



# Annual Activity Report 2021

## Annexes

DG REFORM – Directorate-General for  
Structural Reform Support

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

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

*I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."*

*Date 25/03/2022*

*Judit ROZSA*

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<sup>1</sup> C(2017)2373 of 19.04.2017.

## ANNEX 2: Performance tables

<b>General objective</b> 'An economy that works for people'			
<b>Impact indicator 1:</b> Employment rate among people aged 20 to 64			
<b>Source of the data:</b> Eurostat (Eurostat online data code: sdg_08_30), based on the EU Labour Force Survey			
<b>Baseline</b> (2018)	<b>Interim Milestone</b> (2020)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
72.4% (EU-28)	75%	Increase	71.7% (EU-27)

<b>Impact indicator 2:</b> Real GDP growth rate (EU-28)			
<b>Source of the data:</b> Eurostat (Eurostat online data code: TEC00115)			
<b>Baseline</b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
1.5% (EU-28)	Increase	Increase	-5.9% (EU-27)

<b>Specific objective 1.1</b> : Strengthening Member States' capacity to implement growth-enhancing reforms through the provision of technical support			
<i>Related to spending programme(s):</i> SRSP and TSI			
<b>Result indicator:</b> % of technical support projects (SRSP and TSI) that produced the expected outcomes			
<b>Source of data:</b> DG REFORM feedback mechanism - questionnaire to Member States			
<b>Baseline</b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
Not available	Maintained or increased %...	Increased %	83%

<b>Main outputs in 2021:</b>			
<b>Evaluations and fitness checks</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest results (2021)</b>
Increased stakeholders' involvement in the Programme performance.	Closed projects (%) for which stakeholders are asked to provide feedback	100%	100%

## Main outputs in 2021:

Increased efficiency of the assessment process of the projects' outcomes	Advanced process automation	Q1 2021	Q2 2021
Improved in-house capacity to design projects	Number of workshops held	15	19
Ex-post evaluation of the SRSP 2017-2020	Ex-post evaluation draft interim report	Q4/2021	New target date Q4/2022 or early 2023. The SRSP ex-post evaluation was postponed by one year to increase the number of closed projects to be reviewed.

## External communication actions

Output/Result	Indicator	Target	Latest results (2021)
Updated brochures to improve communication about DG REFORM's activities	Estimated number of downloads in 2021	500	350 downloads on Reform Support (since June- date of launch of the website).
New website on Europa to promote the SRSP/TSI	Number of visits in 2021	45 000	35000. Target was not achieved as the website was launched in June rather than March, as originally planned
Communication focus on selected projects to advocate for the programme	Number of projects showcased during the year	8	6

## Other important outputs

Output	Indicator	Target	
Efficiency of technical support projects related to reforms	Percentage of technical support projects that are a minimum 'on the ground' and 'closed' at maximum.	100% of projects selected for funding under SRSP 2020 and 50% of projects selected for funding under TSI 2021	100% for SRSP 2020 80% for TSI 2021

### Main outputs in 2021:

Effectiveness of technical support projects related to reforms	Percentage of technical support projects having produced the expected results out of the total number of projects started	Increased percentage	83%
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**Specific objective 1.2** : Enhancing green and digital transitions, sustainable growth and economic resilience through EU financial support to Member States' reforms and investments plans

*Related to spending programme(s):* RRF and TSI

**Result indicator:** Number of technical support interventions for the preparation and/or the implementation of the Member States' resilience and recovery plans

**Source of data:** DG REFORM

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
No baseline since this is a new instrument that will come into force in 2021	Increased number	>20 technical support interventions	<p>Preparation: 24 technical support interventions in 17 Member States concern capacity building for preparing/implementing RRP.</p> <p>Implementation: DG REFORM also approved additional 128 requests for support under the TSI related to the implementation of <u>thematic</u> reforms or investments in the RRP</p>

## Main outputs in 2021:

### External communication actions

Output/Result	Indicator	Target	Latest results (2021)
Communication focus of selected projects to advocate for the programme for the green and digital transitions	Number of projects showcased	2	2 <sup>2</sup>

### Other important outputs

Output	Indicator	Target	
Support to Member States for preparing/implementing their RRP	Number of requests for support received from Member States	≥6	25

**Specific objective 1.3** : Steering and coordination of the provision of the technical support across the Commission, and as part of the European Semester

*Related to spending programme(s)* TSI

**Result indicator 1:** Positive feedback on the efficiency and effectiveness of coordinating technical support

**Source of data:** Annual surveys of DGs

Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2021)
n/a	n/a	n/a	n/a
100% positive feedback based on data referring to the assessment of the technical support coordination	n/a	>90% aggregated annual positive assessments by other Commission departments	95%

**Result indicator 2:** Improved European Semester country analysis and country reports due to DG REFORM's additional factual, comprehensive and updated information on technical support projects and Member States' reform implementation

<sup>2</sup> [https://ec.europa.eu/reform-support/developing-innovative-mobility-solutions-brussels-capital-region\\_en](https://ec.europa.eu/reform-support/developing-innovative-mobility-solutions-brussels-capital-region_en)  
[https://ec.europa.eu/reform-support/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-among-eu-member-states\\_en](https://ec.europa.eu/reform-support/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-among-eu-member-states_en)

**Source of data:** DG REFORM. Unit A2 and B2 (working on public administration and good governance)

<b>Baseline</b> (2019)	<b>Interim Milestone</b>	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
First report to the European Semester governance	n/a	Positive assessment of DG REFORM's input as added value to the European Semester activities	75%

### Main outputs in 2021:

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest results (2021)</b>
Strengthened coordination mechanism with other Commission services	Adoption of revised guidance on the coordination mechanism, agreed with all Commission services	Q3/2021	Postponed to 2022 (cf. IAS audit on the coordination of technical support)
Efficient and effective functioning of the technical support coordination mechanism within Commission departments	Percentage of satisfactory feedback on coordinating technical support	% of satisfactory feedback $\geq 75\%$	95%
Efficient and effective functioning of the technical support coordination mechanism within Coordinating Authorities in Member States		% of satisfactory feedback $\geq 75\%$	93%
Overview of the technical support provided by other Commission departments	Number of other Commission departments' in-depth presentations on the technical support that they provide	At least 5 presentations from 5 Commission departments	Postponed to 2022 (cf. IAS audit on the coordination of technical support)
	Overview table to be updated at least once per year.	One update throughout 2021	



## Main outputs in 2021:

Efficient and effective contribution to the European Semester	Number of DG REFORM contributions to the preparation/assessment of RRP	At least one annual contribution for a minimum of 4 countries	25
	Number of meetings with Member States on the RRP in which DG REFORM participates	At least for 4 countries	25 Member States

**Specific objective 1.4** : Improving, steering and coordinating knowledge on Public Administration and Governance as part of the European Semester and in the context of the technical support to Member States.

*Related to spending programme(s):* TSI

**Result indicator 1:** Improved/increased support to Member States in the area of public administration and governance in the context of technical support (technical support projects and support in drafting the recovery and resilience plans)

**Explanation:** Percentage of Member States stating that effective support was provided in the area of public administration and governance (through technical support projects and support in drafting the recovery and resilience plans)

**Source of data:** DG REFORM feedback mechanism – questionnaire to Member States

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
Not available	Maintained or increased %	Increased %	100% (feedback from 8 technical support projects in the area of PAG only)

**Result indicator 2:** Improved (consistent, streamlined and holistic) framework approach and guidance to the European Semester country analysis as regards the evaluation of Member States' public administrations.

**Explanation:** Analysis of the country-specific recommendations as regards DG REFORM recommendations on public administration and good governance made to Member States

**Source of data:** DG REFORM. Unit B.2 analysis of the European Semester country reports

Baseline (2019)	Interim Milestone	Target (2024)	Latest known results (2021)
	n/a		
Designation of DG REFORM as the coordinating service on Public Administration	n/a	Increased and improved use of the assessment framework methodology (i.e. the country teams include in the country	The methodology and application of the assessment framework has been discussed with the Member States (Economic Policy Committee <sup>3</sup>

<sup>3</sup> [https://europa.eu/epc/index\\_en](https://europa.eu/epc/index_en)

and Good Governance, and the Assessment Framework methodology		reports the Member States' criticalities which have been assessed through the framework methodology).	and LIME working group <sup>4</sup> ). New indicators have been designed and tested. The related work will be published in early 2022. The use of the assessment framework will be further discussed with the Member States in 2022 in the context of the Expert Group for public administration and governance <sup>5</sup> , as well as the Economic Policy Committee.
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## Main outputs in 2021:

### Other important outputs

Output	Indicator	Target	Latest results (2021)
Enhanced knowledge and communication about public administration and governance	Adoption of a Commission Staff Working Document on public administration and governance	Q1/2021	Commission staff working document supporting public administrations in EU Member States to deliver reforms and prepare for the future <a href="#">SWD(2021)101</a> (30/04/2021)
	Online publication of the methodology, country data and results related to the Assessment Framework on Public Administration and Governance	Q3/2021	The proposal for a public administration assessment framework was discussed with the Economic Policy Committee in January 2021 and with the LIME group in September 2021. Member States welcomed the proposed framework, and made recommendations for more consistency in the methodology, and replacing private sources with EC statistics. The additional work on the framework had to be presented to the Member States in the autumn of 2021 but the Chairmanship postponed the meeting to 2022. In order to allow for Member States' feedback to the new elements in the

<sup>4</sup> [https://europa.eu/epc/working-groups-epc/working-group-methodology-assess-lisbon-related-structural-reforms\\_en](https://europa.eu/epc/working-groups-epc/working-group-methodology-assess-lisbon-related-structural-reforms_en)

<sup>5</sup> [https://ec.europa.eu/info/news/commission-decides-set-group-experts-public-administration-and-governance-2021-dec-17\\_en](https://ec.europa.eu/info/news/commission-decides-set-group-experts-public-administration-and-governance-2021-dec-17_en)

## Main outputs in 2021:

			framework, the publication will be done in the first half of 2022.
Efficient and effective coordination of public administration and good governance as part of the European Semester process	Number of meetings of the IGPA	4 meetings by the end of 2021	3 coordination meetings and 3 working sessions were organised in the course of 2021.
	Number of policy documents on topics related to public administration	3 policy documents by the end of 2021	5 documents published <sup>6</sup> (Pay-for-Performance in the Civil Service of the EU, Managing the implementation of the Sustainable Development Goals, The Organisation of Shared Services Centres in Public Administrations, Crisis management, Approaches to tackling fragmentation of local government)
	Launch of a study on the cost of bad administration	Q3/2021	The contracting of consultancy services for the study was organised. Due to the lack of quality offers received, the tender had to be relaunched. A service contract will be signed and the study launched in 2022.
	Preparation of version 3 of the Assessment Framework on Public Administration and Governance	Q4/2021	Delays in the publication of data from other sources (e.g. new OECD data on regulatory quality) have led to delays in the preparation of the new version of the assessment framework. Data will be consolidated in Q2 2022.

<sup>6</sup> [https://ec.europa.eu/info/departments/structural-reform-support/european-public-administration-thematic-studies\\_en](https://ec.europa.eu/info/departments/structural-reform-support/european-public-administration-thematic-studies_en)

**Specific objective 1.5** : Supporting the reunification of Cyprus through the Aid Programme and Green line trade

*Related to spending programme:* Aid Programme

**Result indicator:** Positive assessment of EU support for the social-economic development of the Turkish Cypriot community (TCc)

**Explanation:** Results of the evaluation of the Aid Programme

**Source of data:** Evaluation of the Aid Programme (2020)

Baseline (2020)	Interim Milestone	Target (2024)	Latest known results (2021)
Not yet available	n/a	Improved implementation of the Aid Programme and Green Line trade	Cf. specific objective 1.5 in <a href="#">AAR 2020</a> – page 19

## Main outputs in 2021:

### New policy initiatives

Output	Indicator	Target	Latest results (2021)
The Aid Programme's annual work programme for 2021	Publication of the work programme on the Europa website	By Q3/2021	13/12/2021

### Evaluations and fitness checks

Output	Indicator	Target	Latest results (2021)
Evaluation of the Aid Programme for the Turkish Cypriot community 2013-2018	Final report approved and published in the Commission's inter-institutional database	By Q2/2021	SWD(2022) 44 final (22.2.2022) Study published <a href="#">here</a> .

### External communication actions

Output/Result	Indicator	Target	Latest results (2021)
Visibility events (physical presence and online)	Number of events	400	394
EU policy/impact on the Turkish Cypriot community	Number of publications and audio-visual products	25 factsheets/publications 2 booklets on Small and Medium Enterprises (SME) and the EU's COVID-19	12 factsheets/publications The 2 booklets are still work in progress and for 2022 51 audio-visual products

		response 10 audio-visual products	
<b>Other important outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest results (2021)</b>
Amendment to the Aid Programme's annual work programmes for 2018-2020	Publication of the amended work programmes on the Europa website	By Q4/2021	Not applicable. No amendment processed in 2021
Economic and social development actions for the Turkish Cypriot community	Number of scholarship grants awarded in 2021 for studying in an EU Member State	Minimum 120	136
	Number of cultural heritage projects completed in 2021	Minimum 4	18
	Volume of Green Line trade in 2021	EUR 5 million	EUR 6,151,022
Annual Report 2020 on the implementation of the Aid Regulation	Publication of the report on the Europa website	By Q3/2021	02/06/2021
Annual Report 2020 on the implementation of the Green Line Regulation	Publication of the report on the Europa website	By Q3/2021	02/06/2021

## **ANNEX 3: Draft annual accounts and financial reports**

### **Annex 3 Financial Reports - DG REFORM - Financial Year 2021**

**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 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG REFORM					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,14	0,14	100,00 %
	05 02	European Regional Development Fund (ERDF)	0,13	0,00	0,00 %
	05 03	Cohesion Fund (CF)	0,21	0,00	0,00 %
	05 04	Support to the Turkish-Cypriot community	31,74	30,71	96,75 %
<b>Total Title 05</b>			<b>32,22</b>	<b>30,85</b>	<b>95,74 %</b>
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	1,82	1,56	86,12 %
	06 02	Recovery and Resilience Facility (incl. Technical Support Instrument)	114,11	113,92	99,84 %
<b>Total Title 06</b>			<b>115,92</b>	<b>115,48</b>	<b>99,62 %</b>
Title 07 Investing in People, Social Cohesion and Values					
07	07 02	European Social Fund PLus (ESF+)	0,15	0,00	0,68 %
<b>Total Title 07</b>			<b>0,15</b>	<b>0,00</b>	<b>0,68 %</b>
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,04	0,01	38,69 %
	20 04	Information and communication technology related expenditure	0,00	0,00	0,00 %
<b>Total Title 20</b>			<b>0,04</b>	<b>0,01</b>	<b>38,32 %</b>
<b>Total Excluding NGEU</b>			<b>148,32</b>	<b>146,35</b>	<b>98,67 %</b>
<b>Total DG REFORM</b>			<b>148,32</b>	<b>146,35</b>	<b>98,67 %</b>

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

**% Outturn on Commitment Appropriations in 2021 for DG REFORM**

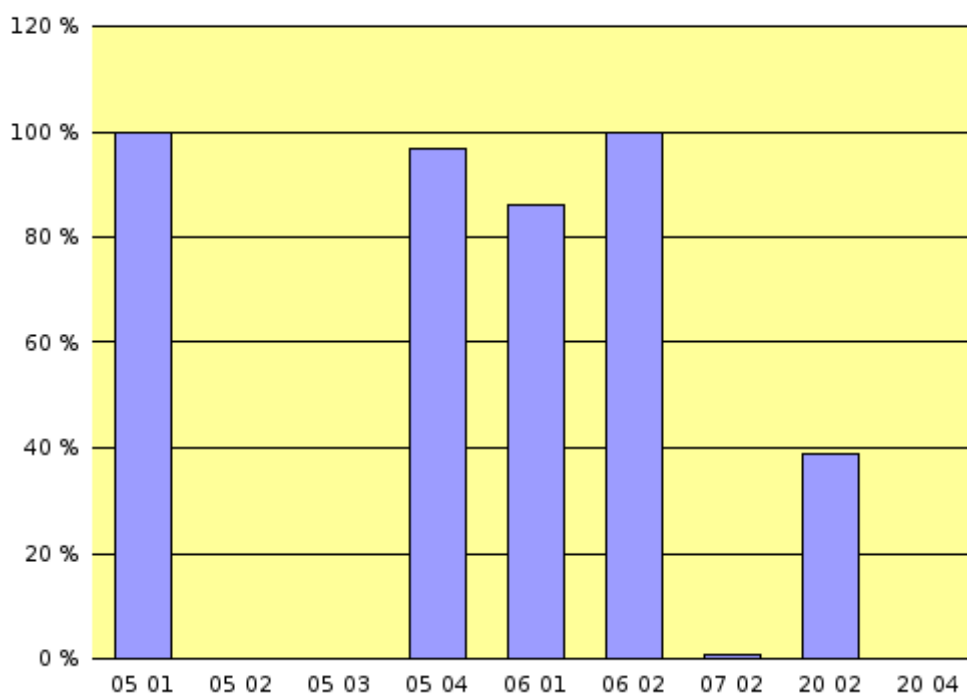




TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG REFORM					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,19	0,04	19,14 %
	05 02	European Regional Development Fund (ERDF)	1,63	1,60	97,98 %
	05 03	Cohesion Fund (CF)	0,45	0,44	98,39 %
	05 04	Support to the Turkish-Cypriot community	37,46	37,42	99,91 %
<b>Total Title 05</b>			<b>39,73</b>	<b>39,50</b>	<b>99,43%</b>
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	2,82	0,98	34,67 %
	06 02	Recovery and Resilience Facility (incl. Technical Support Instrument)	79,85	78,49	98,30 %
<b>Total Title 06</b>			<b>82,67</b>	<b>79,46</b>	<b>96,13%</b>
Title 07 Investing in People, Social Cohesion and Values					
07	07 02	European Social Fund PLus (ESF+)	2,15	2,04	94,66 %
<b>Total Title 07</b>			<b>2,15</b>	<b>2,04</b>	<b>94,66%</b>
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,04	0,00	8,62 %
	20 04	Information and communication technology related expenditure	0,00	0,00	0,00 %
<b>Total Title 20</b>			<b>0,04</b>	<b>0,00</b>	<b>8,55%</b>
<b>Total Excluding NGEU</b>			<b>124,59</b>	<b>121,00</b>	<b>97,12%</b>
<b>Total DG REFORM</b>			<b>124,59</b>	<b>121,00</b>	<b>97,12 %</b>

\* 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).

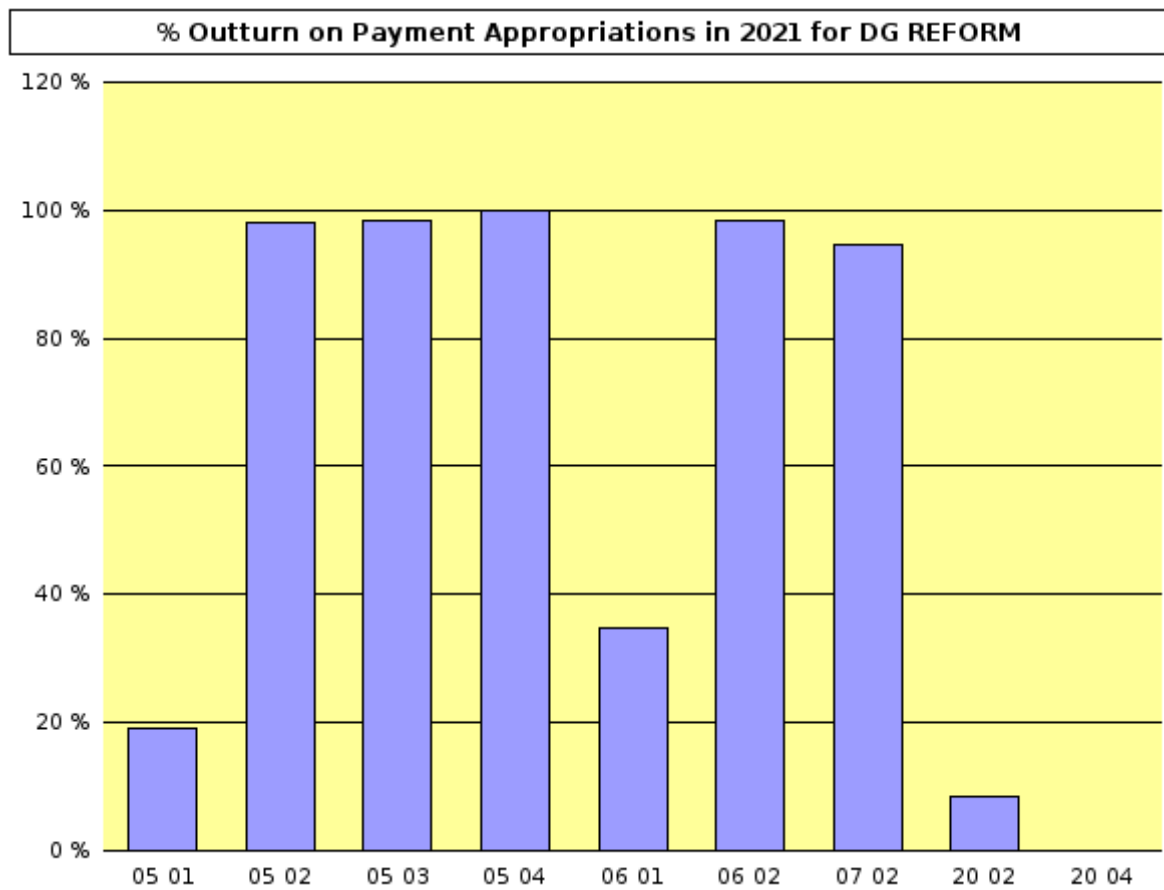
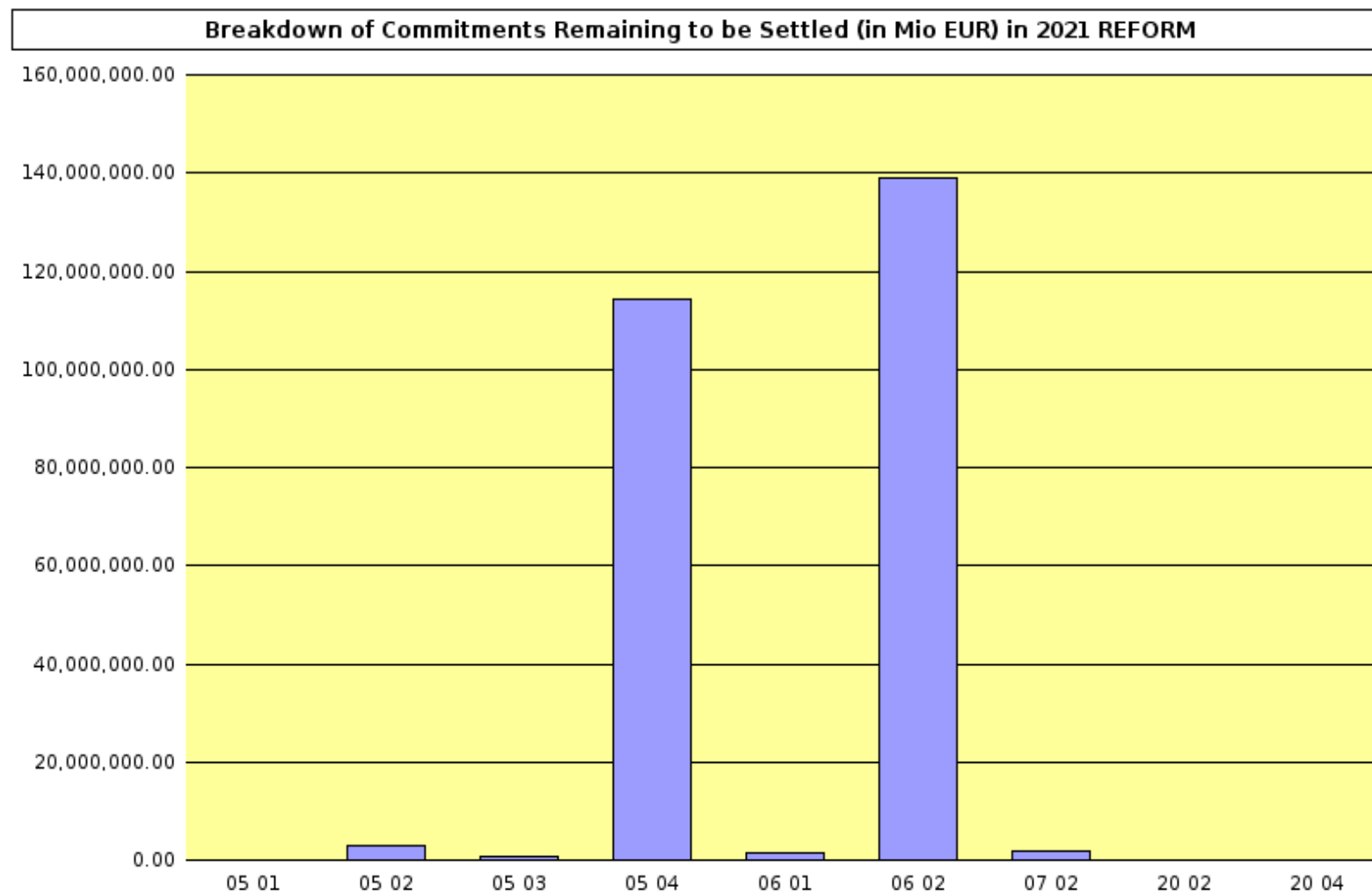


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REFORM									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			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	0,14	0,00	0,14	100,00%	0,00	0,14	0,05
	05 02	European Regional Development Fund (ERDF)	0,00	0,00	0,00	0,00%	2,86	2,86	4,48
	05 03	Cohesion Fund (CF)	0,00	0,00	0,00	0,00%	0,56	0,56	1,00
	05 04	Support to the Turkish-Cypriot community	30,71	2,60	28,11	91,53%	86,35	114,46	124,47
<b>Total Title 05</b>			<b>30,85</b>	<b>2,60</b>	<b>28,25</b>	<b>91,57%</b>	<b>89,78</b>	<b>118,02</b>	<b>130,00</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REFORM									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	1,54	0,11	1,43	92,92%	0,00	1,45	1,00
	06 02	Recovery and Resilience Facility (incl. Technical Support)	113,92	26,17	87,75	77,03%	51,14	138,89	104,84

		Instrument)							
<b>Total Title 06</b>			115,47	26,28	89,19	77,24%	51,14	140,35	105,85
<b>TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REFORM</b>									
			<b>Commitments to be settled</b>				<b>Commitments to be settled from financial years previous to 2020</b>	<b>Total of commitments to be settled at end of financial year 2021</b>	<b>Total of commitments to be settled at end of financial year 2020</b>
<b>Chapter</b>			<b>Commitments</b>	<b>Payments</b>	<b>RAL</b>	<b>% to be settled</b>			
			<b>1</b>	<b>2</b>	<b>3=1-2</b>	<b>4=1-2/1</b>	<b>5</b>	<b>6=3+5</b>	<b>7</b>
07	07 02	European Social Fund PLus (ESF+)	0,00	0,00	0,00	50,14%	1,81	1,81	3,85
<b>Total Title 07</b>			<b>0,00</b>	<b>0,00</b>	<b>0,00</b>	<b>50,14%</b>	<b>1,81</b>	<b>1,81</b>	<b>3,85</b>
<b>TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG REFORM</b>									
			<b>Commitments to be settled</b>				<b>Commitments to be settled from financial years previous to 2020</b>	<b>Total of commitments to be settled at end of financial year 2021</b>	<b>Total of commitments to be settled at end of financial year 2020</b>
<b>Chapter</b>			<b>Commitments</b>	<b>Payments</b>	<b>RAL</b>	<b>% to be settled</b>			
			<b>1</b>	<b>2</b>	<b>3=1-2</b>	<b>4=1-2/1</b>	<b>5</b>	<b>6=3+5</b>	<b>7</b>
20	20 02	Other staff and expenditure relating to persons	0,01	0,00	0,01	72,71%	0,00	0,01	0,01
	20 04	Information and communication technology related expenditure	0,00		0,00	0,00%	0,00	0,00	0,00
<b>Total Title 20</b>			<b>0,01</b>	<b>0,00</b>	<b>0,01</b>	<b>72,71%</b>	<b>0,00</b>	<b>0,01</b>	<b>0,01</b>
<b>Total Excluding NGEU</b>			<b>146,33</b>	<b>28,88</b>	<b>117,44</b>	<b>80,26%</b>	<b>142,73</b>	<b>260,20</b>	<b>239,70</b>
<b>Total for DG REFORM</b>			<b>146,3262725</b>	<b>28,88</b>	<b>117,44</b>	<b>80,26 %</b>	<b>142,73</b>	<b>260,20</b>	<b>239,70</b>



**TABLE 4 : BALANCE SHEET for DG REFORM**

<b>BALANCE SHEET</b>	<b>2021</b>	<b>2020</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>3.799.440,06</b>	<b>6.430.849,92</b>
A.I.5. Non-Current Pre-Financing	3.799.440,06	6.430.849,92
<b>A.II. CURRENT ASSETS</b>	<b>44.394.982,85</b>	<b>31.447.018,31</b>
A.II.2. Current Pre-Financing	44.394.982,85	31.438.639,06
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	0,00	8.379,25
<b>ASSETS</b>	<b>48.194.422,91</b>	<b>37.877.868,23</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-46.802.247,15</b>	<b>-57.879.913,80</b>
P.II.4. Current Payables	-6.503.684,08	-3.553.411,13
P.II.5. Current Accrued Charges & Defrd Income	-40.298.563,07	-54.326.502,67
<b>LIABILITIES</b>	<b>-46.802.247,15</b>	<b>-57.879.913,80</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>1.392.175,76</b>	<b>-20.002.045,57</b>

P.III.2. Accumulated Surplus/Deficit	346.513.023,72	124.264.407,29
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Non-allocated central (surplus)/deficit*	-347.905.199,48	-104.262.361,72
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<b>TOTAL DG REFORM</b>	<b>0,00</b>	<b>0,00</b>
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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.

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG REFORM**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2021</b>	<b>2020</b>
<b>II.1 REVENUES</b>	<b>-12.807,93</b>	<b>697.205,01</b>
II.1.1. NON-EXCHANGE REVENUES	-38.663,39	-61.093,31
II.1.1.6. RECOVERY OF EXPENSES	-38.663,39	-61.093,31
II.1.2. EXCHANGE REVENUES	25.855,46	758.298,32
II.1.2.1. FINANCIAL INCOME		-75,39
II.1.2.2. OTHER EXCHANGE REVENUE	25.855,46	758.373,71
<b>II.2. EXPENSES</b>	<b>98.522.268,52</b>	<b>221.551.411,42</b>
II.2. EXPENSES	98.522.268,52	221.551.411,42
II.2.10. OTHER EXPENSES	1.180.945,74	576.511,47
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	59.688.479,60	156.845.847,54
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	27.560.209,49	42.556.893,26
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	10.091.129,46	21.571.610,24
II.2.8. FINANCE COSTS	1.504,23	548,91
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>98.509.460,59</b>	<b>222.248.616,43</b>

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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.

**TABLE 5bis : OFF BALANCE SHEET for DG REFORM**

<b>OFF BALANCE</b>	<b>2021</b>	<b>2020</b>
OB.1. Contingent Assets	6.763.002,58	8.824.629,66
GR for performance	4.391.964,78	4.817.731,23
GR for pre-financing	2.371.037,80	4.006.898,43
OB.2. Contingent Liabilities	-7.533.232,00	-6.283.144,00
OB.2.7. CL Legal cases OTHER	-7.533.232,00	-6.283.144,00
OB.3. Other Significant Disclosures	-213.553.757,49	-181.821.080,61
OB.3.2. Comm against app. not yet consumed	-213.553.757,49	-181.821.080,61
OB.4. Balancing Accounts	214.323.986,91	179.279.594,95
OB.4. Balancing Accounts	214.323.986,91	179.279.594,95
<b>OFF BALANCE</b>	<b>0,00</b>	<b>0,00</b>

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.



**TABLE 6: AVERAGE PAYMENT TIMES in 2021 for REFORM**

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	122	119	97,54 %	14,61344538	3	2,46 %	38,66666667	766260,63	2, %
45	30	30	100,00 %	24,43333333				0	0, %
60	360	351	97,50 %	34,31054131	9	2,50 %	65,88888889	656185,07	1, %
90	84	83	98,81 %	40,10843373	1	1,19 %	109	47619,49	0, %

Total Number of Payments	596	583	97,82 %		13	2,18 %		1470065,19	1, %
Average Net Payment Time	31,31208054			30,60720412			62,92307692		
Average Gross Payment Time	36,43288591			35,66037736			71,07692308		

Suspensions							
Average Report Approval Suspension	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	24	127	21,31 %	596	22.967.320,92	18,99 %	120.964.248,37

Late Interest paid in 2021			
DG	GL Account	Description	Amount (Eur)
REFORM	65010100	Interest on late payment of charges New FR	1 504,23
			<b>1 504,23</b>

**TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG REFORM**

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG REFORM								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
61	Cohesion, resilience and values	1.460.617,32	0,00	1.460.617,32	1.460.617,32	0,00	1.460.617,32	0,00
67	Completion for outstanding recovery orders prior to 2021	-251.441,43	259.681,78	8.240,35	-251.441,43	259.681,78	8.240,35	0,00
<b>Total DG REFORM</b>		<b>1.209.175,89</b>	<b>259.681,78</b>	<b>1.468.857,67</b>	<b>1.209.175,89</b>	<b>259.681,78</b>	<b>1.468.857,67</b>	<b>0,00</b>

**TABLE 8 : RECOVERY OF PAYMENTS in 2021 for DG REFORM**  
**(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021  Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2015					2	153.341,00		
2016					3	620.312,00		
2017	1	9.769,28	1	9.769,28	8	91.548,41	12,50%	10,67%
2018	4	14.793,88	4	14.793,88	14	162.436,05	28,57%	9,11%
2019					5	428.236,48		
Sub-Total	5	24.563,16	5	24.563,16	32	1.455.873,94	15,63%	1,69%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	2	30.959,75			2	30.959,75	3	32.274,11	66,67%	95,93%
CREDIT NOTES	1	2.200,00			1	2.200,00	19	996.214,14	5,26%	0,22%
Sub-Total	3	33.159,75			3	33.159,75	22	1.028.488,25	13,64%	3,22%
GRAND TOTAL	8	57.722,91			8	57.722,91	54	2.484.362,19	14,81%	2,32%

**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2021 for DG REFORM**

	Number at 01/01/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 01/01/2021	Open Amount (Eur) at 31/12/2021	Evolution
2012	2		-100,00 %	216.631,53		-100,00 %
2014	1		-100,00 %	34.671,00		-100,00 %
2020	3		-100,00 %	8.379,25		-100,00 %
	<b>6</b>		<b>-100,00 %</b>	<b>259.681,78</b>		<b>-100,00 %</b>

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for DG REFORM						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
0	3233210240	3241214099	-168.178,00	Private Companies		
Total DG REFORM			-168.178,00			
Number of RO waivers			1			
There are 3 waivers below 60 000 € for a total amount of -83,263.43						
The RO waiver on 168.178 € is justified by Commission Decision C(2021)8852 final of 8.12.2021.						

**TABLE 11 : Negotiated Procedures in 2021 for DG REFORM**

**External Procedures > € 20,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Annex 1 - 39.1 (a) - Services entrusted to public-sector bodies or non-profit institutions or organisations	1	299.579,00
<b>Total</b>	<b>1</b>	<b>299.579,00</b>

**Internal Procedures > € 60,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Annex 1 - 11.1 ( e ) - New services/works consisting in the repetition of similar services/works	1	25.000.000,00
<b>Total</b>	<b>1</b>	<b>25.000.000,00</b>

**TABLE 12 : Summary of Procedures in 2021 for DG REFORM**

**External Procedures > € 20,000**

<b>Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
(Ext. act) Service - International Restricted Procedure with prior publication (Art. 265.1(a)(i) & 2 RAP)	1	1.199.000,00
Local open procedure - Supplies between EUR 100 000-300 000 - Works between EUR 300 000-5 000 000 - (local) publication (Annex 1 - 38.1 (c))	1	242.974,00
Negotiated procedure with single tender (Annex 1 - 39.1)	1	299.579,00
Open procedure - As provided for in FR 164(1)(a) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (b))	3	3.953.960,15
Restricted procedure - As provided for in FR 164(1)(b) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (a))	4	7.097.680,00
Simplified procedure - Services/Works < EUR 300 000 - Supplies < EUR 100 000. Legal services as in Annex 1 - 38.6. (Annex 1 - 38.1 (d))	1	155.000,00
<b>Total</b>	<b>11</b>	<b>12.948.193,15</b>

**Internal Procedures > € 60,000**

<b>Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Negotiated procedure middle value contract (Annex 1 - 14.2)	3	413.419,00
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	25.000.000,00
Open procedure (FR 164 (1)(a))	1	242.000,00
<b>Total</b>	<b>5</b>	<b>25.655.419,00</b>

**Additional Comments:**

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**TABLE 13 : BUILDING CONTRACTS in 2021 for DG REFORM**

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)
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Not applicable

**TABLE 14 : CONTRACTS DECLARED SECRET in 2021 for DG REFORM**

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)
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Not applicable

**TABLE 15 : FPA duration exceeds 4 years - DG REFORM**

*None of your FPA (if any) exceeds 4 years*

**TABLE 16 : Commitments co-delegation type 3 in 2021 for DG REFORM**

Not applicable



## ANNEX 4: Financial Scorecard

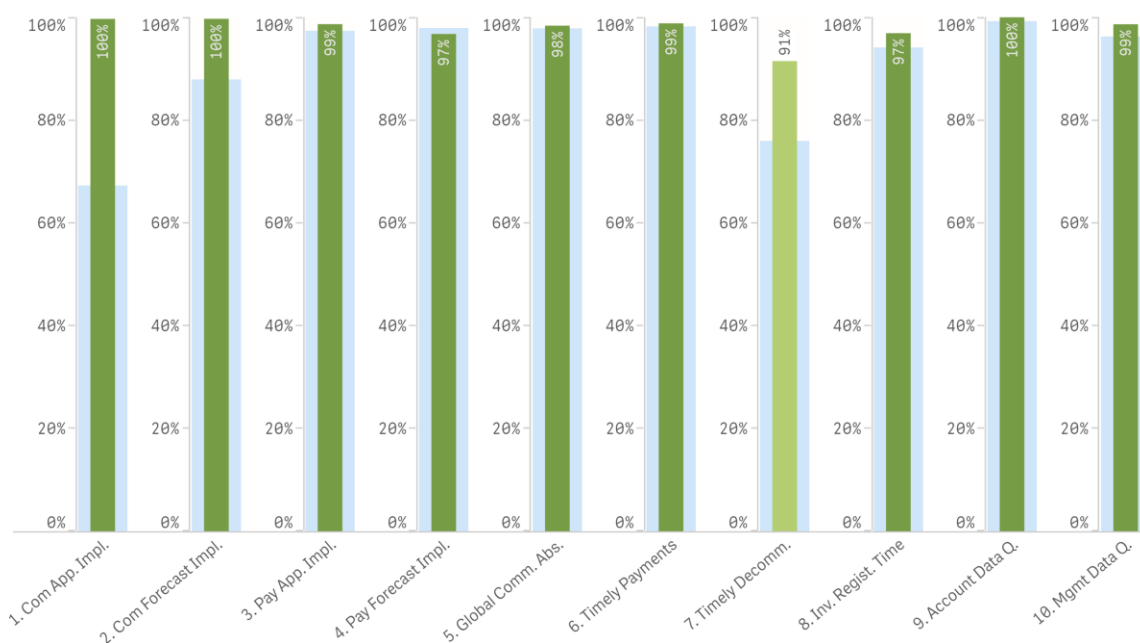
The Annex 4 summarises the annual result of the standard financial indicators measurement. 10 standard financial indicators are presented below, each with its objective and result:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

For each indicator, its value (in %) is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

# REFORM Indicator Scores 2021



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

Indicator	Objective	Comment	DG REFORM score	EC score
1. CA Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	NA	100%	67%
2. CA Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	NA	100%	88%
3. PA implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	NA	99%	97%
4. PA Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	NA	97%	98%
5. Global Commitment Absorption <sup>7</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	NA	98%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	The score of 99% of timely payments is higher than last year (98%) and is optimal, considering the high percentage reached as compared to the overall Commission performance in the last two years (99% in	99%	98%

Indicator	Objective	Comment	DG REFORM score	EC score
		2020 and 98% in 2021)		
7. Timely Decummitments	Ensure efficient decummitment of outstanding RAL at the end of commitment life cycle	The score of 91% is a good result also compared to the EC score.	91%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	The timely invoice registration indicator is high and good also compared to the EC score.	97%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	The score of this indicator is optimal	100%	99%
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	The score of this indicator is optimal, also if compared to the EC score.	99%	96%

## **ANNEX 5:     Materiality criteria**

The following provides an explanation of DG REFORM's definition of the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to the Authorising Officer's declaration.

Several factors are considered in qualitative and quantitative terms to determine the significance of any weakness: the nature and scope of the weakness, its duration, the financial impact and the monetary value linked to the weakness, the existence and functioning of mitigating controls reducing the impact of the weakness and any corrective measures already taken.

Based on such elements, management should conclude that the weaknesses incurred in the reporting year are significant and deserve to be disclosed in the form of a formal reservation to the Authorising Officer by Delegation's declaration of assurance, where:

- the error rate for the activities of the DG exceeds 2% of the authorised payments of the reporting year of activity. It should be noted that as of 2019<sup>8</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. This is without prejudice to maintaining a reservation for its reputational reasons if applicable.
- if the errors or problems identified concern key controls linked to the underlying expenditure or a specific type of expenditure, and they are systematic and wide ranging in the occurrence;
- the significance of the exceptions made in the year and the non-compliance events (i.e. internal control weaknesses) is high in monetary (value of linked operations) and qualitative terms (e.g. risks taken resulting from the deviations from the legality and regularity provisions; the reputational risk for the DG and the Commission; repetitive or systemic errors that have gone uncorrected; inadequate functioning of the controls);
- the audit coverage is insufficient and /or inadequate information is available from the internal control system;
- any critical issues and fraud issues are reported by external auditors, the Court of Auditors, the Internal Audit Service or OLAF;
- there are high risks concerning the nature of the weakness in terms of impact on the reputation of the DG, the breadth of awareness of the event, and the duration of the impact on a reputation for the EU Institutions, which would lead to the conclusion that the weakness is significant.

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<sup>8</sup> Agreement of the Corporate Management Board of 30/4/2019.

## ANNEX 6: Relevant Control Systems for budget implementation (RCSs)

### DIRECT MANAGEMENT – grant direct management (SRSP and Aid programme)

**Stage 1: Programming, evaluation and selection of proposals - Main control objectives:** Ensuring that the Commission (COM) selects the actions that contribute the most towards the achievement of the policy objectives (effectiveness); that funds are allocated optimally (best value for public money, effectiveness, efficiency, economy) and in compliance (legality & regularity; prevention of fraud).

#### A-Preparation and adoption of the work programme and call for proposals

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The annual work programmes and the subsequent actions do not adequately reflect the policy objectives and priorities and or are incoherent. The implementation modality is not well suited for the identified objectives and /or lead to an increase of risks linked to the implementation of the project.</p> <p>The eligibility, selection and award criteria are not adequate to ensure appropriate evaluation of proposals.</p>	<ul style="list-style-type: none"><li>-Analysis of the requests for support submitted by the MS in line with the criteria set out in the SRSP regulation</li><li>-Quality control review including operational financial and legal aspect</li><li>-Inter-service consultation on Financing Decisions including all relevant DGs</li><li>-Adoption by the Commission</li><li>-Centralised verification in DG REFORM</li><li>-Ex-post lessons learnt through programme evaluation</li></ul>	<p>100%</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p>	<p>Effectiveness: % budget execution rate grant commitments</p> <p>Benefit: The (average annual) total budgetary amount of the annual work programmes or calls with significant errors detected and corrected.</p> <p>Amount of the work programme concerned.</p> <p>Efficiency: estimated costs of controls of grant operations up to the selection of grants divided by the operational credits available for contracting</p> <p>Economy: estimation of costs of staff involved in the preparation and validation of annual work programme and calls up to the selection of grants.</p>

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the essential eligibility, or with the selection and award criteria defined in the financing decision and subsequent call for proposals. (Only Applicable to the Aid programme)</p> <p>The selection of beneficiaries of directly awarded grants is not justified and/or appropriately documented.</p>	<p>For the Aid Programme only: an evaluation committee is appointed by the AOSD and composed of at least 5 persons. The evaluation committee includes two members from the Financial Unit with no voting rights and at least three Voting Members from the operational unit who, together, ensure the correct implementation of the applicable procedures during the evaluation process.</p> <p>In case of directly awarded grants the exception to call for proposal is submitted to the AOSD for approval before signature of the legal commitment. The FD authorizes the conclusion of directly awarded grants.</p> <p>Prior approval note prepared by unit and validated by AOD</p> <p>A verification is performed by the Financial Unit on the evaluations and exception to call for proposal prior to budgetary and legal commitments.</p> <p>Centralized checklist based verification on the regulatory requirements.</p>	<p>100% of proposals are evaluated.</p> <p>100% of evaluations and exception to call for proposals are centrally checked by the financial unit</p>	<p>Effectiveness: No litigation case.</p> <p>Number of official, valid complaints filed.</p> <p>Number of supervisory control failures. Amount of the budget of the call concerned and amount of the budget of directly awarded grants.</p> <p>Efficiency:</p> <p>% costs for evaluation and selection over the annual amount of grants awarded.</p> <p>Time to publication of selection results</p> <p>Economy: estimation of the costs of staff involved in the evaluation of proposals.</p>

## B –Selecting and awarding: evaluation and selection of proposals

**Stage 2: Contracting:** Transformation of selected proposals into legally binding grant agreements

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

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>-The description of the action in the grant agreement includes tasks, which do not contribute to the achievement of the programme objectives.</p> <p>The budget overestimates the costs necessary to carry out the action.</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>- For the directly awarded grants the proposals are adjusted in line with the project officers' (evaluators') recommendations.</p> <p>Operational and financial checks in accordance with the financial circuits.</p> <p>Financial verification of the budget.</p> <p>Validation of beneficiaries (operational and financial).</p> <p>- Reinforced financial circuit with second level ex-ante verification according to risk assessment</p> <p>- Signature of grant agreement by the AO(S)D</p> <p>Verification of validity of pillar assessment in case of signature with pillar assessed organisations.</p> <p>On-boarded to e-grants (pilot for MFF 2014-2020 – ongoing for MFF 2021-2027) corporate solution with embedded controls.</p>	<p>100% of the selected proposals and beneficiaries are assessed</p> <p>100% of draft grant agreements assessed.</p> <p>The depth of controls depend on the type of beneficiary and the type of expenditures foreseen in the budget.</p>	<p>Effectiveness: % of selected proposals with recommendations implemented in grant agreement. Amount of proposed costs rejected.</p> <p>Benefit: difference between the budget value of the selected proposals and that of the corresponding grant agreements.</p> <p>Efficiency: estimated costs of controls related to contracting over the committed amount</p> <p>-Time-to-Contract</p> <p>Economy: estimation of cost of staff involved in the contracting process.</p>

**Stage 3: Monitoring the execution.** This stage covers the monitoring, the operational, financial and reporting aspects related to the project and grant agreement

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

Main risks	Mitigating controls	Coverage, Frequency and depth	Cost-effectiveness indicators (3 Es)
<ul style="list-style-type: none"> <li>- The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</li> <li>-The amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</li> </ul>	<p>Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors</p> <ul style="list-style-type: none"> <li>- Operational and financial checks in accordance with the financial circuits and predefined checklists.</li> <li>- Operation authorisation by the AO</li> <li>- For SRSP risk based ex-ante desk check reviews</li> <li>- For the Aid Programme expenditure verification reports for grants over EUR 100,000</li> <li>- Monitoring visits</li> </ul> <p>When needed: application of suspension/interruption of payments, penalties or liquidated damages, earmark projects for risk-based ex-post audit, refer grant/beneficiary to OLAF</p>	<p>100% of the projects are controlled</p> <p>In depth checks (ex-ante desk review or site visits) for the projects presenting higher risks.</p>	<p>Effectiveness: Number of projects with cost claim errors; budget amount of the cost items rejected, budget amount of errors concerned. Amount of the liquidated damages or penalties, % of value of cost claims items adjusted over cost claims value.</p> <p>Benefit: budget value of the costs claimed by the beneficiary but rejected by SRSS. Budget value of the part of the grant not paid out as pre-financing for projects that have been stopped by the Commission. Budget value of penalties and liquidated damages.</p> <p>Efficiency: % costs over annual amount of payments made under grants.</p> <p>Time to payment.</p> <p>Economy (costs): estimation of cost of staff involved in the actual management of running projects.</p>



## Stage 4: Ex post controls

### a) Review and audits

**Main control objectives:** Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management).

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p> <p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>-Ex-post control strategy: Carry out audits of a sample of operations to determine effectiveness of ex-ante controls.</p> <p>Carry out audits or desk reviews of a sample of operations to determine effectiveness of ex ante controls</p> <p>-Validate audit results with beneficiary.</p> <p>-Consider results of audits for improving the ex-ante controls.</p> <p>-Establish an ex-post supervision strategy, performed by independent staff not involved in the operational and financial circuits</p> <p>- If needed: refer the beneficiary or grant to OLAF</p>	<p>Sample: random or MUS sample sufficiently large e to draw valid management conclusions during the programme's lifecycle.</p>	<p>Effectiveness: Detected error rate. Residual error rate below materiality. Amount of budget of errors concerned. Number of projects or/and transactions with errors; budget amount of the errors detected.</p> <p>Benefits: Amount of the errors detected by the auditors</p> <p>Efficiency: total (average) annual cost of audits and staff involved in ex-post supervision compared with benefits (ratio).</p> <p>Economy (costs): estimation of cost of staff involved in the coordination and execution of the audit strategy. Cost of the outsourced audits.</p>

## b) Implementing results from ex-post audits

**Main control objectives:** Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting).

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner.	<p>Systematic registration of audit / control results to be implemented.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <ul style="list-style-type: none"> <li>- Authorisation by AO</li> <li>- Notification to OLAF and regular follow up of detected fraud</li> </ul>	Coverage: 100% of final audit results with a financial impact.	<p>Effectiveness: Amounts being recovered and offset.</p> <p>Benefit: amount of the errors detected by ex-post controls, which have actually been corrected.</p> <p>Efficiency:</p> <p>Number/value/% of audit results pending implementation</p> <p>Number/value/% of audit results implemented.</p> <p>Time-To-Recover</p> <p>Economy:</p> <p>% cost of control for all stages over annual amount disbursed in grants</p>

## DIRECT MANAGEMENT – Procurement direct management (SRSP and Aid programme)

### Stage 1: a) Planning and Need assessment

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

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The procurement needs are not clearly defined or justified from an economic or operational point of view.</p> <p>Discontinuation of the services provided due to poor/late planning and organisation of the procurement process.</p> <p>Lack of expert knowledge and experience in the highly regulated field of procurement which may lead to the wrong choice of procedure/thresholds and the splitting of purchases</p> <p>Conflict of interests</p> <p>Risk of not obtaining value for money due to lack of market analysis and/or poor definition of selection criteria</p> <p>The best offer/s are not submitted due to the poor definition of the tender specifications.</p>	<p>Ex-ante publication of intended procurements and subsequent consideration of entities that expressed interest</p> <p>Establishment of framework contract following an open competitive procedure</p> <p>Validation of clear definition and justification of procurement needs by AOSD before call launch</p> <p>Continuous trainings</p> <p>Quality review by the central financial unit, based on predefined checks (checklists).</p> <p>-For the Aid Programme call for tenders, which are technically complex are elaborated by external experts contracted through service contacts.</p> <p>Regular information on ethics, integrity and fraud awareness to all staff involved in the procurement process</p>	<p>100% of the forecast procurements are justified in a note addressed to the AOSD.</p> <p>100% of the specifications are scrutinised.</p> <p>Depth may be determined by the amount and the nature of the call for tender (service /supply or work needed).</p>	<p>Effectiveness: Number of procedures where only one or no offers were received.</p> <p>IC reviews of staff ethics trainings as part of the IC annual assessment</p> <p>Quantified Benefits:</p> <ul style="list-style-type: none"> <li>- Amount of rejection of unjustified purchases</li> </ul> <p>Non Quantified Benefits:</p> <ul style="list-style-type: none"> <li>- Avoidance of litigation</li> </ul> <p>Efficiency: estimated costs of controls divided by operational credits available for contracting</p> <p>Economy: estimation of costs of staff and related contract values</p>

## b) Selection of the offers and evaluation

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

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>Considerable use of resources (human and financial) due to errors or mismanagement leading to award decisions being contested (resulting in Court and Ombudsman cases)</p> <p>Damage to the DG's reputation, if fraud or criminal behaviour is discovered (conflict of interest)</p>	<p>-All evaluations involve the use of expertise of more than one qualified official. The evaluation process is more regulated and formalised as the contract value increases.</p> <p>- Formal appointment of evaluation committee for open and restricted tenders: Opening committee and Evaluation committee.</p> <p>-Documented evaluation report for all procurement procedures.</p> <p>-Analysis of eligibility, selection and award criteria documented in the evaluation report.</p> <p>-Quality review (checklist) of the evaluation process and evaluation report before submission to the AOSD.</p> <p>-Declaration of confidentiality and absence of conflict of interests</p> <p>-Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision, when applicable.</p>	<p>100% of the offers are analysed by an appointed committee if required and analysis is documented in the evaluation report.</p> <p>100% of evaluation reports are reviewed.</p> <p>100% of evaluators provide a declaration.</p> <p>Standstill period always applied if required.</p>	<p>Effectiveness: Numbers of 'valid' complaints or litigation cases filed.</p> <p>Benefits:</p> <p>(a) Potential irregularities/inefficiencies prevented</p> <p>(b) Amount of contracts for which the control prevented the risk of litigation or fraud.</p> <p>(c) Avoid contracting with excluded economic operators</p> <p>(d) Amount of procurements successfully challenged during standstill period.</p> <p>Non quantified Benefits:</p> <ul style="list-style-type: none"> <li>- Compliance with FR</li> <li>- Best value for money</li> </ul> <p>Efficiency:</p> <p>Time-to procure, providing the necessary legality and regularity checks which cannot be omitted</p> <p>estimated costs of controls divided by committed amount</p> <p>Economy: estimation of costs of staff</p>

## Stage 2 –Financial transactions:

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

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>The products/services/works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Business discontinues because contractor fails to deliver</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>Close monitoring of contracts, with possible on-site verifications</p>	<p>100% of the contracts are controlled, according to the applicable checklist</p>	<p>Effectiveness:</p> <p>% budget execution rate – total amount committed/paid versus total budget envelope</p> <p>% of contracts implemented</p> <p>n° of open critical and/or very important audit recommendations</p> <p>Benefits: Amount of irregularities, errors and overpayments prevented by the controls</p> <p>Efficiency:</p> <p>% cost over annual amount of payments made under procurement contracts</p> <p>Time-to-payment</p> <p>Late interest payment and damages paid (by the Commission).</p> <p>Economy (costs): % cost over annual amount of payments made under procurement contracts.</p>

### Stage 3 –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 of controls	Cost-effectiveness indicators (3 Es)
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.	<p>Supervisory desk review of procurement procedures.</p> <p>Review of ex post results and exceptions reported</p> <p>Ex-post publication (possible reaction from tenderer / potential tenderer such as whistle blowing).</p> <p>System and transaction audits by IAS, ECA and subsequent monitoring of implementation of recommendations for improvement</p>	<p>Samples of concluded procurement procedures are reviewed</p> <p>100% review of ex-post results and exceptions reported.</p> <p>Review of any systemic problem identified in procurement procedures at least once a year.</p> <p>100% publication of award notice.</p>	<p>Effectiveness: Amounts associated with errors detected (related to fraud, irregularities and error). In % over total checked.</p> <p>Number system improvements made.</p> <p>Benefits: Amounts detected associated with fraud &amp; error.</p> <p>Efficiency: Costs of the ex post controls and supervisory measures with respect to the 'benefits'.</p> <p>Economy: estimation of cost of staff involved/audited values</p>

## INDIRECT MANAGEMENT

**Stage 1** - Establishment (or prolongation) of the mandate to the entrusted entity (“delegation agreement”/ “contribution agreement”/ etc.).

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

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	<ul style="list-style-type: none"> <li>-Ex ante assessment (rely on other DGs)</li> <li>-The establishment of a delegated act is submitted to hierarchical validation within the DG and is subject to centralised checklist –based verification before signature by AOSD.</li> <li>- Inter-service consultation on Financing Decisions including all relevant DGs, on the criteria for selection of the entrusted entity</li> <li>- Note on selection of entrusted entity, based on the criteria set out in the financing decision, approved by the RAO</li> </ul>	100%	<p>Effectiveness: Quality of the legal work (FD or delegated act): number of Initially negative CIS opinions.</p> <p>Quality of the selection process: N° of candidates challenging the selection, no litigation case, no ECA criticism.</p> <p>Benefit: The (average annual) total budget amount entrusted to the entity, possibly at 100% if significant errors would otherwise be detected.</p> <p>Efficiency: estimated costs of controls related to the delegated act with an entrusted entity over the operational credits available for commitments</p> <p>Economy: estimation of costs of staff involved in the preparation, adoption and selection work</p>

## Stage 2 – 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 & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
<p>Due to weak "modalities of cooperation, supervision &amp; reporting", the Commission is not (timely) informed of relevant management issues encountered by the entrusted entity, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p> <p>Low quality programme results, delayed programme implementation, non- achievement of policy objectives / desired impact on society.</p>	<p>Contribution agreement specifying the control, accounting, audit, publication, etc. related requirements – incl. the modalities on reporting back relevant and reliable control results.</p> <p>Monitoring or supervision of the entrusted entity (e.g. 'regular' monitoring meetings at operational level; review of reported control results and any underlying management/audit reports)</p> <p>Require timely notification by the Entrusted Entity of any changes to its financial or control systems subsequent to the signature of the DA/CA</p> <p>Hierarchical validation within the DG (authorising department)</p> <p>Detailed analysis of all reports submitted by the Entrusted Entity; if necessary, request additional ad hoc reports</p>	<p>100% of the entities are monitored/ supervised.</p> <p>Frequency: at least annually</p>	<p>Effectiveness: Relevance and reliability of control data reported back; number of regular monitoring actions, DA objectives achieved on time number of serious IAS and ECA findings of control failures.</p> <p>Benefit: the total budget amount entrusted to the entity, possibly at 100% if significant errors would otherwise be detected.</p> <p>Efficiency:</p> <p>Limited number of amendments to DA/CA to extend programme implementation deadline</p> <p>Economy: estimation of cost of staff involved in the regular monitoring of the resources to the entrusted entities</p> <p>Management fees to the entrusted entities</p>



### Stage 3 – Commission contribution payment

**Main internal control objectives:** Ensuring that the Commission fully 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 (legality & regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.	<ul style="list-style-type: none"> <li>- Delegation Act/ Contribution agreement/etc. specifying the control, accounting, audit, publication, etc. related requirements – incl. reporting back</li> <li>- Checklist based approval for payments</li> <li>- If appropriate/ needed: suspension or interruption of payments</li> </ul>	<p>Coverage: 100% of contribution payments</p> <p>Frequency : usually annually</p>	<p>Effectiveness: amount of any unused operating budget recovered, budget amount of the suspended/interrupted payments (if any).</p> <p>Benefit: the total budget amount entrusted to the entity, possibly at 100% if significant errors would otherwise be detected. In case of recovery or suspension, the amount recovered or not paid out.</p> <p>Efficiency: % of costs over annual amount delegated.</p> <p>Time to pay/recover.</p> <p>Economy: estimation of costs of staff involved in the controls over payments/recovery to entrusted entities.</p>

## Stage 4 – Audit and evaluation

**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.

Main risks	Mitigating controls	Coverage, Frequency and depth of controls	Cost-effectiveness indicators (3 Es)
The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.	Delegation Act/Contribution agreement/etc. specifying the control, accounting, audit, publication, etc. related requirements – incl. independent audit function and cooperation with IAS and ECA	Coverage: 100%	<p>Effectiveness: Assurance being provided (via management/audit reporting); number of transactions with errors, budget amount of the errors detected.</p> <p>Efficiency: total (average) annual cost of own audits compared with total budget amount entrusted.</p> <p>Economy (costs) estimation of cost of staff involved in the coordination and execution of the own audits (which may include missions, if applicable). Cost of the appointment of audit firms for the outsourced audits (if any).</p>

## ANNEX 7: Specific annexes related to "Financial Management"

### 7.1 Section 2.1.1 – Control results

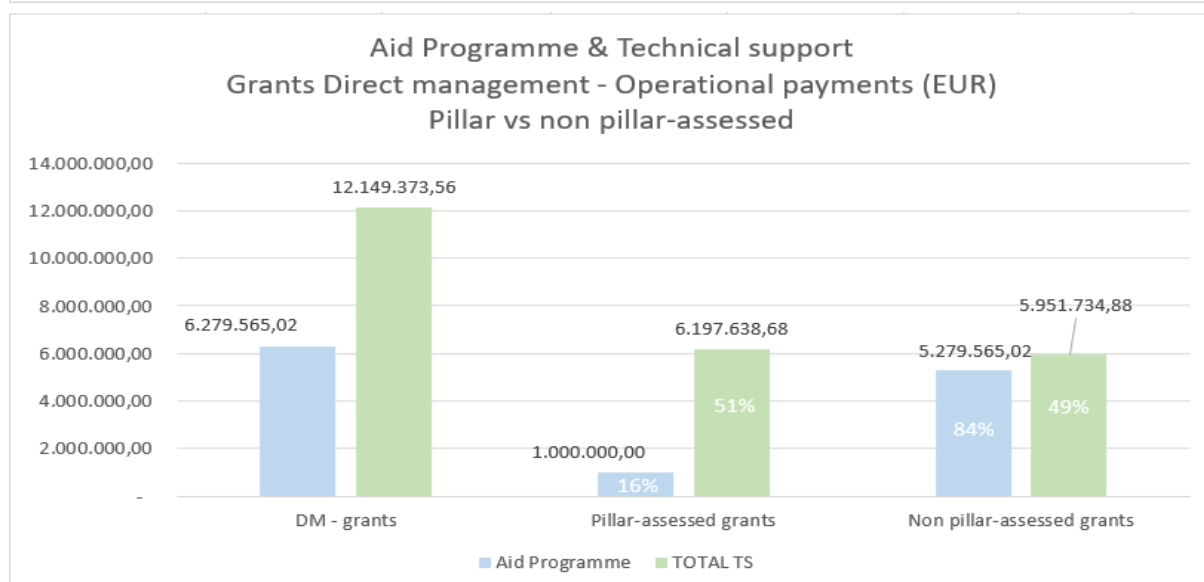
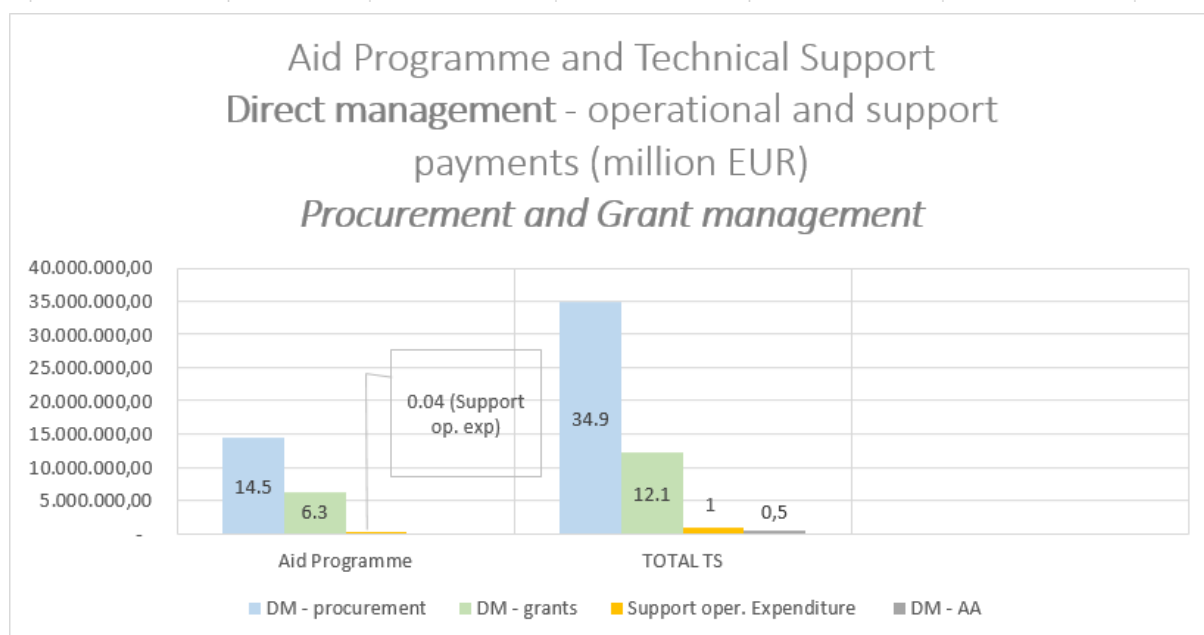
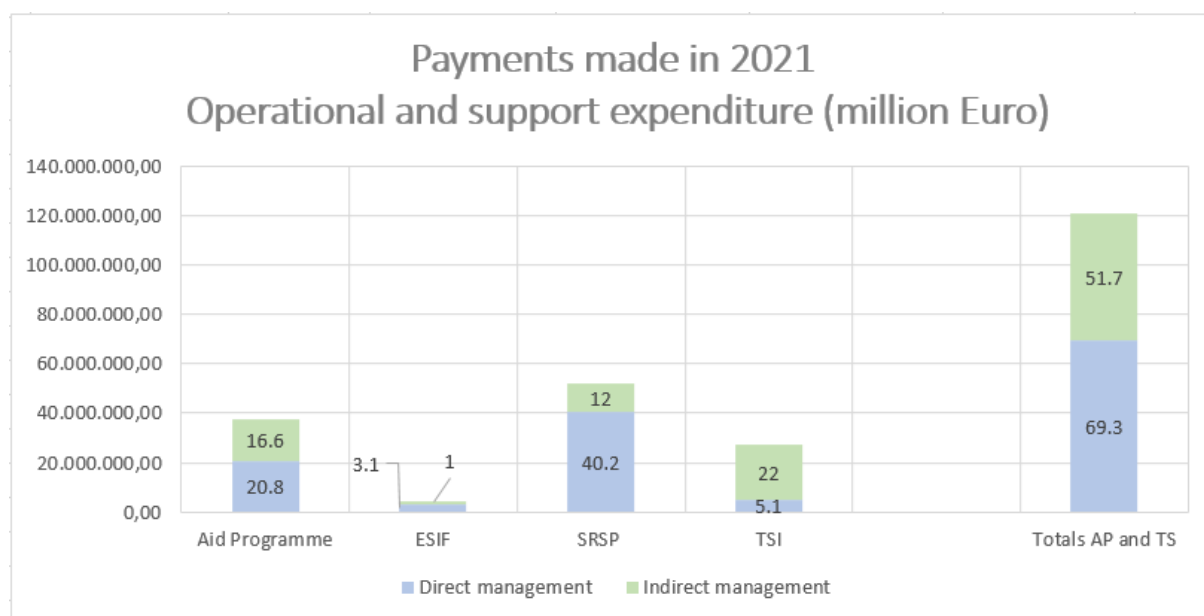
#### Main effectiveness indicators

<p><b>Benefits:</b> Unquantifiable costs of Court cases saved, including the time and cost of resources needed to deal with them. Mitigation of reputational risks affecting the mission of the DG.</p>
<ul style="list-style-type: none"> <li>• Number of official complaints filed following calls for proposals/calls for tenders/awarding of direct grants and concluded with cases of maladministration: zero</li> <li>• Number of new legal proceedings following complaints in procurement/grant procedures: zero</li> </ul>
<p><b>Benefits:</b> Effective application of legality and regularity provisions and prevention of potential financial loss (cf. also Annex 3- tables 6 and 8)</p>
<ul style="list-style-type: none"> <li>• Value of ineligible cost claims in recovery context: EUR 32,274.11 (vs EUR 284,904.02 in 2020; EUR 246,651.19 in 2019).</li> <li>• Value of credit notes in recovery context: EUR 996,214.14 (vs EUR 1,966,062.63 in 2020; EUR 1,070,868.05 in 2019)</li> <li>• % of payments suspensions (made for requesting clarifications/additional information before final payment): 21% (19% in 2020, 17% in 2019)</li> </ul>
<p><b>Benefits:</b> Effective use of resources in accordance with legality and regularity and sound financial management. Mitigation of reputational risk affecting the mission of the DG</p>
<ul style="list-style-type: none"> <li>• Number of critical audit recommendations received: zero</li> </ul>
<ul style="list-style-type: none"> <li>• Number of initial negative opinions to our inter-service consultations for the adoption of the annual financing decisions: zero</li> </ul>
<ul style="list-style-type: none"> <li>• % of implementation of ex-ante controls (additional sampled based in-depth reviews of beneficiaries' evidence supporting selected cost claims categories): two controls completely finalised and other controls pending further clarifications to be provided by the relevant beneficiaries. The finalised control identified ineligible costs for a total of EUR 22,064.11.</li> </ul>
<ul style="list-style-type: none"> <li>• Number of cancelled procurement procedures related to the technical support: 6<sup>9</sup> (i.e. 3.2% of the specific contracts and about 2 out of four of middle and low value contracts made) due to lack of compliant offers received; and pending technical confirmation from a DG DIGIT framework's supplier.</li> <li>• Number of cancelled procurement procedures related to the Aid Programme: 4<sup>10</sup> (i.e. 2.6% of the procurement procedures not linked to a framework contract)</li> </ul>
<ul style="list-style-type: none"> <li>• % of (TS) procurement procedures receiving only 1 offer (excluding those where only one tenderer was invited to bid): 0%</li> </ul>

<sup>9</sup> Three requests for services under the framework contract for technical support, two negotiated procedures for middle and low value contracts and one specific request under a DG DIGIT framework contract.

<sup>10</sup> Two open procedures and two simplified procedures.

## DG REFORM payments in 2021



## 7.2 DG REFORM Ex-post control strategy sampling methodology for the grant agreements audited

DG REFORM ex-post control strategy<sup>11</sup> was updated in 2021. The audits on the spot allow the Contracting Authority to measure the materiality of the detected errors, which contribute to the calculation of the error rate.

A sample of grant agreements was selected for **Technical Support** for 'pillar' and 'non-pillar assessed' grants.

For the 'pillar assessed grants', DG REFORM already obtains the necessary level of assurance from: i) the ex-ante pillar assessments, demonstrating that those beneficiaries have a level of financial management and protection of the EU's financial interest equivalent to that of the Commission and ii) from the results of previous audits (2018-2020) concluded with three pillar-assessed organisations, which reported no error. Nevertheless, in order to ensure representativeness of such expenditure in the audit plan, two cost claims out of eighteen were included in the audit plan. The audit sample represents a total of 1.4 million which is 16% of the audit population.

Further to the 'non-pillar assessed grants', judgmental sampling was applied for the selection of the sampled files. The sample includes 6 grants out of 18 grant agreements closed and paid in 2020. The remaining cost claims are excluded from the sample because:

- i) the value of the payments is too low for the audit to be cost-effective;
- ii) they were made to beneficiaries who had been recently audited and for which no findings had been reported (4 cases corresponding to 17,8% of the payments of the audit population);
- iii) they were subject to ex-ante desk checks in accordance with DG REFORM control strategy<sup>12</sup> (2 cases corresponding to 6,6% of the payments of the audit population).

The 2021 audit plan included 6 grants with non-pillar assessed organisations out of 18 grant agreements closed in 2020 and two scoped audits of the staff costs linked to three cost claims audited in 2020. These had been finally reported in 2020 under scope limitation for inaccessibility of documentation and cyber-attack suffered by a grant beneficiary (cf. DG REFORM Annual Activity Report 2020). The files sampled represent a total of about EUR 3.4 million which is 67% of the audit population.

Under the **Aid programme**, given the few final payments made in 2020 and for sound financial management considerations for excluding them from the sample, no transaction was proposed for auditing in 2021. This conclusion was reached also because DG REFORM could rely on a high level of confidence provided by the repetitive positive results (no errors detected) of the audits performed from 2018 until last year.

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<sup>11</sup> Ares(2021)5472703

<sup>12</sup> SRSS control strategy for Ex-ante desk checks applicable to Grant agreement under technical Support.

### 7.2.1 Multi-annuality

Considering the multi-annual nature of the projects financed by DG REFORM, the DG applies a multiannual approach to the control strategy.

The corrections over the years should lead to a situation in which, at the latest by the end of each programme's implementation, the residual error rate would fall progressively below 2%.

Therefore, for **Technical Support** the multiannual approach reflects the length of each programme (i.e. SRSP and TSI) and the error rate will be calculated by separating and stratifying (e.g. grants with pillar-assessed and non-pillar assessed entities) the expenditure of the SRSP and of the TSI. On the contrary, for the **Aid Programme** the multiannual approach will be continued over the new MFF considering that the legal basis, the control features and the risks have not changed.

### 7.2.2 Methodology for the desk review of procurement procedures

In line with the ex-post control strategy, the population consists of all procurement procedures, under the Technical Support and the Aid Programme, awarded in the previous year (N-1).

The commitments under **Technical Support**, in most of the cases, follow the concluded re-openings of competition under Framework Contract (FWC), negotiated procedures or open procedures. DG REFORM makes also use of other Commission's FWCs, nevertheless the priority is to focus on the effectiveness of controls put in place when using DG REFORM FWCs since these produce the majority of financial and legal commitments.

In order to cover the different types of procedures during the review, a sample of transactions was made respectively for (i) Requests for services under DG REFORM FWCs; (ii) Negotiated procedures below the Directive's threshold and (iii) open procedure.

A judgemental sampling was applied considering the proportional weight of each unit in the full population and making sure that each unit involved in the Technical Support was represented at least once in the sample.

Under the **Aid Programme** the review covers procedures awarded in 2020 following open, restricted, negotiated and simplified procedures. For each type of procedure, the one with the highest value was selected for review. The procedures concluded with a single tender have not been selected for review because of the low value (up to EUR 20 000) of the contracts awarded.

### 7.3 Actions implemented as a follow-up of the reservation on grant direct management with non-pillar-assessed organisations (Annual Activity Report 2020)

MITIGATING ACTIONS PROPOSED IN THE 2020 AAR	IMPLEMENTATION IN 2021
<p><b>AAR reservation –point 1:</b></p> <p>set out an audit plan for 2021, which will ensure maximum coverage of grants to non-pillar-assessed organisations closed in 2020 in order to maximise the corrective capacity.</p>	<p>The audit plan for 2021 for non-PA grants included 6 grants out of 18 grant agreements closed in 2020. The remaining cost claims were excluded from the sample because of a low value, i.e. below EUR 100 000; beneficiaries recently audited, etc.</p> <p>In addition, the audit plan covers the audit of staff costs for three cost claims audited in 2020 and finally under scope limitation for inaccessibility of documentation.</p> <p>The errors detected by the auditors in 2020 resulted in 5 recovery orders (€ 30 945.76) , all cashed in in 2021.</p>
<p><b>AAR reservation –point 2:</b></p> <p>continue the practice of instructing beneficiaries on the eligible actions for final cost claim. DG REFORM has established the practice under the e-grant mechanism, to reduce the thresholds (previously &gt; EUR 325,000 for grants under the Technical Support) for audit certificates respectively to EUR 100,000 and EUR 60,000 for grants concluded under SRSP and TSI. This should reduce the likelihood of errors in the claimed amounts</p>	<p>A letter was issued to all non-pillar assessed beneficiaries of DG REFORM to clarify the rules on the eligibility of costs. This stands as a preventive action to avoid possible future errors emerging from ex-post controls.</p> <p>In addition, the threshold for audit certificates was set respectively to EUR 100,000 and EUR 60,000 for e-grants concluded under SRSP and TSI .This condition was included in the grant template.</p>
<p><b>AAR reservation –point 3:</b></p> <p>continue the ex-ante desk reviews on sampled grants to NPA organisations;</p>	<p>In 2021, five files were selected for ex-ante in depth desk checks in 2021, representing one out of three requests for final payment received in 2021. DG REFORM has performed a deeper verification on a total of EUR 953,210 of the final payments related to grant agreements to non-pillar-assessed organisations. The finalisation of four of such checks is pending further clarifications to be provided by the relevant beneficiaries. This procedure for such checks was established in 2018 with the aim to detect errors before a final payment is processed and to ensure that amounts requested from and paid to grant beneficiaries are made in accordance with the applicable contractual conditions on the eligibility of the costs.</p>
<p><b>AAR reservation –point 4:</b></p> <p>continue to enforce appropriate financial training for operational initiating agents and financial agents to prevent/detect errors.</p>	<p>The Financial Actors are continuously trained; newcomers are empowered to act as Financial initiating agent (FIA)/Financial verifying agent (FVA) only once they have received the necessary training.</p> <p>Operational initiating agents are empowered to initiate financial related operations and to sign the '<i>conforme aux faits</i>', only after having attended the relevant financial training on procurement and grants management.</p>
<p><b>Additional actions implemented</b></p>	<p>A Knowledge Hour (awareness raising event) was organised for DG REFORM staff to share the lessons learned related to the most frequent errors detected by the auditors in the area of grant management.</p>

## 7.4 Overview of the estimated “cost of controls” at Commission level

**Table Y - Overview of REFORM's estimated cost of controls at Commission (EC) level**

*The absolute values are presented in EUR*

### EXPENDITURE

REFORM	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)
PROCUREMENT	1,743,027.99 €	50,855,897.76 €	3.43%	79,785.00 €	8,666,308.90 €	0.92%	1,822,812.99 €	3.58%
GRANTS	373,347.74 €	18,428,938.58 €	2.03%	122,025.00 €	3,161,350.86 €	3.86%	495,372.74 €	2.69%
INDIRECT MANAGEMENT	1,632,543.54 €	51,715,620.39 €	3.16%	- €	- €	0.00%	1,632,543.54 €	3.16%
Horizontal controls (e.g. IT tools, legal, budget and accounting, internal control)		- €	0.00%	- €	- €	0.00%	1,174,992.11 €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	3,748,919.27 €	121,000,456.73 €	3.10%	201,810.00 €	11,827,659.76 €	1.71%	5,125,721.38 €	4.24%



## 7.5 Section 2.1.2-Audit observations and recommendations / COMPLETED AUDITS (Year 2021)

**Internal Audit Service (IAS): Final audit report on processes put in place by the Directorate-General for Structural Reform Support (DG REFORM) for the delivery of technical support to Member States.**

Type of audit	Audit scope	Summary conclusions and major audit findings	Number of recommendations accepted	Severity
Comprehensive audit	<p>The audit covered DG REFORM's project preparation and monitoring processes up until the project finalisation (i.e. up until the acceptance of the final deliverables relating to the sub-tasks which triggers the final payments made to the service providers), including the following:</p> <ul style="list-style-type: none"> <li>•establishing/amending the cooperation and support plans;</li> <li>•preparation of the projects (i.e. defining the project scope, actions, outputs, indicators and targets and the selection of the appropriate delivery means/sub-tasks);</li> <li>•design and implementation of the project monitoring processes, workflows and controls (including the selection of the monitoring approach depending on the inherent risks assessment of project activities based on the submitted deliverables and technical reports, managing the underperformance of projects or providers, project reprogramming (i.e. changing key aspects of the funded projects) and amendments of contracts/agreements signed with the support providers);</li> <li>•reporting on the implementation of the technical support projects (within the Commission, to the Coordinating Authorities and with the co-legislators).</li> </ul> <p>The period on which the audit focused was the SRSP 2017-2020</p>	<p>Although, DG REFORM has overall designed adequate processes and controls for delivering technical support to the Member States under the SRSP, the IAS made the following very important recommendation on the project monitoring: tools, guidance and practice. In particular, DG REFORM should finalise the e-manual of procedures and the revised JIRA workflows and provide a common IT solution for monitoring the project implementation. DG REFORM should also persist in its efforts to improve the completeness and reliability of project data encoded in JIRA and put in place a robust tool for performing effective plagiarism checks on project deliverables.</p>	3	<p>1 'very important' and</p> <p>2 'Important' recommendations</p>

## **ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"**

### **Description of the results of the Internal Control annual assessment:**

I. Control environment: the deficiencies identified under principle 1<sup>13</sup> and 5<sup>14</sup> refer to:

- a lower scoring in the percentage of 'Ethics and Integrity' training attendance and staff's validated objectives, as compared to the set targets for the year. Although no longer mandatory, the DG continues to promote the definition of staff objectives for ensuring monitoring of staff performance and staff appraisal. The few decreased % points noted under the review of the 'Ethics and Integrity' training attendance is minor and compensated by the several training and references made on such a topic during the HR and local presentations of the new anti-fraud strategy/ethics rules made to all staff.

III. Control activities: the deficiencies identified under principles 11<sup>15</sup> and 12<sup>16</sup> refer to:

- the partial implementation of IT systems' risk assessments. The activities related to the establishment of security plans for the main IT systems are still ongoing and supervised by an IT steering committee.
- one delayed evaluation for more than 6 months, as compared to the date mentioned in the SRSP Regulation (art. 16).

IV. Information and communication: the deficiencies identified under principle 14<sup>17</sup> refer to:

- the draft DG's internal communication strategy which is still pending the availability of resources dedicated to this task. Nonetheless, DG REFORM demonstrated to carry out a large number of effective internal communication activities in 2021, albeit the formalisation of a strategy. Based on the results of the staff survey just below the set target, there is scope to further streamline internal communication.

V. Monitoring activities: the deficiencies identified under principles 17<sup>18</sup> refer to:

- the errors related to the encoded data in Jira. It is noted that DG REFORM has continued its training sessions for staff using the system, as well as performed

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<sup>13</sup> Principle 1- 'The Commission demonstrates a commitment to integrity and ethical values'.

<sup>14</sup> Principle 4 'The Commission demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives' and Principle 5 'The Commission holds individuals accountable for their internal control responsibilities in the pursuit of objectives'

<sup>15</sup> Principle 11- The Commission selects and develops general control activities over technology to support the achievement of objectives.

<sup>16</sup> Principle 12- The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.

<sup>17</sup> Principle 14- The Commission internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

<sup>18</sup> Principle 17- The Commission assesses and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the College of Commissioners, as appropriate.

regular quality checks and made reports at management level for prompting the correction of data. Despite a progressive drop of errors noted during the year, the number of encoding errors is still high. Therefore, the prevention, monitoring and correction activities must be continued as further stressed in the latest IAS audit report of December 2021.

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

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

DG REFORM	'payments made' (2021;MEUR)	minus new prefinancing [plus retentions made] (in 2021;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in -4	'relevant expenditure' (for 2021;MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (2021;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	estimated future corrections [and deductions] (for 2021;MEUR) -9	estimated risk at Closure (2021;MEUR) -10
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
SRSP+ESIF: Indirect Management	13,01	- 12,54	5,59	6,05	0,50% - 0,50%	0,03 - 0,03	0,12% - 0,12%	0,01 - 0,01	0,02 - 0,02
SRSP+ESIF: Procurement	34,78	0,00	0,04	34,83	0,50% - 0,50%	0,17 - 0,17	0,12% - 0,12%	0,04 - 0,04	0,13 - 0,13
SRSP+ESIF: Grant NPA (non-Pillar Assessed entities)	3,66	- 2,80	2,54	3,40	4,35% - 4,35%	0,15 - 0,15	0,12% - 0,12%	0,00 - 0,00	0,14 - 0,14
SRSP+ESIF: Grant PA (Pillar Assessed entities)	4,74	- 3,34	12,39	13,79	1,29% - 1,29%	0,18 - 0,18	0,12% - 0,12%	0,02 - 0,02	0,16 - 0,16
SRSP: Administrative arrangements	0,20	- 0,17	0,23	0,26	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Indirect Management	22,07	- 22,07	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Procurement	0,08	0,00	0,00	0,08	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Grant NPA	2,29	- 2,29	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Grant PA	1,45	- 1,45	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Administrative arrangements (AA- operational)	0,27	- 0,27	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
TSI: Support expenditure to RRF and TSI (procurement and AA)	0,98	0,00	0,00	0,98	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
Aid programme: Indirect Management	16,64	- 16,64	18,67	18,67	0,50% - 0,50%	0,09 - 0,09	0,12% - 0,12%	0,02 - 0,02	0,07 - 0,07
Aid programme: Procurement	14,50	- 2,63	2,70	14,57	0,50% - 0,50%	0,07 - 0,07	0,12% - 0,12%	0,02 - 0,02	0,06 - 0,06
Aid programme: Grant NPA	5,28	- 5,04	1,14	1,38	0,50% - 0,50%	0,01 - 0,01	0,12% - 0,12%	0,00 - 0,00	0,01 - 0,01
Aid programme: Grant PA	1,00	0,00	1,53	2,53	0,50% - 0,50%	0,01 - 0,01	0,12% - 0,12%	0,00 - 0,00	0,01 - 0,01
Aid programme: Support expenditure	0,04	0,00	0,00	0,04	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
Administrative expenditure of the EC	0,00	0,00	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,12% - 0,12%	0,00 - 0,00	0,00 - 0,00
<b>DG total</b>	<b>121,00</b>	<b>- 69,25</b>	<b>44,83</b>	<b>96,58</b>		<b>0,72 - 0,72</b>	<b>0,12% - 0,12%</b>	<b>0,12 - 0,12</b>	<b>0,61 - 0,61</b>
					<b>Overall risk at payment in %</b>	<b>0,75% - 0,75%</b> (7) / (5)			<b>Overall risk at closure in %</b> (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 DG 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 DGs. For Cross-Sub-Delegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department).

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

(5) "Relevant expenditure" includes the payments made, subtracts the new pre-financing paid out and adds the pre-financing actually cleared during the FY.

(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' the rate used is 0.5% as a conservative estimate.

(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 capacity of the ex-post control systems implemented by the DG over the past years.

## 2) Reservations issued for Operational Programme in last year's AAR and lifted in 2021

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (M€) in 2020	Reason for lifting the reservation
1	N/A	N/A	Direct management – grants with non-pillar assessed beneficiaries under technical Support funds (ESIF and SRSP).	Reputational	The residual error rate above 2%. The RER (2.54%) was calculated on the basis of the multi-annual results (audits 2018 and 2019 and 2020).	121,456.22	<p>Despite a RER being above 2%, DG REFORM concludes that a financial reservation is no longer necessary since this qualifies as 'non-substantial' in application of the two conditions of the "de-minimis rule"</p> <p>1) Segment under reservation representing &lt; 5% of the DG's total payments.</p> <p>The segment of expenditure with a material error refers to grants with non-pillar-assessed organisations under Technical Support (SRSP and ESIF funds). The annual payments made under this segment amount to EUR 3.657.162 which is 3% of the DG's total payments (EUR 121.000.457) made in 2021.</p> <p>2) financial impact &lt; EUR 5 million.</p> <p>The financial impact (amount at risk at closure) for this segment of expenditure is marginal, i.e. EUR 143 754.20</p>

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

**Objective: DG REFORM 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 objectives**

**Indicator 1: Number and percentage of first female appointments to middle management positions**

**Source of data: SEC(2020)146**

Baseline (2019)	Target (2022) (2024): to be defined	Latest known results (31/12/2021)
N/A	+1	+1 first female appointment in 2021

**Indicator 2: DG REFORM staff engagement index**

**Source of data: Commission staff survey**

Baseline (2018)	Target (2024)	Latest known results (31/12/2021)
74%	≥74% or above the Commission's average (72% in 2021)	73%

### Main outputs in 2021:

Description	Indicator	Target	Latest known results
Increased number of female managers	% women recruited in middle /senior management positions	At least 1 additional female manager in 2021	1 female middle manager was appointed in 2021. In total 22% women in middle management are female. 1 female senior manager was recruited in 2021.
	Number of meetings of the female talent network	4 meetings in 2021	11 meetings including external guest speakers and for group coaching.
Enhanced staff engagement	Revamped induction programme for newcomers	Q2/2021	Newcomers induction programme launched on 24/06/2021.
	Organisation of knowledge hour events	5 knowledge hour events in 2021	9 knowledge hours events were organised in 2021
	% of staff job descriptions and % of validated objectives recorded	80% 60%	84% 41%

Description	Indicator	Target	Latest known results
DG REFORM human resources strategy	Adoption of the strategy % implementation of the actions planned for 2021 in DG REFORM HR strategy	Q1/2021  50% by the end of the year	DG REFORM Local HR Strategy was adopted in April 2021  75% implementation of the annual actions

**Objective: DG REFORM 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 to which the most important IT tools implement the principles of the digital strategy**

**Source of data: DG RTD–eGrants & eProcurement, Qlik representative in BE Agilos**

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (31/12/2021)
20%	60%	95%	40%

**Indicator 2: Percentage of DG REFORM key data assets for which corporate data governance principles have been implemented**

**Source of data: DG REFORM Data Correspondent**

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (31/12/2021)
20%	50%	80%	20%

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

**Source of data: DG Reform data protection correspondent**

Baseline (2018)	Interim milestone (2020)	Target (2024)	Latest known results (31/12/2021)
0%	Presentations to all Units and regular presentations to newcomers	100% of staff	100% of staff



## Main outputs in 2021:

Description	Indicator	Target	Latest known results
DG REFORM Information Technology Steering Committee	Mandate and first meeting of the IT Steering Committee	Q1/2021	June 2021
DG REFORM Digital Solutions Modernisation Plan	Adoption of the Plan	Q2/2021	Not delivered and subject to the finalisation of a study launched in 2021
QlikSense – automatic report generation and delivery	Automatic reports generated and sent to key stakeholders	Min. 2 reports by Q3/2021	Not delivered due to the delayed availability of the technical platform. The activity is reset to Q1/2022.
Improved knowledge management	Percentage of 2021 newcomers to relevant units trained in JIRA	100%	90%
	Number of encoding errors in JIRA	Decreasing rate	594 (387 in 2020)
Transparent communication about processing operations to data subjects	Number of records of processing operations published in the register of the Data Protection Officer of the Commission	Maximum 5	6 records specific to DG REFORM were adopted and published <sup>19</sup> in April 2021.
Improved internal communication	Adoption of the updated DG REFORM Internal Communication Strategy (aligned with the corporate strategy)	Q1/2021	Not delivered for insufficient resources. This output has been included in the Management Plan 2022.
	Further development of the DG REFORM intranet site	Q2/2021	DG REFORM intranet site was launched on 15/02/2021
	Number of 'all staff meetings' to be organised (online/physical presence, as appropriate)	8	9 monthly 'all staff meetings' were organized in the period January- -December 2021.
Increased awareness of data protection	Number of presentations to DG REFORM staff	5	17 presentations <sup>20</sup>

<sup>19</sup> [DPO Public register \(europa.eu\)](https://public-register.europa.eu/)

<sup>20</sup> 2 presentations at management meetings (records, accountability and ownership, unsolicited applications); 9 presentations at unit meetings (general introduction to data protection principles and rules); 2 presentations at the Assistants' Network meetings (general introduction, with focus on retention periods, storage and Ares markings); 1 presentation to the HR BC team (general introduction, with focus on recruitment processes and Ares marking); 2 presentations to newcomers (June and October) and 1 training open to all REFORM staff (case studies, accountability, data breaches).

**Objective: DG REFORM 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 2021:**

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Enhanced internal communication activities to raise staff awareness, including corporate EMAS campaigns relayed locally	Number of green targeted messages/initiatives promoted on the DG intranet site, including for sustainable mobility of staff	10	15 green targeted messages
	Creation of an internal network of green ambassadors and number of meetings of the network	>2	Network not created for a shift of resources. The activity was launched in Jan.2022.
Systematic use of electronic workflows	% of registered documents approved in full electronic mode (without the circulation of paper signatories)	>90%	96%

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

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
Aid Programme				
EUR 2,500,000	UNITED NATIONS DEVELOPMENT PROGRAMME	24/03/2021-27/01/2024	Aid programme 2020 C(2020)4008	SUPPORT TO CULTURAL HERITAGE MONUMENTS OF GREAT IMPORTANCE
EUR 4,715,000		05/07/21-17/09/2024	Aid programme 2020 C(2020)4008	INFRASTRUCTURE FACILITY (LIF) - PHASE 1
EUR 2,600,000		20/12/2021-31/12/2022	Aid programme 2021 C(2021)8905	SUPPORT TO THE COMMITTEE ON MISSING PERSONS IN CYPRUS, PHASE 13
Sub-total EUR 9,815,000				
Technical Support				
EUR 200,000	AGENCE FRANCAISE D'EXPERTISE TECHNIQUE	23/09/2021 – 12/06/2022	Art 11 GR 2020	TECHNICAL SUPPORT FOR ACCOMPANYING IAPR IN ITS CORE REFORMS

<sup>21</sup> Including amendments.

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
EUR 579,627	INTERNATIONAL	17/12/2021 – 3/11/2023	TSI 2021 COM(2021)1335	EU GREEN BUDGETING TRAINING
EUR 2,099,877		6/08/2021 – 6/08/2024	TSI 2021 COM(2021)1335	GOVERNANCE AND PUBLIC ADMINISTRATION, LABOUR MARKET, EDUCATION, HEALTH & SOCIAL SERVICES" - GREECE
EUR 140,000		20/12/2021 – 14/12/2022	SRSP-2020 C(2020)1026	SUPPORT FOR PFM REFORMS: ACCOUNTING REFORM IN GREECE AND PUBLIC SPENDING EFFICIENCY REFORM IN ROMANIA
EUR 82,366.58		15/10/2021 – 29/04/2022	SRSP-2020 C(2020)1026	CAPACITY BUILDING AND ASSISTANCE FOR THE RUNNING OF THE NEWLY ESTABLISHED GENERAL SECRETARIAT FOR EUROPEAN AFFAIRS OF CYPRUS
EUR 3,870,000	CONSEIL DE L'EUROPE* COUNCIL OF EUROPE	12/05/2021 – 12/05/2024	TSI 2021 COM(2021)1335	GOVERNANCE AND PUBLIC ADMINISTRATION, FINANCIAL SECTOR AND ACCESS TO FINANCE
EUR 400,000		01/06/2021 – 31/05/2023	SRSP-2020 C(2020)1026	BUILDING STRUCTURES FOR INTERCULTURAL INTEGRATION IN CYPRUS
EUR 500,000	DEUTSCHE GESELLSCHAFT FÜR INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH*	03/08/2021 – 03/04/2023	TSI 2021 COM(2021)1335	STRENGTHENING THE IMPLEMENTATION OF REGULATORY IMPACT ASSESSMENT IN CROATIA
EUR 600,000		03/08/2021 – 03/04/2023	TSI 2021 COM(2021)1335	IMPLEMENTATION OF CLEAN ENERGY INVESTMENTS UNDER THE GREEK RECOVERY AND RESILIENCE PLAN

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
EUR 1,345,000	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT*BANQUE EUROPEENNE POUR LA RECONSTRUCTION ET LE DEVELOPPEMENT	30/04/2021 30/04/2024	TSI 2021 COM(2021)1335	SUPPORT TO EU MEMBER STATES IN THE IMPLEMENTATION OF REFORMS UNDER THE TECHNICAL SUPPORT INSTRUMENT
EUR 335,000		16/08/2021 30/04/2023	SRSP-2020 C(2020)1026	TECHNICAL ASSISTANCE FOR PARTICIPATION OF BULGARIA IN THE EXCHANGE RATE MECHANISM II AND THE EUROZONE
EUR 425,000	INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (World Bank)	11/05/2021 30/06/2023	Art 11 GR 2020	PROMOTE GREECE AS A GLOBAL LOGISTICS AND VALUE ADDED SERVICES HUB
EUR 100,000		3/08/2021 31/10/2023	Art 11 GR 2020	MODERNIZING VOCATIONAL EDUCATION AND TRAINING SERVICES OF OAED IN GREECE
EUR 1,600,000		14/12/2021 13/12/2023	TSI 2021 COM(2021)1335	SUPPORT FOR THE OPERATIONALISATION OF THE RESILIENCE AND RECOVERY PLAN OF ROMANIA
EUR 400,000		16/08/2021 31/05/2023	TSI 2021 COM(2021)1335	DEVELOPMENT OF THE STRUCTURAL MACROECONOMIC MODEL FOR THE CROATIAN ECONOMY
EUR 350,000		16/08/2021 31/05/2023	TSI 2021 COM(2021)1335	DEVELOPING A MACROECONOMIC AND FISCAL MODEL FOR THE PORTUGUESE MINISTRY OF FINANCE
EUR 350,000		30/08/2021 31/05/2023	TSI 2021 COM(2021)1335	ROMANIA INTERGOVERNMENTAL TRANSFERS FROM THE STATE BUDGET TO LOCAL BUDGETS
EUR 850,000		16/08/2021 30/09/2023	TSI 2021 COM(2021)1335	DIGITAL TRANSFORMATION AND NATIONAL CURRICULUM REFORM OF PRIMARY AND LOWER SECONDARY SCHOOLS IN

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
				SLOVAKIA
EUR 300,000		23/06/2021 30/06/2023	SRSP-2020 C(2020)1026	BUSINESS REORGANISATION OF THE OFFICE OF THE ATTORNEY GENERAL AND THE OFFICE OF THE STATE ADVOCATE
EUR 550,000		28/05/2021 30/04/2023	SRSP-2020 C(2020)1026	BUSINESS ENVIRONMENT REFORM III
EUR 600,000		16/08/2021 31/05/2023	SRSP-2020 C(2020)1026	INTERNAL ENERGY MARKET AND ENERGY TRANSITION IN ROMANIA
EUR 200,000		30/08/2021 31/10/2023	Art 11 GR 2020	MODERNIZING VOCATIONAL EDUCATION AND TRAINING SERVICES OF OAED IN GREECE
EUR 300,000	INTERNATIONAL ORGANIZATION FOR MIGRATION	07/07/2021 07/10/2022	SRSP-2020 C(2020)1026	STRENGTHENING THE CAPACITY OF THE GREEK SOCIAL INTEGRATION DIRECTORATE (SID) FOR THE IMPLEMENTATION OF NATIONWIDE POLICIES AND MECHANISMS FOR THE INTEGRATION OF MIGRANTS IN GREECE
EUR 350,000		22/06/2021 22/09/2022	TSI 2021 COM(2021)1335	ENHANCING GREECE'S RECEPTION AND IDENTIFICATION SERVICE (RIS) CAPABILITY AND READINESS TO MANAGE EMERGENCIES
EUR 600,000	NORTHERN IRELAND CO-OPERATION OVERSEAS (NI-CO) LTD*	06/10/2021 06/11/2022	TSI 2021 COM(2021)1335	REORGANISATION OF SERVICE DELIVERY AND STANDARDISATION OF INTERNAL PROCEDURES OF THE GREEK SOCIAL WELFARE BENEFITS ORGANISATION

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
EUR 225,000		20/11/2021 9/12/2022	SRSP-2020 C(2020)1026	SUPPORT TO THE IMPLEMENTATION OF THE GREEK AUXILIARY PENSION SYSTEM REFORM
EUR 3,125,000	ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT*ORGANISATION DE COOPERATION ET DE DEVELOPPEMENT ECONOMIQUES OCDE	22/04/2020 22/04/2023	SRSP-2020 C(2020)1026	REVENUE ADMINISTRATION AND PUBLIC FINANCIAL MANAGEMENT
EUR 330,000		08/12/2021 07/03/2023	TSI 2021 COM(2021)1335	IMPROVING PUBLIC INVESTMENT EFFICIENCY AND EFFECTIVENESS IN BULGARIA
EUR 8,443,200		06/05/2021 06/05/2024	TSI 2021 COM(2021)1335	GOVERNANCE AND PUBLIC ADMINISTRATION
EUR 5,570,000		06/05/2021 06/05/2024	TSI 2021 COM(2021)1335	SUSTAINABLE GROWTH AND BUSINESS ENVIRONMENT
EUR 300,000		03/08/2021 03/09/2023	TSI 2021 COM(2021)1335	STANDARDISE STATISTICAL INFORMATION FOR BETTER REGULATION
EUR 9,510,000		06/05/2021 06/05/2024	TSI 2021 COM(2021)1335	LABOUR MARKET, EDUCATION, HEALTH AND SOCIAL SERVICES

Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
EUR 1,340,000		06/05/2021 06/05/2024	TSI 2021 COM(2021)1335	FINANCIAL SECTOR AND ACCESS TO FINANCE
EUR 200,000		10/07/2020 15/09/2021	SRSP-2020 C(2020)1026	SUPPORT TO EU MEMBER STATES IN THE IMPLEMENTATION OF STRUCTURAL REFORMS
EUR 350,000		3/08/2021 3/02/2023	SRSP-2020 C(2020)1026	IMPROVING BULGARIA'S INVESTMENT PROMOTION FRAMEWORK TO ENHANCE COMPETITIVENESS AND FOSTER ECONOMIC RECOVERY
EUR 400,000		29/11/2021 14/07/2023	SRSP-2020 C(2020)1026	SUPPORT TO IMPROVE LOCAL COMMUNITY ENGAGEMENT IN IRELAND'S EDUCATION POLICY DEVELOPMENT
EUR 150,000		22/12/2021 22/04/2023	SRSP-2020 C(2020)1026	SUPPORT TO EU MEMBER STATES IN THE IMPLEMENTATION OF STRUCTURAL REFORMS
EUR 1,000	NETHERLANDS ENTERPRISE AGENCY	1/07/2021 31/12/2021	Art 11 GR 2020	RESTRUCTURING AND REFORMING ECONOMIC DIPLOMACY IN GREECE – RVO
EUR 499,975		19/04/2021 19/01/2023	Art 11 GR 2020	RESTRUCTURING AND REFORMING ECONOMIC DIPLOMACY IN GREECE
EUR 350,000	WORLD HEALTH ORGANIZATION*ORGANISAT	12/12/2021 11/12/2023	TSI 2021 COM(2021)1335	SCALING UP BUNDLE PAYMENTS AND STRENGTHENING CLINICAL GOVERNANCE IN HUNGARY



Annual budgetary amount entrusted <sup>21</sup> (EUR)	Entrusted entity	Duration of the delegation agreement	Justification of the selection of the bodies (i.e. reference of the legal basis)	Summary description of the implementing tasks entrusted to these bodies
	ION MONDIALE DE LA SANTE			
<i>Sub-total EUR 47,921,045.58</i>				
<b>Total EUR 57,736,045.58</b>				

**ANNEX 12: EAMR OF THE UNION DELEGATIONS**

Not applicable

**Annex 13: Decentralised agencies and/or EU Trust Funds**

Not applicable

**Annex 14: Reporting on the Recovery and Resilience Facility**

Not applicable