



DG ENER – AAR 2015 Annexes

ANNEX 1: Statement of the Resources Director

I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

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

Date 23 March 2016

[signed]

Agnieszka KAZMIERCZAK

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

ANNEX 2: Human and financial resources

Human Resources by ABB activity (31 December 2015)			
ABB Activity	Establishment Plan posts	External Personnel	Total
Conventional and renewable energy	159	49	208
Horizon 2020 — Research and innovation related to energy	23	5	28
ITER Programme	25	3	28
Management of the Directorate-General for energy	10	1	11
Nuclear energy	288	12	300
Policy strategy and coordination for the Directorate-General for energy	63	21	84
Total	568	91	659

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

Implementation of decentralised administrative authorised operations (payments and revenues) of their Global envelope as of 31 December 2015				
In EUR FMC: ENER				
	Appropriations	Commitments	Payments	% Execution
32.010211.00.01.10	991 500	991 500	840 532	
32.010211.00.01.30	14 000	14 000	8 481	
32.010211.00.02.20	348 850	348 850	242 740	
32.010211.00.02.40	52 756	42 400	30 533	
32.010211.00.03	217 000	217 000	117 380	
32.010211.00.05	55 000	54 889	54 889	
32.010211.00.06	12 202	12 202	3 863	
Total	1691 308	1680 841	1298 418	99.38%

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG ENER - Financial Year 2015

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

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Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

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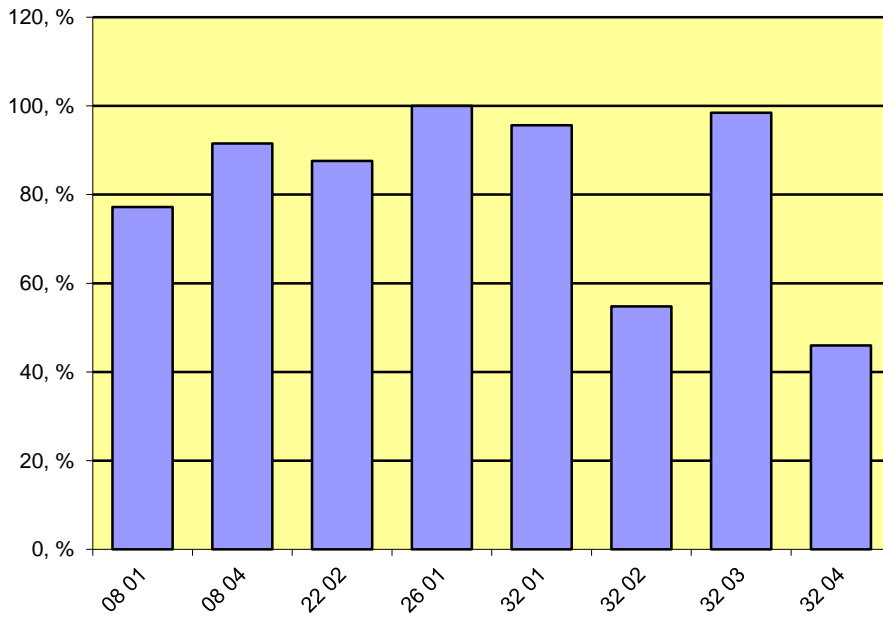
Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Additional comments

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	5.19	4.00	77.20 %
	08 04	ITER	417.62	382.23	91.53 %
Total Title 08			422.80	386.23	91.35%
Title 22 Enlargement					
22	22 02	Enlargement process and strategy	3.81	3.34	87.59 %
Total Title 22			3.81	3.34	87.59%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.34	0.34	100.00 %
Total Title 26			0.34	0.34	100.00%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	7.77	7.44	95.65 %
	32 02	Conventional and renewable energy	122.73	67.26	54.80 %
	32 03	Nuclear energy	159.87	157.41	98.46 %
	32 04	Horizon 2020 - Research and innovation related to energy	59.66	27.44	45.99 %
Total Title 32			350.04	259.54	74.15%
Total DG ENER			776.99	649.45	83.59 %

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

% Outturn on commitment appropriations

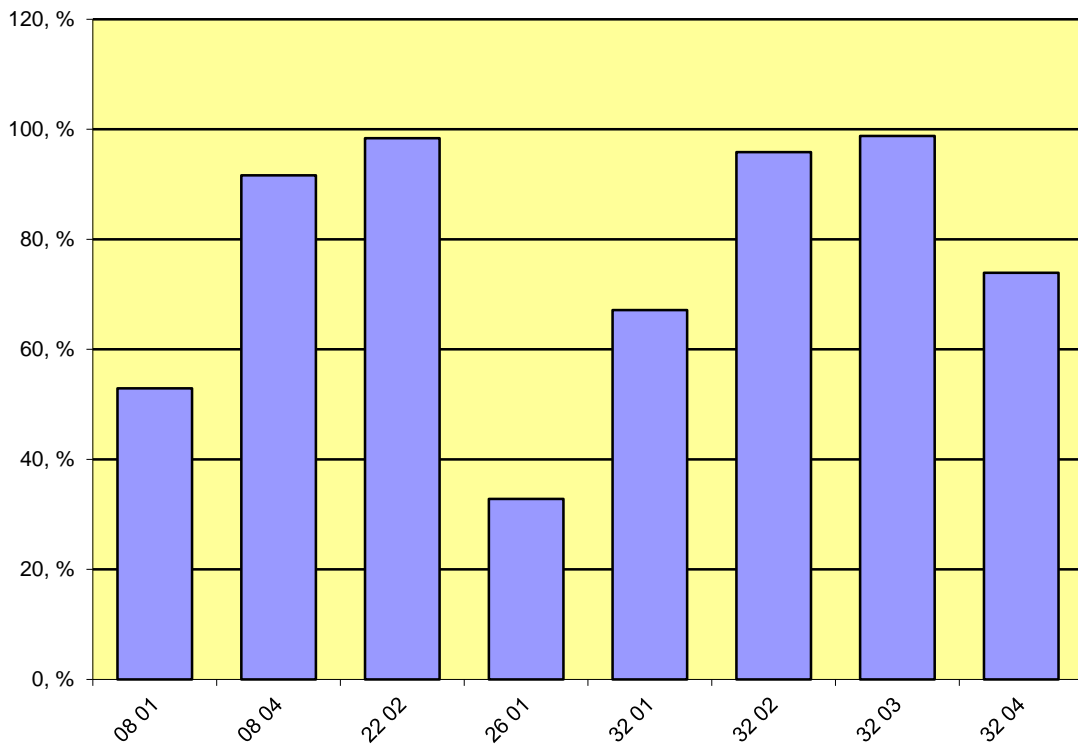


Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	5.19	2.74	52.91 %
	08 04	ITER	422.08	386.68	91.61 %
Total Title 08			427.27	389.42	91.14%
Title 22 Enlargement					
22	22 02	Enlargement process and strategy	3.40	3.34	98.36 %
Total Title 22			3.40	3.34	98.36%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.65	0.21	32.80 %
Total Title 26			0.65	0.21	32.80%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	11.43	7.67	67.13 %
	32 02	Conventional and renewable energy	459.20	440.14	95.85 %
	32 03	Nuclear energy	170.78	168.68	98.77 %
	32 04	Horizon 2020 - Research and innovation related to energy	176.34	130.35	73.92 %
Total Title 32			817.75	746.83	91.33%
Total DG ENER			1,249.06	1,139.81	91.25 %

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

=" % Outturn on payment appropriations"

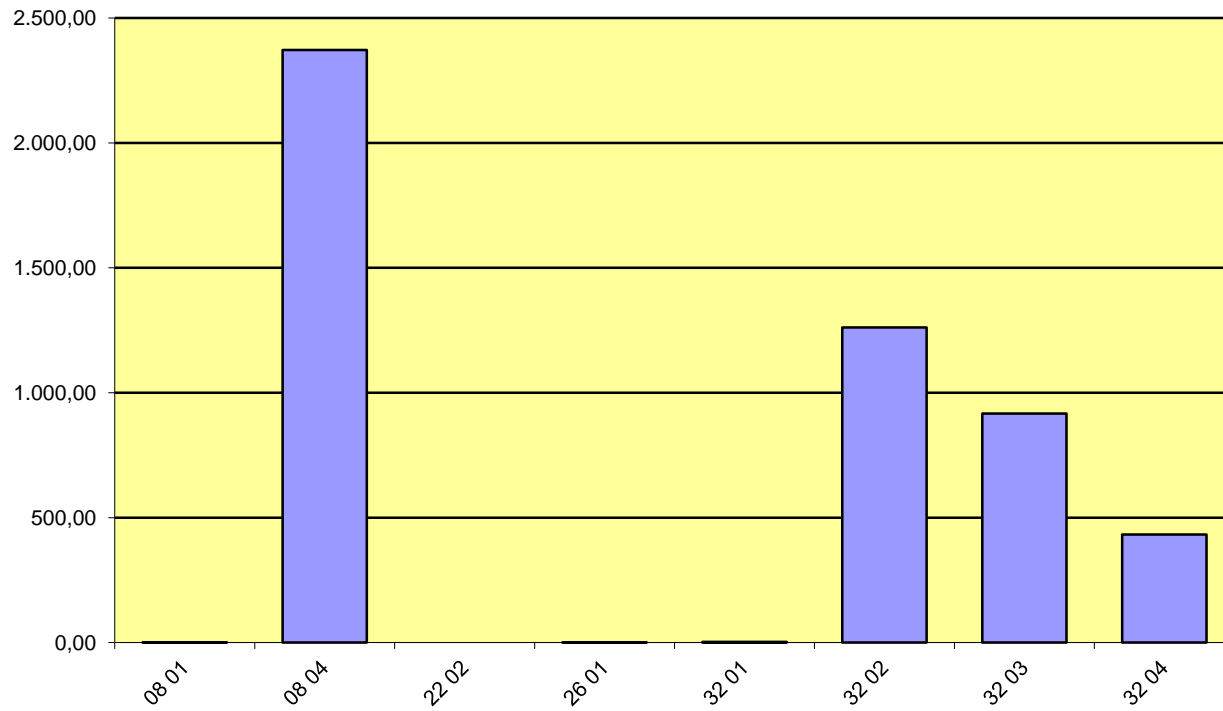


Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)									
Chapter			2015 Commitments to be settled				Commitments to be settled from financial years previous to 2015	Total of commitments to be settled at end of financial year 2015(incl corrections)	Total of commitments to be settled at end of financial year 2014(incl. corrections)
			Commitments 2015	Payments 2015	RAL 2015	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 08 : Research and innovation									
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	2.77	2.74	0.03	0.97 %	0.00	0.03	0.00
	08 04	ITER	382.23	121.99	260.24	68.08 %	2,111.35	2,371.59	2,376.04
Total Title 08			385.00	124.73	260.26	67.60%	2,111.35	2,371.61	2,376.04
Title 22 : Enlargement									
22	22 02	Enlargement process and strategy	3.34	3.34	0.00	0.00 %	0.00	0.00	0.00
Total Title 22			3.34	3.34	0.00	0.00%	0.00	0.00	0.00
Title 26 : Commission's administration									
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.34	0.02	0.32	94.54 %	0.00	0.32	0.31
Total Title 26			0.34	0.02	0.32	94.54%	0.00	0.32	0.31
Title 32 : Energy									
32	32 01	Administrative expenditure in the 'Energy' policy area	7.43	4.59	2.84	38.22 %	0.00	2.84	3.66
	32 02	Conventional and renewable energy	67.26	12.18	55.08	81.89 %	1,206.24	1,261.32	2,131.23
	32 03	Nuclear energy	157.41	8.86	148.55	94.37 %	767.98	916.52	931.37
	32 04	Horizon 2020 - Research and innovation related to energy	27.44	2.07	25.36	92.45 %	406.94	432.30	542.72
Total Title 32			259.54	27.71	231.83	89.32%	2,381.15	2,612.98	3,608.98
Total DG ENER			648.22	155.80	492.42	75.96 %	4,492.50	4,984.92	5,985.33

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

"Breakdown of Commitments remaining to be settled (in Mio EUR)"



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

TABLE 4 : BALANCE SHEET

BALANCE SHEET	2015	2014
A.I. NON CURRENT ASSETS	85,404,354.38	472,883,939.34
A.I.1. Intangible Assets	5,252,273.74	6,885,383.82
A.I.2. Property, plant and equipment	7,097,930.97	7,843,391.33
A.I.3. Invstmnts Accntd For Using Equity Meth	0.00	0.00
A.I.4. Non-Current Financial Assets	72,324,375.71	72,324,375.71
A.I.5. LT Receivables	729,773.96	729,773.96
A.I.6. Non-Current Pre-Financing	0.00	385,101,014.52
A.I.7. OLD LT Pre-Financing		0.00
A.II. CURRENT ASSETS	1,495,180,386.41	374,642,090.51
A.II.2. Current Pre-Financing	1,451,417,919.06	338,165,628.38
A.II.3. Current Financial Assets	48,123.03	48,123.03
A.II.4. Exchange Receivables	5,894,056.39	4,274,999.04
A.II.5. Non-Exchange Receivables	158,521.19	6,090,556.73
A.II.7. Cash and Cash Equivalent	37,661,766.74	26,062,783.33
ASSETS	1,580,584,740.79	847,526,029.85
P.I. NET ASSETS/LIABILITIES	-893,329.74	-893,329.74
P.I.1. Reserves	-893,329.74	-893,329.74
P.III. CURRENT LIABILITIES	-419,513.28	-629,764,770.31
P.III.4. Accounts Payable	-419,513.28	-157,703,194.55
P.III.5. Accrued charges and deferred income	0.00	-472,061,575.76
LIABILITIES	-1,312,843.02	-630,658,100.05
NET ASSETS (ASSETS less LIABILITIES)	1,579,271,897.77	216,867,929.80
P.I.2. Accumulated Surplus / Deficit	180,494,807.60	445,881,060.48
Non-allocated central (surplus)/deficit*	1,759,766,705.37	229,013,130.68
TOTAL	0.00	0.00

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

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	10,095,311.00	7,695,074.61
II.1.1. NON-EXCHANGE REVENUES	4,640,978.31	3,072,827.51
II.1.1.5. RECOVERY OF EXPENSES	4,694,837.58	3,339,176.48
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-53,859.27	-266,348.97
II.1.2. EXCHANGE REVENUES	5,454,332.69	4,622,247.10
II.1.2.1. FINANCIAL INCOME	-670,583.17	-1,330,049.03
II.1.2.2. OTHER EXCHANGE REVENUE	6,124,915.86	5,952,296.13
II.2. EXPENSES	-274,100,761.19	618,680,793.47
II.2. EXPENSES	-274,100,761.19	618,680,793.47
II.2.10. OTHER EXPENSES	8,447,960.84	6,694,821.31
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	-360,712,889.65	395,319,563.32
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	0.01	6,455,151.65
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	18,261,935.21	161,254,702.65
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	59,504,838.45	48,580,991.42
II.2.6. STAFF AND PENSION COSTS		-140,699.00
II.2.8. FINANCE COSTS	397,393.95	516,262.12
STATEMENT OF FINANCIAL PERFORMANCE	-264,005,450.19	626,375,868.08

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

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

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

TABLE 6: AVERAGE PAYMENT TIMES FOR 2015 - DG ENER

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	2				2	100.00 %	48.50
30	1026	962	93.76 %	16.67	64	6.24 %	46.47
45	107	93	86.92 %	23.94	14	13.08 %	70.86
60	165	157	95.15 %	32.56	8	4.85 %	84.13
90	95	88	92.63 %	57.56	7	7.37 %	95.43

Total Number of Payments	1395	1300	93.19 %		95	6.81 %	
Average Payment Time	24.26308244			21.88			56.88

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	19	13	68.42 %	13.00	6	31.58 %	48.50
30	301	263	87.38 %	17.39	38	12.62 %	49.29

Total Number of Payments	320	276	86.25 %		44	13.75 %	
Average Payment Time	21.584375			17.18			49.18

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
19	37	194	13.91 %	1,395.00	362,602,101.15	45.75 %	792,550,574.65

Late Interest paid in 2015			
DG	GL Account	Description	Amount (Eur)
ENER	65010100	Interest on late payment of charges New FR	397,393.95
			397,393.95

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

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	746,444.93	951.76	747,396.69	746,444.93	951.76	747,396.69	0.00
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	0.00	13,800.82	13,800.82	0.00	108.96	108.96	13,691.86
66	OTHER CONTRIBUTIONS AND REFUNDS	74,281,812.82	4,215,048.29	78,496,861.11	72,602,302.88	55,955.45	72,658,258.33	5,838,602.78
90	MISCELLANEOUS REVENUE	102,506.11	150,661.23	253,167.34	102,506.11	1,485.94	103,992.05	149,175.29
Total DG ENER		75,130,763.86	4,380,462.10	79,511,225.96	73,451,253.92	58,502.11	73,509,756.03	6,001,469.93

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

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2005	2	1,042,874.28	2	1,042,874.28	2	1,042,874.28	100.00%	1.00
2007	4	1,555,652.99	4	1,555,652.99	6	1,924,473.36	66.67%	80.84%
2008	1	14,665.10	1	14,665.10	3	35,698.17	33.33%	41.08%
2009	2	1,040,986.49	2	1,040,986.49	20	35,298,581.50	10.00%	2.95%
2010	2	130,968.50	2	130,968.50	10	4,920,936.46	20.00%	2.66%
2011	1	75,289.00	1	75,289.00	2	27,336,134.87	50.00%	0.28%
2012	1	216,432.11	1	216,432.11	7	2,025,414.67	14.29%	10.69%
2014					4	1,805,954.85		
2015					1	48,985.25		
Sub-Total	13	4,076,868.47	13	4,076,868.47	55	74,439,053.41	23.64%	5.48%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES	2	120.01					2	120.01	2	120.01	100.00%	100.00%
NON ELIGIBLE IN COST CLAIMS	15	459,513.47	67	24,355,449.65			82	24,814,963.12	90	25,732,669.52	91.11%	96.43%
CREDIT NOTES	20	191,851.62	16	471,805.48			36	663,657.10	36	663,657.10	100.00%	100.00%
Sub-Total	37	651,485.10	83	24,827,255.13			120	25,478,740.23	128	26,396,446.63	93.75%	96.52%

GRAND TOTAL	37	651,485.10	96	28,904,123.60			133	29,555,608.70	183	100,835,500.04	72.68%	25.27%
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Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR ENER

	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
2001	1	1	0.00 %	211,303.25	209,634.91	-0.79 %
2002	1	1	0.00 %	205,611.00	205,611.00	0.00 %
2005	1	1	0.00 %	146,904.47	146,904.47	0.00 %
2009	1	1	0.00 %	234,921.69	234,921.69	0.00 %
2010	3	2	-33.33 %	1,064,132.62	1,047,106.34	-1.60 %
2011	1	1	0.00 %	379,208.55	379,208.55	0.00 %
2012	7	7	0.00 %	143,132.30	143,132.30	0.00 %
2013	2	1	-50.00 %	118,280.55	117,942.14	-0.29 %
2014	16	12	-25.00 %	1,880,110.38	1,840,641.30	-2.10 %
2015		6			1,679,509.94	
	33	33	0.00 %	4,383,604.81	6,004,612.64	36.98 %

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

TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments

Total DG	
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Number of RO waivers	
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG ENER - 2015

Procurement > EUR 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b)	3	2,860,000.00
Art. 134.1(g)(i)	1	302,212.20
Total	4.	3,162,212.20

TABLE 12 : SUMMARY OF PROCEDURES OF DG ENER EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	4	3,162,212.20
Open Procedure (Art. 127.2 RAP)	19	10,268,543.00
TOTAL	23	13,430,755.20

Additional comments

The amount of negotiated procedures remained relatively stable in 2015 versus 2014, but its proportion compared to open procedures increased quite a lot in 2015 due to the fact that there were less open procedures than in 2014 (EUR 10.3 million versus EUR 33.1 million).

In 2014, the level of open procedures was actually also quite higher than in the previous years, notably because of new framework contracts (for periods of 4 to 5 years) as well as new procurements related to the new research program H2020.

The reasons to use negotiated procedures in 2015 were in accordance with Art 134 RAP and were either due to technical reasons (for 3 cases; Art 134.1(b)) or to additional deliveries / extension of existing supplies in the context of nuclear safeguards (for 1 case; Art 134.1(g) (i)).

Note that one of the cases falling under Art 134.1(b) concerns the organisation of a forum dealing with confidential information, for which Art 134(j) is also applicable.

TABLE 13 : BUILDING CONTRACTS

Total number of contracts :

Total amount :

Legal base	Contract Number	Contractor Name	Description	Amount (€)

No data to be reported

TABLE 14 : CONTRACTS DECLARED SECRET

Total Number of Contracts :

Total amount :

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

No data to be reported²

² See comment under table 12.

ANNEX 4: Materiality criteria

A. Research programmes

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

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

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

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

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen. In view of the crucial role of ex-post audits defined in the common FP7 and future Horizon 2020 audit strategy, this assessment needs to check in particular whether the scope and results of the ex-post audits carried out until the end of the reporting period are sufficient and adequate to meet the multiannual control strategy goals.

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

Effectiveness of controls

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

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

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

This results in a residual error rate, which is calculated in accordance with the following formula:

$$\text{ResER}\% = \frac{(\text{RepER}\% * (P - A)) - (\text{RepERsys}\% * E)}{P}$$

where:

ResER%	residual error rate, expressed as a percentage.
RepER%	representative error rate, or error rate detected in the common representative sample, expressed as a percentage. For FP 7 this rate is the same for all Research services.
RepERsys%	portion of the RepER% representing (negative) systematic errors, expressed as a percentage. The RepER% is composed of two complementary portions reflecting the proportion of negative systematic and non-systematic errors detected.
P	total aggregated amount in euros of EC share of funding in the auditable population. In FP7, the population is that of all received cost statements, and the euros amounts those that reflect the EC share included in the costs claimed in each cost statement.
A	total EC share of all audited amounts, expressed in euro. This will be collected from audit results.
E	total non-audited amounts of all audited beneficiaries. In FP7, this consists of the total EC share, expressed in euro, excluding those beneficiaries for which an extrapolation is ongoing).

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

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also

take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of FP7/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

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

Adequacy of the audit scope

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

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

Materiality is assessed for each Framework Programme

In 2015, the Research services managed financial operations under the seventh and Horizon 2020 framework programmes, and the Coal and Steel Research Fund. Each is managed under different sets of regulatory and contractual provisions. Therefore, the assessment of the performance of the internal controls has to take into account these differences.

However, it has to be noted that for Horizon 2020, very few payment against cost claim has been made and no audit has yet been carried out, thus no error rate has been calculated.

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

B. EEPR and TEN-E programmes

The reasoning explained for research programmes applies as well for EEPR and TEN-E.

Because of their multiannual nature, the effectiveness of the control strategy for the EEPR and TEN-E programmes can only be fully measured and assessed at the final stages in the life programmes, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

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

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

Particularities for EEPR

As regards more specifically the EEPR programme, qualitative criteria have also been assessed to consider a potential reputational reservation:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness);
- the existence of effective remedial actions to correct the deficiencies (action plans and financial corrections).

Besides, it has to be noted that in addition to the results of DG ENER's own ex-post audits, the calculation of the error rates for EEPR also takes into account the audit results from ECA audits, if not complemented by a own audit and only for the amounts confirmed by DG ENER's analysis of ECA's findings.⁴

Particularities for TEN-E

The calculation of the error rates for TEN-E is based on ex-post audit data from the last five years, considered to provide sufficient audit coverage, representativeness and reliability.

⁴ This is in line with DG BUDG guidance on the calculation of error rates ([\myintracomm.ec.europa.eu@SSL\DavWWWRoot\budgweb\EN\rep\aar\Documents\additional-guidance-error-rates.doc](mailto:myintracomm.ec.europa.eu@SSL\DavWWWRoot\budgweb\EN\rep\aar\Documents\additional-guidance-error-rates.doc)), when the DG's audit strategy aims for an exhaustive 100% coverage of its entire programme population.

Effectiveness of controls

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

However, to take into account the impact of the ex-post controls, this error level is to be adjusted by subtracting the errors detected corrected as a result of the implementation of audit conclusions.

This results in a residual error rate, which is calculated in accordance with the following formula:

$$\text{ResER\%} = \frac{((P - A1) \times (\text{Err} / A2)) + \text{NonImpErr}}{P}$$

where:

- ResER%** residual error rate, expressed as a percentage.
- P** Total aggregated amount in € of EC share of all cost claims approved
- A1** Total audited EC contribution amount from own audits + Non-audited part of EC contribution of audited companies with no or positive adjustment(s) + Total EC contribution from ECA audits not included in own audits, expressed in €
- A2** Total EC share of audited cost statements, expressed in €
- Err** Total amount (€) of negative adjustments as a result of audits
- NonImpErr** Total EC share of audit adjustments (only results in favour of the Commission) not implemented (recovery, offsetting or forecast of revenue) by 1Q2016.

Note that results of audits for which the contradictory procedure with the beneficiary is still ongoing because of a contestation of the findings, are not been taken into account in the calculation of the detected error rate.

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

ANNEX 5: Internal Control Template(s) for budget implementation (ICTs)

A) Grant direct management (FP7 / EEPR / TEN-E; cross-sub-delegations)

Stages 1 and 2 were not applicable in 2015.

*** = not reported in this year's AAR.**

Stage 1: Programming, evaluation and selection of proposals

Not Applicable

Stage 2: Contracting

Not Applicable

Stage 3: Monitoring the implementation (FP7, EEPR, TEN-E and the cross-sub-delegations)

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that	FP7: organised by DG RTD: - Kick-off meetings and "launch events" on H2020 involving the beneficiaries in order to avoid project management and reporting errors, which can have a	100% of the projects are controlled, including only value-adding checks. The depth depends on risk criteria and on the results of ex-ante controls. However, as	Costs: Estimation of cost of staff involved in the management of running projects. Benefits: Budget value of the costs	Effectiveness % and value of reductions made to EC contribution paid out through the ex-ante desk checks / total value of EC contribution claimed

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>due in accordance with the applicable contractual and regulatory provisions.</p>	<p>positive impact on the ongoing FP7 cost claims, as some of the errors and most of the beneficiaries are common for the two programmes and amongst the RTD family.</p> <ul style="list-style-type: none"> - Effective external communication about guidance to the beneficiaries - Enhanced family approach (anti-fraud cooperation; common legal and audit service) <p>TEN-E: In 2015, communication was issued towards the beneficiaries regarding reporting deadlines and payment requests. Also stricter rules for acceptance of amendments requests were introduced and applied.</p> <p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>For riskier operations:</p> <ul style="list-style-type: none"> - Enhanced ex-ante controls - Scientific reviews if necessary, with on-site verification <p>If needed: application of:</p>	<p>a deliberate policy to reduce administrative burden and to ensure a good balance between trust and control as well as payment deadlines, the level of verification at this stage is reduced to a minimum.</p> <p>Audit certificates:</p> <ul style="list-style-type: none"> - FP7: required for any beneficiary claiming more than EUR 375.000. The content of the audit certificates is analysed exhaustively and feedback is given to the Certifying Auditors who have to modify the certificate where appropriate. - EEPR: required for all beneficiaries. - TEN-E: required for all beneficiaries (except Member States). <p>Riskier operations subject to enhanced controls and/or on-site controls and/ or ex-post on-the-spot audit.</p> <p>High risk operations identified by risk criteria.</p> <p>Red flags: e.g. suspicions raised by staff, audit results, EWS.</p>	<p>claimed by the beneficiary, but rejected by staff</p> <p>Reductions in error rates identified by audit certificates.</p> <p>Qualitative benefits due to operational review of projects and consequent corrective actions imposed on projects</p>	<p>Amount of the EU contribution rejected.</p> <p>Efficiency:</p> <p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Net average time</p> <p>Cost effectiveness:</p> <p>Overall cost of control: cost of control of monitoring the execution up to payment included/ amount paid (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	<ul style="list-style-type: none"> - Suspension/interruption of payments, - Penalties or liquidated damages (for FP7). - Referring grant to OLAF 			
As above	(2) Cross-sub-delegations	<p>Coverage: 100 %: Being a Commission service itself, the AOD of the cross-delegated service is required to implement the appropriations subject to the same rules, responsibilities and accountability arrangements.</p> <p>Frequency: The cross-delegation agreements require the AOD's of cross-delegated services to report to DG ENER on the use of appropriations.</p>	<p>Costs: estimation of cost of staff involved in the monitoring of the entrusted entities.</p> <p>Benefits: The average annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Number of serious issues arising not identified through standard reporting channels</p>

Stage 4: Ex-post controls (FP7, EEPR and TEN-E)

A - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a	- FP7: As of 1st January 2014, the common ex-post control strategy for the entire Research family is implemented by a central	- FP7: Common Representative Sample (CRaS): MUS sample across the programme to draw valid management conclusions on	<p>Costs (TEN-E and EEPR):</p> <ul style="list-style-type: none"> - Estimate of cost of staff involved in stage 4 (for the coordination and 	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised & value coverage</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency due to absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<p>service (Common Support Centre, DG RTD)</p> <p>At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed;</p> <p>Additional sample to address specific risks;</p> <p>In case of systemic error detected, extrapolation to all the projects run by the audited beneficiary.</p> <ul style="list-style-type: none"> - TEN-E / EEPR: as per the approved audit strategy - When relevant, joint audits with the Court of Auditors. - Validate audit results with beneficiary. - If needed: referring the beneficiary or grant to OLAF 	<p>the error rate in the population.</p> <p>Risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error</p> <ul style="list-style-type: none"> - TEN-E / EEPR: as per the approved audit strategy 	<p>execution of the audit strategy and the implementation of the audit results.)</p> <ul style="list-style-type: none"> - Cost of the appointment of audit firms for the outsourced audits. <p>Benefits: budget value of the errors detected by the auditors.</p> <p>Non quantifiable benefits:</p> <ul style="list-style-type: none"> - Deterrent effect. - Learning effect for beneficiaries. - Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audit. 	<p>Representative error rates.</p> <p>Residual error rates in comparison to the tolerable threshold.</p> <p>Efficiency – Cost effectiveness: Cost of control of ex-post audits/value of grants audited</p>
	<p>(2) Cross-delegations Being a Commission service itself, the AOD of the cross-delegated service is subject to audits by the Internal Audit Service and the Court of Auditors.</p>			

B - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner</p>	<p>Systematic registration of audit / control results to be implemented and actual implementation.</p> <p>Validation of recovery in accordance with financial circuits.</p> <p>Authorisation by AO</p> <p>Notification to OLAF and regular follow up of detected fraud.</p>	<p>Coverage: 100% of final audit results <i>with a financial impact</i>.</p> <p>Depth: All audit results are examined in-depth in making the final recoveries.</p> <p>FP7: Systemic errors are extrapolated to all the non-audited projects of the same beneficiary</p>	<p>Costs: Estimate of cost of staff involved in stage 4 (implementation of the audit results.)</p> <p>Benefits: value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p> <p>Loss: budget value of such ROs which are 'waived'.</p>	<p>Effectiveness: % of adjustments recovered /offset</p> <p>Number/value/% of audit results pending implementation</p> <p>Number/value/% of audit results implemented.</p> <p>Funding adjustments.</p> <p>Efficiency – Cost effectiveness: Estimated annual cost of implementing audits compared with estimated quantifiable benefits.</p>

B) Indirect entrusted management DG ENER

The ICT covers: (1) the operating (administrative) budget of the executive agencies EASME and INEA, (2), CPMA and EBRD for Nuclear Decommissioning (3) the financial instrument EEE F, (4) the operating (administrative) budget of the decentralised agency ACER and (5) F4E JU.

*** = not reported in this year's AAR**

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

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	<ul style="list-style-type: none"> - New Delegation Agreements with CPMA and EBRD for the Nuclear Decommissioning Assistance Programmes signed in June 2015: in line with the latest Financial Regulations, introducing clear reporting requirements and prepared in line with the OLAF requirements. - Hierarchical validation within the authorising department - Inter-service consultation, 	<p>Coverage/Frequency: 100%/once</p> <p>Depth: Checklist</p> <p>If risk materialises, all funds delegated during the year(s) to the entrusted entity would be irregular. Possible impact 100% of budget involved and significant reputational consequences.</p>	<p>Costs *: estimation of cost of staff involved in the preparation, adoption and selection work.</p> <p>Benefits: The amount entrusted to the entity, possibly at 100% if significant (legal) errors would otherwise be detected.</p>	<p>Effectiveness*: Quality of the legal work No OLAF inquiries No ECA criticism.</p> <p>Efficiency *: Estimated cost of preparation, adoption and selection work done for the entrusted entity, compared with similar cases as benchmark.</p>

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
	<p>including all relevant DGs for the Framework Administrative Agreement with EBRD and the PAGOda template</p> <ul style="list-style-type: none"> - Adoption by the Commission of the Framework Administrative Agreement with EBRD and the PAGOda template - DA with CPMA prepared on BUDG template and with BUDG support - Pillar Assessments (EBRD on-going, CPMA update planned in 2016) - Explicit allocation of responsibility to individual officials (reflected in job descriptions) - Checklist-based verification - Ex-post monitoring: lessons-learned from previous experience: Introduction of key performance indicators, reporting and monitoring requirements, flat fee remuneration scheme 			

Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”).

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 ICOs.

Main risks	Mitigating controls	How to determine coverage, frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).</p>	<ul style="list-style-type: none"> - EBRD: pillar assessment ongoing - CPMA: A new pillar assessment is planned in 2016; - Monitoring actions; site visits; meetings of the Monitoring Committees and the Assembly of Contributors - Specific NDAP risk management plan - Use of key performance indicators 	<p>Coverage/frequency: 100% of entrusted entities/once</p>	<p>Costs *: estimation of cost of staff involved in the ex-ante assessment process (which may include missions, if applicable).</p> <p>Benefits: The budget amount entrusted to the entity, possibly at 100% if significant (legal) errors would otherwise be detected.</p>	<p>Effectiveness: The entrusted entity is granted budget autonomy, without too significant delays: number of days behind schedule, number of adjustments proposed and implemented. => N/ A in this case as it concerns a prolongation of the mandate.</p> <p>Efficiency Indicators *: Number of deviations from the MFF of FFF, number of subsequent changes to the financial rules accepted.</p>

Stage 3: Operations: monitoring, supervision, reporting.

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner, which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>(1) Executive agencies (INEA and EASME): The following supervision mechanisms were applied in line with the instruments of delegation:</p> <ul style="list-style-type: none"> • Annual Work Programmes (incl. priorities and result-oriented goals) approved by the Commission and an assessment of the activities carried out through the annual activity reports.. • DG ENER is member of the Steering Committees and participates in decisions on the EAs' organisation, staff, annual work programmes, administrative budget, audit and anti-fraud issues. • DG ENER also monitors the EAs work through regular (quarterly) reports and liaison meetings at different levels. • Detailed cooperation and supervision arrangements can be found in the Memoranda of Understanding, and in a number of Guidelines between the EA and parent DGs. 	<p>Coverage: 100% of the entities monitored / supervised.</p> <p>Frequency:</p> <ul style="list-style-type: none"> - Regular Steering Committee meetings (at least 4 times a year); - Quarterly reports provided to the parent DGs on the use of resources and performance of the tasks; - Formal opinion on Annual Work Programme and Annual Activity Report - Further regular contacts at unit and working level, regarding the implementation of the EAs' work programme. 	<p>Costs: estimation of cost of staff involved in the monitoring of the entrusted entities</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness:</p> <p>Number of serious issues arising not identified through standard reporting channels</p> <p>Number of serious IAS and ECA findings of control failures;</p> <p>Efficiency – Cost effectiveness:</p> <p>% cost over annual amount paid / delegated.</p>
<p>As above</p>	<p>(2) EBRD and CPMA for Nuclear Decommissioning</p> <ul style="list-style-type: none"> • For CPMA full state guarantee and implementation through certified agency; for EBRD joint management (multi-donor fund covered by separate fund rules) and with EU representation within the EBRD Board of Directors. Commission decision on procedures is in place covering monitoring arrangements, evaluation and audit issues. • Daily project execution is monitored by the implementing bodies (CPMA and EBRD). • Programme monitoring is done twice a year, in the Monitoring Committees chaired by the Commission, and in the Assemblies of Contributors for the International 	<p>Coverage: 100% of the entities are monitored/ supervised.</p> <p>Frequency:</p> <ul style="list-style-type: none"> - Regular Governing Board meetings; - Regular reports on use of resources and performance of tasks; 	<p>Costs: estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Number of serious issues arising not identified through standard reporting channels</p> <p>Efficiency – Cost effectiveness:</p> <p>% cost over annual amount delegated.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	<p>Decommissioning Support Funds (international multi donor funds).</p> <ul style="list-style-type: none"> • Biannual reports by the beneficiaries and the Member States on the progress. Each Monitoring Committee analyses the monitoring report and takes the appropriate corrective measures when necessary. • Commission monitoring visits on-site take place at least twice a year. When necessary, corrective measures are taken to make sure that the objectives of the projects and of the overall programmes are met. <p>The supervision and monitoring of the NDAP was significantly reinforced throughout the years. Important steps in defining and implementing the control strategy have been taken such as:</p> <ul style="list-style-type: none"> • adoption of the Rules of Application, which are detailed and prescriptive especially on monitoring issues; • introduction and assessment of key performance indicators and steering of the member states towards use of an appropriate earned-value management technique; • establishment of new Delegation Agreements, in line with the latest Financial Regulations, introducing clear reporting requirements; • modification of the International Decommissioning Support Funds rules, to align them with the predominant role of the Commission as a donor. 			

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
As above	<p>(3) Financial instrument: <u>EEE F</u> The fund is jointly managed with the EIB and is then managed by a Fund Manager, mainly responsible for marketing and advising potential beneficiaries. The Commission ensures continuous monitoring of the EEE-F at working level and through its representation in the Supervisory and Management Boards of the EEE-F.</p>		<p>Costs: estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Number of serious issues arising not identified through standard reporting channels</p> <p>Efficiency – Cost effectiveness: % cost over annual amount delegated.</p>
As above	<p>(4) Decentralised agency: ACER The supervision of ACER takes multiple forms:</p> <ul style="list-style-type: none"> • DG ENER is a member of the Administrative Board and has observer status in the Board of Regulators. • Regular coordination meetings at management level. • Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues. • Bilateral meetings when necessary. • A cash flow forecast is received with each payment request from the Agency. 	<p>Coverage: 100% of the entity monitored/ supervised.</p> <p>Frequency: - Regular Administrative Board meetings (at least 4 times a year); - Regular reports on use of resources and performance of tasks;</p>	<p>Costs: estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Number of serious issues arising not identified through standard reporting channels</p> <p>Efficiency – Cost effectiveness: % cost over annual amount delegated.</p>
As above	<p>(5) F4E Joint Undertaking</p> <ul style="list-style-type: none"> • The Commission is represented by DG ENER in the governing bodies of F4E and in particular in its Governing Board, assisted notably by <ul style="list-style-type: none"> - the Administration and Management Committee, of which one member is Euratom; - the Audit committee, of which one member is proposed by Euratom. • Regular coordination meetings at management level. 	<p>Coverage: 100% of the entity monitored/ supervised.</p> <p>Frequency: - Regular Governing Board meetings; - Regular reports on use of resources and performance of tasks;</p>	<p>Costs: estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Number of serious issues arising not identified through standard reporting channels</p> <p>Efficiency (not reported in 2015 as transferred to DG ENER on 01/07/15)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	<ul style="list-style-type: none"> • Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues. • Bilateral meetings when necessary. • DG ENER is a member of the steering committee responsible for the annual F4E independent assessment. 			

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

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

This is very closely linked to stage 3 above.

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The Commission has not sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.</p>	<p>1) Executive Agencies (EASME and INEA)</p> <ul style="list-style-type: none"> • The EAs are subject to audit by the Internal Audit Service of the Commission and by the European Court of Auditors and DG ENER uses their reports as an element of the supervision of agency. • In 2015 several audits were performed on the EAs, e.a.: <p>EASME:</p> <ul style="list-style-type: none"> - IAS audit on the "Preparedness of the management and control systems for the SME Instrument - IAS audit on the "Preparedness of the management and control systems for the LIFE 2014-2020" - ECA: DAS 2014: audit on the 2014 annual accounts of the Agency <p>INEA:</p> <ul style="list-style-type: none"> - SIAC: review of the relations between DG ENER and INEA - IAS: audit on "The Preparedness of the Management and Control system for CEF and Horizon 2020" - ECA: DAS 2014: audit on the 2014 annual accounts of the Agency 	<p>Coverage: sample as needed (e.g. random/representative, value targeted, risk based).</p> <p>Frequency: whenever necessary.</p> <p>The depth depends on the type of entity and the level of risks assessed.</p> <p>Annual report of the ECA.</p>	<p>*Costs:</p>	<p>Effectiveness: Assurance being provided; residual error rate within a tolerable range.</p>
	<p>(2) CPMA and EBRD for Nuclear Decommissioning</p> <ul style="list-style-type: none"> • Financial audits were carried out by an external audit company and confirmed overall good management of the funds • ECA: DAS 2014: audit of 2 transactions from the nuclear decommissioning 			

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	programme in LT and SK (no observations).			
	(3) Financial instruments <ul style="list-style-type: none"> • Subject to external audits 			
	(4) Decentralised agency : ACER <ul style="list-style-type: none"> • Assessment performed (In accordance with Article 16 of Regulation (EC) 713/2009 of 13 July 2009 establishing ACER). • ECA: DAS 2014: audit on the 2014 annual accounts of the Agency 			
	(5) F4E Joint Undertaking <p>Subject to audit by the Internal Audit Service of the Commission and by the European Court of Auditors and DG ENER uses their reports as an element of the supervision.</p> <p>The JU is also the subject of annual independent assessment sent to the EP and the Council.</p> <p>The Governing Board is assisted by an Audit Committee, in which one member is proposed by Euratom.</p> <p>- ECA: DAS 2014: audit on the 2014 annual accounts of the JU</p>			

C) Financial Instruments : CEF Debt Instruments

This ICT covers: Financial Instruments (FIs) entrusted to International Financial Institutions (IFIs) under indirect management (2014-2020), i.e. the Delegation Agreement (DA) signed by DG ENER with the **European Investment Bank (EIB)** for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI), including PBI as from 2016.

This ICT will focus only on **Stage 1** as the other stages are not applicable for DG ENER for 2015.

Stage 1 – Set-up/design of the Financial Instrument and designation of International Financial Institution

Main control objectives:

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The actions supported through the FIs (debt) do not adequately reflect the policy objectives for the CEF DI as set out in the Connecting Europe Facility Regulation (EU) 1316/2013.	<p>Hierarchical validation (incl. at DG level) of the:</p> <ul style="list-style-type: none"> • <i>Regulation (approved by the Legislative Authority);</i> • <i>Delegation agreement, including notably an ex-ante evaluation (required by RAP art. 224);</i> • <i>Annual work programme with an annual budget;</i> • <i>Inter-service consultation of relevant DGs (horizontal and operational).</i> <p>Formal adoption by the Legislative Authority (for the Regulation), by Commission decision (for the DA), by the Budgetary Authority (for the annual budget).</p> <p>Mid-term evaluation of CEF.</p>	<p>If risk materialises, the FI could become irregular or miss the achievement of the policy objectives.</p> <p>Possible impact 100 % of funds involved and significant reputational consequences.</p> <p>Coverage / Frequency for DA: 100 % / once</p> <p>Depth for DA: In-depth control, full engagement of operational and financial unit resources.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the delegated acts of the Financial Instrument including the ex-ante evaluation.</p> <p>Benefits: The total value of the FI (this is the maximum risk exposure if the basic acts are inadequate).</p>	<p>Effectiveness: Quality of the DA.</p> <p>Where applicable, opinions by advisory bodies (recommendations, actions taken).</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The DA with the EIB for the FIs (debt) under CEF is inadequate in coverage of operational and management provisions (no compliance with Financial Regulation (FR) art. 140 and Rules of Application (RAP) art. 217 & 222-225)</p>	<p>The main principles were agreed with EIB in the Financial and Administrative Framework Agreement (FAFA) (managed by ECFIN).</p> <p>Adequacy of the DA signed between DG MOVE/DG ENER and the entrusted entity (EIB) (managed by ECFIN):</p> <ul style="list-style-type: none"> • <i>DA contains detailed provisions with regard to the follow-up on the achievement of policy objectives;</i> • <i>Fee payments to EIB are linked to achievement of measurable policy objectives;</i> • <i>DA was approved following Commission inter-service consultation (including all relevant DGs, horizontal and operational).</i> <p>Annual approval of work programme by the CEF DI Steering Committee.</p>	<p>Coverage / Frequency for annual work programme: 100% / annually.</p>		
<p>The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).</p>	<p>Selection of the EIB as entrusted entity:</p> <ul style="list-style-type: none"> • <i>In line with Art. 58.1(c)(iii) FR.</i> • <i>EIB explicitly indicated in the CEF Regulation as a possible entrusted entity.</i> <p>Alignment of interest with the EIB was achieved through:</p> <ul style="list-style-type: none"> • <i>Risk-sharing between EIB and Commission mandated under the CEF DI.</i> • <i>A fee structure to compensate the EIB for the implementation of the financial instruments which is linked to the achievement of the policy objectives.</i> 		<p>Costs: estimation of cost of staff involved.</p> <p>Benefits: Use of experienced entrusted entity in the field of European financing.</p> <p>Single entrusted entity for CEF DI, PBI and LGTT allowing full flexibility in budget implementation and use of funding in the most efficient and effective way.</p>	<p>Effectiveness: Use of EIB as entrusted entity allowed full flexibility in negotiations taking also into consideration the IFI experience and procedures.</p> <p>Findings in audit reports</p> <p>Use of EIB avoided costly and lengthy selection procedure of IFI.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
			Only one counter-party for DG MOVE /DG ENER for implementation of CEF DI.	
The IFI does not have the experience and financial capacities as well as the administrative & control capacities to ensure effective and sound implementation of the FI.	Ex-ante assessment of the EIB in accordance with articles 61(1) and 60(2) FR (the so-called six pillar assessment) successfully carried out prior to the signature of the FAFA.			
The RSM (Risk-Sharing Mechanism) is too generous to the IFI (risk of unbalanced risks).	<p>Same controls as above.</p> <p>The EU's risk share is defined in the DA.</p> <p>The risk sharing model was agreed in line with horizontal guidance for FIs from DG BUDG and ECFIN. It was also subject to a formal Commission decision.</p>			

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

The Central Project Management Agency (CPMA)

	Requirement	Information
1	Programme concerned	Decommissioning funding for Lithuania - Ignalina Programme - CPMA
2	Annual budgetary amount entrusted	Commitment under 2015 appropriations: EUR 61 853 000
3	Duration of the delegation	31 December 2026
4	Justification of recourse to indirect centralised management	Indirect centralised management gives advantages of proximity and flexibility as it is easier to adapt it to the local and specific needs of the beneficiary country and allows for a better coordination with simultaneous co-financed measures at national level. It also provides for increased ownership of the programme and simplified relationship between the Community and the beneficiary states. Delegating contract management to a national agency enables the Commission to focus on core activities (policy formulation, political drive, control and evaluation).
5	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	When the scheme was set up, the CPMA was already an established national agency with an accredited implementation system. Before accession CPMA was the certified Lithuanian EDIS contracting authority/paying agency for the PHARE programme. After accession CPMA was entrusted with the management of structural funds programmes. CPMA had, therefore, a direct experience in the management of programmes not requiring an ex-ante control by the Commission. The pillar assessment report of 2010 has confirmed that the CPMA fulfils the requirements.

6.	Synthetic description of the implementing tasks entrusted to this body	<p>The tasks entrusted to the National Agency are set out in the Annual Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom.</p> <p>The duties of the National Agency include:</p> <ul style="list-style-type: none"> - Programming and monitoring; - Preparation of Projects; - Implementation of Projects;
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European Joint Undertaking for ITER and the Development of Fusion Energy (F4E)

	Requirement	Information
1	Programme concerned	2007/198/Euratom: Council Decision of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58)
2	Annual budgetary amount entrusted	<p>The following budgetary amounts were entrusted to this body in 2015 (EU contribution only)::</p> <ul style="list-style-type: none"> - Commitment appropriations - operational: EUR 338 355 057.00 - Commitment appropriations - administrative: EUR 43 860 000.00 - Payment appropriations operational under 2015 credits: EUR 362 734 895.00 - Payment appropriations administrative under 2015 credits: EUR 46 753 373
3	Duration of the delegation	Until 18 April 2042 (parallel with the ITER International Agreement)

4	Justification of recourse to indirect centralised management	2007/198/Euratom: Council Decision of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58)
5	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The F4E JU was set up by Council Decision of 27 March 2007. The members of the JU are: (a) Euratom, represented by the Commission; (b) the Member States of Euratom; (c) third countries having concluded a cooperation agreements with Euratom in the field of controlled nuclear fusion associating their respective research programmes with the Euratom programmes and having expressed their wish to become Members of the Joint Undertaking (i.e. Russia, Japan, China, India, South Korea and the United States).
6.	Synthetic description of the implementing tasks entrusted to this body	<p>As per Art. 1(2) of Council Decision 2007/198/Euratom:</p> <p>The tasks of the Joint Undertaking shall be as follows:</p> <p>(a) to provide the contribution of the European Atomic Energy Community (Euratom) to the ITER International Fusion Energy Organisation;</p> <p>(b) to provide the contribution of Euratom to Broader Approach Activities with Japan for the rapid realisation of fusion energy;</p> <p>(c) to prepare and coordinate a programme of activities in preparation for the construction of a demonstration fusion reactor and related facilities including the International Fusion Materials Irradiation Facility (IFMIF).</p>

ANNEX 7: EAMR of the Union Delegations

Not applicable to DG ENER

ANNEX 8: Decentralised agencies

Name	Acronym	Policy concerned	Subsidy paid in 2015 by DG ENER
Agency for the Cooperation of Energy Regulators	ACER	Energy	EUR 11 266 000

ANNEX 9: Evaluations and other studies finalised or cancelled in 2015



Annex 9_ENER_AAR
2015_final.xlsx

ANNEX 10: Specific annexes related to "Management of Resources"

Details for programmes under reservation provided under Section 3.2 of the AAR.

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

N/A

ANNEX 12: Performance tables

ABB activity: Conventional and renewable energy						
Financial resources (EUR) in commitment appropriations (draft budget 2015)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan post	Estimates of external personnel (in FTEs)	Total
	(1)	(2)				
501 336 000		1 978 000	503 314 000	156	50	206

(1) Heading 5 appropriations managed by the DG (global envelope) 32 01 02

(2) BA lines (32 01 04) and, when relevant 32 01 05 and 32 01 06

Relevant general objectives: 1, 2, 3			
1. Specific objective: Preparing EU long-term energy policy framework (first steps towards the establishment and implementation of the Energy Union, follow up on the 2030 climate and energy framework)			<input checked="" type="checkbox"/> Non programme-based
Result indicator: Progress towards building an Energy Union: identifying scope, objectives and actions (source: DG ENER A1).			<input checked="" type="checkbox"/> Non programme-based
Baseline (2014)	Milestone	Current situation	Target (2015, ENER A1 co-ordination)
Political guidelines on the Energy Union	-	Adopted	Adoption of a Communication on the Energy Union Strategy
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Policy-related output</i>			
Strategic Framework for the Energy Union	Adopted	Adopted	25 February 2015

Relevant general objectives: 1, 2, 3			
2. Specific objective: Supply security, based on solidarity and trust ⁵			<input checked="" type="checkbox"/> Non programme-based
Result indicator: Implementing the EESS. Number of MS with a single gas supplier.			
Baseline (2014)		Current situation (2015)	Target (2022)
7		5	1
EU-28 Energy total demand ⁶			
Baseline (2010)	Milestone (2020)	Current situation (as of 31 December 2014, preliminary Eurostat data)	Target (2030)
Oil Total Demand (Mtoe) 669	Oil Total Demand (Mtoe) 604	563.3 Mtoe	Oil Total Demand (Mtoe) 559
Natural gas Total Demand (Mtoe) 444	Natural gas Total Demand (Mtoe) 404	343.9 Mtoe	Natural gas Total Demand (Mtoe) 347
Coal Total Demand (Mtoe) 281	Coal Total Demand (Mtoe) 231	268.5 Mtoe	Coal Total Demand (Mtoe) 155
Result indicator: Extension of Euratom bilateral agreements to all major actors in the nuclear field that fully respect international conventions and apply best international practices.			
Baseline (2014)		Current situation	Target (2015)
To date the Euratom Community has concluded nuclear co-operation agreements		Coverage of technology transfer	One additional Euratom agreement concluded:

⁵ This SO includes also the CEF Specific objective: Enhancing Union security of energy supply. Same as in the ENER management Plan 2014, it is underlined by the present that the achievement of this objective should be enabled by the improved planning, accelerated permit granting, regulatory incentives and the EU financial assistance introduced with the TEN-E guidelines and the CEF regulations.

⁶ European Commission projections based on the PRIMES model, 2030 Scenario, SWD(2014) 330 final/3.

<p>with the United States, Canada, Australia, Kazakhstan (major suppliers of nuclear materials), Argentina, Ukraine, Uzbekistan and Japan. Informal negotiations with Russia have been under way in view of a broad cooperation agreement; the Commission's negotiating mandate dates from 2010. A broad Euratom agreement with South Africa was signed in 2013. Currently, the Commission is in the process of obtaining a mandate from the Council for negotiating a broad cooperation agreement with the Republic of Korea. The Commission is also engaged in protracted negotiations with Canada (commenced in 2009) to update the existing Euratom-Canada agreement, which has been in force since 1959.</p>	<p>by agreements under discussion with stakeholders. Issue to be follow-up in 2016 to allow for progress.</p>	<p>Canada, South Korea. One Additional Initiative Launched: Future Euratom Agreement with United Arab Emirates.</p>	
Main outputs in 2015			
Description	Current situation	Indicator	Target
<i>Policy-related output</i>			
Adoption and signature of a new international Energy Charter on behalf of the EU and EURATOM	Adopted	Adopted	13 May 2015
Revision of regulation No 994/2010 on security of gas supply	Adopted on 16 February 2016 (as part of Security of Supply Package)	Adoption	By Fourth Quarter 2015
First report on European Energy Security Strategy (EESS)	Adopted on 18 November 2015	Adoption	By Fourth Quarter 2015
Liquefied natural gas (LNG) and storage strategy	Adopted on 16 February 2016 (as part of Security of Supply Package)	Adoption	By Fourth Quarter 2015
Initiative to strengthen the Energy Community	Adopted on 27 July 2015	Adopted	27 July 2015
<i>Main expenditure-related outputs</i>			

EUR 155.54 million ⁷ in commitments to grants.	EUR 115.54 million committed (level 1) of which 15% at level 2	EUR 155.54 million commitments executed (level 1)	End of 2015
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Relevant general objectives: 1, 2, 3		
3. Specific objective: Building a well-functioning and fully integrated internal energy market, including with interconnections ⁸ .		<input checked="" type="checkbox"/> Programme-based <input checked="" type="checkbox"/> Non programme-based
Result indicator: Interconnection levels of the Member States. Number of Member states with a percentage of interconnection capacity below 10% (source: DG ENER B1).		
Baseline (2011)	Current situation 31 December 2014	Target (2020)
12	8	2 (ES and CY)
Result indicator: Number of completed interconnection projects (source: DG ENER B1).		
<input checked="" type="checkbox"/> Programme-based		

⁷ This amount corresponds to the portion of 2015 CEF energy budget allocated to BL 32.02.01.02 (Enhancing Union security of supply) and represents roughly 30% of the overall 2015 CEF energy budget. It is important to note that the even split between the three operational budget lines (ca 30% for each line) is indicative only. It is impossible to determine ex-ante to which specific objective (internal energy market, security of supply, sustainability) projects applying for CEF grants in a given year contribute the most – hence the even split in the programming phase.

⁸ This SO include also the CEF Specific objective: Increasing competitiveness by promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders. Same as in the ENER management Plan 2014, it is underlined by the present that the achievement of this objective should be enabled by the improved planning, accelerated permit granting, regulatory incentives and the EU financial assistance introduced with the TEN-E guidelines and the CEF regulations.

Baseline (2015)	Current situation	Target (2016-2017)	
End of October 2015: 33 out of 44 EEPR projects were technically completed. The financial aid has been terminated for 4 projects in September 2014.	7 projects are on-going	<p>By end of 2016: Completion of the implementation of 36 (out of 40) projects.</p> <p>Final target 2017: Implementation of 40 projects.⁹</p> <p>3 from the still on-going projects should be completed during 2016 whilst 4 projects will run until 2017 and 2018</p>	
Result indicator: Consumer perception of choice in the markets coupled (source: National Regulators, DG ENER B3 Consumer Market Scoreboard).			
Baseline¹⁰	Milestone	Current situation 31 December 2014	Target (2020)
2013: Average electricity: 6.6	2015: 6.8	6.9	Electricity 8 out of 10
2013: Average gas: 6.4	2015: 6.6	7.1	Gas: 8 out of 10
0-4 low, 5-7 medium, 8-10 high satisfaction			
Result indicator: Roll-out of smart meters in the consumer market (source: National Regulators, DG ENER B3).			
<input checked="" type="checkbox"/> Non programme-based			
Baseline (2014)	Current situation (31 December 2015)	Target (2015)	
22 % of residential and industrial customers with electricity and gas metering points installed and connected;	Data to become available in the ACER Energy Market Monitoring Report 2016"	Expected to achieve 30% of installed metering points in the EU	

⁹ Despite some progress made, four EEPR projects in the gas sector faced major difficulties and have been terminated in 2014. This concerns Nabucco, Galsi, Poseidon and the reverse flow project in Romania. The target for 2015 is now based on 40 projects.

¹⁰ The values (baseline and targets) cannot be determined ex-ante (and for this reason Art 3(4) of the CEF explicitly refers to ex-post measurement). The results will gradually become available as the cumulative impact of the PCI projects benefiting from the CEF.

Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Policy-related output</i>			
Initiative on market design and regional electricity markets, and coordination of capacities to ensure security of supply, boosting cross-border trade and facilitating the integration of renewable energy, including the Review of the Agency for the Cooperation of Energy Regulators (ACER)	Adopted	Public consultation finished Ongoing preparations to develop legal measures	15 July 2015
Communication on the effective achievement of the 10% target for interconnectivity in electricity	Adopted	Adopted on 25 February 2015	25 February 2015
Communication on a new deal for energy consumers	Adopted	Adopted on 15 July 2015	15 July 2015
Global Award Decision following second call under Connecting Europe Facility (CEF)	Adoption	Adopted on 5 August 2015 for the first out of two calls for proposals.	Fourth Quarter 2015
Commission Delegated Act "2nd Commission Delegated Act "2nd list of Projects of Common Interest"	Adoption	Adopted on 18 November 2015	Fourth Quarter 2015
Communication on Energy Infrastructure (State of play and Outlook)	Adoption	Communication replaced by a Staff Working Document accompanying the 2nd list of PCIs (18 November 2015)	Fourth Quarter 2015

Annual priority list for the development of Network codes and guidelines for 2016.	Adoption	Priority list of 2015 adopted. Annual priority list of 2017 due to be adopted second half of 2016.	Third Quarter 2015
<i>Main expenditure-related outputs</i>			
End of October 2014: Interconnections: total of EUR 2 267 574 463 has been committed for expenditure on 44 infrastructure projects, selected under the European Energy Programme for Recovery. By 31 December 2014: EUR 897,973,693 payments executed.	EUR 163 275 334 payments to be executed (amount excludes the four projects to be terminated and the decommitments already made following final payments)	By 31 December 2015 EUR 1 583 373 229 of payments executed	By 2017
EUR 155.54 million ¹¹ in commitments to grants.	EUR 155.4 million commitments executed (level 1).	EUR 115.54 million committed (level 1) of which 15% at level 2	By end of 2015
Second call for proposals for CEF grants launched.	Launch	First call launched on 4 March 2015 Second call launched on 30 June 2015	Second Quarter 2015
Delegation Agreement with financial institutions (e.g. EIB) establishing Financial Instruments under CEF (BL 32.02.01.04).	Signature	Signed on 22 July 2015	First Quarter 2015

¹¹ This amount corresponds to the portion of 2015 CEF energy budget allocated to BL 32.02.01.01 (Promoting the further integration of the internal energy market and the interoperability of electricity and gas networks across borders through infrastructure) and represents roughly 30% of the overall 2015 CEF energy budget. It is important to note that the even split between the three operational budget lines (ca. 30% for each line) is indicative only. It is impossible to determine ex-ante to which specific objective (internal energy market, security of supply, sustainability) projects applying for CEF grants in a given year contribute the most – hence the even split in the programming phase.

Global award decision (for CEF grants) following call for proposals.	Adoption	Decision adopted on 5 August 2015 (first call)	Third quarter 2015
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Relevant general objectives: 1, 2, 3			
4. Specific objective: Moderating energy demand			<input checked="" type="checkbox"/> Non programme-based
Result indicator: Reduction of primary energy consumption achieved in 2020 measured against the baseline (%) ¹² (source: Article 3 of Directive 2012/27/EU, ENER C3).			
Baseline (2007 Projection for primary energy consumption in 2020)	Milestone	Current situation	Target (2020)
1853 Mtoe (based on PRIMES 2007 projections)	No milestone foreseen in Directive 2012/27/EU	1 567 Mtoe in 2013 (15.5% compared to baseline)	20% by 2020 1 483 Mtoe
Result indicator: To support projects promoting renewables and increasing energy efficiency in different sectors of the economy including transport, through addressing the non-technological barriers and involving local actors (Intelligent Energy Europe Programme II - legacy) (source: Intelligent Energy Europe Programme II, DG ENER C3).			
Baseline (2014)		Current situation (31 Dec. 2015)	Target (2015)
Cumulative investment made by European stakeholders in sustainable energy triggered by IEE programme (measurement unit EUR). 31/12/2014: EUR 2 884 million.		EUR 4 537 million	31 December 2014: EUR 3 billion.
Additional annual renewable energy production triggered by actions supported by IEE programme		> 35 000	Dependent on the pipeline of projects in

¹² Baseline is PRIMES 2007 in 2020, which includes policies to be implemented up to 2006 with an oil price of \$61 per barrel and reference year 2005. Calculated as Gross Inland Consumption minus Final Non-Energy Use Consumption. Source: Eurostat, Commission studies.

(measurement unit toe). 31 December 2014: >65 000 toe/year	toe/year	2015	
Additional annual energy savings triggered by the actions supported by IEE programme (measurement unit toe). 31 December 2014: >120 000 toe/year	> 130 000 toe/year	Dependent on the pipeline of projects in 2015	
Additional annual reductions of greenhouse gas emissions triggered by the actions supported by IEE programme (measurement unit CO ₂ e). 31 December 2014: >550 000 tCO ₂ e/y.	> 452 000 tCO ₂ e/y	Dependent on the pipeline of projects in 2015	
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Policy-related output</i>			
Review of the energy efficiency framework for products: Energy labelling and Eco-design Directives	Adopted	Adopted on 15 July 2015	15 July 2015
Report on Member States' progress towards their indicative targets for 2020, on basis of Art. 24 (3) of the Energy Efficiency Directive	Preparation /adoption	Adopted on 18 November 2015	Fourth Quarter 2015
<i>Expenditure-related output</i>			
Evaluations: Study on Project Development Assistance facilities under Intelligent Energy Europe Programme (PDA calls and ELENA Facility)	Preparation	Expected to be finalised in April 2016	Publication foreseen afterwards

Relevant general objectives: 1, 2, 3			
4. Decarbonising the EU energy mix and increasing energy production from low Carbon Energy Sources, in particular renewables 13			<input checked="" type="checkbox"/> Non programme-based
Result indicator: Renewable energy share in final EU energy consumption (%) (source: Annex 1b of Dir. 2009/28/EC)			
<input checked="" type="checkbox"/> Non programme-based			
Baseline (2014)	Milestones	Current situation	Target (2020)
15.3%	EU RES shares according to projection in National Renewable Energy Action Plans (NREAP).	RES share as of 31 December 2014: 16%	20%
Nuclear: Baseline 2012: EU gross electricity generation amounted to 3 295 TWh in 2012 and nuclear gross electricity generation accounted for 26.8 % (882.4 TWh) of total EU production (corresponding to 13% of total EU energy demand).	New Nuclear built advancing according to plans notified to the EC	According to Eurostat statistics of 2014, the EU gross electricity generation amounted to 3240 TWh in 2013 (latest figures available) and nuclear gross electricity generation was at 27% (877 TWh) of total EU production.	No decline of the share of nuclear gross electricity generation in 2020 with regard to 2012 baseline.
Main outputs in 2015			
Description	Indicator	Current situation	Target

¹³ This SO includes also the CEF Specific objective: Contributing to sustainable development and protection of the environment, inter alia by the integration of energy from renewable sources into the transmission network, and by the development of smart energy networks and carbon dioxide networks. Same as in the ENER management Plan 2014, it is underlined by the present that the achievement of this objective should be enabled by the improved planning, accelerated permit granting, regulatory incentives and the EU financial assistance introduced with the TEN-E guidelines and the CEF regulations.

<i>Policy-related output</i>			
Commission guidance on Renewable Energy self-consumption schemes	Adopted	Adopted on 15 July 2015	15 July 2015
Progress report on renewable energy directive	Adopted	Adopted on 15 June 2015	15 June 2015
Eu strategy for Heating and Cooling - the contribution of Heating and Cooling in realizing the Eu's energy and climate objectives	Adoption	Communication on EU Heating Cooling adopted on 16 February 2016	Fourth Quarter 2015
<i>Main expenditure-related outputs</i>			
EUR 155.54 million ¹⁴ in commitments to grants.	EUR 155.54 million commitments executed (level 1).	EUR 115.54 million committed (level 1) of which 15% at level 2	By end of 2015
Creating an environment more conducive to private investment for energy projects corresponding to the fourth operational budget line for CEF energy (BL 32.02.01.04) with EUR 48.52 million earmarked =>this also applies to objectives 11 and 12.	EUR 48.52 million commitments executed (following the conclusion of the delegation agreement with financial institutions).	EUR 48.52 million commitments executed (level 2) on 16 December 2015	By end of 2015
<p>Evaluations:</p> <p>Progress report on RES directive (including review elements foreseen in article 23.8 of RES Directive) and REFIT evaluation. RES progress and biofuel sustainability study has been completed in September 2014 (from 2012 IEE budget), REFIT evaluation study completed in April 2015 (financed within framework contract, from H2020 2014 budget). REFIT evaluation SWD to be completed in 2016.</p>			

14 This amount corresponds to the portion of 2015 CEF energy budget allocated to BL 32.02.01.03 (Contributing to sustainable development and protection of the environment through infrastructure) and represents roughly 30% of the overall 2015 CEF energy budget. It is important to note that the even split between the three operational budget lines (ca 30% for each line) is indicative only. It is impossible to determine ex-ante to which specific objective (internal energy market, security of supply, sustainability) projects applying for CEF grants in a given year contribute the most – hence the even split in the programming phase.

Relevant general objectives: 1, 2, 3		
7. Specific objective: Tapping the job and growth potential of the energy sector		<input checked="" type="checkbox"/> Non programme-based
Result indicator: Progress towards maximising synergies between meeting energy policy objectives and job creation		
<input checked="" type="checkbox"/> Non programme-based		
Baseline (2014)	Current situation	Target (2015)
2.5 million job in energy related sectors: (2010) ¹⁵		800 000 additional jobs created by 2030 ¹⁶
Result indicator: Mainstreaming Energy efficiency and renewable energy investments into European Structural and Investment Funds		
<input checked="" type="checkbox"/> Non programme-based		
Baseline (2014)	Current situation	Target (2015)
Member States need to allocate a minimum percentage of their ERDF allocation to low carbon investments. Based on preliminary information from draft Operational Programmes, a total of EUR 4.9 billion for RES and EUR 16.9 billion for EE	EUR 45 billion under TO4 for ESIF (including EUR 31.5 billion from ERDF)	EUR 38 billion by 2020
Result indicator: Energy sector's contribution to President Juncker's EUR 315 billion Investment Plan for Europe to boost jobs and growth within the next 3 years		
Baseline (2014)	Current situation	Target (2018)

¹⁵ Study on Employment effects of selected scenarios from the Energy Roadmap 2050. European Commission (2012)

¹⁶ Employment projections available in impact assessments accompanying the 2030 climate and energy framework and the energy efficiency Communications

Annual investment need in the energy sector is EUR 205 billion on average to meet agreed objectives in the next 3 years.	EUR 45 billion under TO4 for ESIF (including EUR 31.5 billion from ERDF)	Contribution of the EU investment plan to secure qualitative projects, accelerate investments and crowd in private money to meet identified needs.	
<p>Result indicator: Increased support and leverage effect provided under the European Energy Efficiency Fund (EEEF) to growth and job creation in supporting energy efficiency, RES and clean urban transport through dedicated financing.</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>			
Baseline (2014)	Current situation	Target (2015)	
EUR 219 million cumulated allocation to 13 investment projects by 2014	EUR 45 billion under TO4 for ESIF (including EUR 31.5 billion from ERDF)	Increase up to allocating the full EUR 265 million	
EUR 265 million total fund volume (EU contribution of EUR 125 million)	EUR 45 billion under TO4 for ESIF (including EUR 31.5 billion from ERDF)	Raise from min. EUR 5 million to EUR 30 million of new investors' contribution to the Fund A shares (no governance right)	
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Main policy outputs</i>			
<i>Main expenditure-related outputs</i>			
European Energy Efficiency Fund: cumulated payments of EUR 87.7 million	EUR 25 million of payments (based on average figures)- disbursement depends on project implementation progress		2015

Mainstreaming of energy in European Structural and Investment Funds	At least 20 % of the European Regional Development Funds must be spent for promoting the transition to a low-carbon economy in developed and transition regions (6% in less developed regions) over the 2014-2020 period.	EUR 45 billion under TO4 for ESIF (including EUR 31.5 billion from ERDF)	-
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ABB activity: ABB activity: Horizon 2020 – Research and innovation related to energy						
Financial resources (EUR) in commitment appropriations (draft budget 2015)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1)	(2)				
337 998 791		3 819 143	341 817 934	22	7	29

(1) Heading 5 appropriations managed by the DG (global envelope) 32 01 02

(2) BA lines (32 01 04) and, when relevant 32 01 05 and 32 01 06.

Relevant general objectives: 1, 2, 3			
6. Specific objective: Further developing energy technologies (Horizon 2020) ¹⁷			<input checked="" type="checkbox"/> Programme-based
Output indicator ¹⁸ : Share of the overall energy challenge funds allocated to the following research activities: renewable energy, end-user- energy-efficiency, smart grids, demand response, energy storage and market uptake of energy innovation activities ¹⁹			<input checked="" type="checkbox"/> Programme-based
Baseline	Milestone (2016)	Current situation	Target (2020)
New approach	85%	100%	85%
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Main policy outputs</i>			
Integrated Strategic Energy Technology (SET) plan	Adoption	Adopted on 15 September 2015	Third Quarter 2015
<i>Main expenditure-related outputs</i>			
Calls launched	Launch	Launched	In 2015, launch of the energy calls which are foreseen in the Horizon 2020 Work Programme 2014-2015 to be launched in 2015

¹⁷ Resolution from the European Parliament on Horizon 2020 budget.

¹⁸ The ENER specific result indicators, agreed with RTD, will be introduced in the Management Plan as of 2017 (i.e. once they become relevant due to the availability of data); and the standard result indicators from the Horizon 2020 (Specific Programme Draft, page 187) legal basis are included in the Annex 5 of the RTD Management Plan which addresses these standard result indicators across all of Horizon 2020.

¹⁹ For the later: in the framework of the Intelligent Energy Europe Programme within the Competitiveness and Innovation Programme.

Calls evaluated	Evaluation	Evaluated	In 2015, evaluation of the energy calls which are foreseen in the Horizon 2020 Work Programme 2014-2015 to be using the budget of 2015.
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ABB activity: Nuclear energy						
Financial resources (EUR) in commitment appropriations (draft budget 2015)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1)	(2)				
159 853 000		119 000	159 972 000	277	12	289

(1) Heading 5 appropriations managed by the DG (global envelope) 32 01 02

(2) BA lines (32 01 04) and, when relevant 32 01 05 and 32 01 06.

Relevant general objectives: 1, 2, 3			
9. Specific objective: Promoting the safe and secure use of nuclear energy		<input checked="" type="checkbox"/> Non programme-based	
Result indicator: Establishment and implementation of a common EU framework for nuclear safety investment, (source: Euratom Treaty, DG ENER D1).			
<input checked="" type="checkbox"/> Non programme-based			
Baseline (2014)	Milestone	Current situation	Target (2015)
Amended Nuclear Safety Directive (NSD) adopted by the Council on 8 July 2014	Effective transposition of the new NSD	<p>The first workshop on the amended NSD was organised by EC in October 2015. Another NSD Workshop will be organised in 2016, most probably on the nuclear safety objective.</p> <p>The Report on the implementation of the 2009 NSD was published in November 2015.</p>	Analysis of transportation efforts by MS and discussion of possible solutions to problems encountered.
Directive on the management of spent fuel and radioactive waste adopted by the Council on 19 July 2011.	Member States notifying national programmes and reporting on implementation of Waste Directive	By the end of 2015, 27 MS have declared full transposition and 1 partial. Assessment of the completeness and conformity of transposition is ongoing. 18 final and 7 draft national programmes were received, 3 are missing. 25 national reports were received and 3 are missing.	Review of national programmes and reports submitted by MS by the European Commission

<p>Priorities for nuclear policy to be adopted in the work programme of the new Commission (Energy security aspects in nuclear investments, contribution of nuclear to energy independence)</p>	<p>Commission Work Programme adopted</p>	<p>Communication and accompanying Staff Working Document have been prepared and the file to launch the ISC was ready and under verification with management.</p>	<p>Adoption of a Communication for a new Nuclear Illustrative Programme</p>
<p>Handling of notifications under Article 41 (11 month average 2010-2013) and 103 of the Euratom Treaty. Special procedures have been put in place for processing those notifications. An empowerment procedure for Art. 41 and an accelerated ISC procedure for Art. 103.</p>	<p>Notifications processed</p>	<p>]</p> <p>The impact assessment will be finalised shortly after 26 January, which is the deadline for the public consultation. Adoption intended for Second Quarter 2016.</p> <p>The Commission proposal was prepared. Adoption intended for First Quarter 2016.</p> <p>To be followed up within the framework of the proposal for a new Regulation</p>	<p>Adoption of a Commission proposal to revise Council Regulation 1999/2587/Euratom</p> <p>Adoption of a Commission Proposal for Council Recommendation on Art. 103 Euratom Treaty.</p> <p>Commission preparing 90% of its viewpoint on nuclear investments notified to it under Article 41 of the Euratom Treaty within 6 months for standard cases</p>

			<p>and within 9 months for more complex cases (new types of installations, new technologies to be used) from the date of receipt of a complete notification. The procedure involves a dialogue with the investor, and the Commission is only in a position to prepare its opinion if all information requested has been delivered.</p> <p>Article 103: Commission comments/recommendations on 90 % of complete draft agreements and contracts notified to it under Article 103 of the Euratom within one month giving specific emphasis to energy security aspects</p>
		<p>In 2015, out 8 notifications, 5 could be processed till Commission decision within one month. For the other three, the additional delay amounted to 1, 2 and 12 working days respectively.</p>	
<p>Result indicator: Reinforcement of the international nuclear safety framework</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>			
Baseline (2014)	Milestone	Current situation	Target (2015)

<p>Decision to hold a Diplomatic Conference on for the amendment of the Convention on Nuclear Safety.</p>	<p>Diplomatic Conference 9-13 February 2015</p>	<p>The Vienna Declaration has been approved by consensus of all attending Contracting Parties to the Diplomatic Conference including the 28 Member States and the Euratom Community. The Declaration contains a set of principles and implementation mechanisms to improve and enhance the safety of nuclear power plants. These principles aim to prevent nuclear accidents and mitigate their consequences on the population. Its implementation will be subject to peer reviews starting in 2017 in the framework of the next CNS Review Meeting.</p>	<p>CNS improved, by making the principle of "avoiding off-site contamination" legally binding.</p>
<p>Implementation of the Memorandum of Understanding with the IAEA on nuclear safety</p>	<p>Meeting of the Senior Officials Committee and Senior Officials Liaison Committee</p>	<p>The 59th General Conference took place on 29-30 June 2015. The priority topics identified were global nuclear safety, Fukushima report, CNS follow-up, regional co-operation, harmonisation of licencing procedures/industry standards via re-enforced regional co-operation, Joint Comprehensive Plan of Action (JCPOA) as an example of</p>	<p>9th IAEA General Conference</p> <p>Priorities areas for co-ordination of activities with IAEA agreed by DG ENER-DEVCO and JRC</p>

<p>Stress tests with Neighbouring Countries: Belarus proposing Commission's participation in a national nuclear stress tests for the Ostrovets Nuclear Power Plant</p> <p>Nuclear Stress Report for Metzamor Nuclear Power Plant in Armenia available</p>	<p>Submission by Belarus of its national report on Ostrovets Nuclear Power Plant</p> <p>Possible Financial Support of the EC for the peer review agreed. Such funding, without prejudice to financial planning procedures, may be provided under Council Regulation (Euratom) No 237/2014 of 13 December 2013 establishing an Instrument for Nuclear Safety Co-operation.</p>	<p>avoidance of a non-proliferation crisis and of regional co-operation and the 3S (nuclear safeguards, security and safety).</p> <p>No Report submitted by Belarus. Belarus counterpart informed the Commission that report preparation was just initiated end of 2015.</p> <p>Armenia National Report was delivered to the Commission in August 2015. Peer review of the report with participation of the Commission is forecasted for spring 2016.</p>	<p>Commission participation to the peer review of the Belarus national report</p> <p>Commission participation in the peer review of the Armenian National Report</p>
<p>Result indicator: Objective and performance indicators as detailed in Commission Implementing Decision C(2014)5449²⁰</p> <p>Source: Annual Progress Report (Article 6 of the Council Regulations on Union support for the nuclear</p>			

²⁰ This SO includes 9 Nuclear Decommissioning Specific Objectives: 1) Kozloduy Programme - Performing dismantling in the turbine halls of units 1 to 4 and in auxiliary buildings, 2) Kozloduy Programme - Dismantling of large components and equipment's in the reactor buildings of Kozloduy units 1 to 4., 3) Kozloduy Programme - Safely managing the decommissioning waste in accordance with a detailed waste management plan., 4) Ignalina Programme - Defueling of the reactor core of unit 2 and the unit 1 and 2 reactor fuel ponds into the dry spent fuel storage facility, 5) Ignalina Programme - Safely maintaining the reactor units until defueling is completed, 6) Ignalina Programme - Performing dismantling in the turbine hall and other auxiliary buildings and safely managing the decommissioning waste in accordance with a detailed waste management plan, 7) Bohunice Programme - Performing dismantling in the turbine hall and auxiliary buildings of reactor V1, 8) Bohunice Programme - Dismantling of large components and equipment in the V1 reactor buildings, 9) Bohunice Programme - Safely managing the decommissioning waste in accordance with a detailed waste management plan.

decommissioning assistance programme in Bulgaria, Lithuania and Slovakia) DG ENER D2

Baseline (January 2014)	Milestone	Current situation	Target (2020)
The baseline is detailed in the decommissioning plans annexed to Commission Implementing Decision C(2014)5449. It establishes which buildings and equipment have been already dismantled and the quantities of radioactive waste generated so far.	Advancement according to the updated decommissioning plans as defined in the yearly work programmes adopted by the Commission at the beginning of each year.	In all three programmes the detailed objectives were achieved on schedule according to the baseline.	All nine specific objectives defined in the Council Regulations on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia fully achieved. These nine objectives specify which building and equipment are to be dismantled and set a target for the radioactive waste generated.

Result indicator: Contribution of MS to their nuclear decommissioning programme
 Source: Annual Progress Report (Article 6 of the Council Regulations on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia) DG ENER D2

Baseline (2014)	Milestone (2017)	Current situation	Target (2020)
Significant EU support (EUR 130 million) to nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia.	Non EU contributions to decommissioning programmes increased to reduce (possibly eliminate) the financial gap to the end state of decommissioning	By 31 December 2014 the national sources of funding amounted up to 30% in SK, to 4% in LT and 13% in BG of the estimated cost of the decommissioning programme.	Nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia no longer needs EU support.

Result indicator: Conclusion of Financial and Administrative Framework Agreement with EBRD and programme specific delegation agreements for indirect management of the Decommissioning Assistance Programme

Baseline (2014)	Current situation	Target (2015)
Previously used delegation agreement templates are not in line with the 2014 Financial Regulation.	Target fully met	Conclusion of Financial and Administrative Framework Agreement under the leadership of DG BUDG with EBRD and programme specific delegation agreements by DG ENER.
Result indicator: Assessment by EC(DG ENER/DG BUDG) of Slovak national implementing agency		
Baseline (2014)	Current situation	Target (2015)
On October 2014 Slovakia sent a proposal to DG ENER to set up its own national agency, the Slovak Innovation and Energy Agency to implement the EC financial assistance to the Slovak decommissioning programme.	The pillar assessment of the Slovak national implementing agency has been finalised. The negotiations on the delegation agreement are on-going.	Assessment by EC of Slovak national implementing agency finalised.
Result indicator: Errors reported in audit on the management of the nuclear decommissioning assistance programme Source: Audit reports DG ENER D2		
Baseline (January 2014)	Current situation	Target (2015)
Recommendations from previous reports ^{21 22} are being implemented.	The ECA audit is not yet completed. An IAS performance audit has been concluded with	No serious errors reported in ECA audit (expected spring 2015) on the management of the nuclear decommissioning assistance programme.

²¹ ECA Special Report 16/2011 EU financial assistance for the decommissioning of nuclear plants in Bulgaria, Lithuania and Slovakia

²² European Parliament's Committee on Budgetary Control report IP/D/CONT/IC/2013_054, Nuclear decommissioning: management of costs and risks

	three recommendations of which one is critical.	
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Relevant general objectives: 1, 2, 3

9. Specific Objective: To strengthen protection of the health of workers and the general public against the dangers arising from ionizing radiation.

Result indicator: Verification of absence of radioactive contamination of equipment; radiological protection of staff; safety and security of radioactive sources (source: Radiation Protection Regulation of Luxembourg, Licence to operate nuclear laboratories in EUFO complex, ENER.D.3).

Baseline (2014)	Milestone	Current situation	Target (2015)
	No items returned from nuclear installations were found to be significantly contaminated. Some slightly contaminated metal seals were identified and sent to ITU for verification. In radiation exposure monitoring of 240 occupationally exposed Commission staff (DG ENER, HR, DEVCO), did not result into exceeding of any of the annual dose limits set for radiation workers. was noted. Management of EUFO laboratories was carried out in compliance with the licence conditions and EMAS. Management and control of all DG ENER radioactive sources and fissile materials did not give rise to any particular remarks.	No items returned from nuclear installations were found to be significantly contaminated. Some slightly contaminated metal seals were identified and sent to ITU for verification. Continuous radiation exposure monitoring of 240 occupationally exposed Commission staff (DG ENER, HR, DEVCO) did not show doses in excess of any of the annual dose limits set for exposed workers. Management of EUFO laboratories is carried out in compliance with the licence conditions and EMAS requirements. Management and control of all DG	Contamination measurement of all equipment and metal seals returned from nuclear facilities. Monitoring of radiation exposure of occupationally exposed Commission staff. Organisation of operational radiation protection and training. Management of EUFO laboratories in compliance with the licence conditions and EMAS. Management of radioactive sources, final disposal of sources that are out of use. Finalisation of the ISO 17025 certification.

	ISO 17025 certification quality assurance handbook is being maintained.	ENER radioactive sources and fissile materials did not give rise to any particular remarks. ISO 17025 accreditation quality manual is being maintained. All the documents have been submitted to OLAS. The OLAS audit for the finalisation of the certification procedure is planned for 11-13 April 2016.	
<p>Result indicator: Comprehensive radiation protection legislation across all exposure situations and categories of exposure (Source: Articles 31, 32, and 37 of Euratom Treaty, DG ENER D3).</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>			
Baseline (2014)	Current situation	Target (2015)	
Euratom BSS Directive's transposition plan prepared and call for tenders launched for Contract, "Evaluation of MS strategies and plans for the transposition of the Basic Safety Standards Directive (Council Directive 2013/59/EURATOM)".	<p>The General Workshop on the EU Member States' strategies to implement the BSS and the Topical Workshop on the Emergency Preparedness and Response arrangements of the BSS were organised in December 2015</p> <p>Five additional workshops will be organised in 2016 with MS in selected topical areas. Three of them under the "general" BSS project 626-2014, one under project 330-215 on medical and one under project 353-2015 on emergency preparedness and response.</p>	Start implementing the transposition plan.	
Euratom Drinking Water Directive transposition plan adopted. Workshop with MS organised in December 2014	<p>All article 33 notifications have been processed.</p> <p>Euratom Drinking Water Directive transposition deadline was 28 November 2015. All actions of the implementation</p>	Start implementing the transposition plan.	

	plan were completed.	
Proposal [COM(2013) 943 final] for a Council Regulation on food and feed adopted on 10 January 2014. Examined in the WPAQ of the Council during 2014.	EP Opinion received on 9 July 2015. Adoption of the Regulation by the Council on 15 January 2016.	EP Opinion expected in July 2015; adoption of the Regulation by the Council by Third Quarter 2015.
Article 37 allows the Commission to evaluate, ex ante, the potential health impact on the population of other Member States that would result from the planned operation, in a Member State, of a nuclear facility that will become subject to a regulatory discharge authorisation for radioactive effluents Seven Article 37 Opinions were delivered in 2014. Three Article 37 files are ongoing and will lead to the adoption of respective Opinions in 2015	Nine Commission Opinions were delivered in 2015 on general data submitted by Member States on plans for the disposal of radioactive waste pursuant to Article 37 of the Euratom Treaty: 2 on new plans (the EURpean Spallation Source Facility at Lund in Sweden and the Liquid Sludge Treatment Plant at Sellafield in the United Kingdom), 2 on the modification of existing plans (the Dounreay Site Restoration in Scotland and the CIRES repository for very low active waste in France). Five Opinions were delivered in relation to dismantling plans and concern (i) the KKI-1 BWR at Isar in Germany (ii) the Phénix FBR at Marcoule in France (iii) the dismantling stages III + IV of the Bohunice A-1 reactor in Slovakia (iv) the 2 PWR of KWB at Biblis in Germany and (v) the UP2-400 spent fuel reprocessing plant at La Hague in France. All Commission Opinions delivered within 2015 were within the 6 month deadline. Five (5) more article 37 submissions are currently being processed and will lead to the delivery of opinions in the year 2016.	90% of Commission Opinions delivered within a 6 month deadline, starting from the communication of a MS plan for the disposal of RAW, as laid down in Article 37 (2)
Result indicator: Number of verifications of radioactive monitoring facilities (source: Article 35		

Euratom Treaty)			
Baseline (2014)	Milestone (2015)	Current situation	Target (2015)
In 2014 there were three verification missions (to Latvia, Ireland and Slovakia)	Criteria for the selection of Member States in which verification, missions should be carried out defined	Selection criteria defined. Five verification missions to Cyprus, Denmark, Finland, Luxembourg and Italy carried out in 2015	Four verification missions carried out (MS to be determined on the basis by beginning of predefined criteria and a 3 year rolling plan for 2015 + ad hoc verification missions agreed., if requested by EP).
Result indicator: Timely conclusion, by the Euratom Supply Agency, of nuclear materials supply contracts submitted by EU nuclear market players (source: ESA) <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>			
Baseline (2014)	Current situation	Target (2015)	
Latest known result: 144(tbc) contracts as of 7 November 2014. Target (i.e. to handle within 10 work days) achieved in more than 90% of cases, no complaints received.	203 contracts have been handled during 2015. Target (i.e. to handle within 10 work days) achieved in more than 90% of cases, no complaints received.	Target: 100% within 10 working days deadline, starting from the submission of a complete file; except cases when Commission's authorisation is required.	
Main outputs in 2015²³			
Description	Indicator	Current situation	Target

²³ The Commission will withdraw its proposal for a Council Regulation establishing a Community system for registration of carriers of radioactive materials (COM(2012) 561 final)

<i>Main policy outputs</i>			
Communication for a nuclear illustrative programme (PINIC) pursuing to Art 40 Euratom	Adoption	Communication and accompanying Staff Working Document have been prepared Adoption in 1st semester 2016	Fourth Quarter 2015
Proposal for a Council Regulation (Euratom) updating information requirements of Article 41 of the Treaty establishing the European Atomic Energy Community in light of the EESS	Adoption	Adoption intended for Second Quarter 2016	Fourth Quarter 2015
Recommendation from the Commission on the application of Article 103 of the Treaty establishing the European Atomic Energy Community in light of the EESS	Adoption	Adoption First Quarter 2016	Fourth Quarter 2015
<i>Main expenditure-related outputs</i>			
Progress report on the implementation of the decommissioning programme	Establishment	Progress Report is ready for adoption.	Fourth Quarter 2015
Financial commitment	Adoption		2015

Relevant general objectives: 1, 2, 3.	
9. Specific objective: Ensuring the peaceful use of nuclear materials for their intended purposes.	Non-spending
Result indicator: Level of the Commission's safeguards criteria satisfaction in facilities inspected (source: assessment by DG ENER Directorate E)	

<input checked="" type="checkbox"/> Non programme-based		
Baseline (2014)	Current situation	Target (2015)
January – September 2014: 0,97 (preliminary figure).	0.96	1 (equals full satisfaction of the Commission's safeguards criteria in facilities inspected).
Result indicator: Ratio of inspections performed / inspections required as defined in nuclear safeguards approach documents (EURATOM Inspection guidelines) (source: assessment by DG ENER Unit E2/E3/E4). <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>		
Baseline (2014)	Current situation	Target (2015)
January – September 2014: to be calculated	0.98	Value to be kept above 90 % ²⁴ .
Result indicator: Number of nuclear material accountancy reports verified before transmission to the IAEA / Number of reports transmitted to the IAEA (source: assessment by DG ENER Unit E5). <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>		
Baseline (2014)	Current situation	Target (2015)
January – October 2014: 98.95%	97.19	Target value: 85-95%
Result indicator: Level of timely attainment of project milestones for the EPGR (Encapsulation Plants & Geological Repositories) Liaison Group dealing with the development of safeguards approaches for deep geological disposal of spent fuel (source assessment by DG ENER Unit E1). <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>		
Baseline (2014)	Current situation	Target (2015)
January – September 2014: 95%	100%	Value to be kept above 90% ²⁵

²⁴ The average of (the ratio of inspections performed by installation type / inspections required by installation type) by unit as defined in nuclear safeguards approach documents, i.e. EURATOM Inspection Guidelines (EIGs). Inspections here include all types of inspection activities: performed on-site or performed at HQ. It does not include non-safeguards related missions (e.g. technical interventions or meetings) (source: assessment by DG ENER Unit E2/E3/E4).

²⁵ New installation types, like the ones associated with the deep geological disposal of waste and

(preliminary value)			
<p>Result indicator: Ratio of number of installations where new inspection approaches are implemented / total number of phased-out (shut-down) installations with spent fuel transfers during the year (source: assessment by DG ENER Unit E4).</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Non programme-based</p>			
Baseline (2014)	Current situation	Target (2015)	
January – October 2014: to be calculated	100%	Value to be kept above 80% ²⁶	
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Main expenditure-related outputs</i>			
2015 BUDGET: Total EUR 23.1 million: Inspection missions – Budget EUR 2.6 million; Equipment – Budget EUR 66.73 million; Services (including maintenance, studies, laboratories, informatics) – Budget EUR 13.77 million.	Implemented	Implemented	2015
<p>Evaluations:</p> <p>No case of nuclear material diversion has been found in 2014 (January - September) and no irregularities have been reported for the EU by the IAEA.</p>			

spent nuclear fuel, require new and novel safeguards approaches to be conceived and implemented. The performance indicator related to the EPGR projects in Finland and Sweden – the most critical new approach currently in development - applies to the design and construction stages of the respective projects and is a measure of the degree of responsiveness of the Commission's Safeguards service to provide in a timely and efficient manner the EC requirements for safeguards implementation to internal and external parties. With this process we put Safeguards-by-design in practice and enjoy considerable benefits amongst all stakeholders.

²⁶ Phasing out nuclear energy and decommissioning of nuclear facilities in a number of EU member states (Germany, Spain, Lithuania, and Bulgaria) requires increased inspection activities for the verification of spent fuel loaded into casks for long-term inaccessible storage. In this respect, new inspection approaches need to be developed and implemented for certain facilities (in collaboration with operators and the IAEA).

Relevant general objectives: 1, 2, 3			
Specific objective 10. Developing nuclear fusion energy technologies (ITER)			<input checked="" type="checkbox"/> Programme-based
Output indicator: Percentage of Euratom's obligations discharged by the ITER Organization (IO) through the Joint Undertaking F4E ²⁷			
Baseline (2012)	Milestone (2016)	Current situation	Target (2020)
6%	26%	17% (end of 2015)	80%
Main outputs in 2015			
Description	Indicator	Current situation	Target
<i>Main policy outputs</i>			
Revision of the ITER project baseline (schedule, cost and scope)	Submission to the ITER Council	The ITER Council rejected the proposal of the ITER IO in November 2015. It requested an independent assessment of the proposal which should become available by June 2016.	Fourth Quarter 2015
<i>Main expenditure-related outputs</i>			
2015 ITER financing decision	Adoption	Adoption in June 2015	First Quarter 2015
2015 F4E budget		100%	

²⁷ Progress in the Euratom contribution to ITER construction is measured according to credits granted by IO to F4E according to the ITER International Agreement. Data provided according to current Baseline. However, the schedule is under revision and a proposal will be submitted to the ITER Council in 2015.

implementation	budgetary execution		100% in 2015
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ABB activity: ITER						
Financial resources (EUR) in commitment appropriations (draft budget 2015)				Human resources ²⁸		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1)	(2)				
382 215 057		9 708 943	391 924 000	42	4	46

ABB activity: Policy Strategy and Coordination						
Financial resources (EUR) in commitment appropriations (draft budget 2015)				Human resources		
Operational expenditure	Administrative expenditure (managed by the service)		Total	Establishment plan posts	Estimates of external personnel (in FTEs)	Total
	(1)	(2)				
0	0		0	0	63	16 79

(1) Heading 5 appropriations managed by the DG (global envelope) 32 01 02

(2) BA lines (32 01 04) and, when relevant 32 01 05 and 32 01 06.

²⁸ In addition: 2 establishment plan posts, lent to IAS in 2011 and to be returned to DG ENER in 2017

Specific objective: Policy strategy definition and coordination, including strategic planning and programming and interinstitutional relations			
Indicator	Baseline (2014)	Current situation (31 December 2015)	Target
Delivery rate (adoption by the College) of the DG's planned adoptions (source: the Agenda Planning list at beginning of year, analysis undertaken by DG ENER A1).	19 November 2014 76%	62%	> 70 %
% of Parliamentary written questions on energy replied to within the deadline set by the General Secretariat (analysis undertaken by DG ENER A2)	7 November 2014 64%	100%	>75 %
% of access to documents requests replied to within the official deadline (please add source) (source: GESTDEM application, analysis undertaken by DG ENER A1).	31 December 2012 91%	57%	100 %
Transposition rate of energy legislation (%) (source: NIF database, analysis undertaken by DG ENER A1)	18 November 2013 94%	91%	100 %

Specific objective: Support decision-making on new initiatives and simplification of existing regulation by thorough evaluations, including impact assessments and by systematic consultations of stakeholders

Indicator	Baseline (2014)	Milestone	Current situation 31 Dec 2015	Target
% of IAs/evaluations completed by 31/12 according to timetable set (DG ENER A1)	<p>Impact Assessments</p> <p>67% - 12 IA foreseen for 2014 - 4 postponed)</p> <p>Evaluations</p> <p>There were 2 Mid-Term evaluations foreseen and completed in 2014. 1 Mid-Term evaluation foreseen for December 2014 (on Elena facility) was postponed to 2015. 1 Evaluation was foreseen in December 2014 on Nuclear Waste was postponed to 2015. 3 ongoing Evaluations in 2014: on renewable energy Directive 2009/28/EU, on energy efficiency, on Wind energy - S (SET Plan) , on oil directive 2009/119/EC to be ended in 1st , 2nd, 3rd quarter 2015 There are 2 evaluations out of 4 which achieved pass rate (50%) for 2014.</p>	-	<p>Impact Assessments</p> <p>100% - 6 impact assessments were completed in 2015 (as planned)</p> <p>Evaluations</p> <p>50% - 3 out of 6 foreseen evaluations completed, 2 postponed, 1 cancelled.</p>	<p>>90 %</p> <p>>50% (Evaluations)</p>
Quality of the impact assessments measured by % of invitations to resubmit by the Impact Assessment Board (ENER A4)	All but one IAs submitted to the IAB in 2014 by DG ENER have positive opinions.	In 2015 follow closely IAs opinions issued by IAB. Train staff in charge of IAs in advance.	50% (3 impact assessments required resubmission)	To achieve the same level of excellence like in 2014, taking into account reduced resources in DG ENER, reorganisation and change

				management of the SG.C2 unit, and revision of the IA Guidelines in 2015.
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Specific objective: Develop and implement a suitable external communication strategy			
Indicator	Baseline (2014)	Current situation 31 December 2015	Target
Indicator: Number of website hits on DG's website (source: analysis undertaken by the Communication Unit A.2)	5 November 2014 3,673,373 visits	3,682,888 visits for 2015	Identical or higher than previous year
Degree of implementation of the DG's external communication strategy	7 November 2014: 85%	100%	2014, based on previous experience and analysis undertaken by the Communication Unit: 90%