Update of DG MOVEs Anti-Fraud strategy on the basis of the methodology elaborated by OLAF			
Source of data: OLAF guidelines			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
Date of the last update: 2017	AFS strategy revised in 2020 and 2022	The Action Plan accompanying the Anti-Fraud Strategy will be updated every two years. The Anti-Fraud Strategy will be revised no later than 12 months after major changes in the Commission approach or in the fraud environment of DG MOVE.	Both the antifraud strategy and the accompanying action plan was revised in 2020. The strategy remains valid until 2024. A revised action plan will be issued the first semester of 2023 (coordination with the revision of the CAFS action plan)

State of implementation of the anti-fraud indicators mentioned in the Management Plan 2022

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) aimed at the prevention, detection and correction of fraud

Main outputs in 2021:

Output	Indicator	Target	
Awareness raising campaign	% of staff reached through workshops, conferences or other direct methods % of newcomers completing mandatory training on Ethics	> 80% > 90%	> 80% Newsletters and webinars are available to 100% of staff
Reporting to management	Number of reports on the implementation of the antifraud strategy	At least two times per year	3 x (Control Boards)
Implementation of Anti-fraud Action Plan items, as planned for 2022	% of implementation	100% by December 31, 2022	100% of the actions planned for and achievable in 2022 were implemented, representing 95% of all actions for 2020-2024

c) Other control objectives

Safeguarding of assets and information

DG MOVE is a delegated service for the Management of the CEF Debt Instrument. The management of these financial instruments was, as discussed above, delegated to the EIB. The off-balance sheet postings include contingent liabilities that correspond to the

guarantees given under the 'first loss piece mechanism' for the CEF financial instruments. The CEF facility receives an operational revenue to remunerate the underlying risks. As of 31 December 2022, these guarantees amounted to EUR 602 million⁷⁴. The increase is due to the application of accounting rules to the NSF portfolio, that now consider a forward-looking 'expected credit loss' model. While no effective losses were reported, this resulted in the registration of additional liabilities (unrealised loss of EUR 8.7 million).

Reliability of reporting

DG MOVE implements a significant part of its budget through indirect management. It therefore relies on the reports and accounts provided by the relevant implementing bodies and considers that overall, the reporting received was considered reliable and adequate for drawing assurance conclusions.

The SESAR 3 Joint Undertaking for the implementation of the Single European Sky initiative

The statutory information received in 2022 from SESAR 3 JU included its AAR, the annual work programme and budget for 2022 as well as the single programming document for 2022 (including the multi-annual work programme, the budget, staff allocation and annual work programme).

This information was deemed adequate for drawing assurance conclusions and was also considered reliable. Assurance in this respect is drawn from an analysis of these reports as well as from ECA report on the 2021 accounts of SESAR 3 JU and from the relevant IAS reports.

Besides, DG MOVE attends every meeting of SESAR Permanent Audit Panel and attaches, as chair of the SESAR Board, a particular attention to a strict follow-up of the IAS and ECA recommendations.

The EU-Rail Joint Undertaking for the implementation of the H2020 Research and Innovation activities in the rail sector

Statutory information received from the implementing body included its AAR, the annual work programme and budget for 2022, in addition to the multi-annual work programme.

All EU-Rail JU reports and decisions are scrutinised by the Parent DGs and by DG MOVE in particular as lead-service. Updates on administrative issues and the progress on the pipeline of projects are regularly presented to the Governing Board. Moreover, a set of key performance indicators were identified and used in the JU's Annual Activity Report.

SESAR 3 JU is subject to standard ECA audits on its operations and accounts.

⁷⁴ On 6 March 2023, the EIB informed the Commission of a non-material restatement of note 15 to the Financial Statements. After application of this restatement the amount of guarantees would increase to EUR 602.97 million.

In conclusion, the statutory information was considered adequate for drawing assurance conclusions and was considered reliable.

The European Investment Bank for the CEF DI instruments.

Statutory information received during the reporting period includes the annual reports and the financial statements for the financial year 2022. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies these documents and from the independent audit report that covers them.

DG MOVE received the EIB annual reports, declaration of assurance and the financial statements in February 2023 for the financial year 2022 as defined in the CEF Debt Delegation Agreement. The audit report did not include any major observations.

CINEA

Statutory information received during the reporting period includes the work plan, budget planning, regular reporting and the AAR. CINEA has a close working relation with DG MOVE. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies the AAR and from audit results. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

Decentralised Agencies

EASA, EMSA and ERA have a clearly established governance set-up, and are autonomous from the Commission. DG MOVE is a member of the Administrative Board (ERA, EMSA) / Management Board (EASA). Regular reporting and extensive informal and formal contacts are in place.

The agencies are responsible for the implementation of their budget and are subject to a separate Discharge process, while DG MOVE is responsible for the settlement of the EU contributions established by the Budgetary Authority.

Assurance in this respect is drawn from the declaration of assurance that accompanies the AAR of the Agencies, from the Discharge process and from the consideration, through the participation of DG MOVE representatives to the governance bodies, of audit results. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

2. Efficiency

The main efficiency indicators are the timeliness of payments and the estimation of quantifiable benefits of ex-ante and ex-post controls.

- Timely payment (Article 116.1 FR)

For 2022, 99% of DG ENER's 553 payments, representing 100% of the total amount paid, were made on time, above the target of 95%.

- Time-to-inform and time-to-grant

In 2022, DG MOVE concluded four grants to identified beneficiaries, for which these indicators are not relevant.

- Performance of ex-post audits

DG MOVE maintains a limited ex-post audit function that operates a risk based yearly audit plan. The implementation of the 2022 audit plan was satisfactory. The level of implementation of the 2022 audits at year end is estimated at 76% of the initial plan. 100% of the outstanding 2021 audits were completed.

3. Economy

DG MOVE updated its assessment of the cost of control in 2022. The situation remains, overall, stable.

Direct management

The cost of control associated to the reported upon directly managed expenditure takes into account the Commission level costs to manage financially the expenditure and the relevant programmes (covering the staff working time allocated to these tasks) and can be summarised as follows:

Cost of control – Direct management

Estimates based on the cost of FTEs, per relevant control system	Directly Managed grants – Research and Innovation	Directly manages grants - CEF Transport /Programme Support Actions	Directly Management grant SDM	Directly Managed operational expenditure (procurements, administrative agreements)
Payments made in 2022	EUR 0.0 million	EUR 10.2 million	EUR 7.84 million	EUR 30.05 million
Cost of controls	EUR 0.99 million	EUR 0.81 million	EUR 0.41 million	EUR 3.32 million
Total cost/funds ratio	Not representative	7.9%	5.2%	11%

The indicator related to the research grants is not representative due to lack of new payments. The cost of control covered more than the minimal amount of expenditure directly managed by MOVE in that field. These controls also contributed to the coverage of the H2020 and Horizon Europe transport projects managed in particular by CINEA as well as the more general programme management aspect.

The cost of controls of the CEF Transport/Programme Support actions and of the SDM framework partnership (grants under direct management) are proportionate to the needs. The main cost drivers in this respect are the complexity of the action, the number of partners and, for the SDM, the need to maintain systematic ex-post controls. The indicator is also affected by the low amount of new payments at this stage of the SDM partnership agreements.

The other operational expenditure represents an array of diverse initiatives, including directly managed procurements servicing the activities (Network manager and other advisory bodies, studies, specific contracts and administrative agreements with the Joint Research Centre). Despite the relatively large amount of expenditure concerned, these transactions are highly heterogeneous. The relatively high total cost of control is proportionate to the number of actors involved and commensurate with the diversity of the transactions.

Indirect management

The cost of control associated with the reported upon indirectly managed expenditure includes the costs exposed to manage the programmes and the financial flows as well as to supervise the different entities. These costs include the staff working time allocated to these tasks and the specific contracts directly related to supervisory tasks when relevant and can be summarised as follows:

Indirect management - Cost effectiveness ratio

Estimates based on the cost of FTEs, per relevant control system	Indirect Management JUs (S3R and EU-Rail)	Budgetary Support ERA, EMSA and EASA
Payments made in 2022	EUR 295.21 million (subsidies) + EUR 2.1 million (specific grants)	EUR 153.9 million (subsidies) + EUR 16.89 million (specific grants)
Cost of Control	EUR 0.81 million	EUR 0.99 million
Total cost/funds ratio	0.3%	0.6%

The costs related to financial and supervisory controls for both the Joint Undertakings and Decentralised Agencies remain low, largely under 1%.

Cost of control at DG and at entrusted entities level

The cost of control for entrusted entities includes both the cost exposed by the Commission and the cost exposed by the entity itself for the management of the entrusted tasks. The cost at entity level is measured through the fees paid to the entities or, for the Joint Undertakings, through the calculation of the effective cost of control resources, using a methodology similar to that used for Commission services. EU bodies and Executive agencies have a full responsibility for the operation of the control systems and report separately on their activities.

Indirect management – Cost of control at entity level

Entity	Cost of control in EUR million	Comment
SESAR 3 JU	EUR 1.37 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls remained stable, at EUR 1.37 (1.33 in 2020) million of which EUR 1.17 million for ex-ante controls.
EU-Rail JU	EUR 0.74 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls performed remained stable at EUR 0.74 million (0.6 in 2021), of which 0.73 million for ex-ante controls.
EIB	EUR 4.96 million	Aggregated amount of the fees paid for the management of the Transport segment of the CEF debt instruments.

Sources: Draft AARs for EU entities, Financial Statements for non-EU entities, Cost of Control assessments performed by the JUs.

As to the EIB, the cost effectiveness of the CEF Transport debt instruments is measured by comparing the cost of supervision at Commission level, and the fees paid to the entrusted entity against total assets under management as of 31 December of the reporting year. The level of fees returned to normal in the absence of any credit received for one-off operation.

Control Cost indicator – CEF Debt Instrument

Control cost indicator – supervision of the CEF DI (EIB) (in EUR million)	2020	2021	2022
Sum of all fees paid to the bank (treasury, administrative, audit and performance fees) (*)	4.32	0.92	4.96
Cost of control by DG MOVE services	0.15	0.12	0.13
Total Supervision costs by DG MOVE	4.47	1.04	5.09
Amount delegated in the course of the year	40.349	0	0
Amount under management (*)	626.56	626.06	561.42
Cost effectiveness Ratio	0.7%	0.1%	1%

Source: (*) Unaudited Financial Statements for the CEF Debt Instrument, EIB.

Cost of ex-post audits

In 2022, DG MOVE devoted 1.5 FTE (equivalent to a cost of EUR 0.23 million) to the performance and follow-up of ex-post audits. The main focus was the audit of participations to the SESAR Deployment framework partnership.

The CIC in DG R&I is responsible since January 2014 to carry out the ex-post audits for the Research Framework Programmes. The costs of these controls are mutualised, resulting in significant synergies for the R&I family of DGs.

Cost of organisational controls

The assessment of the cost of controls also covered organisational controls, that correspond broadly to the non-expenditure related internal controls operated by DG MOVE.

Overview of the estimated cost of control – non-expenditure related

	FTE	Cost equivalent
Budget and Accounting	3.5	EUR 0.55 million
Coordination	6	EUR 0.94 million
Fraud prevention	0.3	EUR 0.05 million
ICT and Information Security	2	EUR 0.31 million

DG MOVE devotes limited resources to Budget and Accounting, Antifraud and ICT controls. The cost of coordination controls is affected by different factors, in particular by the high number of audits performed by the European Court of Auditors in the area of transport and mobility policy. The associated cost of control remains however proportionate.

2.1.2. Audit observations and recommendations

1. Internal Audit Service (IAS)

Audit reports issued in 2022

Audit on Studies that are input into policy making in DG MOVE

In its final audit report published in June 2022, the IAS concluded that DG MOVE has put in place an adequate internal control system to ensure that all the stages of the studies life cycle are effectively and efficiently managed, and in accordance with the applicable legislation and corporate guidance. Two important recommendations were issued and DG MOVE designed an action plan to mitigate the identified risks. One recommendation was implemented in January 2023 and the implementation of the second one is ongoing and is planned to be finalised by June 2023.

Audit on Programme Implementation phase 1 (from work programme to call evaluation and grant preparation) – CEF Energy and Transport

In its final audit report published in December 2022, the IAS concluded that CINEA's management and internal control system for the first phase of the grant management process for the implementation of the CEF 2021-2027 programme (from call to contract), including the supervision arrangements with the parent DGs, is adequately designed and effectively and efficiently implemented. None of identified recommendation was addressed to DG MOVE.

Follow-up of recommendations resulting from previous IAS audit reports:

Audit on DG MOVE support, monitoring and enforcement of the existing transport 'acquis'

In its final audit report published in December 2021, the IAS concluded that DG MOVE has put in place an internal control system that ensures an effective support, monitoring and enforcement of EU transport law application. The audit identified two areas for improvement: communication with complainants (issuance of holding replies), and supervision, review, verification and documentation of compliance assessments. DG MOVE implemented both important recommendations and IAS closed them in July 2022.

2. European Court of Auditors (ECA)

Audit work 2022 – Declaration of assurance (DAS) 2021

ECA published for a third and last year in a row two separate Annual Reports: one focusing on traditional compliance aspects, including the annual statement of assurance, and another, separate one covering the performance of the EU budget.

As regards the 2021 DAS exercise: DG MOVE's was mainly involved in Chapter IV of ECA's Annual Report on compliance – "Competitiveness for Growth and Jobs", with no specific observations directed to DG MOVE in the chapter. The declaration of assurance audits covered 13 transactions from 2021⁷⁵, of which six cases had quantifiable errors and three transactions contained quantifiable errors⁷⁶.

In addition, ECA conducted an audit on the reliability of the DGs accounts as of 31 December 2021. This included analysis of closure operations, substantive testing of invoices and pre-financings and analysis of cut-off data. No findings or recommendations were issued by ECA.

With regard to the 2021 Discharge timetable, the process started with the publication of ECA's Annual Reports in November 2022. The European Parliament plans to vote on the 2021 Discharge in plenary in April 2023.

In relation to recommendations issued for the previous DAS exercises, all actions related to DG MOVE have been considered by the Court as fully implemented or implemented in most respects.

Special Reports published in 2022

Special Report 09/2022 "Climate spending in the 2014-2020 EU Budget". Published in May 2022

The objective of the audit was to determine whether the Commission reported relevant and reliable climate-spending information for 2014-2020. ECA concluded that the Commission overestimated the climate contribution of key components of agricultural funding such as cross-compliance, areas with natural constraints, and organic farming and considered that

⁷⁵ One H2020 and 12 CEF transactions, all managed by CINEA

⁷⁶ The six transactions with quantifiable errors contained ineligible personnel/consultancy cost, asset cost or illegal award decision.

the overall reporting on climate spending was unreliable. ECA recommended to base Commission quantification of the contribution of the 2021-2027 agricultural policy to climate action on scientific evidence; to enhance climate reporting and to link the EU budget to climate and energy objectives.

Special Report 13/2022 “Free movement in the EU during the COVID-19 pandemic” (first part). Published in June 2022

The ECA concluded that while the Commission monitored the free movement restrictions imposed by the Member States during the COVID19 pandemic, the limitations of the legal framework hindered its supervisory role. Furthermore, the Commission didn't exercise proper scrutiny to ensure that internal border controls complied with the Schengen legislation. Despite several relevant EU initiatives, the Member States' actions to fight COVID-19 remained mostly uncoordinated.

Special Report 01/2023 “Tools facilitating travel within the EU during the COVID-19 pandemic. Published in January 2023

The objective of the audit was to assess whether the Commission had developed effective tools to facilitate travel within the EU during the COVID-19 pandemic. Overall, the ECA concluded that, despite its limited competence in public health policy, the Commission moved fast to propose suitable technological solutions to facilitate travel. However, the Members' States use of these tools varied significantly, so the tools' impact in facilitating travel within the EU was uneven, ranging from success in some cases to limited use in others. The Court's recommendations focus on the need to analyse and address the reasons for the low uptake of certain tools, streamline communication on incidents relating to the EU Digital COVID Certificate and prepare relevant EU tools for future crises.

[Follow-up work by ECA in 2022](#)

In 2022 the ECA finalised two follow-up audits of special reports published in 2018: SR 19/2018: “High Speed Rail” and SR 23/2018 “Air pollution” and concluded that the level of implementation of the recommendations from both SRs is satisfactory and the recommendations of previous special report were fully and/or implemented in most respect.

In addition, in 2022 the ECA carried out two other follow up audits on the Special Reports published in 2019, for which ECA had satisfactory conclusions on the level of implementation.

At the end of 2022, DG MOVE was chef de file for 30 open recommendations from ECA with due dates end of 2022 or beyond. The necessary updates to the status of the followed-up recommendations are reflected in Commission monitoring system (RAD).

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

Table Y - Overview of DG’s/EA’s estimated cost of controls at Commission (EC level):

NB. The absolute values are presented in million EUR.

MOVE	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
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 - Directly managed grants: Research Grants	985,216.00 €	- €	0.00%	- €	- €	0.00%	985,216.00 €	0.00%
RCS 2 - Directly managed grants: CEF PSA and SESAR Deployment Manager	985,216.00 €	18,039,988.00 €	5.46%	234,575.00 €	13,374,842.00 €	1.75%	1,219,791.00 €	6.76%
RCS 3 - Directly managed procurements and other operational expenditure	3,315,332.00 €	30,053,031.00 €	11.03%	- €	- €	0.00%	3,315,332.00 €	11.03%
RCS 4 - Grants managed indirectly through joint undertakings (SESAR 3 and EU-Rail)	813,195.00 €	297,312,943.00 €	0.27%	- €	- €	0.00%	813,195.00 €	0.27%
RCS 5 - Budgetary support ot EU Agencies (EASA, EMSA, ERA)	993,036.00 €	170,785,498.00 €	0.58%	- €	non quantifiable	0.00%	993,036.00 €	0.58%
RCS 6 - Supervision of Executive Agencies (CINEA)	437,874.00 €	56,050,000.00 €	0.78%	- €	n/a	0.00%	437,874.00 €	0.78%
RCS 7 - CEF Financial Instruments	- €	- €	0.00%	132,926.00 €	561,423,000.00 €	0.02%	132,926.00 €	0.00%
RCS 8 - Organisational controls (budget and accounting, coordinaiton, antifraud and ICT)	1,845,326.00 €	n/a	0.00%	- €	non quantifiable	0.00%	1,845,326.00 €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	9,375,195.00 €	572,241,460.00 €	1.64%	367,501.00 €	574,797,842.00 €	0.06%	9,742,696.00 €	1.70%

ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control systems"

2.1.3. Assessment of the effectiveness of internal control systems

In 2022, DG MOVE continued to improve the effectiveness and efficiency of its controls while ensuring compliance with the Internal Control Framework (ICF), the Financial Regulation and other requirements.

1. Source and methodology for the internal control self-assessment

The self-assessment of internal controls verified the presence and effective functioning of ICF components and principles as a system throughout 2022 and focused on three objectives:

- Demonstrate the sound functioning of the internal control system,
- Provide to the Director-General and to the Director in charge of Risk Management and Internal Control a sound basis for signing their declarations of assurance, and
- Identify any improvement areas in the internal control systems.

The 2022 self-assessment was based on four main building blocks:

- evaluation of monitoring indicators,
- evaluation of audit results and the impact of new or outstanding recommendations,
- analysis of available reports, including DG BUDG's validation of local systems, accounting quality AOSD reports from the Directors of DG MOVE,
- analysis of control incidents registered during the reporting year.

Finally, the assessment also looked at the state of play of deficiencies identified in 2021.

2. Internal Control Self-assessment results for 2022

The 2022 internal control self-assessment concluded that none of the Commission Internal Control Framework components or principles were affected by a critical or serious weakness.

Minor internal control deficiencies were however identified:

- as regards ICF Principle 10, in relation to invoice registration delays.
- as regards ICF Principle 11, the degree of update of the IT Security Policies /Plans, was behind the target of 90%, although significant progress has been made (80% reached vs 60% in 2021).
- as regards ICF Principle 12, in 2022 DG MOVE recorded two exceptions stemming from unusual delays of contractual procedures.
- as regards ICF Principle 14, shortcomings in the collaboration and communication.

ICF Principle 10, 11, 12 and 14 are therefore assessed as present and effective, although some improvements are necessary.

The identified deficiencies and the implementation of corrective actions will be closely monitored during 2023. Improvements were already noted as regards the weakness identified for Principle 11. On-going or planned improvements and/or remedial measures focus on stepping up the IT security and business continuity measures, updating physical and IT security measures, as well as fostering the use of collaborative tools.

Previously identified deficiencies in management of procurement procedures, in delays observed in the implementation of corrective actions regarding IT service contracts and in obtaining the necessary information from the EIB which may impair the scrutiny on the implementation of the related instrument were addressed. Moreover, the share of DG MOVE IT systems having an up-to-date IT Security Policy/Plan and the robustness of procurement procedures significantly improved compared to the previous year.

An overall Control Strategy was adopted for DG MOVE, a comprehensive tool describing the functioning of the DG control environment.

In early 2022, DG MOVE adopted its first Action Plan to improve budget implementation over the year. The Action Plan included target dates, analyses of deviations and monthly reporting to senior management. It successfully led to excellent levels of budget implementation and a reduction in the number of delayed projects at the end of the year - global commitments.

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

3. Risk Management

Follow-up of the 2022 risk management exercise

The Risk Register for 2022 included four significant risks. These risks were monitored through the control boards and through specific risk reviews. Due to the coordinated risk mitigation efforts both within DG MOVE and in cooperation with its entrusted entities, none of these risks materialised during the year.

The risk associated with delays for the adoption of the legislative measures that would put in jeopardy the timeline included in the Sustainable & Smart Mobility Strategy (SSMS) action plan, is not considered any more as significant because the initiatives will be delivered as planned. The risk that the assumptions in the Impact Assessments could change in the post-COVID environment, requiring the re-assessment of intervention logic, policy design and the assessment of impacts has not materialised.

4. Internal Control incidents

The functioning of the internal control systems was closely monitored and followed up throughout the year by the systematic registration of non-compliance events and exceptions. In 2022, DG MOVE registered 2 exceptions and 11 non-compliance cases. This result shows a significant decrease in number of cases and is much lower than the 2021 result and the averaged since 2014.

One exception was related to the reimbursement of costs of PRB members incurred before the signature date of the contract, and the second one to the amendment of an impact assessment study contract after the expiry of the framework contract.

The assessment of exceptions and non-compliances for 2022 indicates improvement (compared to previous years) in management of contracts. The type of cases reported in 2022 do not indicate any serious deficiency in DG MOVE's internal controls.

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

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

Table X: Estimated risk at payment and at closure

DG MOVE 2022 Table X - Estimated risk at payment and at closure

DG MOVE -1	Payments made (2022;MEUR) -2	minus new prefinancing [plus retentions made] (in 2022;MEUR) -3	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR) -4	Relevant expenditure (for 2022;MEUR) -5	Detected error rate or equivalent estimates -6	Estimated risk at payment (2022;MEUR) -7	Adjusted Average Recoveries and Corrections (adjusted ARC; %) -8	Estimated future corrections [and deductions] (for 2022;MEUR) -9	Estimated risk at Closure (2022;MEUR) -10
Administrative (RCS 3)	1.02	0.00	0.00	1.02	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
CEF Transport/Programme Support Action (RCS 2)	10.20	- 1.93	4.91	13.18	0.50% - 0.50%	0.07 - 0.07	0.21% - 0.21%	0.03 - 0.03	0.04 - 0.04
Other Operational Expenditure (RCS 3)	18.91	- 2.04	0.29	17.16	0.50% - 0.50%	0.09 - 0.09	0.21% - 0.21%	0.04 - 0.04	0.05 - 0.05
SESAR Deployment Manager (RCS 2)	7.84	- 4.00	1.90	5.75	7.14% - 7.14%	0.41 - 0.41	5.27% - 5.27%	0.30 - 0.30	0.11 - 0.11
SES Advisory Bodies (RCS 3)	10.13	- 0.12	0.24	10.25	0.50% - 0.50%	0.05 - 0.05	0.21% - 0.21%	0.02 - 0.02	0.03 - 0.03
Agreements with EU Bodies (RCS 5)	18.99	- 18.99	0.74	0.74	0.50% - 0.50%	0.00 - 0.00	0.21% - 0.21%	0.00 - 0.00	0.00 - 0.00
Contribution to S3JU (RCS 4)	137.82	- 83.46	0.00	54.36	0.50% - 0.50%	0.27 - 0.27	0.21% - 0.21%	0.11 - 0.11	0.16 - 0.16
Contribution to EU-Rail JU (RCS 4)	157.39	- 112.74	0.00	44.65	0.50% - 0.50%	0.22 - 0.22	0.21% - 0.21%	0.09 - 0.09	0.13 - 0.13
Subsidy to EASA (RCS 5)	40.61	- 40.61	39.63	39.63	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Subsidy to EMSA (RCS 5)	86.35	- 86.35	83.50	83.50	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Subsidy to ERA (RCS 5)	26.94	- 26.94	27.69	27.69	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
DG total	516.19	- 377.17	158.90	297.92		1.12 - 1.12	0.20% - 0.20%	0.60 - 0.60	0.52 - 0.52
					Overall risk at payment in %	0.37% - 0.37% (7) / (5)		Overall risk at closure in %	0.17% - 0.17% (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-SubDelegations (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-SubDelegations.

Retentions: in Cohesion, the 10% retention applied during the year.

(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').

Retentions: in Cohesion, the retentions released during the year by the Commission.

(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.

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, contributions to Joint undertakings*), the rate which should be used is 0.5% as a conservative estimate. A 0% error rate was used for expenditure considered as risk-free (e.g. operating subsidies paid to decentralised agencies). For these subsidies, the responsibility of the DG is limited to the calculation, but its use falls within the remit of the beneficiary entity. The correctness of the calculation is ensured by a re-check at the time of the final payment. The JUs are responsible for reporting the error rates related to their activities in their CAARs. The H2020 segment of SESAR 3 JU and EU-Rail JU activities present respectively residual error rates of 1.16% for SESAR 3 JU and of 1.37% for EU-Rail JU. The corresponding recoveries are implemented by the joint undertakings.

(7) 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. This percentage does not apply to pre-financing, administrative expenditure or payments made to Decentralised Agencies, which are generally not subject to ex-post recoveries. Overall, this percentage is the best available indication of the expected corrective capacity of the ex-post control systems implemented by the DG over the past years. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate. For H2020 payments, the correction rate used in this column corresponds to the difference between the R&I family detected error rate (2.71%) and DG MOVE's residual error rate including draft audit reports (1.78%). For SDM the correction rate used is equal to the difference between the detected rate (8.7%) and the residual error rate of 1.89%.

(8) For Agreements with other EU Bodies, in addition to the subsidy/contributions it pays to its entrusted entities, DG MOVE awarded several grants to them in support of its actions in key policy fields. These grants are considered as low risk given the nature of the actions and of the beneficiary.

The average amount of the implemented corrections over the past 3 years (2020-2022) is EUR 0.52 million euros (0.14% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of EUR 1.56 million euros (0.47% of the average amount of relevant expenditure of that period). The apparent deviation of 0.33% between the two averages is due to the calculation of the error rate and corrective capacity on the base of the specific RERs of the two JUs since the start of H2020. The effective corrections are however made at JU level. Without estimating future corrections on the JUs delegated budget, the deviation would amount to 0.02% over the last five year.

Reservations

Not Applicable

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

Human resource management

Objective: DG MOVE employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business		
Indicator 1: Number and percentage of first female appointments to middle management positions Source of data: Commission communication on gender targets, SEC(2020)146; HR Dashboard for DG MOVE		
Baseline (2019)	Target (2022)	Latest known results (31/12/2022)
9 female middle managers (36%)	DG MOVE has a specific target of three ⁷⁷ new female middle managers first appointments by 2022.	One new female middle manager was appointed in April 2021 (in MOVE.SRD.3). Another new female middle manager appointment followed on 1 March 2022, bringing the number of female middle managers in MOVE to 9 (i.e., 39%). One more appointment was needed to reach the 2022 target.
Indicator 2: DG MOVE staff engagement index Source of data: Commission staff surveys		
Baseline (2018)	Target (2024)	Latest known results (31/12/2022)
75%	Equal or above 70% Commission average registered in the 2018 Staff survey	68% in the 2021 Staff Survey (against a Commission average of 72%). The results varied across the Directorates. Four out of our six Directorates registered staff engagement of 75% or higher (84% being the highest score). The results in the least scoring Directorate could be to some extent explained by the very heavy workload and a number of recent management changes which required a period of adaptation.

⁷⁷ The initial target of 2 new female middle managers first appointments was increased to 3 following the appointment of one new male middle manager.

Main outputs in 2022:

Description	Indicator	Target	Latest known results
Analyse results of the 2021 Staff Survey and develop action plan	New action plan in place	Q1 2022	A detailed analysis of the 2021 Staff Survey results (by Directorate) was presented at the Management Seminar in March 2022, some best practices were shared, and the follow-up actions were discussed and agreed. The Director-General met the staff of the least scoring Directorate and listened to their concerns which were mainly linked to the very heavy workload.
Internal mobility tool for AD, AST and SC staff	Tool in place	By Q2 2022	The framework was agreed in 2022, however the launch of the tool was postponed to Q2 2023.
Establish an internal job-shadowing scheme	Scheme in place	By December 2022	Due to the heavy workload both on HR management and on policy, the timing for introducing an internal job-shadowing scheme was not right in 2022. The introduction of such a scheme will be reassessed in the context of the 2023 review of the Local HR Strategy.
Break silos and achieve synergies by setting up cross-unit teams to work on specific projects	Break silos and achieve synergies by setting up cross-unit teams to work on specific projects	First cross-unit team in place by Q1 2022	Increased cooperation across the Directorate-General and 3 formal cross-unit teams in place in 2022.
Organise bilateral meetings with the Director for staff members who have been on their job for more than 3 years in order to discuss future prospects and longer-term objectives	Bilateral meetings organised	Start bilateral meetings by December 2022	Launch of the bilateral meetings was postponed due to the heavy workload for the HRC team in 2022.

Description	Indicator	Target	Latest known results
Statistics on female representation provided to the DG; identifying possibilities and talented female ADs to increase female first time appointments on middle management posts	Frequency of the statistics provided to the DG	Quarterly and when Head of Unit positions become vacant	The DG received regular reporting on female representation. Two female ADs were nominated to participate in the corporate Female Talent Development Programme.
Promote female talent by organising courses targeted at female staff	Number of trainings	At least one training by December 2022	Due to the new corporate policy on Learning and Development and the budgetary constraints, no training could be organised in 2022. Instead, DG MOVE promoted the LinkedIn learning offer.
Organise trainings for managers on soft skills	Number of trainings	At least one training by December 2022	A training for Managers: Boosting Staff Engagement was held on 3 June 2022.
Organise internal training courses and lunchtime conferences (online/physical/hybrid) on job-specific and transport & mobility topics	Number of courses and lunch-time conferences	At least five courses and lunchtime conferences by December 2022	18 internal courses on a variety of job-specific topics were organised in 2022.
Organise lunchtime conferences on well-being topics, and on issues of relevance to all staff e.g., TEAMS training, and invite CINEA staff as well	Number of lunchtime conferences	At least 3 lunchtime conferences by December 2022	3 internal courses on well-being topics were organised and the LinkedIn learning offer was promoted.
Launch a new Staff Survey on well-being actions	Staff Survey on well-being actions launched	By Q2 2022	Postponed due to the heavy workload for the HRC team in 2022. Intranet page on well-being actions was updated.
Awareness raising courses on Commission corporate strategies (e.g., Diversity & inclusion, Ethics)	Number of courses	At least one course by December 2022	The adoption of the corporate Diversity and Inclusion Action plan was adopted only in 2023 and a dedicated information session will be organised in the first half of 2023.

Description	Indicator	Target	Latest known results
Conference on diversity topics	Number of conferences	At least one conference by December 2022	Same as above: an information session on diversity and inclusion will be organised in the first half of 2023.
Continue the bi-annual new-comers welcoming sessions	Number of sessions	Two sessions by December 2022	Two sessions took place in 2022.
Set up a DG mentoring scheme for newcomers and junior staff	Scheme in place	By Q1 2022	To optimise the use of resources, it was decided to promote the corporate EC Mentor programme instead.
Internal communication of events	Creating and disseminating internal communication Newsletters (including sections such as message from the Director-General, events in the DG, welcoming newcomers, etc.).	Six newsletters by December 2022	Increased use of direct mailing in 2022 as means of internal communication. The News section on My MOVEnet was kept up to date throughout the year.

Digital transformation and information management

Objective: DG MOVE is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data driven Commission

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of data: Solutions Owners & Suppliers and IT Investment Team

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results
1. TENtec 64%	1. 86%	1. 100%	1. 86%
2. MOVEHUB 79%	2. 93%	2. 100%	2. 100%
3. KSDA 38%	3. 100%	3. 100%	3. 100%

Indicator 2: Percentage of DG MOVE's key data assets for which corporate principles for data governance have been implemented

Source of data: DG MOVE data asset inventory

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
45%	50%	80%	54%

Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance

Source of data: HR statistics

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
0%	50%	100% of staff	70%

Indicator 4: Percentage of registered documents that are not filed

Source of data: Hermes-Ares-Nomcom (HAN) statistics

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
2.6%	<2%	<2%	1.6%

Main outputs in 2022:			
Description	Indicator	Target	Latest known results
Use of corporate data management tools	Number of use cases	2 new cases by December 2022	1 data process automated with ETL and 1 new Qlik dashboard is in progress
Local data inventory	Completeness of the data inventory	99% by December 2022	All data assets in the data inventory are complete
MOVE IT systems with a security plan	Percentage of IT systems with a security plan	75% IT systems with a security plan	80% IT systems with a security plan
Implementation of the Digital preservation strategy	Inventory of information systems in DG MOVE and their preservation needs	Inventory completed by the end of 2022	Ongoing action
Documents are retrievable in ARES and properly filed – staff with easier access to information	<p>a. Percentage of registered documents that are not filed</p> <p>b. Integration of IT systems with the corporate records management system HAN</p>	<p>a. Below 2%</p> <p>b. At least one IT system in DG MOVE integrated with HAN by the end of 2022</p>	<p>a. 1.6%</p> <p>b. ESSKY fully integrated with HAN</p>
Increase the efficient use of electronic workflows	<p>a. Implementation of the Qualified Electronic Signature (QES) single workflow</p> <p>b. Percentage of electronic signatories in ARES with a paper circulation in parallel</p> <p>c. Workshops/trainings</p>	<p>a. QES single workflow in place by Q4 2022</p> <p>b. Below 5%</p> <p>c. At least two ARES workshops per year</p>	<p>a. Postponed to 2023</p> <p>b. 4.8%</p> <p>c. 4 ARES workshops: Brussels:</p> <ul style="list-style-type: none"> • Ares basics • E-Domec correspondents' workshop • Secretaries' coffee micro-training • Security in ARES – Markings and Data Protection
Reduce paper storage	<p>a. Transfer of closed paper files in DM24 to Intermediate/ Historical Archives</p> <p>b. Percentage of digitalised documents from local archives (Adonis)</p>	<p>a. Clean-up of all local archives for DG MOVE and transfer of closed paper files to the Intermediate / Historical Archives</p> <p>b. Minimum 60% of documents identified during the clean-up operation of DM24</p>	<p>a. Clean-up of financial files in DM24 [destruction of 3039 files]</p> <p>b. 100% of documents identified transferred to the Historical Archives for digitalisation</p>

Increase awareness of DG MOVE staff on personal data protection rules	<p>a. Information session on data protection</p> <p>b. Percentage of updated corporate instructions – guidelines published on the Data Protections Corner</p>	<p>a. 2 information sessions per year</p> <p>b. 100%</p>	<p>a. One information session to all staff: on data protection obligations (privacy statements, records); one information session on data protection basics to MOVE secretaries; one information session aligned to the units needs on request of unit A5; one information session targeted to IT project managers</p> <p>b. 100%</p>
Establish records for new processing operations	Percentage of new identified processing operations	100% of new identified processing operations	This is an ongoing process. All new identified processing operations has been notified (as a “record”) in the Commission’s DPO register
MOVE IT systems compliant with data protection rules	Percentage of IT Systems	30% IT systems compliant with data protection rules	100% of identified IT systems and notified in the Commission’s DPO register are compliant with data protection rules

Sound Environmental Management

Objective: DG MOVE takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

Main outputs in 2022:

I. More efficient use of resources (energy, water, paper)

Output	Indicator	Target	Latest Known Result
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG’s total energy consumption in collaboration with OIB/OIL. Action: “switching off when not in use”	Number of actions % of staff informed/participated	1 100% 15% reduction in energy consumption	Adjusting of temperature (min 24°C summer, max 19°C winter) in all EC buildings affecting all staff.
Participate in the end of the year energy saving action, by closing down DG/ service’s buildings during the Christmas and New Year’s holiday period	Number of buildings participating in the action	Two buildings (DM24 and DM28)	<ul style="list-style-type: none"> DM24: Total closure between 23 December and 8 January 2023. DM28: Total closure between 23 December and 2 January 2023.

Staff awareness actions to reduce water use (for example ensuring that staff use the technical services hotline ⁷⁸ to report leaks in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water consumption in collaboration with OIB/OIL where appropriate.	Number of actions % of staff informed/participated	1 100% 5% water reduction consumption	No specific action was considered necessary on top of the ones already taken by OIB.
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II. Reducing CO2, equivalent CO2 and other atmospheric emissions

Output	Indicator	Target	Latest Known Result
Staff awareness actions on reducing GHG emissions: - sustainable commuting in collaboration with OIB/OIL (availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use).	Number or % of staff informed % of sustainable commuters ⁷⁹ at DG/service	100% of staff informed Increase of 5% of sustainable commuters at DG/service (0%) ⁸⁰	97% increase of participants on Velomai campaign Increase of 25% of bike parking spots Decrease of 23% of car parking spots Staff using: Public transports: 22% Cycling: 28% Walking: 27%
Increased use of Videoconferencing (VC) meeting rooms for meetings with stakeholders in the DG, in collaboration with DG SCIC, OIB and OIL.	Number of meeting rooms equipped with VC facilities allowing hybrid meetings	Equipment of two VC meeting rooms in Brussels and one in Luxembourg Equipment of Senior Managers' offices with VC equipment for hybrid meetings.	All meeting rooms in DM24 and DM28 are equipped with VC allowing hybrid meetings: 7 meeting rooms in DM24 and 6 in DM28. ⁸¹ 100% of Senior Managers who asked for it (8 out of 9). ⁸²

⁷⁸ For example: Email: OIB-55555@ec.europa.eu and Tel: 55555

⁷⁹ Sustainable commuting usually refers to environmentally friendly travel modes, such as. Public transport (bus, tram, subway, light rail), walking, cycling, and carpooling

⁸⁰ Based on the results of the staff mobility surveys conducted by OIB

⁸¹ This allowed to maintain the level of engagement with third parties in a context of reduced mission budget and indirectly contributed to the reduction of pollution linked to air travel

⁸² See footnote above

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

1. SESAR 3 Joint Undertaking (SESAR 3 JU)

	REQUIREMENT	INFORMATION
1.	Programme concerned	Horizon 2020, Horizon Europe Programme, CEF2
2.	Annual budgetary amount entrusted	<p><u>Under Horizon 2020:</u> Budgetary allocation of SESAR JU (the predecessor of SESAR 3 JU) was carried over to SESAR 3 JU. DG MOVE did not commit any new amount from the Horizon 2020 budget in 2022. The payments to the SESAR 3 JU were EUR 54.36 million.</p> <p><u>Under Horizon Europe:</u> DG MOVE committed EUR 128.41 million from the Horizon Europe budget (2022 contribution agreement). (NB: Includes the 2021 commitments appropriations carried-over as per Article 12(2)(b) of FR). The payment to the SESAR 3 JU was EUR 83.46 million (includes the 2021 payment appropriations carried over as per Article 12(2)(c) of the FR).</p> <p><u>Under CEF2:</u> DG MOVE committed EUR 1.75 million from the CEF2 budget under an ad hoc contribution Agreement. The payment to the SESAR 3 JU was of the same amount.</p>
3.	Duration of the delegation	<p><u>Under Horizon 2020:</u> The delegation agreement for SESAR JU (predecessor of SESAR 3 JU) was carried over to SESAR 3 JU (duration 2014-2024).</p> <p><u>Under Horizon Europe:</u> The Single Basic Act establishing the JUs under Horizon Europe (COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014), Article 3, stipulates that the JUs (including the SESAR 3 JU) are set up as Union bodies for a period ending on 31 December 2031. Following the adoption of the Single Basic Act, a Financial Framework Partnership Agreement (FFPA) has been signed between the Union (represented by the Commission) and the SESAR 3 JU for the same duration. The starting date and duration of the tasks to be carried out each year are set out every year in an annual Contribution Agreement (CA) (under the umbrella of the FFPA). A first annual CA has been signed in 2022.</p> <p><u>Under CEF2:</u> An ad hoc CA has been signed between the Union and the SESAR 3 JU for a duration of 72 months.</p>

4.	Justification of recourse to indirect centralised management	<p>SESAR 3 JU has the following general objectives:</p> <p>(a) strengthen and integrate the Union’s research and innovation capacity in the ATM sector, making it more resilient and scalable to fluctuations in traffic while enabling the seamless operation of all aircraft.</p> <p>(b) strengthen, through innovation, the competitiveness of manned and unmanned air transport in the Union, and ATM services’ markets to support economic growth in the Union.</p> <p>(c) develop and accelerate the market uptake of innovative solutions to establish the Single European Sky airspace as the most efficient and environmentally friendly sky to fly in the world.</p> <p>The SESAR 3 JU is a Union body in the form of a public-private partnership, bringing together the Union, Eurocontrol and 53 private partners. The tasks entrusted to the SESAR JU could not have been carried out by the Commission because of the technical complexity of the program and the number of projects.</p>
5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	<p>The SESAR 3 JU was not selected but established by the Council on the basis of Article 187 of the Treaty (see above reference to the Single Basic Act). As per this Single Basic Act, there are three founding members: the Union, represented by the Commission, the European Organisation for the Safety of Air Navigation (Eurocontrol), represented by its Agency, and the private members.</p>
6.	Synthetic description of the implementing tasks entrusted	<p>The SESAR 3 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, with the view of modernising the ATM sector. It shall also facilitate an accelerated market uptake of resulting solutions. The SESAR 3 JU is also in charge of the maintenance of the Master Plan. For this purpose, the SESAR 3 JU manages the H2020 (2014-2024) and Horizon Europe (2021-2031), in accordance with specific delegation/contribution agreements, its financial rules and under the supervision of its Governing Board. It has also been allocated funds from the CEF2 in view of providing technical assistance to CINEA for the Digital Sky Demonstrators’ calls and grants. The SESAR 3 JU has launched a first set of Horizon Europe calls for proposals (exploratory and industrial research) in April 2022.</p>

2. EUROPE’S RAIL Joint Undertaking (EU-Rail JU)

	REQUIREMENT	INFORMATION
1.	Programme concerned	Horizon Europe Framework programme
2.	Annual budgetary amount entrusted	<p>In 2022, the Commission committed EUR 165.82 million (incl. EFTA contributions) to cover both the administrative and operational budget of the Joint Undertaking.</p> <p>The payments to EU-Rail JU for 2022 were in the amount of EUR 157.39 million.</p> <p>Under the Horizon Europe programme, the 2021 commitment appropriations (EUR 73 million) and payment appropriations (EUR 13 million) were carried over to 2022, in accordance with Articles 12(2)(b) and (c) of the Financial Regulations.</p>

3.	Duration of the delegation	31 December 2031 (art.3 of CR (EU) 2021/2085 of 19 November 2021)
4.	Justification of recourse to indirect centralised management	Coordination and implementation of Research & Innovation activities in the rail sector
5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	Not applicable. Within the JU, in 2022, the following groups were reformed: <ul style="list-style-type: none"> • States Representative Group • System Pillar group
6.	Synthetic description of the implementing tasks entrusted	<p>A summary of the main activities in 2022 are the following:</p> <ul style="list-style-type: none"> - Multi-annual Call for Proposals – EUR 390 million - Q1 2022 - Call for Proposals – Exploratory Research Open- EUR 35.8 million Q3 2022 - Call for Tenders Open- EUR 15.4 million - Q1 – Q4 2022 & implementation of new and ongoing contracts/framework contracts. <p>Activities of the EU-Rail Programme are structured around two Pillars, the System Pillar which is structured in two main tasks and the Innovation Pillar that is organised in seven Flagship Areas (FA) and the Transversal Topic (TT). The System Pillar contributes to defining the concept of Operations for Rail, through a System of Systems service-oriented approach, providing the overall framework for delivery of R&I, taking into account interfaces within different rail segments and other modes.</p> <p>The R&I activities to deliver the Concept of Operations, addressing the specific segments' interfaces, are structured within the Innovation Pillar and established around the full lifecycle of research and innovation, from exploratory research, via applied research to large scale demonstrations.</p>

ANNEX 12: EAMR of the Union Delegations (if applicable)

NOT APPLICABLE

ANNEX 13: Decentralised agencies and/or EU Trust Funds

Entity: European Aviation Safety Agency

Role of DG: Lead DG

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport - Aviation	EUR 40 614 867	EUR 2 687 400

Entity: European Maritime Safety Agency

Role of DG: Lead

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport – Maritime	EUR 86 348 086	

Entity: European Railway Agency

Role of DG: Lead

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport - Rail	EUR 26 935 145	

ANNEX 14: Reporting on the Recovery and Resilience Facility

NOT APPLICABLE