

Management Plan 2021

DG ECFIN

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INTRODUCTION

In line with its mission statement¹, the Directorate General for Economic and Financial Affairs (DG ECFIN) works to contribute to the creation of economic conditions in which all Europeans can thrive, now and in the future, and to develop the means for Europe to be a leading force for stability and prosperity in the world. To achieve this, DG ECFIN contributes to development of policies and the implementation of programmes that underpin economic growth based on competitive sustainability, while preserving macroeconomic and financial stability and contributing to transforming our economies towards climate neutrality. Within the Union, it undertakes economic surveillance based on extensive analysis, focusing on macroeconomic and fiscal policies, and bringing its assessments together under the framework of the United Nations' Sustainable Development Goals (SDGs). In the current economic context resulting from the COVID-19 pandemic, it is in the front line in terms of the support in the acute phase of the crisis and in supporting the recovery, building the conditions for economic growth from the short to the longer term. This includes the provision of buoyancy for the recovery through the Recovery and Resilience Facility, which will deliver financing for investment to underpin the greening and digitalisation of our economies to deliver higher productivity and a better future, and to support policy reforms. ECFIN provides policy support for Economic and Monetary Union, to ensure the effective functioning of the euro and to give Europe a strong economic global presence. DG ECFIN engages in multilateral and bilateral relationships with international financial institutions and channels financial assistance to partner countries, including candidate countries and those in our geographical neighbourhood.

DG ECFIN set out its overall strategy for the five years of President Ursula Von der Leyen's presidency in its 2020-24 Strategic Plan, including its specific objectives to frame its contribution to the attainment of the President's political priorities. This current document – the 2021 Annual Management Plan – presents the envisaged outputs that it will undertake in 2021, as part of its multi-annual strategic plan.

In 2021, economic policy will be tightly bound up in the evolution of the COVID-19 pandemic. At the time of writing – end 2020 – the second wave of the pandemic was underway and the first vaccine had just been approved by the European Medical Agency. Despite circumstances allowing for a cautious optimism, the large and continued uncertainty about the pandemic dominates the economic expectations for 2021 and means that economic policy will need to be responsive to what the future holds.

During 2020, the new pandemic brought with it dramatically reduced economic activity as a result of its first wave which started in Q1, followed by a contained, but nevertheless

¹ The mission statement is set out on page 5 of DG ECFIN's 2020-24 Strategic Plan https://ec.europa.eu/info/sites/info/files/ecfin_sp_2020_2024_en.pdf

significant, second wave in Q4. During 2020, both national governments and the European Union unveiled large support packages, which have the dual effect of protecting workers and companies to enable better outcomes during and after the pandemic. In May 2020 the European Commission presented its plans for an unprecedented support package – Next Generation EU – to help Member States address the economic and social impact of the pandemic whilst ensuring that their economies undertake the green and digital transitions, become more sustainable and resilient. Political agreement with co-legislators was reached in December 2020, with legislative approval to come. Following the entry into force of the Regulation of the Recovery and Resilience Facility which is expected in early 2021, DG ECFIN will be placing all its energy in implementing its provisions, , assisting Member States to prepare their Recovery and Resilience Plans, then assessing them, and preparing for the assessment of payment requests and more generally the monitoring and reporting phase. .

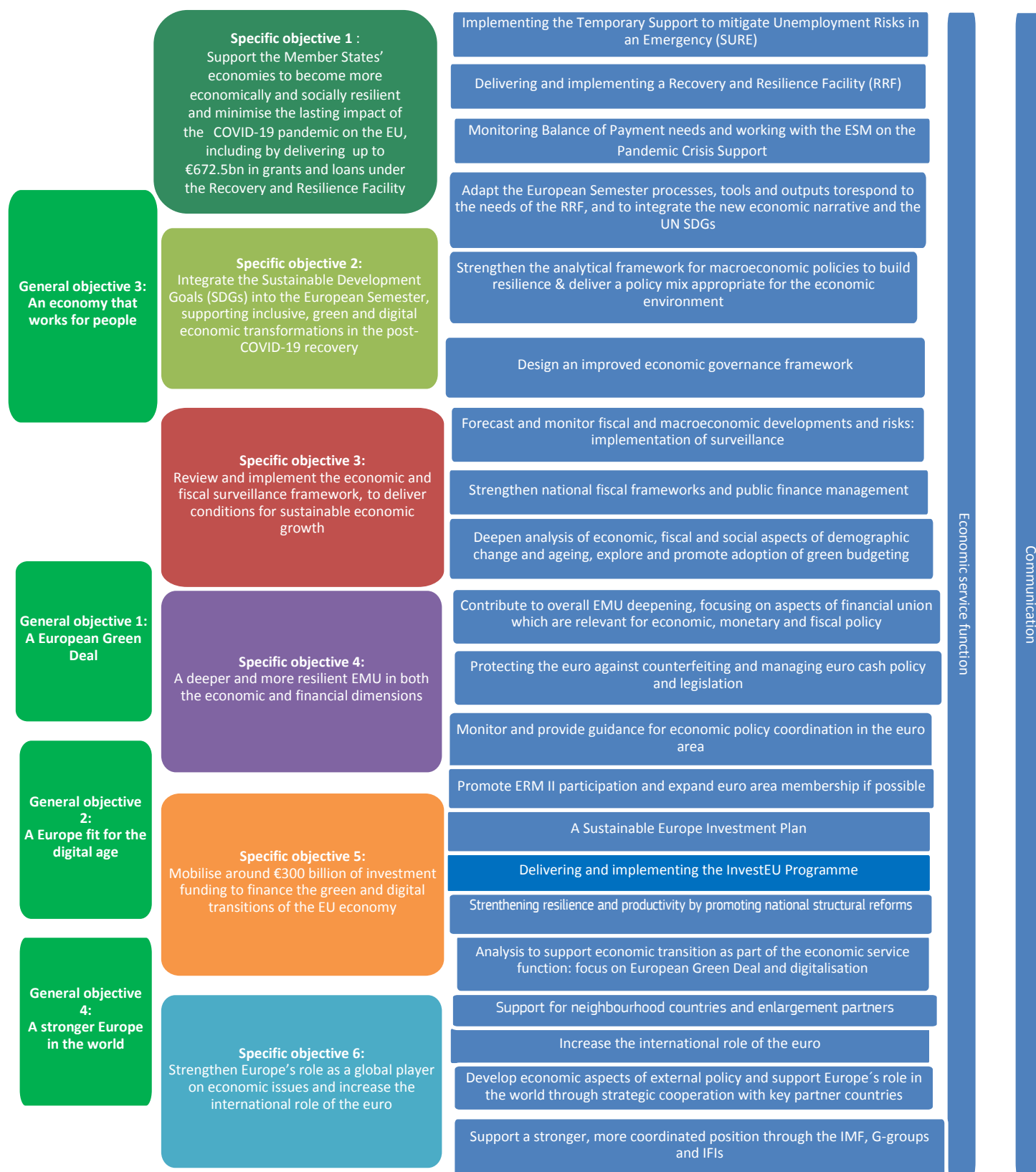
PART 1. Delivering on the Commission's priorities: main outputs for the year

2021 is the second year under the 2020-24 Strategic Plan. This section sets out the main outputs that DG ECFIN will produce, as part of its multi-annual approach. Its outputs will contribute to the attainment of four of the Commission's general objectives: an Economy that Works for People, a European Green Deal, a Europe Fit for the Digital Age, and a Stronger Europe in the World.

Figure 1 sets out the main activities that DG ECFIN will pursue in attaining these objectives. As explained in DG ECFIN's strategic plan, the nature of DG ECFIN's work means that all its specific objectives contribute to more than one general objective. For example, specific objective 5 is concerned with the provision of investment financing: this contributes directly to the European Green Deal and a Europe Fit for the Digital Age, as it finances the green and digital transition. But it also plays a critical role in developing an Economy that Works for People. Moreover, this categorisation has become even more interwoven with the impact of the COVID-19 crisis where investment financing plays a short-term as well as long-term role. While it was previously about creating the conditions for change and growth over time, it is now also concerned with the more short-term recovery.

This web of relations also applies to the activities set out in figure 1: the figure should not be read as categorising activities exclusively to one objective – whether general or specific. Instead, activities will incorporate concerns across different objectives, and their classification is largely a presentational one.

Figure 1: General Objectives, Specific Objectives and Activities



General objective 3: An economy that works for people

Delivering on an economy that works for people is the primary objective for DG ECFIN over the years 2020-24. It does this through surveillance, analysis, coordination, legislative actions – all of which aim to deliver economic conditions under which Europeans can thrive, by marrying social fairness and prosperity – and through the provision of EU financing to governments that will provide them with the ability to support their economies and enact growth-enhancing reforms to support the recovery.

In 2021 it is expected that the EU and the euro area will return to growth, following the recession of 2020. However, this outcome depends on the evolution of the COVID-19 pandemic, including the medical capability to deal with it, and is subject to huge uncertainty. In 2020 the EU agreed an ambitious recovery plan through Next Generation EU; the Recovery and Resilience Facility (RRF) will provide an unprecedented €672.5 billion of loans and grants in frontloaded financial support for the crucial first years of the recovery.

The central economic policy challenge for ECFIN in 2021 will be the implementation of this plan, starting with the assessment of national Recovery and Resilience Plans (RRPs) across Member States, and of payment requests. DG ECFIN will work in close cooperation with the Commission's Recovery and Resilience Task Force in SG RECOVER for the coordination of the Facility's implementation.

The appropriate policy responses will depend on the evolution of the pandemic, and the way it affect the economies of the Member States. This evolution will determine whether national economies find themselves in an acute phase of needing to support their economies through stimulus measures that provide financing to households and firms, or whether the focus shift more towards addressing the legacies of the pandemic and promoting sustainable, inclusive and innovation-based growth with a view to the future.

DG ECFIN will undertake analysis on the interactions between epidemiological and economic developments, so that policy responses can be finetuned to provide targeted support as the pandemic evolves. It will also continue to analyse the diverse drivers of growth, in order to define and promote an agenda for structural reforms conducive to improving people's well-being. This work will incorporate the consequences of the COVID-19 crisis, by addressing through which channels the crisis will shape the medium- to long-run developments, and which policies can be employed to influence these developments.

Specific objective 1: Support the Member States' economies to become more economically and socially resilient and minimise the lasting impact of the COVID-19 pandemic on the EU, including by delivering up to €672.5bn in grants and loans under the Recovery and Resilience Facility

Implementing the instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)

In 2021, DG ECFIN will continue to be responsible of the deployment of SURE², which was agreed and put in place in 2020. It will do so with the contribution of DG BUDG and DG EMPL. SURE provides Union financial assistance to Member States in the form of loans, primarily to help with the financing of their national short-time work schemes and of similar measures aimed at protecting employees and the self-employed that have been put in place as a response to the COVID-19 pandemic. This instrument has proven to be very popular. By late 2020, the Council approved financial assistance totalling €87.9 bn (out of a total availability of €100bn) to 17 Member States. Loan disbursements started in October 2020, to help Member States protect jobs and thus employees and the self-employed against the risk of unemployment and loss of income. Disbursements and the treatment of possible further requests will continue in 2021. Every 6 months DG ECFIN will prepare a report addressed to the European Parliament, the Council, the EFC and Employment Committee on the use of the SURE financial assistance and the continuation of the exceptional occurrence, with the support of DG BUDG and DG EMPL.

Delivering and implementing a Recovery and Resilience Facility (RRF)

On 27 May 2020, the Commission presented a comprehensive plan aimed at protecting lives and livelihoods, repairing the single market and building a lasting recovery. The plan included a revamped Multiannual Financial Framework (MFF) for 2021-2027 and a new instrument, Next Generation EU. As part of this, the Commission adopted a proposal for a Regulation establishing the Recovery and Resilience Facility (RRF). At time of writing, the Regulation was in trilogue. The RRF would provide €672.5 billion in grants and loans to support Member States' economic and social recovery over the coming years. The scale of the support makes it critically important to have safeguards in place that protect the EU's financial interests. The implications for DG ECFIN are discussed in Part 2 of the present document.

During 2021, DG ECFIN will continue to be responsible for assisting Member States in the finalisation of the national Recovery and Resilience Plans. Following the expected adoption

² Council regulation (EU) 2020/672 of 19 May 2020 on the Establishment of a European instrument for temporary support to mitigate unemployment risks in an Emergency (SURE) following the COVID-19 outbreak.

of the RRF legislation in early 2021, the official submission of the Recovery and Resilience Plans should take place, as a rule, by 30th April 2021.

In addition to wrapping up the legislative work, DG ECFIN will continue to prepare and ensure the adequate implementation of this facility in joint leadership with the new RECOVER task force in the Secretariat General. ECFIN staff will work as part of dedicated negotiation teams for each Member State, to assist the national authorities with their work on their Recovery and Resilience Plans. These teams will also take charge of the assessment of the plans and they will prepare the proposals for Council implementing decisions. This will include the accompanying staff working documents and other legal work, including the preparation for payments and reporting. In the second half of 2021, there will also be work on monitoring the implementation and assessment of the first payment requests. To do this, DG ECFIN and the Secretariat General will work jointly, drawing on expertise from other DGs as appropriate.

Monitoring Balance of Payment needs and working with the ESM on the Pandemic Crisis Support

Balance of Payment support is available for non-euro area Member States that are experiencing, or are seriously threatened with difficulties in their balance of current payments or capital movements. Should a non-euro area Member State request such assistance, DG ECFIN stands ready to perform its role. This role consists in preparing the analysis needed for the EFC to approve a BoP operation “in principle”, preparing the legal documents necessary for the Council to grant the financial assistance and, together with DG BUDG (and as needed with DG FISMA), operationalizing the Council decision.

The ESM Pandemic Crisis Support (PCS), based on its enhanced conditions credit line (ECCL), is a precautionary credit line made available by the ESM to all euro area Member States as a response to the Covid-19 crisis. This credit line is available to support domestic financing of direct and indirect healthcare, cure and prevention related costs due to the COVID-19 crisis, up to a combined volume of around €240 billion (or 2% of each euro area Member State’s GDP at end-2019 as a benchmark). In liaison with the ECB, DG ECFIN stands ready to work closely with the ESM and to support any use of the Pandemic Crisis Support instrument, should a Member State request it. This concerns in particular the possible update of the assessment of the eligibility criteria to access the PCS (including the debt sustainability analysis).

External communication

DG ECFIN’s external communication activities will pro-actively promote, explain and debate how the European Commission and DG ECFIN put this key objective into tangible outcomes, on the basis of the corporate Communication Network indicators. The focus will be on explaining the role and purpose of the Recovery and Resilience Facility, the first set of national Recovery and Resilience Plans and their interlinkage with the CSRs and the

European Semester. Communication will also seize the opportunities that SURE will offer to show tangible results and will focus on how the EU provides real economy support to job holders and businesses.

All surveillance milestones will attract attention and will thus provide more communication moments to use when we explain and document the central axis for delivering the Commission's recovery and growth strategy. DG ECFIN will further strengthen and diversify our ties with key stakeholders and the expert public as part of its work in supporting Member States on their paths to post-COVID-19 economic recovery.

To do so, DG ECFIN will cooperate closely with the SG, COMM, partner DGs and use its interinstitutional channels to work together with the Council, the EP as well as with the ESM. ECFIN will continue to strengthen its intelligence gathering and networking activities with the European Parliament to smoothen the negotiation and conclusion of major DG ECFIN files. DG ECFIN's own stakeholders and journalists outreach programme, on digital format whenever necessary, and our cooperation with the European Semester Officials for their own outreach programmes, will all be an important tool in its outreach activities. In addition, external communication will provide assistance for regular press materials, report on key steps in the external ECFIN newsletter, and will elaborate visually attractive and informative social media content, including video clips and animated gifs and regularly review, improve and update DG ECFIN's web presence. It can also be envisaged to dedicate a Euronews episode to aspects of the enriched European Semester. Tailored seminars and DG ECFIN's key annual event, the Brussels Economic Forum, in its new digital format for 2020 or otherwise in a hybrid format, will debate the topic from various angles. A further channel to strengthen the in-house analytical expertise lies in supporting DG ECFIN authors in contributing to the implementation of the academic publications programme.

ECFIN will also cooperate closely with DG COMM on the corporate campaign on the EU response to the coronavirus emergency. In this way, we ensure that we highlight, explain and present with tangible results the economic and financial aspects and DG ECFIN's contribution to the overall response.

Specific objective 2: Integrate the Sustainable Developments Goals (SDGs) into the European Semester, supporting inclusive, green and digital economic transformations in the post- COVID-19 recovery

Adapt the European Semester processes, tools and outputs to respond to the needs of the RRF, and to integrate the new economic narrative and the UN Sustainable Development Goals.

During the 2019-2020 Semester cycle, the first steps were taken to adapt the European Semester process and its main outputs (the Country Reports and the country-specific recommendations) to the new economic narrative centred on the four dimensions of competitive sustainability. Initial steps were also taken to better integrate the United Nations' Sustainable Development Goals into the Semester cycle. In the 2020-21 cycle, the

European Semester will also be adapted to the needs of the RRF, which will be at the centre of EU economic policy-making.

While the Semester remains the framework for economic policy coordination, the implementation of the Recovery and Resilience Facility requires some temporary changes to avoid any unnecessary duplication of procedures and to keep the workload manageable for Member States and the Commission. The Commission will put forward proposals for Council implementing acts, following the submission of Member States' Recovery and Resilience Plans in 2021. These will be accompanied by analytical documents assessing the substance of the plans. These analytical documents will replace the European Semester country reports in 2021.

These temporary changes imply that any further efforts to integrate the Sustainable Development Goals into the Semester will have to focus on the assessment of the Recovery and Resilience Plans, during the transition phase. More specifically, further steps in the integration of the SDGs will have to be reflected in the format, structure and content of the Staff Working Documents accompanying the Council Implementing Decisions. In parallel, ECFIN will continue working on the indicator-based framework to monitor and steer the transition to a climate-neutral and resource-efficient economy.

Strengthen the analytical framework for macroeconomic policies to build resilience & deliver a policy mix appropriate for the economic environment

In view of the severe economic and budgetary impact of the COVID-19 pandemic, the monetary policy response and constraints, and high debt-to-GDP ratios in some Member States, DG ECFIN will support policy making with analytical input on the policy mix in EMU, discussing possible interactions between fiscal and monetary policy in the context of large uncertainty. This will include a range of analyses on the COVID-19 impact and fiscal / monetary policy responses, the interaction between public health issues and the economy, the implications of high government debt and financing needs and low interest rates for the conduct of monetary and fiscal policy, analysis of the interactions between monetary policy, macroprudential policies and fiscal policy, including taxation.

Strengthening resilience to climate change related shocks is a key objective of the upcoming adaptation strategy of the Commission. Within this, DG ECFIN will also contribute to the climate change adaptation strategy in particular by promoting disaster and climate risk management to close the climate protection gap and build resilience. This includes working at gradually incorporating climate change risks in the debt sustainability analysis framework and exploring the scope for coordination of national budgetary risks management frameworks and policies.

External communication

Communication activities will pro-actively promote, explain and debate European Semester milestones integrating the Sustainable Development Goals as the central axis for

delivering on the priorities for a green and digital economic transformation under the evolving circumstances of the post-COVID-19 economic recovery, on the basis of the corporate Communication Network indicators.

Communication actions will follow the rationale explained under specific objective 1.

Specific objective 3: Review and implement the economic and fiscal surveillance framework, to deliver conditions for sustainable economic growth

Design an improved economic governance framework

A communication on an Economic Governance Review – looking the extent to which the different surveillance elements, as introduced or amended by the six-pack and two-pack, have been effective in achieving their key objectives – was published on 5 February 2020. Its aim was to provide background work to launch an open debate. However, the follow-up to the Review has been put on hold in view of the need to focus on the challenges of COVID-19 pandemic. When the public health and economic circumstances permit, consultations with stakeholders will need to be resumed to foster a common understanding of the shortcomings (and stronger points) of the current framework, reveal Member States' preferences about the way forward, and ideally build a consensus on the outline of a reform, be it via legislative changes or improvements in implementation. The debate will have to bear in mind that circumstances have changed substantially since the February 2020 Communication in the wake of the COVID-19 crisis. For example, there is a need to consider the legacy of the crisis in relation to fiscal sustainability and macroeconomic stability and to enhance the economic and social resilience of Member States' economies.

At the same time, the key issues set out in the Communication, such as the need to incentivise public investment, including those needed to support the green and digital transitions, remain valid. Circumstances allowing, DG ECFIN will promote discussions with dedicated notes to committees and presentations at think tanks and in national capitals.

Forecast and monitor fiscal and macroeconomic developments and risks: implementation of surveillance

In 2021 DG ECFIN will continue to implement the surveillance framework in line with the prevailing economic conditions. The economic advice it issues will be mindful of the need to accompany the recovery and build Europe's resilience to shocks. This will include achieving a growth-friendly fiscal stance in the euro area and stimulating investment, while safeguarding fiscal sustainability. On the macroeconomic front, the Macroeconomic Imbalances Procedure will highlight any emergent macro stability risk to facilitate the timely preventive and corrective action and build the long-term resilience of the EU's economies.

In 2021, ECFIN will focus on monitoring the macroeconomic and fiscal impact of Member States' implementation of emergency measures delayed to mitigate the impact of COVID-

19 and other support measures, including those financed by the Recovery and Resilience Facility.

In light of this need and the high uncertainty about the economic consequences of the pandemic, the general escape clause of the SGP, activated in 2020 due to the severe economic downturn in the EU, will remain active in 2021. DG ECFIN will reassess the economic situation and take stock of the application of the general escape clause in spring 2021. DG ECFIN will need to provide input in the policy coordination and surveillance processes and debates to underpin an adequate policy mix.

That input will take into account that Member States should avoid withdraw fiscal support abruptly in 2021 and the importance of credible medium-term fiscal strategies, particularly for highly-indebted Member States. Subsequently, exit strategies will need to balance support against macro stability risks while also considering the need for investment and structural reforms.

A number of outputs are prepared by DG ECFIN to ensure an effective fiscal surveillance and support fiscal and macroeconomic stability in the euro area and the EU. These include regular economic forecasts for the EU and national economies published throughout the year, as well as other documents which can take the form of (i) monitoring, technical and methodological notes to the ECOFIN and its Committees (i.e. EFC, EWG, EPC and their working groups), (ii) legal documents as envisaged under the SGP and, where relevant, accompanying SWDs, (iii) country-specific Commission Opinions on the Draft Budgetary Plans (DBPs), as required by the Two Pack, and (iv) Commission Communications in case of the overall assessment of DBPs in the euro area or in particular circumstances like the Communication on the activation of the General Escape Clause of the SGP adopted in 2020. (v) Commission reports such as the Alert Mechanism Report (AMR).

Budgetary monitoring intensifies in the autumn for euro area Member States, which submit Draft Budgetary Plans for the following year by 15 October. DG ECFIN will assess the Plans against the requirements of the Stability and Growth Pact and the relevant country-specific recommendations and issue an Opinion on each of them in November, so that this guidance is taken into account when national budgets are finalised. Regular publications such as the Vade Mecum on the Stability and Growth Pact foster transparency and allow practitioners in national administrations and fiscal policy experts to keep up to date with the most recent developments in the implementation of the EU fiscal rules.

As part of EU regular fiscal surveillance, DG ECFIN will its annual assessment of fiscal sustainability challenges in EU Member States. A new edition of the Debt Sustainability Monitor is planned for publication in the first quarter 2021 analysing risks to fiscal sustainability using a multi-dimensional approach covering short-, medium and long-term fiscal sustainability challenges, in a comprehensive manner. It will discuss the impact of the RRF on debt sustainability over the medium term and will incorporate a module on contingent liabilities' risk linked in particular to the banking sector. This analysis will feed into different documents including post-programme surveillance reports, and SCPs and

DBPs' assessment. DG ECFIN will also carry on working at gradually incorporating climate change risks in the debt sustainability analysis framework.

DG ECFIN will continue to monitor macro stability risks from macroeconomic imbalances under the Macroeconomic Imbalance Procedure (MIP). While the European semester has been streamlined and adapted to the work with the RRFs, the monitoring under the MIP will continue broadly unchanged. Based on the analysis in the Alert Mechanism Report the general trends of imbalances and macro stability risks are monitored and a number of countries are selected for an in-depth review, planned to be published in the spring of 2021. In February 2020, 9 countries were identified with imbalances and 3 with excessive imbalances and these countries will also have in-depth reviews in 2021 to assess how imbalances are adjusting or aggravating. The assessment and analysis is discussed in Council Committees. In the autumn there will be specific monitoring to follow up on policy implementation to address imbalances but adapted to the new semester cycle. In addition, extensive methodological work is regularly undertaken in collaboration with Council Committees (EPC and LIME).

Strengthen national fiscal frameworks and public finance management

As part of the follow-up of the suitability review for the Budgetary Frameworks Directive and the broader 6/2 pack review as well as in accordance with the ECA (European Court of Auditors) recommendations stemming from the 2019 performance audit on requirements for national fiscal frameworks, work will be undertaken with the aim of improving the design and functioning of national fiscal frameworks in the EU and their articulation with the EU fiscal framework. Subject to the outcome of the consultation and the Commission's decision on the way forward, actions for strengthening the design and improving the effectiveness of national fiscal frameworks may be proposed as appropriate.

Following the entry into force of the Directive on budgetary frameworks, Two-pack and the Fiscal Compact, the monitoring of national arrangements for the conduct of fiscal policies has become part of rule-based fiscal governance in the EU. Going beyond verifying the transposition of the EU requirements for national budgetary frameworks, attention will be devoted to extending the scope of analysis, including on the implementation of these requirements, developing new or improved tools and promoting desirable features in national arrangements. The Fiscal Governance database will continue to be developed as a key tool for collecting information on developments in the national fiscal frameworks, including as regards compliance with numerical fiscal rules. Specific outputs envisaged are: finalisation of the compliance assessment for the Directive on national budgetary frameworks by completing all conform transposition-related EU Pilots and proposing infringements steps where warranted in view of the ECA recommendation; developing a structured methodology focusing on the operational performance of key elements of national fiscal frameworks; and updating the Fiscal Governance database.

Given their role in promoting responsible fiscal policies at national level and implicit compliance with SGP obligations, cooperation with independent fiscal institutions (IFIs) will

be further developed by workshops, maintenance of a virtual collaborative workspace and trainings.

Work will be framed by the ECA recommendation to strengthen the cooperation between the Commission and national IFIs. Outputs include organisation of two meetings of the EU Network of independent fiscal institutions (EUNIFI);

In the context of the adaptation strategy inter-DG work, DG ECFIN will work on promoting disaster and climate risk management to close the climate protection gap and build resilience. This includes working at gradually incorporating climate change risks in the debt sustainability analysis framework and exploring the scope for coordination of national budgetary risks management frameworks and policies.

To promote the quality of public spending, follow-up thematic discussions on spending reviews in the euro area (at the EPC-EA, EWG and EG) are foreseen in the light of the common principles adopted by the EG (based on the Commission's 2019 survey). For 2021, the Commission proposes a discussion on the consistency between annual and multiannual budgetary plans and the spending review process, with a focus also on new developments and needs in the current context.

Deepen analysis of economic, fiscal and social aspects of demographic change and ageing, explore and promote adoption of green budgeting

Projections of the economic and budgetary impact of ageing: in 2021 work will continue to finalise the 2021 Ageing Report, deepening the analysis of the impacts of demographic change. Outputs include agreement with the AWG/EPC on the long-term budgetary projections (to be endorsed end January). Publication of the 2nd volume of the 2021 Ageing Report: economic and budgetary projections for the 27 EU Member States (2019-2070) planned for May 2021. Some meetings with the EPC-AWG to prepare and agree on the 2nd volume of the 2021 Ageing Report, including long-term budgetary projections in the areas of pension, health-care, long-term care and education.

A greater use of green budgeting tools can help to redirect public policies to green priorities and away from harmful subsidies. In 2021, DG ECFIN will continue to promote the adoption of green budgeting practices across Member States, in line with the Commission's Green Deal mandate.³ This will be done by supporting and steering exchanges of experience among Member States on the use of green budgeting (e.g. at the EFC-A, EPC, EFC, ECOFIN) and providing analytical support and guidance. In particular, DG ECFIN will work jointly with the Member States to develop a green budgeting reference framework which is intended to better guide Member States when embarking in these practices. Also, a green budgeting conference will be organised and technical support to Member States will be provided with DG Reform.

³ https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf

Given the surging needs for green public finance statistical indicators, DG ECFIN will support Eurostat in the reflection and work surrounding the developments of these indicators.

Other

DG ECFIN will investigate the medium- to long-run productivity consequences of the Covid-19 pandemic, exploring the various channels through which labour and total factor productivity will possibly be affected. In addition, DG ECFIN will inspect the impact of population ageing on productivity growth, for example through the human capital formation channel.

DG ECFIN will also examine ways to strengthen the public financial management of public investment. This will entail analytical work and discussions with the Member States to identify and then promote best practice in the conduct and implementation of public investment, including in the context of the RRF.

External communication

External communication will pro-actively support the debate on the improvements of the fiscal surveillance framework, on the basis of the corporate Communication Network indicators. Economic and fiscal surveillance is likely to get more communication attention in the context of the continued application of the SGP general escape clause. The debate about the review of the Stability and Growth Pact as a key component of the surveillance system will be the occasion for outreach seminars and in ESO events. In particular, DG ECFIN's stakeholder and journalist outreach programme will be used to that end.

In addition, external communication will provide further support and material as under the general objective 1 (a European Green deal).

Specific objective 4: A deeper and more resilient EMU in both the economic and financial dimensions

Beyond emergency measures, which were taken throughout the EU, the pandemic underlined the importance of a stable architecture of the economic and monetary union (EMU), including a well functioning financial union. The large package of EU instruments proposed by the Commission, under the European Fund for Strategic Investment, Invest EU and Next Generation EU and outlined under specific objectives 5 and 1, support all Member States' economies throughout the economic crisis. In a medium- to long-term perspective, it is necessary to make further progress in the deepening of EMU. Three important files relative to the future of EMU are currently high on the agenda of the von der Leyen Commission, namely: the Banking Union, the Capital Markets Union and the international role of the euro. In 2021, to avoid more permanent scars from the Covid-19 induced economic shock, DG ECFIN will contribute to the European Commission's efforts to implement the large package of EU instruments to support the recovery and strengthen the

resilience of the euro area economy. In this respect, DG ECFIN will also continue its analytical work underpinning actions leading to a deeper EMU.

Contribute to overall EMU deepening, focusing on aspects of financial union which are relevant for economic, monetary and fiscal policy

DG ECFIN will continue to assess the implications of the pandemic for the European financial sector and possible spillovers to the real economy. It will provide, where needed, analytical support in the design of policies intended to safeguard macro-financial stability and ensure the financial sectors' intermediation role in the economy.

DG ECFIN stands ready to contribute to Commission initiatives to complete the Banking Union and to discussions of Member States in this area. In September 2020, the Eurogroup asked their Deputies to resume the work on all the four Banking Union workstreams (European Deposit Insurance Scheme, incentivizing banks to diversify their portfolios, crisis management and cross-border financial integration) in a comprehensive manner as soon as possible, with the aim to report to Ministers in the course of 2021. In October 2020, the European Commission announced new measures to progress on the Banking Union, in its work programme for 2021. In 2021, DG ECFIN will carry out further analysis of the interaction between sovereign bond markets and the broader economy, including as regards issues related to the sovereign-bank nexus. This is particularly relevant in the context of increased public debt levels resulting from Member States' crisis response. It is also of specific importance in view of common EU issuance under Next Generation EU and SURE that will translate into higher issuance of safe assets by European institutions. The experience of SURE will serve as the backdrop for ECFIN to undertake preparatory reflections on the development of a permanent SURE, to support those in work and protect those who have lost their jobs in case of large shocks beyond the Corona pandemic, as well as to reduce pressure on national public finances.

DG ECFIN also stands ready to participate in the implementation and analytical work of the Commission's Capital Markets' Union (CMU) action plan adopted in September 2020 and to support other DGs regarding the implementation of Next Generation EU and the related issuance of EU bonds. DG ECFIN will contribute, in particular, to incorporate strategic objectives of the Commission into these work streams, including deepening EMU, supporting the green and digital transition, and strengthening the international role of the euro. DG ECFIN will also work to deepen the understanding that the increased bond issuance – both by Member States and under the new EU instruments – has on capital markets, and, in turn what that means for the landscape within which EMU operates.

Within the objective of aligning public spending towards green priorities that could sustain the transition, DG ECFIN will support DG FISMA in its reflection of application of the EU Green Bond Standard to sovereigns.

A digital euro may become soon a necessity for the use of the euro as the single currency. A digital euro can provide support to the digitalisation of the European economy – thus

contributing to general objective 2, A Europe Fit for the Digital Age – , can alleviate the difficulties from the decline of the role of cash as a means of payment and can provide the protection of euro area monetary independence against any possible future dominance of forms of non-euro denominated forms of money in the euro area. DG ECFIN stands ready to provide support for the definition of the necessary strong and efficient legal framework, will consider its potential legal tender status, and analyze the effects that a digital euro may have on economic developments, financial stability and the monetary policy transmission mechanism.

Protecting the euro against counterfeiting and managing euro cash policy and legislation

The overall protection of the euro banknotes and coins against counterfeiting and related fraud is achieved through specific legislative measures, training actions financed by the Pericles programmes, technical assistance provided by the European Technical Scientific Centre (ETSC) and coordination among relevant stakeholders within the established cooperation fora with the Member States, the ECB and Europol.

The Pericles programme contributes to the prevention and combatting of counterfeiting and related fraud, enhancing the competitiveness of the EU's economy and securing the sustainability of public finances.

The implementation and management of Commission actions and grants co-financed under the Pericles programme contribute to the overall protection of the euro banknotes and coins against counterfeiting and also establish a close and regular cooperation and an exchange of information among all relevant stakeholders.

The Pericles programme is one of the programmes of the proposed list of instruments for the next Multiannual Financial Framework, 2021-27. Trilogue negotiations with Council and the European Parliament continue on the Commission's proposal for a Regulation of the European Parliament and of the Council for the period 2021-2027, the 'Pericles IV' programme (COM(2018) 369 final of 31.5.2018), and are currently approaching the final stage. The Commission also adopted a proposal for a Council Regulation extending the application of 'Pericles IV' to the Member States that do not have the euro as their official currency (COM(2018) 371 final, 31.5.2018) in continuity with the current programme.

The Commission monitors the application of the Regulation (EU) No 1210/2010 concerning authentication of euro coins and handling of euro coins unfit for circulation. The Commission is also committed to ensuring proper transposition and application of Directive 2014/62/EU of the euro and other currencies against counterfeiting by criminal law. In this framework, based on the report to the European Parliament and to the Council (COM (2019) 311 final), the Commission is preparing infringement procedures for those Member States not having taken the necessary measures to comply with this Directive.

Euro cash policy and legislation aim at a coherent framework of both euro coin legislation, the euro coinage system and cash policy, including the management of the Monetary Agreements with third countries (Andorra, Monaco, Republic of San Marino and Vatican city) and participating in euro coin expert groups with the Member States and the ECB.

The Commission is preparing an impact assessment on uniform rounding rules for cash payments. The Commission will also carry out a prospective study on the impact of uniform restriction on payments in cash to counter in particular money laundering.

This study could possibly lead to an Impact Assessment.

The Commission will (re)convene the euro legal tender expert group (ELTEG) in close coordination with the ECB. Within ELTEG, the Commission will discuss the acceptance and availability issues of cash with the ECB, national central banks and treasuries in view of the recent developments, including the progress towards a digital euro. ELTEG can provide legal expertise to the Commission and contribute to the assessment of a possible EU legislative initiative on euro legal tender.

The Commission contributes to the Council's approval of new national euro coin designs under the euro coin regulation (Council Regulation (EU) No 729/2014), being in charge of checking the technical aspects of the coin design (of regular coins, commemorative and common commemorative coins). Regulation (EU) No 651/2012 details the conditions of coin issuance and also requires the Commission to periodically examine the use of different denominations in euro coins.

The Commission monitors the application of the Regulation (EU) No 1214/2011 on professional cross-border transportation of euro cash by road between euro area Member States.

Monitor and provide guidance for economic policy coordination in the euro area

This activity covers all work relating to the euro area dimension of economic policy – in contrast to work that relates to individual Member States. The recommendations for the euro area (EARs) and the Staff Working Documents (SWD) for the euro area will be important elements of this work. The EARs feed into the European Semester Process and should be taken into account by Member States in the formulation of their Recovery and Resilience Plans (RRPs).

Under this activity, DG ECFIN will be focusing on analytical work, particularly that of a cross-cutting nature, to provide the intellectual underpinning for policy development and policy recommendations. In the near term, this is to ensure that the economic shock accompanying the COVID-19 pandemic remains as short and as limited as possible and does not create permanent damage to our economies and to the sustainability of public finances in the medium term. The analysis will provide a basis for promoting macro-economic and fiscal stability, and growth and employment-enhancing policies in the euro

area, also with the view that the reforms improve economic resilience of Member States and the euro area as a whole.

Promote Exchange Rate Mechanism (ERM) II participation and expand euro area membership if possible

In 2021, DG ECFIN will also continue to monitor and support the economic convergence progress of Bulgaria and Croatia as well as of the other EU Member States that have not adopted the euro within the appropriate frameworks. In the case of Bulgaria and Croatia, DG ECFIN will also work with competent national authorities, to monitor and report on the implementation of their post-ERM II entry commitments. When joining the Exchange Rate Mechanism II (ERMII) in July 2020, Bulgaria and Croatia committed to implement a number of specific policy measures in reform areas of high relevance for achieving a high degree of sustainable economic convergence.

The Bulgarian authorities have committed to implement specific policy measures (i.e. the so-called post-ERM II entry commitments) on the non-banking financial sector, state-owned enterprises, the insolvency framework, and the anti-money laundering framework. Bulgaria has also agreed to continue implementing the extensive reforms carried out in the judiciary and in the fight against corruption and organized crime in Bulgaria, in light of their importance for the stability and the integrity of the financial system. The Croatian authorities have committed to implement specific policy measures on the anti-money laundering framework, the business environment, state-owned enterprises and the insolvency framework. The ERM II parties have agreed that the Bulgarian and Croatian authorities, together with the responsible European Union bodies, will closely monitor the macroeconomic policy developments and the implementation of these policy measures in the appropriate frameworks.

External communication

As part of its Communication activities, ECFIN will continue to explain how the new tools and instruments for a stable EMU architecture help stabilise the economic cycle in the recovery from the COVID-19 emergency and how this relates to the larger picture of a deepening EMU. The different tools as well as further progress in the Banking Union, the Capital Markets Union and EU Green Bonds will require continuous coverage and information, including on the analytical work DG ECFIN will carry out, how they foster investment, reforms and cohesion. This will open further communication possibilities for the bigger picture of EMU deepening to permanently strengthen its architecture.

In context the context of Bulgaria and Croatia having joined ERM II, it remains as important as ever to recall the overall benefits that the single currency brings in combination with a well-functioning EMU, a fully developed Banking Union and Capital Markets Union. In particular relating to ERM II participation developments, the annual results of the Eurobarometer survey in the seven non-euro area Member States will be an important tool to gauge sentiments. In addition, the annual Eurobarometer survey results on citizens' attitudes towards the rounding rules will provide communication opportunities and may link to communication opportunities regarding cash alternatives.

Based on the Communication strategy 2019-24, “Using Communication as an Integral Part of Policy Delivery”, external communication will therefore pro-actively engage DG ECFIN’s wide range of stakeholders and journalists via its outreach programme.

With this aim, DG ECFIN will provide further support and material as under the general objective 1 (A European Green Deal) and objective 3 (An economy that works for people) .

General objective 1: A European Green Deal

Climate change and environmental degradation are the defining challenge for our generation both for Europe and the world. As a response, the European Union has launched the European Green Deal, which is the roadmap to making the EU’s economy sustainable. This strategy aims at a transformation that will result in a modern, resource-efficient and competitive economy where i) there are no net emissions of greenhouse gases by 2050, ii) economic growth is decoupled from resource use and iii) no person and no place is left behind.

In 2021, DG ECFIN will launch its activities relating to the European Green Deal. These are principally set out under specific objective 5 (Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy), which relates to financing activities that will support the economy from the fallout of the COVID-19 crisis and provide funds for much needed investments to support the green and digital transformations. There are three broad strands of activities: the adoption of reforms, the provision of investment, and external policy aspects.

The implementation of the Recovery and Resilience Facility (RRF), which belongs to the actions under specific objective 1 (Support the Member States’ economies to become more economically and socially resilient and minimise the lasting impact of the COVID-19 pandemic on the EU, including by delivering €672.5bn in grants and loans under the RRF) will contribute to the green transition, thus supporting and complementing the European Green Deal. It will do so both by supporting policy reforms that will underpin the economic transition, and through the provision of investment funding. Actions foreseen under the specific objectives 2 (Integrate the Sustainable Development Goals (SDGs) into the European Semester, supporting inclusive, green and digital economic transformations in the post-COVID-19 recovery) and specific objective 3 (Implement an economic and fiscal surveillance framework to deliver conditions for sustainable economic growth) will also contribute to the attainment of this objective and are described later in this section.

Strengthening Europe’s role as a global player on economic issues and increase the international role of the euro (specific objective 6) is also important to the success of the European Green Deal. The promotion and implementation of ambitious environment, climate and energy policies will be more effective if not implemented in isolation from the rest of the world, and promoted through all economic channels both bilateral and multilateral – including the G7, G20, OECD and the IMF.

Specific objective 5: Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy

A Sustainable Europe Investment Plan

On 14 January 2020, the Commission adopted the Communication on the “Sustainable Europe Investment Plan” also referred to as the European Green Deal Investment Plan (EGDIP) as it is the investment pillar of the European Green Deal. The Investment Plan combines funding under the EU budget as well as private investment leveraged through EU budget instruments such as InvestEU to support the climate transition. Beyond that, InvestEU enables a wide range of other investments, including in support of the digital transition. The European Green Deal was the first policy initiative adopted by the new College since the publication of the European Green Deal on 11 December 2019. The Commission has estimated that reaching the current 2030 climate and energy targets will require additional investments of €260 billion a year by 2030⁴.

The Commission also proposed a new EU ambition to reduce greenhouse gas emissions by 2030 in view of COP 26 in Glasgow. It builds on a 2030 Climate Target plan underpinned by an impact assessment as published in October 2020⁵. Additional investments will be necessary to meet our increased ambition and we need a solid funding plan.

In 2021, DG ECFIN will monitor the implementation of the European Green Deal Investment Plan and communicate about the progress. DG ECFIN will also provide technical assistance and advisory support at all levels to identify, develop and implement sustainable investment projects on the ground.

The European Green Deal Investment Plan builds on three dimensions of investments: funding, enabling and executing. While public finance will lead the way in delivering investment, it will be down to the private sector to provide the scale. DG ECFIN will design instruments that should attract public authorities and private investors to sustainable investments. The public sector will need guidance and the appropriate means for making sustainable investments, especially in areas like infrastructure and public services where public actors are the main investors. The Commission has done so already in 2020, through the European Semester and the Country Reports, the review of the economic governance framework and by launching a debate on how to improve EU fiscal governance.

⁴ Compared to a baseline scenario – United in delivering the Energy Union and Climate Action – Setting the foundations for a successful clean energy transition (COM(2019) 285) and including the UK estimated share.

⁵ SWD(2020) 176 final

The green transition will only work if it is fair - and if it works for everyone. This is the purpose of the Just Transition Mechanism (JTM) presented as a core element of the Green Deal Investment Plan. The Just Transition Mechanism is composed of three pillars, the Just Transition Fund, the Just Transition Scheme deployed under InvestEU and a new public loan facility, and will be a combination of public and private money to support workers, citizens and companies of the territories most impacted by the transition.

It will focus on people and territories that rely on fossil fuels or carbon-intensive processes – those living in coal regions in transition, for example. It will support economic diversification and job creation, with re-skilling and up-skilling to make it easier for workers to re-integrate into the labour market.

DG ECFIN will engage with the EIB Group and other International and National Financial Institutions, with the aim of aligning their activities more closely with the European Green Deal objectives. To this purpose, DG ECFIN will build on its solid and strong established network and will mobilise Finance Ministers, as well as national and international financial banks and institutions. DG ECFIN will extend its communication strategy to reach out to private investors in close collaboration with other Commission services and, in particular, DG FISMA.

DG ECFIN will organise an annual Sustainable Investment summit as from 2021. It will take stock of progress across the different work streams included in the European Green Deal Investment Plan, and will be an opportunity to identify new avenues for action and seek buy-in from stakeholders. It will play a crucial role in raising awareness of the EU's position as a frontrunner in the area of sustainable finance and investment and bring on board global actors in promoting sustainable investment. Depending on the final scope and ambition of the event, it might encompass more DGs than just DG ECFIN.

To sustain governments in the green transition, DG ECFIN will continue to promote green budgeting practices across Member States. It will work closely with Eurostat for the development of green public finance indicators and with DG FISMA for an application of the EU Green Bond Standards to sovereigns, as set out under specific objective 3.

Delivering and implementing the InvestEU Programme

The InvestEU Programme was proposed in June 2018 as part of the future long-term EU budget. A proposal for an enhanced InvestEU Programme was put forward by the Commission on 27 May 2020 to better respond to the current economic crisis by providing crucial support to companies and the recovery of the European economy. The InvestEU Fund will grant an EU budget guarantee to allow the EIB Group and other implementing partners to generate higher volumes of investment and focus on higher-risk projects, crowding in private investors. InvestEU is an important element of the Green Deal Investment Plan, which enables significant investment in the climate transition over the next decade. In total, the InvestEU Programme alone is expected to mobilise around €370 billion of additional public and private investment in key EU policy areas such as the climate and digital transition but not only.

The €370 billion of investment mobilised by the InvestEU Programme will also support a wide range of other priorities like research and innovation, SMEs, social enterprises, skills and infrastructure.

InvestEU will contribute to the Sustainable Europe Investment Plan objectives. It has an ambitious climate target of at least 30% of the overall financial envelope and a 60% target of the investment under the Sustainable Infrastructure Window to contribute to EU objectives on climate and environment. Moreover, InvestEU will also play an important role in promoting sustainability among public and private financiers and project promoters, by requiring assessment of the climate, environmental and social impact/s of projects. The InvestEU Programme will also contribute to the Just Transition Mechanism with a new dedicated InvestEU scheme to mobilise private investments for projects in and benefitting to the territories most affected by the transition challenges.

Finally, the InvestEU Advisory Hub will provide advisory services to support the identification, development, and implementation of investment projects, or enhance the capacity of promoters and financial intermediaries to implement financing and investment operations in line with the EU priorities, including climate and environment support actions. At the same time, the InvestEU Portal will continue to offer a free, online, user-friendly tool, providing EU businesses and project promoters in search of financing with the visibility and networking with investors worldwide.

Strengthening resilience and productivity by promoting national structural reforms

ECFIN will continue supporting the establishment and functioning of the National Productivity Boards, primarily by facilitating their joint network. This concerns regular meetings of the Boards to allow exchange of experiences and best practices, discussions on relevant topics and stimulating joint analytical work, which also considers the euro area dimension. The objective is to help the Boards to build up capacity and credibility to contribute to domestic policy discussions on necessary productivity-enhancing reforms, including as part of recovery strategies.

ECFIN will continue building analytical frameworks to assess reform needs and monitor implementation of reforms, including through benchmarking indicators. To promote the implementation of structural reforms, follow-up thematic discussions in the euro area (at the EPC-EA, EWG and EG) are foreseen, focusing among others on the sectoral impact of the Covid-19 crisis.

Economic service function

In 2021, analytical work, including modelling work, will be carried out to assess the various economic consequences of the policies supporting the inclusive and sustainable growth, focusing particularly on digital and green transitions. This concerns the overall macro-economic impact both in the short and long term, covering e.g. consequences on growth,

income inequality, investment, consumption and employment, structural changes as well as the fiscal impact. It also concerns policy design, both in terms of the choice between different policy instruments, but also a more granular analysis of the policy design in specific areas. The economic service function will be exercised in the form of participation in Interservice Consultations and other formal and informal exchanges with Commission services on specific topics where ECFIN's economic expertise is requested. Also, ECFIN will continue to run an informal network of the Commission's chief economists, with regular meetings on topical issues.

External communication

Communication actions will explain how the EU delivers on the Sustainable Europe Investment Plan (SEIP) and the European Green Deal supported by the European semester as well as how it pursues to digitalise the EU economy and how this all links to InvestEU.

For the InvestEU programme, DG ECFIN will launch the new InvestEU website in all EU languages in early 2021 to inform on the rollout and further progress of the InvestEU programme. The communication campaign for the InvestEU programme will be divided in two phases. First, the stakeholder outreach campaign will build on the successful model of the EFSI campaign under the Investment Plan for Europe and will aim to raise awareness of InvestEU, its contribution to the economic recovery and how it benefits stakeholders. The second part of the campaign will focus on citizens to convey success stories and personal testimonials. It will emphasise the human angle by using InvestEU projects as examples for how the EU supports businesses, workers and fosters innovation. This strategy complements the interinstitutional corporate communication campaign on the post-coronavirus recovery and Europe's long-term goals in line with the EU objectives for a green and digital transition, resilience and strategic autonomy.

Further communication actions will include regular press materials, a rich set of visually attractive and informative web and social media content, video clips and gifs, as well as Euronews episodes on aspects and successes. DG ECFIN will work with DG COMM to steer common communication actions on the recovery package to maximise impact and cost-efficiency. DG ECFIN will contribute in substance by providing material on tangible success stories of InvestEU and related topics. Similarly, DG ECFIN will provide tangible success stories and other materials of relevance for the Green Deal corporate campaign which will launch in early 2021. Eye catching infographics, news articles on key steps in the external ECFIN newsletter, selected publications and the stakeholder and journalist outreach programme will prominently feature investment and how funding supports companies and the real economy in the recovery phase. Tailored stakeholder and journalist seminars as well as DG ECFIN's key annual event, the 2020 Brussels Economic Forum, in its new digital format, will include a debate on the specific objective's concepts and plans. Efficient and effective communication will be ensured by planning and coordinating activities on key policy milestones closely with the cabinet communication adviser, the SPP, DG COMM, SG and other concerned services. It will also make full use of the European Semester Officers (ESO) network.

General objective 2: A Europe fit for the digital age

The preservation of our social market economy and the maintenance of and improvement in our living standards is dependent on Europe remaining at the global frontier of productivity. The digital transformation of our economy and our society more widely brings many opportunities, it also brings many challenges on both an economic and a social level. DG ECFIN will contribute to the Commission's digitalisation agenda, through its support for tangible and intangible investment, and by prioritising the need for Europe to develop, invest in and use cutting edge technologies. The impact of the COVID-19 crisis poses additional challenges – both for firms and for governments. In parallel, it highlights the central impact that digital technologies play in today's economy and emphasises the disadvantage that firms and countries that have not invested sufficiently in digital technologies in the past. For this reason, the specific instruments that have been put in place to provide financing for the recovery, will also focus strongly on the digital transformation and the way it impacts on the economic and social resilience of our economies. Special attention will be given to the risk of increasing divergences in the society, for example when disadvantaged children lack access to digital learning, certain groups of employees have no opportunities for teleworking and may suffer most from the Covid-19 pandemic, and when productivity gaps between firms further exacerbate when some firms do not have the financial pockets to invest in digital technologies.

In 2021, DG ECFIN will deliver on this objective through activities under both specific objective 1 (Support the Member States' economies to become economically and socially more resilient and minimise the lasting impact of the COVID-19 pandemic on the EU, by delivering up to €672.5bn in grant and loans under the Recovery and Resilience Facility), and under specific objective 5 (Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy) and under specific objective 2 (Integrate the Sustainable Development Goals (SDGs) into the European Semester, supporting inclusive, green and digital economic transformations in the post-COVID-19 recovery).

As part of its economic service function, DG ECFIN will analytically support the policy initiatives aiming at promoting the development and deployment of digital technologies, the proper use of data, the diffusion of innovation, equipping the population with skills for the future, and making sure that the digitalisation benefits are shared in an inclusive manner. This will include descriptive and empirical analysis, and modelling work to assess the short and long term macroeconomic and fiscal impacts of digitalisation. It will also work on the way in which digitalization affects the functioning of EMU, through a specific workstream on the development of a digital euro, including legal issues, legal tender aspects, economic analysis and monetary policy and financial stability considerations. which is described under general objective 3, an Economy that Works for People, Specific objective 4: A deeper and more resilient EMU in both economic and financial dimensions.

Specific objective 5: Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy

InvestEU will allow public and private investors to take part in this green and digital transformation by providing a EU budgetary guarantee that will de-risk investments performed by its implementing partners. This will give them the chance to invest with positive impact in areas of great interest for the EU.

The InvestEU Programme is a central element of the Sustainable Europe Investment Plan. InvestEU is expected to mobilise around €370 billion of additional public and private investment in various key EU policy areas. This shall include, amongst others: investments in digital connectivity infrastructure (to increase the capacity and resilience of EU networks), support for the digitalisation of transport and promotion of more energy efficient networks, digital connectivity services and data centres as well as online digital platforms or manufacturing facilities for production of Information, Communication and Technology components. It will also cover areas such as decarbonisation of industry, renewable energy, sustainable transport and environment and resources. Through its Research, Innovation and Digitisation window, InvestEU will also support research as well as innovative entities that contribute to the digital transformation of businesses, markets and Member States. Following the amended Commission proposal of May 2020 on the InvestEU Regulation, the programme is expected to enhance its focus on activities which are of strategic importance to the Union, in particular in view of the green and digital transitions.

The InvestEU Fund is a market-based and demand-led, but also a policy-driven instrument. The green priority is a cross-cutting aspect to be addressed throughout all the InvestEU windows, but with the highest focus under the Sustainable Infrastructure Window where 60% of the investment should contribute to EU objectives on climate and environment. The InvestEU Fund will support investments for the digital transformation mainly under the research, innovation and digitisation window. Moreover, InvestEU implementing partners may deploy joint products under several windows of InvestEU. For example, digitalisation aspects are present under the sustainable infrastructure (roll-out of digital technologies), SME (better conditions for portfolios of SMEs wishing to obtain loans for digitalisation purposes) and even the social windows (through support of digital skills).

DG ECFIN is currently negotiating various financial products and advisory initiatives that will be included in the guarantee and advisory agreements with potential InvestEU implementing and advisory partners. DG ECFIN is also organising seminars and working group meetings to involve as much as possible potential implementing and advisory partners in the preparation phase of InvestEU.

External communication

DG ECFIN's communication activities under this general objective will be part of the same package of activities and outputs as under general objective 1 (A European Green Deal) and objective 3 (An economy that works for people).

General objective 4: A stronger Europe in the world

DG ECFIN will contribute to the geopolitical agenda of the Commission, through its conduct of economic policy and through its interactions with global partners. Recent years have seen a shift in the geopolitical landscape, with power relationships in the world adjusting and with the multilateral institutional set-up coming under strain. The European Union remains a strong global power and is economically the second largest market in the world. Over the years of the current Commission, DG ECFIN will contribute to increasing Europe's strength in the world, by harnessing the economic power of the European Union, to reach geopolitical and political aims. Given its key competences and responsibilities in this area, DG ECFIN will continue to contribute to the implementation of key actions identified in the Commission Communication on Strengthening Europe's open strategic autonomy in economy and finance (see more in the section on the international role of the euro below) and to the joint Communication on Multilateralism.

As a most urgent task, DG ECFIN will set up Macro Financial Assistance programmes for enlargement and neighbourhood countries to help them weather the deep impact that COVID-19 pandemic had on their economies. In addition, devising a comprehensive global approach towards the COVID-19 pandemic will require coordination of the strategies at international level. The EU should act as a global leader in international and multilateral organisations – and in particular in the G7, G20 and IMF to advance such cooperation.

In addition to the activities under specific objective 6 (Strengthen Europe's role as a global player on economic issues and increase the international role of the euro), the pursuit of specific objective 3 (A deeper and more resilient EMU in both the economic and financial dimensions) will increase the economic sovereignty of the European Union, enabling it to be self-reliant and to pursue its economic and political objectives with fewer constraints.

Strengthening Europe's role as a global player on economic issues and increase the international role of the euro (specific objective 6) would also help ensure the success of the European Green Deal as it will be less effective if implemented in isolation from the rest of the world.

A stronger role of the EU in international fora and international institutions will permit it to better defend its socio-economic model and achieve General objective 3 (an economy that works for people).

Specific objective 6: Strengthen Europe's role as a global player on economic issues and increase the international role of the euro

Support for neighbourhood countries and enlargement partners

The economic outlook for neighbourhood countries has radically changed following the global spread of the COVID-19 pandemic since early 2020.

The sharp contraction in activity is materialising through several channels, including the fall in domestic consumption and investment, shocks from global demand, comprising notably commodities and tourism, pressure on public finances and [the initial] stress in financial markets. This highlights the importance of a fast, coordinated global response to protect all people, save lives and tackle the economic fallout. In this context, DG ECFIN will continue working to promote, manage and enhance bilateral relations with partner countries, and conducting macroeconomic dialogues to support, in cooperation with the European External Action Service (EEAS) and relevant line DGs, economic policies and reforms in partner countries with a view to promoting sustainable growth and stability. In addition, exceptional financial support in the form of Macro-Financial Assistance (MFA) can help individual neighbouring countries that experience serious balance of payments tensions, provided that they meet the pre-conditions for MFA (incl. respect for democratic mechanisms, rule of law and human rights, as well as the existence of a disbursing adjustment and reform IMF programme). Aside from addressing the beneficiary country's macroeconomic stabilisation needs, MFA also encourages economic adjustments and key structural reforms, through policy conditionality. Through its stabilisation and reform impetus, MFA also supports the efficiency of the other EU financing instruments.

In this context, in 2021 DG ECFIN will continue the implementation of ongoing MFA operations. These include disbursement of the remaining instalments of the €3 billion emergency MFA package for ten enlargement and neighbourhood partners, adopted by the European Parliament and Council on 25 May 2020, to help partners limit the economic fallout of the COVID-19 pandemic. The assistance (provided in loans) is benefitting: the Republic of Albania, Bosnia and Herzegovina, Georgia, the Hashemite Kingdom of Jordan, Kosovo⁶, the Republic of Moldova, Montenegro, the Republic of North Macedonia, the Republic of Tunisia and Ukraine. DG ECFIN has disbursed the first instalments in the second half of 2020 and envisages to disburse the rest during the first half of 2021, provided that all relevant conditions are met. In 2021, DG ECFIN will also continue with the implementation of Jordan MFA III which was adopted by the EU on 15 January 2020.

In addition, in view of the COVID-19 pandemic and the persistent macroeconomic and financial instability in the neighbourhood, DG ECFIN is prepared to intervene with additional MFA if requested and where the conditions for MFA are fulfilled (of having an IMF programme in place and fulfilling the political preconditions). DG ECFIN will also follow the discussions on the revised 2021-2027 MFF, and later participate in the programming phase of the Neighbourhood Development International Cooperation Instrument (NDICI Regulation).

⁶ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

DG ECFIN will continue working to ensure the proper use of MFA funds by i.a. carrying out evaluations of the programmes. In this respect, the evaluation on Ukraine (MFA III) is expected to be finalised in early 2021, whilst the evaluation on Tunisia (MFA II) and Jordan (MFA II) are expected to be launched and finalised in 2021. The evaluations focus on assessing ex-post the contribution of MFA to structural reform and the macroeconomic performance of the recipient country, thereby complementing the MFA implementation reports prepared by DG ECFIN. Furthermore, in 2021, the Commission will work on a meta-evaluation of the MFA operations implemented during the 2010-2020 period. The study, launched in late-2020, will assess the principles and characteristics governing the MFA instrument aiming to provide input on how to improve the instruments' relevance, effectiveness, efficiency, value added and its ability to respond to the priorities of EU external action as well as the day-to-day management of MFA interventions.

Finally, DG ECFIN will continue with its analytical work, including:

- i) Publishing the annual "Report from the Commission to the European Parliament and the Council on the Implementation of MFA to third countries", which contains a detailed analysis of ongoing MFA operations of the past year including information on the economic and financial background in the beneficiary country.
- ii) The bi-annual Economic Overviews of the EU Neighbourhood Countries, one devoted to the Eastern Neighbourhood countries and the other to the Southern Neighbourhood countries, which consist of a regional overview and concise country fiches.

Before the COVID-19 crisis hit, the Western Balkan partners were enjoying several years of relatively robust output growth, which averaged more than 3% a year in 2015-2019. However, as the region is closely linked to the EU economy, the sharp downturn in the EU had knock-on effects on their economies, plunging them into a severe recession. As the crisis is having a large negative impact on revenues from exports and remittances, while also worsening access to foreign capital, balance-of-payment pressures have emerged.

The Union's exceptional financial support in the form of macro-financial assistance (MFA) will help most of the Western Balkan countries⁷ cover part of their external financing needs in 2021 in the context of IMF emergency liquidity assistance ("Rapid Financing Instrument"), reducing in this way their economy's short-term balance-of-payments vulnerabilities related to the COVID-19 crisis. MFA disbursements are subject to the fulfilment of clearly defined economic policy conditions agreed between DG ECFIN and the authorities of each country and laid down in a Memorandum of Understanding (MoU).

⁷ Until now, Serbia is the only Western Balkan country that has not applied for macro-financial assistance or IMF emergency funding.

Even though a recovery is foreseen for all enlargement countries (i.e. the Western Balkans and Turkey) in 2021, they will – to varying degrees – suffer from a deterioration of macro-economic imbalances while significant structural obstacles to growth and competitiveness remain. None of them complies yet with the economic accession criteria.

Therefore, to support the recovery of their economies and advance on the EU accession path, all enlargement countries need to implement structural reforms to remove obstacles to growth and enhance efforts to reduce macroeconomic imbalances (high public debt levels, sizeable unemployment rates compared to EU peers, external sector vulnerabilities etc.). Engaging with the enlargement countries in the economic sphere will contribute to maintaining a credible European perspective for all countries of the Western Balkans, which remains a key driver of reforms and stability in the region.

Our analysis related to the forthcoming annual medium-term economic reform programmes 2021-23 of enlargement countries is meant to promote policies focused on macroeconomic stability and long-term growth, and to prepare the Economic and Financial Dialogue of the EU with the Western Balkans and Turkey in May 2021, which in turn offers jointly agreed guidance to effectively address macroeconomic challenges and structural weaknesses.

DG ECFIN will also evaluate in 2021 the level of preparedness and progress made by enlargement countries towards meeting the economic criteria for joining the EU, which relate to the existence of a functioning market economy and the ability to cope with competitive pressure and market forces within the EU.

Macroeconomic dialogues / subcommittee meetings will be held under the framework of the Stabilisation and Association Agreements between enlargement countries and the EU through 2021, providing another forum for regular information exchange as well as input for assessing the economic situation in these countries.

DG ECFIN will continue its analytical and monitoring work on enlargement countries through quarterly economic reports, assessments of fiscal governance frameworks and the development of data-based scores for measuring compliance with accession criteria.

Increase the international role of the euro

The current crisis and the proposed recovery package is an opportunity to strengthen the euro's international role. Beyond its short-term stabilisation function and its role in supporting the recovery post-crisis, it has the potential to permanently change the EMU and therefore make the euro attractive for third country investors. In particular, the collective action taken at the EU level, including the agreement on the Next Generation EU initiative, has reassured the markets and the policies are likely to increase the euro area's resilience to future shocks. Finally, given the sizeable issuance of euro-denominated debt, the recovery package can strengthen the euro's role as an international reserve currency especially if underpinned by ambitious EMU reforms.

In 2021, DG ECFIN will contribute to the implementation of initiatives announced in the 2020 Communication on Strengthening Europe's open strategic autonomy in economy and finance, including discussions in the Eurogroup, and in particular through boosting Europe's economic institutions and diplomacy. This will help speak with a single and credible economic voice and leverage existing fora to emphasise the credibility of the EMU framework and the mutual benefits for the EU and our partners from a stronger use of the euro. Geopolitical considerations should also play a role in selecting our strategic interlocutors.

For a more selective and strategic approach ECFIN is further developing its understanding of third countries' interest in using the euro more for their currency reserves, investment or trade invoicing. DG ECFIN discussed the international role of the euro with national authorities of non-EU G20 countries over the past two years during regular macro-economic dialogues. Contacts with Ministries of Finance and central banks showed that their knowledge on the extent of the use of the euro in trade exchanges and on the potential existence of barriers to the use of the euro by the private sector in the country was limited. Further engagement with non-EU G20 countries on the international role of the euro will therefore focus on outreach to the private sector and on identifying possible barriers, information gaps but also concrete opportunities for the use of the euro in commercial transactions. To this end, a series of workshops/roundtables with relevant interlocutors from the private sector ((business associations, key representatives from relevant industries, chambers of commerce, etc.) will be organised in the course of 2021 in selected G20 countries. EU Delegations in third countries will implement the outreach activities locally, with support of European business associations where relevant.

Eastern Partnership (EaP) countries have been used as a pilot for other regions in our neighbourhood. Enhancing our understanding of the euro's current status in e.g. Armenia, Azerbaijan, Belarus, Georgia, Moldova, and Ukraine to explore hindrances and opportunities can be seen as an important first step. For four of the countries, the EU is the largest trading partner. It is also a key source of direct investments and remittances for the region. With Georgia, Moldova, and Ukraine, the EU has close political links through bilateral agreements. Finally, the EaP region is characterised by a high degree of dollarisation and therefore may stand to benefit from greater currency diversification. The results of a survey conducted with these countries will be reported upon in a forthcoming discussion paper and DG ECFIN will organise in early 2021 a virtual workshop on the international role of the euro in the EaP countries (postponed from March 2020). Drawing on these experiences, DG ECFIN may consider doing a similar exercise later in 2021 with some of the countries in the Southern Neighbourhood (although, more selectively, recognising the heterogeneity across countries and instability in part of the region).

As part of this narrative and to achieve a stronger international role of the euro, Europe needs to address a combination of short-term and long-term challenges to its economy and the euro that carry internal and external dimensions.

As such this objective is linked to the other objectives to which DG ECFIN contributes and notably to specific objective 3 (Implement an economic and fiscal surveillance framework, to deliver conditions for sustainable economic growth).

Priorities throughout 2021 include:

- Analyse and forecast the global economic impact of the Covid-19 crisis and support key partner countries in shaping the policy response to the crisis and the economic recovery;
- Monitor and assess macroeconomic and financial imbalances in China, identify spill-overs and potential risks for the EU economy, and contribute to shaping the EU's engagement with China on economic issues;
- Monitor and assess macroeconomic policies and financial developments in the US; analyse specific economic issues also with a view to comparison with and spill-over effects on the EU, contribute to shaping the EU's engagement with the US on economic issues;
- Identify and analyse key macroeconomic challenges and developments in emerging market economies, notably in Sub-Saharan Africa and Latin America, with a particular emphasis on debt-related vulnerabilities exacerbated by the Covid-19 crisis and support partner countries in their policy response and economic recovery efforts;
- Promote the European Green Deal and the green dimension of recovery policies in bilateral exchanges with key partner countries and developing a shared analysis of the global macroeconomic implications related to climate change and climate change policies.

Support a stronger, more coordinated position through the IMF, G-groups and IFIs

A key ongoing challenge is the need for a continued well-coordinated international policy response to the COVID-19 crisis as well as preparing for the recovery phase. This reinforces the need to uphold an effective and adequate multilateral system that strengthens the resilience of the global economy to further shocks and helps foster a global recovery which is not only strong, but also balanced, sustainable and inclusive. DG ECFIN plays its part via its leading role in economic policy discussions that take place in the finance track of the G20 and G7 fora and by striving to achieve common positions on issues of key interest for the EU/euro area in the IMF and other IFIs.

Priorities throughout the year include:

- Strengthen the EU's role in global economic governance. First, and foremost, continue the strong response to the COVID-19 crisis both on the health and the economic sides which are strongly interlinked. Strengthen the work on EU's priorities within the G-Groups to foster a better policy mix at the global level, and strengthen policy response and preparedness.

This is essential in view of the international COVID-19 pandemics and the need for strong international cooperation to address it and the inequalities amplified by the impact of the COVID-19 crisis.

- Promote the European Green Deal priority among international partners by establishing bilateral exchanges and strengthened cooperation with relevant international organisations, and by fostering a better understanding in the internal fora of the macroeconomic risks related to environmental challenges and the necessary policies, including in terms of better quality and composition of public finance to deal with them, fostering inclusiveness and equality of opportunities.
- Continue to work on a concerted European approach and coordination on reviews of IMF policies, in particular on those that facilitate an effective crisis support by the Fund. Given the importance of the role of the IMF for global financial stability, it is critical to set out a coordinated approach for IMF lending during the crisis and beyond, for IMF resources and for upcoming policy reviews that revise the Fund's surveillance framework and how climate change is integrated in it, the financial sector assessments, the Fund's policy on capital flows and its analysis of debt sustainability.
- Contribute to the global effort to strengthen public debt transparency and sustainability, including by promoting a multilateral approach to debt relief for low income countries.
- Continue working on global financial governance and resilience, e.g. on on country platforms, global financial resilience and the global safety net.
- Continue the work on the ongoing discussions stemming from the report of the High-Level Group of Wise Persons aimed at improving and rationalising the European financial architecture for development and possible scenarios for its evolution, also in respect to the role of the EIB and EBRD.
- Work closely with the EU Executive Director's office at the EBRD to facilitate the coordination of EU Member State positions at the EBRD Board.

External communication

External communication actions will pro-actively support the narrative of how a stronger international role of the euro can contribute to a stronger Europe in the world. DG ECFIN will continue its annual Eurobarometer surveys in the euro area as well as in the non-euro area Member States. This will serve as solid background information for debating policy and designing communication actions tailored to the specific national sentiment.

DG ECFIN's outreach to key stakeholders and journalists to communicate and debate DG ECFIN's contribution to this essential priority will offer ample opportunities to regularly remind of the clear benefits of the common currency beyond the euro area and the EU. This will also tie in with the specific objective to foster concrete progress on EMU in both the economic and financial dimensions.

In the new circumstances of implementing the economic response to the COVID-19 emergency, there is a huge opportunity to focus communication on how a stronger role of the common currency can mitigate some of the critical international vulnerabilities which became visible in terms of coordination of the strategies at the international level. Communication will therefore stress the importance and utility of the EU assuming more responsibility as a global player in international and multilateral organisations.

To do so, DG ECFIN will support the corporate campaign on NextGenerationEU specifically through the prism of a strengthened role for the euro and by seizing communication opportunities the MFA programme offers regularly. External communication will also seize communication opportunities relating to the sizeable issuance of euro-denominated bonds and the strengthening role of the euro as an international reserve currency. In addition, economic diplomacy and digital coin developments may open the door for new aspects of targeted communication.

Moreover, communication will provide support and material as under the the general objective 1 (A European Green deal) and interlinks to objective 3 (An economy that works for people).

General objective 3: An economy that works for people

Specific objective 1: Support the Member States' economies to become more economically and socially resilient and minimise the lasting impact of the COVID-19 pandemic on the EU, including by delivering up to €672.5bn in grants and loans under the Recovery and Resilience Facility

Related to spending programme(s) ...

Main outputs in 2021:

External communication actions

Output/ Result	Indicator	Target	Lead directorate/unit
Outreach programme for stakeholders and journalists	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook follower growth	500/month	ECFIN A4
ECFIN Social Media	Twitter follower growth	500/month	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
ECFIN Social media	Twitter post engagement rate (average)	3 000	ECFIN A4
ECFIN Social media	Facebook fan engagement rate (average)	1%	ECFIN A4
ECFIN Social media	Twitter fan (average) engagement rate	3%	ECFIN A4
"Real economy" episodes	Completion rate (average all episodes combined)	65%	ECFIN A4
"Real economy" episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
"European Economy Explained" episodes	Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2021 series	250 000	ECFIN A4

Other important outputs			
Output	Indicator	Target	Lead directorate/unit
Develop guidance on public investment management	Present a note with suggestions on how to assess public investment management in the Member States	Q3	Dir C/C4
Possible further requests	Proposal for a Council Implementing Decision		C1
Disbursements of SURE loans	Disbursement authorised and performed		C1
Reporting on SURE	Reports addressed to Parliament, Council, EFC and EMCO.		C1

General objective 3: An economy that works for people			
Specific objective 2: <i>Integrate the Sustainable Developments Goals (SDGs) into the European Semester, supporting inclusive, green and digital economic transformations in the post- COVID-19 recovery</i>		<i>Related to spending programme(s) ...</i>	
Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Lead directorate/unit
Commission Proposals for Council Implementing Decisions on the submitted national Recovery and Resilience Plans	Adopted	Q2-Q4 2021	A1/B4/E/F/G
Accompanying SWD to these Commission Proposals	Published		A1/B4/E/F/G
Operational Arrangements			A1/B4/E/F/G
External communication actions			
Output/ Result	Indicator	Target	Lead directorate/unit
Outreach programme for stakeholders and journalists	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4

	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
ECFIN Social media	Twitter post engagement rate (average)	3 000	ECFIN A4
ECFIN Social media	Facebook fan engagement rate (average)	1%	ECFIN A4
ECFIN Social media	Twitter fan (average) engagement rate	3%	ECFIN A4
“Real economy” episodes	Completion rate (average all episodes combined)	65%	ECFIN A4
“Real economy” episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
“European Economy Explained” episodes	Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2020 series	250 000	ECFIN A4
Sustainable Development Goals virtual/hybrid event	Number of attendees	TBC	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants stating their likelihood to share the information learned	75% very or fairly likely	ECFIN A4

Other important outputs

Output	Indicator	Target	Lead directorate/unit
Assessment of recovery and resilience plans received	Proposals for Council implementing decisions adopted by College Staff working documents finalised	College decision adopted for all plans received by Q3-2021, including adoption of the accompanying staff working documents, Accompanying staff working documents	A1, B4, country directorates
Pre-financing aid	Payments authorised	Payments	B4, R

		authorised for all recovery and resilience plans approved by Council by Q3-2021.	
Assessment of payment requests	Proposal for Commission implementing act submitted to EFC	Proposals submitted for all payment requests received by Q3-2021.	A.1, B4, country directorates, R
Monitoring and reporting	Finalisation of reporting templates for payment requests, bi-annual reporting, performance reporting and fiscal reporting.	The reporting templates are adopted (by College?) and sent to Member States	A1, B4, R

General objective 3: An economy that works for people

Specific objective 3 : Implement the economic and fiscal surveillance framework, to deliver conditions for sustainable economic growth

Related to spending programme(s) ...

Main outputs in 2021:

Public consultations

Output	Indicator	Target	Lead directorate/unit
Review and evolution of the economic and governance framework	Public documents, report to Committees, presentation in capitals and workshops	Possible communication on the evolution of the EU surveillance framework	A1, B1, C1, C4


External communication actions

Output/ Result	Indicator	Target	Lead directorate/unit
Outreach programme for stakeholders and journalists	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4

	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
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“Real economy” episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
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ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2021 series	250 000	ECFIN A4

Other important outputs

Output	Indicator	Target	Lead directorate/unit
MIP In-Depth Reviews	Publication of IDRs for the Member States selected in the Alert Mechanism Report	Q2 2020	E, F, G, B1
Alert Mechanism Report (AMR)		Q4 2021	B1
Debt Sustainability Monitor 2020	Publication	Q1 2021	C2
2021 Ageing Report: economic and budgetary projections for the 27 EU Member States (2019-2070)	Publication	Q2 2021	C2
Cooperation with national independent fiscal institutions	14 th EUNIFI meeting organised 15 th EUNIFI meeting organised	Jan 2021 Q3 2021	C4
Update of the Fiscal Governance database	Update for 2019 published	Q1 2021	C4
Strengthening of production and use of fiscal statistics	EDP notifications Annual meeting EFC sub-committee on statistics	Q2/Q4 2021 Q4 2021	C4
Horizontal assessment of the 2021 Stability and Convergence Programmes	Publication	Q3 2021	C1, A1
Communication on horizontal assessment of the 2022 Draft Budgetary Plans	College adoption	Q4 2021	C1, A1

General objective 3: An economy that works for people			
Specific objective 4: A deeper and more resilient EMU in both the economic and financial dimension		Related to spending programme(s) ...	
Main outputs in 2021:			
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Lead directorate/unit
 Uniform rounding rules for cash payments - legislative proposal (pending the results of the impact assessment) (PLAN/2020/8299)	College adoption	Q4	C5
Evaluations and fitness checks			
Output	Indicator	Target	Lead directorate/unit
Pericles 2020 Programme ex-post evaluation	Publish evaluation	Q4	Dir C / C5
Greece economic adjustment programmes ex-post evaluation	Publish evaluation	Q4	Dir F / F2
External communication actions			
Output/ Result	Indicator	Target	Lead directorate/unit
Outreach programme for stakeholders and journalists	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
ECFIN Social media	Twitter post engagement rate (average)	3 000	ECFIN A4
ECFIN Social media	Facebook fan engagement rate (average)	1%	ECFIN A4

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"Real economy" episodes	Completion rate (average all episodes combined)	65%	ECFIN A4
"Real economy" episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
"European Economy Explained" episodes	Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2021 series	250 000	ECFIN A4
Other important outputs			
Output	Indicator	Target	Lead directorate/unit
Analytical input on the policy mix and other economic developments in the euro area in the current context	Publication of Quarterly Report of the Euro Area	Quarterly	C3
Exchange, assistance and training programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV' programme)*	Adoption	Q1	C5
Extending to the non-participating Member States the programme for the protection of the euro against counterfeiting for the period 2021-2027 (the 'Pericles IV' programme)*	National approval procedures started	Q3	C5
Commission Decision concerning the adoption of the work programme for 2021 of the Pericles IV Programme	College adoption	Q1 2020	C5
Prospective study on the impact of restrictions on payments in cash	Final report from the contractor	Q4	C5
Meetings of the euro legal tender expert group (ELTEG)	Recommendation to the Commission	Q4	C5
Report from the Commission to the European Parliament and the Council concerning authentication of euro coins and handling of euro coins unfit for circulation. Under Art. 125(5) of Reg. (EU) No 1210/2010 of the European Parliament and of the Council of 15.12.2010	College adoption	Q4	C5

General objective 1: A European Green Deal			
Specific objective 5: Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy		Related to spending programme(s) ...	
Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Lead directorate/unit
Commission Delegated Decision supplementing Regulation of the European Parliament and of the Council establishing the InvestEU Programme, setting out the investment guidelines PLAN/2018/3943	Adoption of the Delegated Decision by the Commission	1Q2021	L3
Commission Delegated Decision supplementing Regulation .../... of the European Parliament and of the Council establishing the InvestEU Programme, setting out the scoreboard PLAN/2019/5464	Adoption of the Delegated Decision by the Commission	2Q2021	L3
Commission Implementing Decision (EU) .../... establishing the InvestEU Portal and setting out its technical specifications PLAN/2020/8453	Adoption of the Implementing Decision by the Commission	1Q2021	L2
Public consultations			
Output	Indicator	Target	Lead directorate/unit
Outreach private investors to European Green Deal/Sustainable Europe Investment Plan (EGDIP)	Meetings/contacts undertaken	Throughout the year	L2/L3
Engage with other International and National Financial Institutions with the aim of promoting the alignment of their activities more closely with the European Green Deal objectives	Meetings/contacts undertaken	Throughout the year	L2/L3
External communication actions			
Output/ Result	Indicator	Target	Lead directorate/unit
Stakeholders and journalists outreach programme	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU	50%	ECFIN A4

	and/or its institutions		
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
ECFIN Social media	Twitter post engagement rate (average)	3 000	ECFIN A4
ECFIN Social media	Facebook fan engagement rate (average)	1%	ECFIN A4
ECFIN Social media	Twitter fan (average) engagement rate	3%	ECFIN A4
EU citizens watch “Real economy” episodes	Completion rate (average all episodes combined)	65%	ECFIN A4
EU citizens watch “Real economy” episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
“European Economy Explained” episodes	Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2020 series	250 000	ECFIN A4
Annual Sustainable Investment Summit in the context of the Sustainable Europe Investment Plan	Hybrid summit with a mix of virtual and physical meetings to take stock of progress with the implementation of the Sustainable Europe Investment Plan	2021	ECFIN L3/A4
InvestEU website	Number of visits	250000	ECFIN A4
	Number of page views	400000	ECFIN A4
	Number of returning visitors	150 000	ECFIN A4
InvestEU launch virtual event	Number of attendees:	200	ECFIN A4
	Overall usefulness of the event for attendees	8 of 10	ECFIN A4
	Percentage of attendees who declared that they would share or speak positively about the event	70%	ECFIN A4
European Sustainable Investment Summit	Number of attendees	TBC	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants stating their likelihood to share the	75% very or fairly likely	ECFIN A4

	information learned		
Other important outputs			
Output	Indicator	Target	Lead directorate/unit
Strengthen dialogue with the IMF on climate questions	Strengthen dialogue with the IMF on how to include climate questions into macroeconomic surveillance.	Throughout 2021	Dir D/D3
Promote the adoption of green budgeting practices in the Member States	Agree on a reference framework with the Member States Collaborate with DG Reform in technical support on Green budgeting Organise a green budgeting conference	Jan 2021 Q2-Q4 2021 June 2021	Dir C/C4
Strengthen the management of climate-fiscal risks across Member States, in the context of the adaptation strategy	Present best practice in disaster risk management	Q3 2021	Dir C/C4
Commission Notice Guidance document on Climate and environmental tracking methodology PLAN/2020/8451	Adoption of the Guidance by the Commission	1Q2021	L3
Commission Notice Guidance document on Sustainability proofing methodology PLAN/2020/8452	Adoption of the Guidance by the Commission	1Q2021	L3
Commission Decision setting out the Internal Governance of the InvestEU Programme PLAN/2020/9278	Adoption of the Decision by the Commission	1Q2021	L2
Commission Decision on the nominees to the Advisory Board of the InvestEU Programme and setting out the Rules of procedure of the Advisory Board	Adoption of the Decision by the Commission	1Q2021	L2
Commission Decision on the Steering Board members of the InvestEU Programme PLAN/2020/9279	Adoption of the Decision by the Commission	1Q2021	L2
Commission Decision on the selection of the Investment Committee members of the InvestEU Programme	Adoption of the Decision by the Commission	2Q2021	L2
Development of the partnership agreement defining the role of the EIB Group as a privileged partner under the InvestEU programme	Signature of the EIB partnership agreement	3Q2021	L4
Development of financial products to address specific EU policy priorities	Signature of the Guarantee Agreements with InvestEU Implementing Partners	3Q2021	L3
Development of advisory initiatives to address specific EU policy	Signature of the Advisory	3Q2021	L2

priorities	Agreements with InvestEU Advisory Partners		
Comprehensive Report to the European Parliament and the Council on the use of the European Fund for Strategic Investments (EFSI) EU guarantee and the functioning of the European Fund for Strategic Investments (EFSI) guarantee fund	Adoption of the Report by the Commission	June	L4

General objective 2: A Europe fit for the digital age			
Specific objective 5: Mobilise around €300 billion of investment funding to finance the green and digital transitions of the EU economy		Related to spending programme(s) ...	
Main outputs in 2021:			
External communication actions			
Output/ Result	Indicator	Target	Lead directorate/unit
Stakeholders and journalists outreach programme	Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	Number of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	Number of (digital) participants	25 000	ECFIN A4
	Satisfaction rate	8 of 10	ECFIN A4
	Number of participants who made useful contacts	50%	ECFIN A4
ECFIN Social media	Facebook post engagement rate (average)	1 500	ECFIN A4
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ECFIN Social media	Twitter fan (average)engagement rate	3%	ECFIN A4
EU citizens watch “Real economy” episodes	Completion rate (average all episodes combined)	65%	ECFIN A4
EU citizens watch “Real economy” episodes	Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
“European Economy Explained” episodes	Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	Publication page views, all four 2021 series	250 000	ECFIN A4
Other important outputs			
Output	Indicator	Target	Lead directorate/unit

EIF governance and shareholding	<p>(i) Board preparation work, timely and effective preparation of the regular briefings for the Commission representatives in the governing bodies.</p> <p>(ii) Preparation of clear and substantiated LTTs for submitted proposals</p> <p>(iii) Follow-up of outstanding issues</p> <p>(iv) Communication with EIF</p>	<p>(i) 10 Briefings/year related to the EIF Board</p> <p>(ii) 11 briefings/year for the EIF standard Written procedure</p> <p>(iii) 10 briefings/year for the EIF specific Written procedure related to Pan-European Guarantee Fund</p> <p>(iv) 5 briefings/year related to extraordinary Board Meetings</p>	L1
EIB governance	<p>(i) Board preparation work, timely and effective preparation of the regular briefings for the Commission representative in the Board of Directors.</p> <p>(ii) Preparation of clear and substantiated LTTs for submitted proposals.</p> <p>(ii) Follow-up of outstanding issues</p> <p>(iv) organization of preparatory meetings with associated DGs</p> <p>(v) Communication with the EIB.</p>	<p>10 briefings/year related to regular EIB Board meetings.</p> <p>1 briefing/year for the EIB Annual Meeting of the Board of Governors.</p> <p>5 briefings/year related to extraordinary Board Meetings.</p> <p>All briefings for Board Written Procedures delivered within the deadline (expected +/- 40 briefings/year)</p>	L1

Preparation of Commission opinions under Article 19(2) of the EIB Statute	<p>(i) Preparation and follow up of Inter-Service Consultations (ISC) on EIB projects in accordance with Commission Implementing Decision C(2017) 1666 final of 22 March 2017.</p> <p>(ii) Coordination with >20 DGs and services consulted in accordance with Decision C(2017) 1666 final.</p> <p>(iii) Preparation of files for Commission opinion in accordance with the empowerment procedure.</p>	<p>Closure of ISC for +/- 400 new projects per year.</p> <p>Preparation of +/-75 files/year for decision by empowerment.</p>	L1
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General objective 4: A stronger Europe in the world

Specific objective 6: Strengthen Europe's role as a global player on economic issues and increase the international role of the euro

Related to spending programme(s) ...

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Lead directorate/unit
Joint Communication on Strengthening Europe's open strategic autonomy in economy and finance (PLAN/2020/9266 – CWP 2020)	Communication prepared by FISMA with ECFIN being associated as well as other services providing input	Mid-January 2021	Dir. D/D3
 Joint Communication on Multilateralism (PLAN/2020/8708)	Communication prepared by SG with DEVCO and EEAS with input for services including ECFIN	Mid-February 2021	Dir. D/D3
 Implementation of Macro-Financial Assistance (MFA) operations in partner countries	Release and Borrowing Decisions (for the ten countries included in the MFA package of Decision 2020/701), and for Jordan (under Decision 2020/33)	2021-Q1 and 2021-Q2	Dir. D/D2/D1

Evaluations and fitness checks

Output	Indicator	Target	Lead directorate/unit
Assessment of enlargement countries' medium-term ERPs	– Producing the Commission staff assessment of the ERP for each enlargement country	2021-Q2	Dir. D/D1

	(i.e. candidate countries and potential candidates) - Preparing the Economic and Financial Dialogue of the EU with the Western Balkans and Turkey which adopts joint conclusions with country-specific policy guidance		
Assessment of enlargement countries' state of compliance with the economic accession criteria	Economic chapter of the country reports under the Enlargement Package	2021 Q1-Q2	Dir. D/D1
Regular subcommittees on economic issues with enlargement countries	Annual dialogues with Albania, Bosnia and Herzegovina, North Macedonia, Kosovo, Montenegro, Serbia and Turkey	Throughout 2021	Dir. D/D1
Regular monitoring and assessment of major macroeconomic & macrofinancial developments in enlargement countries	Notes and/or Economic Briefs	Throughout 2021	Dir. D/D1
Economic forecasts for enlargement countries, neighbourhood countries and rest of the world (with a focus on Russia, China, Japan, US, EFTA)	Publication -> Winter Forecast -> Spring Forecast -> Summer Forecast -> Autumn Forecast	Throughout 2021	Dir. D/D1//D2/D4
Ex-Post Evaluations of completed Macro-Financial Assistance operations	Ex-Post Evaluations on MFA-III Ukraine, MFA-II Jordan, MFA-II Tunisia	Throughout 2021	Dir. D/D2
META-Evaluation of MFA operations (2010-2020)	Launched: 2020-Q4	Throughout 2021	Dir. D/D2
Public consultations			
Output	Indicator	Target	Lead directorate/unit
Open Public Consultation as part of the META-Evaluation of MFA operations (2010-2020)		2021-Q1	Dir. D/D2
External communication actions			
Output/ Result	Indicator	Target	Lead directorate/unit
EU Common Messages for the IMF Executive Board discussions	Issuance of Common positions by EU/EA IMF Executive Directors for IMF Executive Board discussions on key policy issues or SCIMF Common Messages	Throughout 2021	Dir. D/D3
EU G20 members unity in G20 meetings	- EU G20 Terms of Reference approved by ECOFIN	Throughout 2021	Dir D/D3

	- Preparing strategic discussions in EFC on G20 Priorities every 6 months		
Outreach programme for stakeholders and journalists	- Satisfaction rate as measured in questionnaires	8.0 out of 10	ECFIN A4
	- Number of participants stating their likelihood to share the information	70% very or fairly likely	ECFIN A4
	- Nr of participants who have a better opinion of the EU and/or its institutions	50%	ECFIN A4
Brussels Economic Forum 2021	- Number of digital participants	25 000	ECFIN A4
	- Satisfaction rate	8 of 10	ECFIN A4
	- Nr of participants who made useful contacts	50%	ECFIN A4
ECFIN Social Media	- Twitter follower growth	500/month	ECFIN A4
ECFIN Social media	- Facebook post engagement rate (average)	1 500	ECFIN A4
ECFIN Social media	- Twitter post engagement rate (average)	3 000	ECFIN A4
ECFIN Social media	- Facebook fan engagement rate (average)	1%	ECFIN A4
ECFIN Social media	- Twitter fan (average) engagement rate	3%	ECFIN A4
"Real economy" episodes	- Completion rate (average all episodes combined)	65%	ECFIN A4
"Real economy" episodes	- Views per video in first quarter (page views on website & apps)	80 000	ECFIN A4
"European Economy Explained" episodes	- Views per video in first quarter	10 000	ECFIN A4
ECFIN E-newsletter	- Subscriber increase	8%	ECFIN A4
ECFIN Corporate web presence	- Number of visits, monthly average (Piwik)	120 000	ECFIN A4
ECFIN Corporate web presence	- Number of page views, monthly average (Piwik)	230 000	ECFIN A4
ECFIN Publication programme	- Publication page views, all four 2021	250 000	ECFIN A4

	series		
Other important outputs			
Output	Indicator	Target	Lead directorate/unit
Annual Report from the Commission to the European Parliament and the Council on the Implementation of MFA to third countries",		June 2021	Dir. D/D2
Bi-annual Economic Overviews of the EU Neighbourhood Countries	<ul style="list-style-type: none"> ▪ Overview of Eastern Neighbourhood countries ▪ Overview of Southern Neighbourhood countries 	Spring 2021 & Autumn 2021	Dir. D/D2
Representing EU in G20 Working Groups and preparing outcome documents for G20 Finance Ministers and Central Bank Governors Meetings and G20 Leaders Summit.	Preparing and representing the EU in the G20 Finance Track and related G20 Working Groups including: <ul style="list-style-type: none"> - Framework for Growth Working Group - International Financial Architecture Working Group ▪ Global Partnership for Financial Inclusion 	Through out 2021	Dir D/D3
Representing the EU in international fora and meetings	Preparing and taking part in <ul style="list-style-type: none"> - G7 and G20 meeting and Summits ▪ The IMF Spring and Annual meeting 	Through out 2021	Dir D/D3
Regular macroeconomic dialogues on economic issues with non-EU G20 countries	<ul style="list-style-type: none"> ▪ Annual dialogues with Australia, India, China, Brazil, Mexico, GCC countries, Argentina, South Africa, Japan and Korea 	Throughout 2021	Dir. D/D4
Regular monitoring and analysis of global economic issues and of major macroeconomic & macrofinancial developments in non-EU G20 countries	<ul style="list-style-type: none"> ▪ Notes, newsletters and/or Economic Briefs 	Throughout 2021	Dir. D/D4
European Financial Architecture for Development (Wise Persons Group)	Contribute to the discussion on European Financial Architecture with Member States in the Council Working Groups	End 2021	L1
Communication to the Commission on the 2020 Annual Report of the EU Governor of the EBRD to the European Parliament	Adoption of the Communication	Q4	L1

PART 2. Modernising the administration: main outputs for the year

The RRF will inevitably impact considerably on DG ECFIN's work in 2021, as it is the biggest spending facility of the EU budget for which DG ECFIN is co-responsible together with SG RECOVER. Given the sheer size of the support, no effort can be spared by Commission services in general, but DG ECFIN and SG-RECOVER in particular, to ensure safeguards are in place that protect the EU's financial interests. Such safeguards will focus on avoiding potential irregularities or fraud and on assuring sound financial management. To that end, the long experience that other services in the Commission have in, for example, regional funding will be leveraged. An additional challenge is that RRF spending will not be triggered by the completion of concrete projects but by the achievement of milestones and targets; hence there will not be the same cost-based paper trail that underpins regional funding. DG ECFIN is especially affected by this challenge, as DG ECFIN's Director General will be the facility's sole authorizing officer. As DG ECFIN has only received 5 new posts for this gigantic initiative so far and a very limited amount of extra posts for the new InvestEU initiative, delivering our operational goals requires extremely clear prioritising.

In 2021, DG ECFIN's administrative priority will be helping ensure that the programmes funded by Next Generation EU (NGEU) to assist Member States cope with the economic fallout from the COVID-19 pandemic function well. To do this, DG ECFIN will focus on making sure that it employs a competent, engaged workforce able to deliver all our operational goals whilst contributing to gender equality across the whole hierarchy. The DG will manage its resources in accordance with the principles of sound financial management and will strive to have cost-effective controls in place which give the necessary guarantees concerning the legality and regularity of the underlying transactions. To ensure that the risk of fraud is kept at a minimum DG ECFIN will implement the Commission Anti-Fraud Strategy and its own Anti-Fraud Strategy. For the RRF where the first line of defense lies with the Member States, the control architecture is a particular challenge as the Commission remains fully accountable on the matter.

The internal control framework⁸ supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are taken into account and reduced to acceptable levels through cost-effective controls. DG ECFIN has established an internal control system tailored to its particular characteristics and circumstances, and is adapting it to account for the changed working and control environment of the COVID-19 pandemic. This system will have to be adapted to the new funding reality; in addition, the effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

⁸ [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

A. Human resource management

Human resource management in 2021 will continue to be greatly affected by the COVID-19 crisis. This includes DG ECFIN's new role in the programmes funded by Next Generation EU (NGEU). The current environment continues to evolve and remains unpredictable. The role of the HR BC team is impacted on two levels. Firstly, there are important staff management considerations, common to all Commission services, in terms of the working conditions and well-being of individual staff members. Second, DG ECFIN is a front-line DG in the EU's policy response to the crisis and as such, at an organisational level, flexibility and agility will be required to allow the DG to continue to react quickly and effectively to evolving and urgent policy needs.

The ongoing heavy workload, the limited number of additional resources and the difficulties in recruiting and integrating new staff in the current circumstances look likely to present considerable challenges in 2021. On the one hand, the potentially large number of additional posts and contractual positions added to the DG's work force will help hugely in tackling the operational objectives but, on the other hand, these vacant posts pose their own challenge: finding the right staff with the right profile. New approaches to identifying talent will be required, given the delay of specialist competitions in economics and the need to recruit staff with the particular skills-sets demanded for the implementation of the new instruments. These challenges are bigger still when it comes to identifying female talent. In this context, human resource planning and management must be flexible and agile. New working methods allowing more flexibility to work on matters outside units' remits will have to be elaborated allowing knowledge and experience to be bundled in the most efficient way.

As is now standard practice, 2021 will see a continued revision of the staffing allocation to ensure that DG ECFIN's allocation and organisational structure fully supports the DG's political and operational priorities. Notably, a first challenge will be to ensure the smooth implementation of the organisational changes taking place in January 2021. This will address the needs generated by ECFIN's responsibility for InvestEU, SURE and its co-leading role in relation to the RRF, the latter of which in particular will also require new joint working methods with other services. Further evaluation of ECFIN's organisational needs may lead to additional changes in 2021. With a view to continuing efforts to create a more diverse management teams, DG ECFIN is committed to increasing gender balance at senior management level and to maintaining appropriate representation at Deputy Director level. It will seek to move closer to its established target for first female appointments at middle management level, with one new appointment by the end of 2021. In addition, in view of the Commission target for 50% representation of women at Deputy Head of Unit level by the end of 2022, DG ECFIN will actively work to strengthen capacity at this level. Recognising the importance of maintaining a targeted learning offer, DG ECFIN will continue to support its highly specialised workforce by moving its core business-related courses on-line, in as far as is possible and anticipating new learning needs in relation to DG ECFIN's evolving policy remit.

In addition to this, a number of on-line sessions focusing on staff well-being will be organised, to help address the mental and physical impact of the ongoing lockdown period. Appropriate support will also be offered to colleagues where required, in relation to the current working context, progressive deconfinement and back to work measures. Particular attention will be paid to the results of staff surveys in designing such initiatives.

To ensure that DG ECFIN's staff are fully aware of and contribute to the design of internal HR initiatives, DG ECFIN's HR BC and internal communication teams will continue to work closely together, adopting participatory methods to promote open discussion and gather feedback and input from staff and managers.

Finally, in line with central recommendations, DG ECFIN will draw up an HR Strategy setting out its priorities in terms of human resource management for this Commission's mandate. This will be presented to DG ECFIN senior management by Spring 2021.

Objective: DG ECFIN 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

Main outputs in 2021:

Output	Indicator	Target
Higher female representation in middle management	Number of first female appointments to middle management positions	1 additional appointment by the end of 2021 5 female appointments to Deputy Head of Unit positions by the end of 2021
Support for staff well-being	Organisation of on-line sessions and targeted workshops on well-being topics	5 activities by the end of 2021
Staff engagement	Staff engagement index recorded in the Commission Staff Survey, 72% in 2018	Improvement if possible

B. Sound financial management

DG ECFIN manages direct and indirect management types of operations and applies various control systems and forms of assurance to ensure the legality and regularity of its financial transactions.

We have not identified any design or operating deficiencies, and the cost-effectiveness of our transactions is acceptable. The "timely execution of payments" indicator largely complies with the defined target; it will remain a key indicator for monitoring the efficiency of our financial management in 2021.

DG ECFIN uses a variety of approaches to identify possible deficiencies in its system of controls: e.g. using the results of DG ECFIN's Internal Control Monitoring Criteria or following up issues raised by either the DG's Internal Control Management Group – a group of senior DG ECFIN officials charged with oversight and advice about the DG's internal control function – or through the self-assessment of the effectiveness of internal control by ECFIN's middle-management.

The Authorising Officer by Delegation has thereby reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions including prevention, detection, correction and follow-up of fraud and irregularities. A very low error rate remains a strategic objective for DG ECFIN; according to our latest information, DG ECFIN's estimated residual error rate is between 0% and 0.06% and the latest conservatively estimated future corrections for DG ECFIN expenditure are 0 M€. Hence, DG ECFIN remains on track with its targets.

DG ECFIN has an efficient and effective control system in place that is economic given its circumstances. DG ECFIN will strive to keep its costs of control steady.

In 2021, following the adoption of 2021 - 2027 MMF and new Regulations, notably the NGEU and the RRF aiming at supporting Member States and other countries to recover from the crisis caused by the COVID-19 pandemic, DG ECFIN will continue to support its policy priorities with targeted controls to minimise risk. However, with the RRF, for which DG ECFIN has a leading responsibility, this aspect gains a very new dimension.

Monitoring and reporting activities will be enforced to cover the RRF, as it makes DG ECFIN responsible for considerably higher spending than in the past. To cope with the related risks, a new unit will be established charged with control, planning and evaluation inside DG ECFIN. Furthermore, intense cooperation with other DGs on audit and risk prevention will be essential. Specific procedures, control measures and financial circuits are being defined in order to ensure the legality and regularity of the transactions as well as full compliance with applicable regulations and sound financial management.

The new portfolio takes the form of grants, loans, and financial contributions. Grants and loans are types of transactions that are already managed on a daily basis in DG ECFIN, although at a lower level, while financial contributions are a relatively new type of transaction for the DG, and, as mentioned above, regulated by specific procedures and control measures. At this stage, no impact is expected on the target indicators, which remain relevant, valid and appropriate for the envisaged new activities.

With the RRF, DG ECFIN anticipates that audits targeting DG ECFIN from different sources – the European Court of Auditors, the European Parliament, the Council or the Internal Audit Service – will exponentially rise; nevertheless, rigorous follow up of the audit recommendations will continue to ensure that recommendations are implemented in time.

The Commissioner and senior managers will be kept up to date with the evolution of audit developments and effort will be devoted to regular high-level contacts.

DG ECFIN adapted its control work to the changed environment of the COVID-19 crisis and will continue to ensure effective controls in spite of the changed circumstances.

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2021:

Output	Indicator	Target
Effective controls: Legal and regular transactions	Risk at payment	remains < 2 % of relevant expenditure
	Estimated risk at closure	remains < 2 % of relevant expenditure
Efficient controls	Time-to-pay	remains 98% of payments (in value) on time
Economical controls	Overall estimated cost of controls	Remains below 2% of funds managed

C. Fraud risk management

DG ECFIN's Anti-fraud strategy (AFS) aims to reduce potential fraud by identifying the main area's of risk and implementing the to be adopted 2021-2023 Action Plan addressing the Commission AFS's priority objectives at the ECFIN level; in particular, DG ECFIN's anti-fraud management requirements regarding the programmes under its remit funded by Next Generation EU (NGEU). It will cover various measures including awareness rising, ethics and integrity training to all staff involved in RRF management and cooperation with internal and external partners. Whilst the size of the financial envelope substantially increases risks, the beneficiaries of these amounts are the Member States and it is they that have to make sure that financial support goes where it should. Nevertheless, the Commission runs a considerable reputational risk should things go wrong. Our anti-fraud strategy aims to minimise these risks.

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS)⁹ aimed at the prevention, detection and correction¹⁰ of fraud

Main outputs in 2021:

Output	Indicator	Target
Implementation of the anti-fraud strategy as planned for 2021	% implementation of actions planned for 2021 as in anti-fraud strategy	100%
Training and awareness raising to staff particularly for staff working on programmes funded by NGEU.	% of ECFIN staff in the area of NGEU participating in an anti fraud awareness raising training.	100%
2021-2023 DG ECFIN Anti Fraud Strategy (AFS) and action plan	Adopted AFS and action plan	1st quarter 2021

D. Digital transformation and information management

One key idea for improving the economy and efficiency of the DG's activities is to move from administrative box ticking to sense making. The Resources directorate will continue initiatives in this direction in coming years. This is particularly true for the IT steering committee which has been transformed from an annual formal exercise to a permanent body which regularly works on important issues: business continuity in the support and development of economic models, the rationalisation of off-the-shelf statistical and econometric tools, the reduction of licence costs, and the rationalisation and prioritisation of information systems' development.

During 2021 the three major DG ECFIN contributions to the Digital transformation are the continuation of the development of the InvestEU Management Information System, the finalisation of the development of the new Forecast Data Management System "Star" (FDMS*) and the IT support for the Recovery and Resilience Facility (RRF). The RRF support includes notably introducing Microsoft 365 within DG ECFIN and the possible development of an Information System dedicated to the management of structured data. The ITCB validated the Project Initiation Request for this new system. The Business Case and Project Charter will be delivered after a Business analysis. The support for introducing Microsoft 365 is largely depending of DG DIGIT for the technical approach and the SG for the organisational approach, but the local IT Team has historically proven to provide facilitating services that are paramount for a smooth introduction to new technologies in the DG.

⁹ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

¹⁰ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

In addition to the above, DG ECFIN will continue to maintain and improve its FASTOP Information System.

DG ECFIN will continue to seek improvement in the area of document management (DM) and may address future opportunities in the area of information, knowledge and data management (together with other services). The DM team is currently involved in the Resilience and Recovery Facility (RRF) related work, with a focus on the IT system and document management aspects and the RRF's control architecture. The team also works on integrating the InvestEU MIS and eGrants in the Commission's document management system (ARES).

DG ECFIN continues to improve its overall document-maintenance. Unfiled documents were kept below the 0.5% target (0.01% in 2020). Registered emails account for 35% of all documents in ARES and should remain substantial over the next reporting period.

Together with the collaboration of all directorates, electronic validation of documents (e.g. e-Signatory) continues. In 2020, 90% of eligible documents were preceded by an e-Signatory. In line with the corporate objective to overcome silo mentalities, the opening of files to other Commission services will proceed by working with the Secretariat-General on the action plan developed as part of the Synergies and Efficiencies.

DG ECFIN has implemented full conversion of its personal data collections into the new Data Protection Management System (DPMS), as requested by the Commission's Data Protection Officer, in 2020, DG ECFIN's future actions will rely on the following pillars:

- It will undertake during 2021 the next step of ensuring compliance, by exercising a documented review for each recorded processing (regarding observance of rules and best practices for security and technical solutions);
- This will be accompanied by staff awareness-raising via a training and information session for all managers, followed by training and information sessions for each Directorate in the following years (2024); this is as foreseen in the review of the Commission's Data Protection Action Plan;
- Finally, in order to further build-up knowledge capacities across the Directorate-General, the DPC will enhance collaboration with the Data Protection correspondents in the directorates, by organising regular meetings with them to exchange information and best practices.

DG ECFIN will also continue implementing the DataStrategy@EC action plan, in particular by way of actions foreseen under the Commission's Data Governance and Data Policies. This will include, amongst others, over the course of 2020 and 2021:

- Defining a vision and the business needs for extracting value from well governed and managed data assets in their digital solutions modernisation plan or equivalent;

- Establishing data governance structures in the DG and defining for each of ECFIN's key data assets ownership roles, along with defined requirements, designs and processes for the collection or creation, access to, sharing, use, processing, preservation, deletion, quality, protection and security of data (including, where necessary, changes and updates to the IT systems used for storing, managing and disseminating these data assets);
- Planning and organising learning, professional development and communication activities, to inform staff about the added value and impact of data governance and policies on their work, and to prepare them to take up their data governance roles and apply the relevant principles.

DG ECFIN's work on implementing the Data Strategy will be complemented by meeting the demands of Eurostat's forthcoming "Reference Quality Framework for Other Statistics", concerning in DG ECFIN's case, for example, forecast data, output gaps in AMECO and the Business and Consumer Surveys. In this context, DG ECFIN will formally identify those responsible in the DG for periodical data collections, indicator sets and purchased databases and services, and implement more formal metadata documentation and other data quality procedures.

Objective: DG ECFIN 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

Main outputs in 2021:

Output	Indicator	Target
DM: maintain unfiled documents	0.01% (Q4 2020)	< 0.5%
DM: maintain use of e-Signatory validation/signature in Ares	90% (Q4 2020)	>70%
DM: maintain registration of emails via Areslook	35% (Q4 2020)	±35%
DP: Compliance with DPMS	Compliance review of ECFIN-records	100%
DP: Raising awareness of staff	Participation at training and information sessions	20%
Implementation of data strategy	Percentage of DG ECFIN's key data assets for which corporate principles for data governance have been implemented	35%

E. Sound environmental management

The European Commission's Eco-Management and Audit Scheme (EMAS) serves as the main umbrella framework for the implementation of all activities aiming to reduce the institution's impact on the climate and the environment. Notwithstanding that DG HR as the lead department manages the framework, each entity is instrumental in its contribution to the overall performance of the institution. The COVID-19 crisis and the implications thereof have had and will most likely continue to have, a strong impact on the daily activities of our colleagues, but also on the environment. As expected, the absence of staff from office buildings has had an impact on energy and paper consumption, as well as waste quantities and greenhouse gas emissions associated with the lack of commuting.

DG ECFIN will, therefore, promote the EMAS corporate campaigns at local level and identify local environmental actions in order to support the Commission's commitment to implement the objectives of the Green Deal for its own administration (albeit in these unprecedented circumstances), including becoming climate neutral by 2030.

Being in a rapidly evolving policy environment, DG ECFIN will ensure that staff is aware of the importance of different facets of the green policies. To that end, special emphasis will be placed on promoting staff awareness on sustainable commuting in the months after the confinement, in order to facilitate cutting the greenhouse gas emissions and promote the importance of physical and mental wellbeing. Awareness raising campaigns will be organised to promote optimal energy use in the office and at home, as well as activities focusing on proper waste management and sorting.

Finally, the cooperation across directorates will be further streamlined in order to ensure efficient communication between staff. This will facilitate the goal of forming a Green Team by detecting the ones with real enthusiasm for green activities and volunteering in future raising awareness actions.

Objective: DG ECFIN 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 results and outputs in 2021:

Output	Indicator	Target
Promote staff awareness actions about optimal energy use and <i>"switching off, when not in use"</i>	Number of staff informed	All DG ECFIN staff
Form a team of volunteers to promote green activities – ECFIN Green Team	Number of volunteers joined	6

Promote staff awareness actions about sustainable commuting (especially during EU Mobility week in September if the circumstances allow it).	Number of staff informed	All DG ECFIN staff
Promote staff awareness actions about waste reduction and sorting in line with the corporate EMAS waste reduction campaign (November-December).	Number of staff informed	All DG ECFIN staff

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

In 2021 DG ECFIN will continue its efforts to move forward to full electronic management of its financial transactions and procedures. The on-boarding process to eGrants, started in 2020, will be completed and exploited for the management of one major grant programme. The possibility to use the eGrants system for other grants programmes will be explored. DG ECFIN will furthermore start using a local system, set up in 2020, to support planning, management and monitoring of the budget execution as well as corresponding reporting, increasing the effectiveness and efficiency of its project management and reducing the risks of errors.

Finally, the new corporate platform for organising meetings, notably expert and committee meetings (AGM), was generalised recently to all kind of DG ECFIN meetings with external interlocutors, simplifying cost reimbursements significantly.