



European  
Commission

# Annual Activity Report 2021

DG FOR INTERNATIONAL PARTNERSHIPS

## Table of Contents

THE DG IN BRIEF.....	3
EXECUTIVE SUMMARY .....	6
A. Key results and progress towards achieving the Commission’s general objectives and DG’s specific objectives (executive summary of section 1).....	6
B. Key Performance Indicators (KPIs).....	11
C. Key conclusions on Financial management and Internal control (executive summary of section 2.1).....	12
D. Provision of information to the Commissioner(s).....	13
1. KEY RESULTS and progress towards achieving the Commission’s general objectives and DG’s specific objectives.....	14
Performance Story 1 - International Partnerships.....	14
Performance Story 2 - Climate Change, Environment, and Sustainable energy .....	17
Performance Story 3 - Human Development.....	21
Performance Story 4 - Sustainable Jobs and Growth.....	24
2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL .....	29
2.1. Financial management and internal control.....	29
2.1.1. Control results .....	30
2.1.2. Audit observations and recommendations.....	52
2.1.3. Assessment of the effectiveness of internal control systems.....	56
2.1.4. Conclusions on the assurance.....	57
2.1.5. Declaration of Assurance.....	64
2.2. Modern and efficient administration – other aspects .....	65
2.2.1. Human resource management.....	65
2.2.2. Digital transformation and information management .....	66
2.2.3. Sound environmental management.....	69

# THE DG IN BRIEF

## The mission statement

Within the European Commission, the mission of the Directorate-General for International Partnerships (DG INTPA)<sup>1</sup> is to contribute - in the context of the European Union's external relations - to sustainable development, eradicating poverty, promoting peace and the protection of human rights; through international partnerships across the world that uphold and promote European values and interests.

As part of the European Union's external relations, DG INTPA bases its actions on international law and multilateralism and is at the forefront of the European Union's efforts to implement global commitments, notably the United Nations 2030 Agenda and Sustainable Development Goals and the Paris Agreement on Climate Change.

Under the geopolitical ambition and political guidelines set by the President of the European Commission, DG INTPA leads on international cooperation, building partnerships with countries and organisations across the globe. DG INTPA works hand in hand with the Commission services and the European External Action Service to ensure that the external dimension of all EU policies strengthens EU action in the world. DG INTPA works hand in hand with EU Member States to mobilise a strong Team Europe approach behind the EU agenda on the world stage. DG INTPA works hand in hand with partners, setting policy agendas, taking initiatives and ensuring effective implementation of actions for the ultimate benefit of people across the world.

## The operating context

EU development cooperation, as defined in Articles 208 to 210 of the Treaty on the Functioning of the European Union (TFEU), operates in a global context, defined by UN 2030 Agenda and its Sustainable Development Goals (SDGs). In accordance with the agenda's vision of "leaving no one behind", the different types and degrees of challenges of all countries need to be considered. Development cooperation is evolving from a more traditional concentration on the social sectors towards a stronger emphasis on mutual interests, including on investment, trade and the development of high value added economic sectors. Development cooperation is also much more focused on international partnerships to tackle global challenges. Pursuing a Team Europe approach, the EU works together with the Member States on the field, with the local beneficiaries and with the other donors to bring a tangible impact and transformative change in the partner countries.

In certain cases, DG INTPA, on behalf of the Commission represents the EU on the international stage, in bilateral settings and in multilateral fora like the United Nations (UN). For the year 2021, it has been in charge of managing almost EUR 6.9 billion in commitments<sup>2</sup>, providing assistance to around 130 countries on five continents. The EU and

---

<sup>1</sup> The mission statement of DG INTPA is available on *europa* website: [https://ec.europa.eu/international-partnerships/about-us\\_en](https://ec.europa.eu/international-partnerships/about-us_en)

<sup>2</sup> Commitments level 1. The amount of commitments level 2 is EUR 7.4 billion.

its Member States collectively form the world’s largest donor, accounting for nearly half of global ODA (Official Development Assistance).

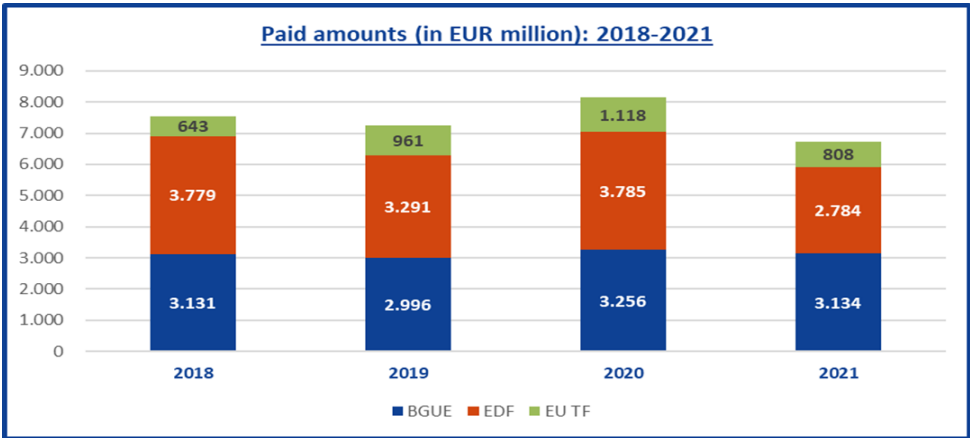
Under the Multiannual Financial Framework 2021-2027, DG INTPA is in charge of implementing the following of the EU's external financing instruments:

- Neighbourhood, Development and International Cooperation Instrument NDICI-Global Europe<sup>3,4</sup>
- Overseas Association Decision (OAD)<sup>5</sup>
- European Instrument for International Nuclear Safety Cooperation (EI-INSC)<sup>6</sup>

The NDICI-Global Europe streamlines a number of former external financing instruments implemented by DG INTPA under the MFF 2014-2020<sup>7</sup>. In addition, DG INTPA continues to manage the ongoing operations funded under EDF and EU Trust Funds, Africa, Bêkou and Colombia.

Another important novelty to boost the impact of the instrument is the creation of the **European Fund for Sustainable Development Plus (EFSD+)** and the **European Action Guarantee (EAG)** within the NDICI-Global Europe.

The evolution of the volume of payments funded by the general budget of the EU, the EDF and the Trust Funds of the European Union (EUTF) is presented in the figure below.



In 2021, a total of EUR 6,725.75<sup>8,9</sup> million was paid by DG INTPA; under the general budget of the European Union: EUR 3,134.36 million<sup>10</sup>; the European Development Fund (EDF): EUR 2,783.51 million<sup>11</sup> and the EUTFs Bêkou, Africa and Colombia: EUR 807.88 million<sup>12</sup>.

<sup>3</sup> [EUR-Lex - 32021R0947 - EN - EUR-Lex \(europa.eu\)](#)  
<sup>4</sup> DG INTPA is in charge of approximately 70%, which is composed by all the geographic programmes except the Neighbourhood part (DG NEAR) and all the thematic programmes with the exception of the Peace, Stability and Conflict Prevention (FPI) and the Rapid Response “Strengthening resilience and linking humanitarian aid and development action” component (together with DG NEAR).  
<sup>5</sup> This instrument brings together the previous Greenland Decision and the Overseas Association Decision under MFF 2014-2020  
<sup>6</sup> [EUR-Lex - 32021R0948 - EN - EUR-Lex \(europa.eu\)](#)  
<sup>7</sup> Development Cooperation Instrument (DCI); European Development Fund (EDF)<sup>7</sup>; European Fund for Sustainable Development (EFSD) and Guarantee Fund for External Action (GFEA); European Instrument for Democracy and Human Rights Worldwide (EIDHR); and part of the Instrument contributing to Stability and Peace (IcSP).  
<sup>8</sup> The breakdown by management modes of total payments made by DG INTPA in 2021 is presented on p. 31.  
<sup>9</sup> The level of payments in 2021 is lower compared to previous years, and this is mainly due to the phasing out of the EDF and Trust Funds as of 31.12.2020. In addition, 2020 was a record year for payments mostly because of the flexibility offered by these 2 instruments and which allowed a rapid reaction response to the exceptional needs brought by COVID-19 crisis.

The European Fund for Sustainable Development (EFSD) guarantee capacity of EUR 1.55 billion was fully absorbed by the end of 2020. The EFSD+, the new financial arm of the External Action Guarantee was approved in June 2021. It enables the EU to guarantee operations for up to EUR 53.45 billion to de-risk investment in partner countries and support their sustainable development. It is also a key instrument for the EU response to COVID-19 pandemic. Indeed, in November 2021, a EUR 200 million EFSD+ guarantee (COVAX II) was signed with the EIB as a top up aimed at continuing supporting the COVAX Facility, which is aimed at securing fair and equitable access to safe COVID-19 vaccines for all.

### ○ **Ways of delivering EU assistance**

DG INTPA has continued to encourage innovative modalities to leverage investment and ensure high level impact in the programme funds it manages. These innovative modalities include blending grants with loans or equity from public and private financiers. They also include using EU Trust Funds on top of traditional assistance delivery methods like project implementation, budget support, indirect management with international organisations & Member States' development agencies and cooperation with Civil Society Organisations (CSOs). DG INTPA's main goal remains to contribute to the achievement by the EU of its collective commitment to devote 0.7% of Gross National Income (GNI) to Official Development Assistance (ODA), but also to leverage private funds to boost the impact of EU collective action.

### ○ **Accountability and reporting chain in DG INTPA**

On 16.01.2021, DG DEVCO was reorganised and became DG International Partnerships (DG INTPA).

The accountability and reporting chain in DG INTPA is organised as a pyramid with several levels. At the first level, there are the EU Delegations which are accountable and report to the relevant geographical directors representing the second level. In turn, the geographical directors report to the Director-General. Through this system, the statements of assurance signed by each Head of Delegation set the basis for the assurance provided by the other authorising officers by (sub)-delegation (AOSD) at the upper levels of the pyramid. The trust fund managers also provide assurance via their AOSD reports to the respective directors.

All AOSDs substantiate their statements of assurance in their annual reports by taking into account the results achieved for 28 DG INTPA Key Performance Indicators (KPIs)<sup>13</sup>. These KPIs are grouped into three categories: sound financial management, effectiveness of the internal control systems and effectiveness of the audit system.

---

<sup>10</sup> Reconciliation of the amount of EUR 3.134,36 million paid by the general budget in 2021 with the amount of EUR 3.242,19 million presented in annex 3A: EUR 3.134,36 million + EUR 69.87 million (contribution to EU TF) + EUR 37.96 million (contribution for support expenditure from EDF or EUTF paid under budget lines 16.010400 and 16.010500) = EUR 3,242.19 million.

<sup>11</sup> Reconciliation of the amount of EUR 2,783.51 million paid by EDF with the amount of EUR 3,384.24 million presented on table 2.1 of the annex 3B: EUR 2,783.51 million + EUR 633.90 million (contribution to EU TF)– EUR 33.17 million (Recovery Orders EDF-INTPA) = EUR 3,384.24 million

<sup>12</sup> EUTF Békou: EUR 36.00 million, EUTF Africa: EUR 747.60 million, EUTF Colombia: EUR 24.28 million.

<sup>13</sup> More details to be found in annex 8 of this report

## EXECUTIVE SUMMARY

This Annual Activity Report (AAR) for 2021 is a management report of the Director-General of DG INTPA to the College of Commissioners. Annual Activity Reports are the main instruments of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes, as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>14</sup>.

### A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives (executive summary of section 1)

2021 has been a particular challenging year, with a persisting global crisis triggered by the COVID-19 outbreak which has negatively affected progress in partner countries towards the SDGs. The European Union proved to be effective on a number of fronts and further consolidated resources via the **Team Europe approach**. Globally, the EU, its Member States and European financing institutions, via a Team Europe approach, swiftly responded to the pandemic and committed EUR 46 billion to help partner countries address its consequences. Over **EUR 3 billion** were provided to the **COVAX Facility** to ensure **global access to COVID-19 vaccines**. The target set to share over 250 million vaccine doses with low and middle income countries by end 2021 was achieved. The Commission supported research and innovation for therapeutics, diagnostics, variants and has launched a Team Europe initiative to boost local production of health products and vaccines in Africa, as a key deliverable of the EU-AU Summit.

The **Global Gateway**<sup>15</sup> set out a new European strategy to boost smart, clean and secure links in digital, energy and transport sectors and to strengthen health, and people to people connectivity, through education and research across the world. It contributes to narrowing the global investment gap worldwide, in line with the commitment made in June 2021 by G7 leaders to launch a values-driven, high-standard and transparent infrastructure partnership to meet global infrastructure development needs. It is also fully aligned with the UN's Agenda 2030 and its Sustainable Development Goals, as well as the Paris Agreement. Between 2021 and 2027, via a Team Europe approach, EU institutions and EU Member States will jointly, mobilise up to **EUR 300 billion of investments**, by allocating around EUR 145 billion through European external aid and development programmes and the rest through private investments.

The communication on rules-based **multilateralism**<sup>16</sup> laid down a new EU ambition to promote the multilateral system and a stronger role for the EU in the international scene. The EU showed its willingness to become a more forward looking, coherent and strategic

---

<sup>14</sup> Article 17(1) of the Treaty on European Union.

<sup>15</sup> JOIN(2021) 30 final -01.12.2021

<sup>16</sup> JOIN/2021/3 final

partner with multilaterals (“from payer to player”) and seek to build and reinforce a wide range of coalitions of like-minded partners based on key priorities and clear objectives. DG INTPA focused on translating this narrative into action through relevant new international processes and analysis, and ambition of more structured dialogue with its multilateral partners at all levels.

The entry into force of the **Neighbourhood, Development and International Cooperation Instrument-Global Europe**, the **European Instrument for International Nuclear Safety Cooperation** and the **Decision on the Overseas Association including Greenland** paved the way for the adoption, in record time, of all the relevant Multiannual Indicative Programmes (MIPs) and Annual Actions Plans (AAPs) for countries, regions, ERASMUS+ and thematic programmes under DG INTPA’s remit by the end of 2021. All these programmes contribute to EU priorities and the SDGs, and will significantly contribute to climate actions, human development, including education, migration and forced displacement and to achieve gender equality and biodiversity targets. The MIPs include the identification of “Team Europe Initiatives” together with Member States, their development agencies and European financial institutions, with the aim of achieving a maximum transformative impact in partner countries.

As regards **international partnerships**, the EU and the members of the Organisation of African, Caribbean and Pacific States (OACPS) concluded the negotiations in April 2021 of the draft agreement renewing their strong partnership, known as the **post-Cotonou agreement**. The key areas for future cooperation are: 1) Joint COVID-19 response; 2) Recovery: green and digital transitions; 3) Peace, security and governance; 4) Migration and mobility. The agreement will deepen the cooperation with African partners towards the achievement of all SDGs. While strengthening global partnerships (SDG 17), the partnership agreement will directly contribute to, among others, reduce inequalities (SDG 10) and fight against climate change (SDG 13). Due to the lengthy timeframe leading to its signature, the transitional measures on the implementation of the Cotonou Partnership Agreement were extended until 30 June 2022.

The EU kept the momentum with continued engagement with its African partners and a diverse range of stakeholders across both continents to further discuss the long-term priorities at the heart of a **renewed Africa-EU Partnership**. Ahead of the sixth EU-AU Summit, which took place on 17-18 February 2022, ministers of foreign affairs met in Kigali in October 2021 to discuss the most important common priorities, opportunities and challenges for the agenda.

Moreover, DG INTPA swiftly contributed to the overall EU response to a number of **crises** worldwide: from the **Belarus migrant crisis**, where many migrants came from Iraq, to the **major humanitarian crisis in Afghanistan** where the Commission intervened with EUR 1 billion to support the Afghan population.

These are just some of the areas in which DG INTPA concentrated its efforts in 2021 in order to accelerate SDG implementation for a better-equipped and sustainable post COVID-

19 world for everyone. More examples are presented under the following 4 performance stories.

**DG INTPA contributes to the general objective 4 of European Commission: “A stronger Europe in the world” through the pursuit of 7 key themes and 16 specific objectives**



**Four themes were chosen as performance stories for 2021:**



**Performance story 1. International Partnerships**

In 2021, working via a **Team Europe approach**, the EU played a significant role in tackling the COVID-19 crisis in the world. It has provided access to COVID-19 vaccines and other tools, supported related research and innovation and facilitated local production of health products and vaccines in Africa.

The **Global Gateway** initiative launched at the end of 2021 offers major investments in infrastructure development, including digital, energy and transport sectors, and aims to strengthen health, education and research systems around the world.

The EU continued to actively reinforce its **global partnerships**. DG INTPA has participated in numerous United Nations (UN) events, maintaining an active and constant dialogue with many UN entities at political, headquarters and field level. In 2021, a number of high-level policy interactions with the United Nations, the World Bank Group (WBG) and the International Monetary Fund (IMF) on key aspects of the post-COVID recovery took place in order to coordinate between various initiatives at both global and partner country level.

In 2021, the new **EU-Overseas Countries and Territories (OCT) partnership framework for 2021-2027** was set to support OCTs’ sustainable development as well as



to promote EU values in the wider world. Priority cooperation areas include, among others, renewable energy, education, green growth and sustainable tourism, disaster risk management, biodiversity and blue food systems.

The text of **post-Cotonou agreement**, an important step towards the delivery of the 2030 Agenda including SDG 17, was initialled in April 2021. However, transitional measures on the implementation of the Cotonou Partnership Agreement had to be extended until 30 June 2022, as the Council decision on signature and provisional application is still pending in the Council. The most important common priorities for both continents were discussed at the ministers of foreign affairs Ministerial in Kigali in October 2021 as well as during the EU-AU Summit that took place in February 2022.



---

## **Performance story 2. Climate Change, Environment, Sustainable Energy**

In 2021, DG INTPA contributed to provide technical support to 60 partner countries in their efforts to upgrade and implement their **Nationally Determined Contributions (NDCs)**, with a particular focus on the sustainable energy sector as a tangible contribution to the Paris agreement as well as the SDGs (notably 13 and 7).

Furthermore, the implementation of the **NaturAfrica** initiative started in six regional landscapes and in several African countries, with the aim to improve the livelihood of 65 million people, sequestering up to 21 billion tons of carbon, stabilising 3 million km<sup>2</sup> of land and ensuring water security as contribution to SDG 15 and 6. The Commission also reiterated its commitment to contribute to the pan-African priority Great Green Wall. The Commission pledged unprecedented EUR 1 billion to protect, restore and sustainably manage forests in 2021-2024, with a special focus on the Congo Basin, and launched Forest Partnerships at the 26th United Nations Climate Change Conference in Glasgow. **Voluntary Partnership Agreements (VPA)** have progressed in their negotiations and implementation especially in Ghana and Guyana.

In the area of **WASH and water management**, the Commission cooperated with the Slovenian presidency regarding the Council Conclusions on Water in the EU external action. 2021 was the first implementation year of Climate Investor 2, a programme that developed a pipeline with the private sector in the areas of water access in rural areas, innovative sanitation solutions and non-revenue water.

In addition, the **Global Alliance on Circular Economy and Resource Efficiency** was launched to create a global impetus towards circular economy transition, resource efficiency and sustainable consumption and production taking further SDG 12.

Whereas the COVID-19 crisis has threatened to reverse modest global gains in maternal and child nutrition, the EU and its Member States substantially contributed to the outcomes of the **Tokyo Nutrition for Growth Summit** held end 2021 with a EUR 4.3 billion Team Europe commitment to fight all forms of malnutrition consistent with SDG 2.

Finally, the **Africa-EU Green Energy initiative** was developed and has been proposed as part of the multi-sectoral African Investment Package at the AU-EU Summit in February 2022. Along with the Climate and Energy Diplomacy and while building on the Global Gateway, it will be a major channel to develop actions with partner countries.



---

### Performance story 3. Human Development

The COVID-19 pandemic is heightening inequalities and having an unprecedented negative effect on human development, reversing progress seen in recent years across most of the SDG framework. The EU strengthened and adapted its collaboration with global, regional and country level health, education and gender equality initiatives to ensure the rapid adaptation of support to help partner countries facing the negative **COVID-19 impact on human development**. Over **EUR 3 billion** were provided to the **COVAX Facility** to ensure **global access to COVID-19 vaccines**. The target set hereunder and to share at least 250 million vaccine doses with low and middle income countries by end 2021 was achieved.

On the health front and in relation to SDG 3, DG INTPA adopted a three-pronged approach to ensuring **global vaccines equity**. First, by securing vaccines for the 92 poorest countries through the COVAX facility, second by supporting manufacturing capacity development in Africa for enhanced pandemic preparedness, access to vaccines, medicines and other medical equipment, and finally supporting the vaccination strategies including through health systems strengthening.

Focusing on the most vulnerable, DG INTPA worked towards ensuring **education continuity**, by boosting its support to education in partner countries including through an increase of its contribution to the Global Partnership for Education, **empowering youth and giving them a voice**, the **protection of women and girls** against gender-based violence, and the promotion of **gender equality**, protecting access to Sexual and Reproductive Health and Rights (SRHR), social protection, and other services.







## Performance story 4. Sustainable Jobs and Growth

2021 was another busy year at DG INTPA as regards the mobilisation of public and private financing for sustainable development that contributes to the creation of decent jobs and reduction of inequalities. In particular, the COVID-19 pandemic that was still ongoing continued taking its toll on global economic growth. The pandemic widened the SDGs financing gap and brought inequalities to the fore.

DG INTPA continued doing the utmost to counter the additional layer of challenges caused by the pandemic, while implementing the above specific objective. The **EFSD+**, the new financial arm of the **External Action Guarantee**, was approved in June 2021 to support public-private investments. It enables the EU to guarantee operations for up to EUR 53.45 billion to de-risk investment in partner countries and support their sustainable development. It is also a key instrument for the **EU response to the COVID-19 pandemic**, provided through a Team Europe approach in partnership with the EU Member States and financial institutions ever since the pandemic's outbreak.

A chunk of DG INTPA's work in this particular area revolved in 2021 around the matters related to **sustainable finance, Integrated National Financing Frameworks and various operations that support Private Sector Development and decent work and employment**. DG INTPA was involved at a policy level working toward more sustainable practices of the private sector (e.g. working conditions, eradication of child labour and of unsustainable sourcing practices) as well as through public private dialogues (PPDs) and a plethora of programmes that support MSMEs, implementation of trade agreements and sustainable business practices around the globe.



### B. Key Performance Indicators (KPIs)

Indicator	Target	Latest known results as per AAR
<b>Most relevant KPI 1<sup>17</sup>:</b> <i>Amount and share of EU funded international cooperation and development assistance contributing to <b>climate change</b> adaptation and mitigation</i>	(2021-2027) 30% <sup>18</sup>	<ul style="list-style-type: none"> <li>(2021) 22.6<sup>19</sup>% of total committed for INTPA</li> </ul>
	Link between this KPI and its contribution to SDGs: <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;"> <div style="text-align: center;">  <p>13 CLIMATE ACTION</p> </div> <div style="text-align: center;">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <div style="text-align: center;">  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> </div> <div style="text-align: center;">  <p>12 RESPONSIBLE CONSUMPTION</p> </div> </div>	

<sup>17</sup> KPIs 1-3 represent targets from the new instrument Global Europe- NDICI adopted in June 2021. The targets are set for the entirety of instrument and the whole MFF period. The instrument is implemented by several Commission Directorate-Generals and services. The latest known results presents the results for NDICI-Global Europe programmes managed by INTPA.

<sup>18</sup> Following the State of the Union of September 2021, additional EUR 4 billion should be spent on climate through NDICI-Global Europe. The 30% spending target together with the announcement represent an equivalent of 35% of the total envelope of NDICI-Global Europe

<sup>19</sup> Provisional figures, with final data foreseen for July 2022, once data quality checks are concluded

Indicator	Target	Latest known results as per AAR
<b>Most relevant KPI 2<sup>17</sup>:</b> <i>Share of EU funded international cooperation and development assistance directed towards supporting <b>Human Development</b></i>	(2021-2027) At least 20% of ODA expenditures under NDICI-Global Europe to contribute to social inclusion and human development	<ul style="list-style-type: none"> <li>(2021) 40.4<sup>20</sup>% of total committed for INTPA under NDICI</li> </ul>
	<p><i>Link between this KPI and its contribution to SDGs:</i></p> 	
<b>Most relevant KPI 3<sup>17</sup></b> <i>Proportion of EU funded cooperation and development initiatives promoting <b>gender equality</b></i>	(2027) 85% of new actions implemented under NDICI-Global Europe	<ul style="list-style-type: none"> <li>(2021) 87.1<sup>21</sup>% of new actions implemented by INTPA under NDICI</li> </ul>
	<p><i>Link between this KPI and its contribution to SDGs:</i></p> 	
<b>Most relevant KPI 4 = Estimated risk at closure</b>	(2021) 2%	(2021) 1.17%

The KPIs above reflect the current key policy priorities of the EU, in the areas of climate change, human development and gender equality. The fourth KPI, the estimated risk at closure is an indicator measuring internal control aspects, and it was selected as relevant since DG INTPA is managing spending programmes.

### C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, the staff of DG INTPA conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles.

<sup>20</sup> Provisional figures, with final data foreseen for July 2022, once data quality checks are concluded

<sup>21</sup> Provisional figures, with final data foreseen for July 2022, once data quality checks are concluded

In line with the Commission's Internal Control Framework, DG INTPA has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed, as minor deficiencies were identified related to Internal Control , Principle 10: "The Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels". Please refer to AAR section 2.1.3 for further details.

In addition, DG INTPA has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors (ECA). These elements have been assessed to determine their impact on the management's assurance about the achievement of the control objectives. Please refer to AAR Section 2.1 for further details.

In conclusion, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

#### **D. Provision of information to the Commissioner(s)**

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the main elements of this report and assurance declaration have been brought to the attention of Commissioner Jutta Urpilainen, responsible for international partnerships.

# 1. KEY RESULTS and progress towards achieving the Commission’s general objectives and DG's specific objectives

DG INTPA is a DG entrusted with policy making responsibilities in the field of **International Partnerships**. It is also a DG implementing this policy via the different instruments it is managing. All operational expenditure contributes to the achievement of the strategic objective of the Union<sup>22</sup>.

DG INTPA contributes to delivering on the European Commission’s General Objective 4 - “A stronger Europe in the World”, through 7 main themes<sup>23</sup>, detailed into 16 Specific Objectives included in DG INTPA’s Strategic Plan 2020-2024. They are all presented in annex 2 of this report.

Four themes were selected as illustrative performance stories of the achievements of DG INTPA in 2021: 1) International Partnerships, 2) Climate Change, Environment and Sustainable Energy, 3). Human Development, 4). Sustainable Jobs and Growth.

## Performance Story 1 - International Partnerships



**General Objective 4: A stronger Europe in the world**

**Specific Objective 1: A new partnership agreement with the countries of the Organisation of African, Caribbean and Pacific States (OACPS) is concluded and operationalised**

**Specific objective 2: A new joint AU-EU Partnership agenda is concluded and operationalised**

**Specific objective 3: A Team Europe approach is strengthened by working better together with EU Member States in joint programming and joint implementation.**

**Specific objective 4: Sustainable Partnerships with International Financial Institutions (IFIs), the UN and other multilateral partners around EU Priorities are built**

**#Team Europe**

The EU and its Member States have committed to work better together through a **Team Europe** approach to achieve external action policy objectives and the Sustainable Development Goals. The EU institutions and Member States have jointly mobilised up to **EUR 300 billion of investments** in digital, climate and energy, transport, health, education and research over the period 2021-2027 for the recent strategy on **Global Gateway**. This paves the way for partner countries and regions to develop their societies and economies, while also creating opportunities for EU Member States’ private sector to invest in ways which ensure the highest environmental and labour standards, as well as

<sup>22</sup> For more details please refer to Programme Statements available here: [Performance du budget de l’UE | Commission européenne \(europa.eu\)](https://ec.europa.eu/economy_finance/performance-du-budget-de-lue)

<sup>23</sup> Theme 1- “Partnerships”, Theme 2-“Climate Change, Environment, Sustainable Energy”, Theme 3- “Digital and Data Technologies”, Theme 4-“Sustainable Jobs and Growth”, Theme 5- “Migration”, Theme 6-“Human Development”; Theme 7- “Governance, Peace and Security, Democracy, Human rights, Civil society”.

sound financial management, while also remaining competitive. Through the **Global Gateway**, DG INTPA has also furthered its work to tackle the digital divide and boost internet access for marginalised countries, regions and populations, including through its Digital 4 Development (D4D) Hub model.

### #COVAX -Vaccines

**The EU, its Member States and European Financial Institutions** have already provided over EUR 3 billion to COVAX Facility to ensure global access to COVID vaccines. In 2021 over 300 million vaccine doses with low and middle income countries were shared by the end of 2021 in accordance with the target of reaching 700 million by mid-2022. 200 million doses will come directly from the Commission. Through Team Europe approach, EUR 100 million were committed to support vaccine deployment in partner countries. Given the new variants and the global vaccines divide, further commitments focusing on dose-sharing, scaling up vaccine production and supporting vaccine rollout is critical. A key concern is the preparedness of countries with weak health systems and distribution challenges when doses arrive. This is a major contribution to progress at global level towards SDG 3.

### #New financing instruments

The operationalisation of the **new external financing instruments** required a timely completion of a number of procedural steps having budgetary, financial and legal implications. The legal and financial framework for the implementation of EU cooperation for the 2021-2027 period, in particular **NDICI Global Europe**, was adopted in June and the complementing delegated act was adopted soon after in July.

Despite the late adoption of the external financing instruments, the Commission managed to complete the next operationalisation steps: for the countries and regions under DG INTPA responsibility, the adoption of 84 country, 1 multi-country and 3 regional Multiannual Indicative Programmes (MIPs), complemented by ERASMUS+ and 4 thematic MIPs (total of 93 MIPs)<sup>24</sup> for NDICI-Global Europe, 11 territorial MIPs for Decision on the Overseas Association, including Greenland, and the MIP for European Instrument-Instrument for Nuclear Safety, and the subsequent Annual Action Plans (AAPs) and other measures authorising the use of funds under these instruments in 2021. Their adoption has been preceded by thorough consultations with partner countries, Member States and other stakeholders (civil society organisations, including women and youth organisations, local authorities, representatives from the private sector, the UN and other like-minded partners).

### #Multilateralism

The **Joint Communication on rules-based Multilateralism** stresses a new EU ambition to promote the multilateral system and a stronger role for the EU in the international scene. It outlines how the EU wants to become a more forward looking, coherent and strategic

---

<sup>24</sup> MIPs for a limited number of non-neighbourhood countries were not proposed for adoption in 2021 due to the country situation at that time (Afghanistan, Ethiopia, Eritrea, Esawtini, Myanmar, Sudan.).

partner with multilaterals (“from payer to player”) and seek to build and reinforce a wide range of coalitions of like-minded partners based on key priorities and clear objectives. Through a more granular analysis of strengths, weaknesses and partnership potential of specific multilateral partners – i.e. roll-out of an “Agency by Agency” approach, DG INTPA is focusing on connecting the EU priorities into concrete cooperation with multilateral partners and a more structured strategic dialogue.

At the United Nations (UN), an EU-UN high level working meeting co-chaired by Commissioner Urpilainen and Deputy Secretary-General Amina Mohammed in March 2021 provided an opportunity to exchange on areas of common interests, better align priorities and promote steps to improve visibility of joint actions, based on shared commitments such as the SDGs and the Paris Agreement. Despite most UN events taking place virtually, DG INTPA continued to and participate, initiate and organise, as well as to shape numerous events and processes, continuing an active and constant dialogue with many UN entities at political, headquarters and field level. The EU also continues to build on its own institutional and Team Europe standing, for instance participating and speaking in all three annual Board sessions of the New York based UN agencies and funds.

The EU continued to actively reinforce its **partnerships with the International Financial Institutions**, in particular with the World Bank Group (WBG) and the International Monetary Fund (IMF) and ensure a stronger voice of Team Europe. This entailed high level policy dialogue with the WBG and the IMF on key aspects of the post-COVID recovery (e.g., climate change, vaccines distribution and manufacturing, debt sustainability) and key countries (e.g., Ethiopia, Afghanistan, Sudan) to ensure convergence of approaches and coordination between initiatives at both global and partner country level.

### # EU-African Union Partnership

The EU kept the momentum with continued engagement with its African partners and a diverse range of stakeholders across both continents to further discuss the long-term priorities at the heart of a **renewed Africa-EU Partnership**. Due to the COVID-19 outbreak, the EU-AU Summit was postponed. Ahead of the sixth EU-AU Summit rescheduled for 17-18 February 2022, ministers for foreign affairs met in Kigali in October 2021 to discuss the most important common priorities, opportunities and challenges for the agenda. Ministers outlined four key areas for future cooperation: 1) Joint COVID-19 response; 2) Recovery: green and digital transitions; 3) Peace, security and governance; 4) Migration and mobility.

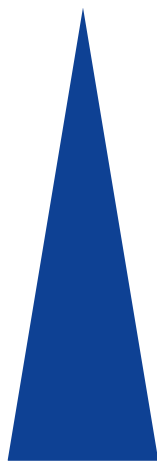
### #post-Cotonou Agreement

In April 2021, the Commission and the members of the Organisation of African, Caribbean and Pacific States (OACPS) initialled the draft agreement renewing their strong partnership, known as the **post-Cotonou agreement**. The Council was expected to adopt on 21 December 2021 the decision on signature and provisional application of the agreement. However, the adoption was postponed, and the transitional measures on the implementation of the Cotonou Partnership Agreement were extended until 30 June 2022.



**The new EU-OCT partnership 2021-2027** started in 2021 by shaping and setting the framework for priority cooperation areas together with the Overseas Countries and Territories (OCTs). Eleven Multiannual Indicative Programmes were jointly designed and established and one concrete implementing action was already put in motion in 2021. These will allow the EU to support the OCTs in a number of key strategic cooperation areas, such as renewable energy in Saba (SDG 7), Saint Maarten and New Caledonia, education (SDG 4) and green growth (SDG 8) in Greenland, and sustainable tourism (SDG 12) in Saint Pierre and Miquelon. Sustainable agriculture (SDG 15) will be in focus in Saint Eustatius, e-government (SDG 16) in Aruba, disaster risk management (SDG 11) in Saint Barthélemy, and water and sanitation (SDG 6) in French Polynesia. On a regional level, biodiversity (SDG 14) will be in focus in the Indian Ocean and green and blue food systems (SDG 12) in the Pacific.

## Performance Story 2 - Climate Change, Environment, and Sustainable energy



**General Objective 4: A stronger Europe in the World**

**Specific objective 5: Partner Countries capacities to adapt to climate change and reduce greenhouse gas emissions are increased**

**Specific objective 6: An ambitious agenda for the conservation, restoration and sustainable management of natural resources and ecosystems, and for halting biodiversity loss and wildlife crime is adopted and implemented.**

**Specific objective 7: A partnership for a global green energy transition from fossil fuels to sustainable energy is mobilised**

**Specific objective 8: Partner countries capacities in the transition toward green and circular economies are strengthened**

### #Climate Change (SDG13) and #Biodiversity (SDG 15)

In 2021, DG INTPA contributed to provide technical support to 60 partner countries in their efforts to upgrade their **Nationally Determined Contributions (NDCs)**, the updated NDCs were submitted to the UNFCCC Secretariat before the start of COP 26 held on October the 31<sup>st</sup>– focusing particularly on the sustainable energy sector, in collaboration with the NDC Partnership and the International Renewable Energy Agency. As of September 2021, DG INTPA also set up a new technical assistance facility to further assist partner countries in the implementation of their NDCs as well as National Adaptation Plans (NAPs). It also defined the AAP 2021 actions over the next four years.

Climate change and green investment also remained at the heart of the **Caribbean and Latin America Investment Facilities** in support of SDGs 13 and 7. During 2021, several programmes started: the Climate Change Innovation Project Preparation Fund building regional capacity in Latin America for Disaster Risk Reduction, Climate Change Adaptation

and Mitigation, Sustainable Management of Natural Resources, Biodiversity and Nature Based Solutions Projects, as well as a contribution to Climate Action investment projects in Peru. **EUROCLIMA+** strengthened long-term strategies design capacities in Argentina, Chile, Colombia, Costa Rica and Uruguay, e.g. by conducting a citizen participation process, designing strategies

The implementation of the **NaturAfrica** initiative started in 2021 in six regional landscapes and in several countries (Togo, Benin, Cameroon, DRC, Burundi, Congo). NaturAfrica aims to improve the livelihood of 65 million people, sequestering up to 21 billion tons of carbon, stabilising 3 million km<sup>2</sup> of land and ensuring water security. In the **Democratic Republic of Congo**, in the framework of the Team Europe Initiative (TEI) “Alliance for sustainable development – a partnership for people, nature and green economy”, the EU and its Member States engaged to promote a fair green economy, preserving biodiversity, supporting protected areas and neighbouring communities. In some **Sahelian countries**, the Landscape Approach complements the continuous EU support to land restoration and alternative livelihoods development under the Great Green Wall initiative. In total, more than 150,000 hectares of land were restored in 2021 under the Regreening Africa initiative, notably through agroforestry. This is an important contribution to SDG 15 and 6.

In the **Pacific Island region**, the multi-donor Kiwa Initiative supports the use of nature-based solutions for climate resilience by preserving biodiversity. The first project launched in 2021 aims to establish an agro-ecological learning farms network.

DG INTPA has progressed towards the **Voluntary Partnership Agreements (VPA)** negotiations and implementation and reached major goals, including the licensing process for the VPA Ghana and finalising the Guyana VPA legal scrutiny. VPA processes have helped improve regulatory framework leading to sustainable forest management. DG INTPA also started the development of Forest Partnerships, the new and holistic EU approach to support sustainable forest management in partner countries. To concretise this work in the **Republic of Congo**, the EU, its Member States and the EIB are engaged to complement the VPA and address forest bio-economy to foster job creation, promote zero-deforestation agriculture and conserve forest biodiversity. The VPA and the forest partnerships work will contribute to the objectives of the Green Deal, particularly climate change, biodiversity and circular economy. In **Honduras**, the EU contributed to introduce Climate-Smart Agriculture techniques based on agro-ecological approaches in key value chains linked to the country’s agricultural and timber sectors. The action will improve the livelihoods of smallholder farmers through micro-credits and training in sustainable agroforestry techniques, while curtailing illegal timber activities – thus contributing to conserving forest biodiversity, increasing carbon sequestration, enhancing food security and reducing climate-driven migration.

In the area of **WASH and water management**, the Commission actively supported the Slovenian presidency on its work on Council Conclusions on Water in EU external action, adopted in November 2021. Activities focused on the preparation of the global and regional programmes on water (including WASH) as a contribution to SDG 6. TEIs on transboundary

water management for **Africa** and on Water, Energy and Climate in **Central Asia** were developed in this context. 2021 was also the first implementation year of Climate Investor 2, a programme that actively developed its pipeline with the private sector in the areas of water access in rural areas, innovative sanitation solutions and non-revenue water. Specific attention was also dedicated to further mobilising development banks and the private sector to work on guarantees for the water sector (mostly in WASH), leading to the identification of the first potential Project Investment Proposals.

At the margins of the fifth meeting of the United Nations Environment Assembly in February 2021, the EU launched the **Global Alliance on Circular Economy and Resource Efficiency (GACERE)** in collaboration with UNEP and UNIDO. The initiative aims at providing a global impetus for initiatives related to the circular economy transition, resource efficiency and sustainable consumption and production, building on efforts being deployed internationally. In the framework of our development cooperation, the **EU flagship initiative SWITCH-to-Green** and the regional **SWITCH programmes in Asia and in Africa** have been at the forefront to support the progress of this global agenda in support of SDG 12.

In the area of sustainable food, DG INTPA organised webinars, mobilising over 300 colleagues from EU Delegations, to present and discuss the external dimension of the **Farm to Fork strategy**. This ambitious strategy will influence the way partner countries produce and export food products to the EU. The **Food Systems Summit** was an important milestone in 2021 with DG INTPA, actively engaged in its preparation as a landmark to pursue globally SDG 2. The European Commission also maintained its active role in the **Scaling Up Nutrition Movement** aiming to reduce child and maternal malnutrition in partner countries. The EU and its Member States substantially contributed to the outcomes of the **Tokyo Nutrition for Growth** Summit held in December 2021 with a EUR 4.3 billion Team Europe commitment to fight all forms of malnutrition.

The **TEI “Sustainable Cocoa”**, pooling efforts from the EU, 7 EU Member States, the EIB and the WB, was launched to support the sustainable transformation of the cocoa value chain. Cocoa is the most important agricultural sector in **Côte d’Ivoire** and the main driver for deforestation and forest degradation. By supporting agro-ecological practices and agroforestry, as well as forest protection and rehabilitation, this EUR 442 million TEI will contribute to address climate change and environmental issues as well as promote social inclusion.

### **#Sustainable energy (SDGs 7 and 13)**

The **Africa-EU Green Energy initiative (AEGEI)** was developed in 2021 and was proposed as part of the multisector Global Gateway Investment Package at the AU-EU Summit in February 2022. DG INTPA based its proposal on the EU Council Conclusions on “Climate and Energy Diplomacy - Delivering on the external dimension of the European Green Deal”, adopted in January 2021, and on the second AU-EU Ministerial meeting held in February 2021, which take further our shared commitments to SDGs 7 and 13. It will support the African Single Electricity Market launched in February 2021, as well as the

Global Gateway launched in December 2021. In the frame of their TEI, **Kenya** and **Côte d'Ivoire** put energy high up in their planned actions in 2021 – the former by exploring Green Hydrogen production in the country while supporting grid readiness for intermittent renewable sources, and the latter by committing to reduce its CO2 emissions by 28%.

### **DG contribution to the Commission's crisis response and recovery plan**

The World Bank estimates that, in 2020, the number of poor rose by between 119 and 124 million due to COVID-19 reversing years of progress in poverty reduction and the trend for SDG 1. Crucially, the pandemic has underlined the strong causal connection between poverty and malnutrition. Around the world, reductions in household income have eroded people's ability to meet their basic needs and threatened to reverse modest global progress in maternal and child nutrition. This jeopardised the achievement of the global nutrition goals by 2025 and the EU commitment to contribute to reducing the number of stunted children by 7 million by 2025. DG INTPA maintained its support to food systems during the crisis in order to maintain the provision of quality food to affected populations and support this essential economic sector, especially by committing to spend EUR 2.5 billion over 2021-2024 in nutrition-related actions. In 2021, the Technical Assistance Facility for sustainable energy undertook, at the request of the African Union Commission (AUC), a study on the impact of COVID-pandemics on the electricity sector in Africa. The result of this analysis was the development of a Strategy and Action Plan to build a more resilient and functional electricity sector, able to withstand similar pandemics in future.

### **#Challenges 2021**

The main challenge in 2021 in the climate change sector was to accompany a dynamic programming exercise with increased ambition on climate spending, while managing a fully-fledged portfolio of global climate and energy programmes whose size peaked in 2021, following the completion of the previous MFF. In this context, continued efforts were made to improve working methods following DG INTPA's reorganisation.

In the food sector, one the main challenges was and remains that many partner countries perceive the EU Farm to Fork strategy as barriers to trade in disguise. Through multi- and bi-lateral levels, the EU clarified that all EU policies would be WMO-compatible and engaged in information and capacity-building towards stakeholders.

In 2021, due to COVID-19 travel restrictions, EUROCLIMA+ and other programmes adapted their operations to an almost entirely to a virtual format. Implementing agencies, partner countries and DG INTPA shifted to collaborative platforms such as MS365 (Teams) and participatory online methodologies. While reducing its carbon footprint, this also allowed for business continuity and for the development of common approaches and solutions with stakeholders, irrespective of their physical location.

# Performance Story 3 - Human Development



**General Objective 4: A stronger Europe in the world**

**Specific objective 14: Human development for all is improved, in particular for youth, women and girls, and the most marginalised and vulnerable populations**

The COVID-19 pandemic is having an unprecedented negative effect on human development and has reversed progress seen in recent years.

The EU strengthened and adapted its collaboration with global health, education and gender equality initiatives and at the country level to ensure the rapid adaptation of support to help partner countries limit COVID-19 negative impact on human development and progress on sustainable development goals (in particular SDG 3, 4, 5, and 10).

### #Global vaccines equity

On the health front, INTPA adopted a three-pronged approach to ensuring **global vaccines equity**<sup>25</sup>. First, INTPA worked to **secure doses for the 92 poorest countries**, swiftly **supporting the COVAX facility** to enter into Advance Purchase Commitments with EUR 300 million in grant contributions and EUR 100 million in EFSD Guarantees. At the same time, INTPA continued to contribute to **other life-saving interventions**, in particular with EUR 397 million to the Global Fund to fight AIDS, Tuberculosis, Malaria and allowed the Global Fund to co-finance interventions to end the COVID pandemic.

Second, in May 2021, the Commission President announced a **Team Europe Initiative to support manufacturing capacity in Africa** for enhanced pandemic preparedness and access to vaccines, medicines and health technologies in Africa, with the support of more than EUR 1 billion from the EU budget and the European development finance institutions. INTPA engaged with key countries, the pharmaceutical industry, and counterparts at regional (African Union, Africa Centre for Disease Control, Africa Medicines Agency) and global level (World Health Organisation) and kick started its implementation. In **Rwanda**, for instance, the EU and its Member States are supporting the country’s efforts to become a regional vaccine and biologics manufacturing centre, the enhancing of its regulatory framework and skills development<sup>26</sup>.

Finally, INTPA is supporting the **strengthening of partner countries’ health systems**, instrumental in the management of the pandemic and deployment of vaccines. The **Caribbean and Latin America Investment Facilities** (CIF and LAIF) for example supported the capacity of public health institutions and dealing with the COVID outbreak in

<sup>25</sup> Contributing to SDG 3 and 10  
<sup>26</sup> SDG 3, 8, 9, 10.

Cuba; investment into water resource management in Paraguay; the improvement of access to health services for migrants in Peru and Colombia.

### #Education

On **education**, children and notably girls have been particularly affected, as their rights to quality education continued to be further compromised due to school closures, lack of access to remote learning including digital, and reduction of national education budgets brought by the stress on country economies. The EU strengthened its collaboration with global education funds and announced a **EUR 700 million support to the Global Partnership for Education**. The EU joined reform efforts in a **Team Europe approach** to ensure a joint, coherent and efficient global education aid architecture in support of SDG 4, 5, 10. Through its country programmes, for instance in **Sierra Leone and Nepal**, INTPA continued supporting partner countries to respond and mitigate the impact of the pandemic for the reopening of schools and a safe return of staff and students, to catch-up lost learning and to transform education systems that ensure equitable access to education for all. In **Tajikistan**, the Quality Education Support Programme (EUR 15 million) supported the reform of the Teachers' Continuous Professional Development, the piloting of the first ever National Learning Assessment in the 5<sup>th</sup> and 11<sup>th</sup> grades and the finalisation of the reform towards a competency based approach. More than 63,000 teachers were trained, and 72 school laboratories were supplied. In **Cambodia**, following protracted school closures, the EU education programme focused on the inequalities compounded by COVID. Initiatives have included scholarships for up to 250,000 students in basic education per year, increased operating funds for schools, building of 750 new healthy and climate-resilient classrooms, with bathrooms and handwashing facilities.

### #Youth

For higher education, the international dimension of the **Erasmus+ programme** was stepped up to contribute to recovery efforts by **providing youth with better opportunities for education and employment**, extending opportunities for enhanced collaboration between European and African higher education institutions, building capacity of higher education institutions, allowing for exchanges of students and staff (SDG4, 8, 10). The budget for Sub-Saharan Africa increased fivefold for 2021-2027 and the first calls were launched in 2021.

Considering the particular consequence of the pandemic on young people their future, **INTPA enhanced youth engagement in recovery efforts**, e.g. through the establishment of Youth Sounding Boards to give young people a voice on EU policies and action. Sounding Boards are in place at both global level and in several partner countries, such as **Zimbabwe** and **Nigeria**. Preparations and consultations started on a new EU action plan for youth participation and empowerment in external actions, to ensure that policies and actions are relevant for future generations and allow young people to shape the future they want (all SDGs).

### #Culture

During the pandemic and lock-down periods, **culture** played an important role in keeping societies together, notably through digital means. EU actions for culture and creative

sectors also contributed to recovery efforts in several ways and with a particular focus on **young people to enhance access to financing, building skills for jobs and to ensure respect of human rights and cultural diversity**. The ACP-EU Culture Programme stimulates entrepreneurship and autonomy of cultural professionals, supporting creativity and innovation, creation of stable jobs, quality of productions and their dissemination contributing to SDG 8, 10. 90 co-production projects were launched, together with an equivalent number of projects in other areas of culture and creation.

## #Gender

Guided by the objectives set in the Action Plan on gender equality and women's empowerment in external relations (GAP3) 2021-2025, gender equality objectives have been integrated in the NDICI-Global Europe multi-annual programmes, contributing to a **gender- inclusive post-COVID recovery** (SDG 5). At partner country level, EU delegations, in coordination with EU Member States, held extensive dialogues and consultations with national authorities, civil society and the private sector and agreed on priority areas for actions promoting gender equality, presented in the GAP3 **Country Level Implementation Plans (CLIPs)**. A majority will focus on the elimination of **gender-based violence**, followed by **women economic empowerment, leadership and participation, access to SRHR**. To complement local **partnerships with civil society and local authorities** for gender equality, the European Commission and the EEAS launched a yearly **structured dialogue** (SDG 5, 8, 10, 17).

When the COVID-19 crisis hit the world in March 2020, the **Spotlight Initiative** was able to redirect USD 21 million in the first six months to boost prevention measures, reinforce services to survivors of violence and address the acute needs of women and girls facing intersecting forms of discrimination. In 2021 the EU continued to **combat gender-based violence worldwide**, through the Initiative, in 26 countries and 6 regions. The EU also finalised the mid-term assessment (MTA) exercise for 8 African and 4 Latin American countries<sup>27</sup>.

Actions in other key areas of engagement for the promotion gender equality and women's and girls' empowerment included intervention for **equal access to quality education, access to SRHR, economic empowerment**, etc. The EU External Investment Plan, for instance, contributed to numerous programmes such as the **Women's Financial Inclusion Facility, NASIRA Risk-sharing facility**, and the Small Loan Guarantee Program, all benefitting micro, small and medium sized enterprises with a specific target on women empowerment and gender equality.

## #Afghanistan

The overthrow of the constitutional government of the **Islamic Republic of Afghanistan** by the Taliban led to a drastically altered political landscape, a serious deterioration of the

---

<sup>27</sup> Overall, the mid-term assessment findings confirmed the relevance of the Initiative: its comprehensive, multi-layered, transformative, inclusive and participatory approach, reflecting the "leave no one behind" principle. It also confirmed impact, with solid results and innovative approaches during the COVID crisis, while noting the short overall duration of programmes for such a sensitive and ambitious initiative. Further mid-term assessments in the Pacific, Caribbean and Central Asia will follow in 2022.

human rights situation, notably for women and girls, and a severe humanitarian and economic crisis. The Commission responded swiftly to some of the most urgent challenges facing the Afghan population. It focused its efforts in preventing the collapse of the country and social, economic repercussions inside and outside Afghanistan's borders, with particular attention to women and girls' rights. Projects that were ongoing were reoriented. EUR 250 million were allocated to basic needs support (initially referred to as humanitarian+ assistance) aimed at keeping minimal essential services (education, nutrition, health, water, sanitation) running and maintaining basic livelihoods in the country by safeguarding lives. Relevant to recent developments around equal access to secondary education, most teachers targeted by EU support have received emergency cash support during the winter months (where they did not get paid salaries); the project is mostly paid and the EU Delegation is exploring with UNICEF the way forward for the remainder small part of the funding under this project. Moreover, as part of the basic needs package, the EU supported school meals; boys and girls in primary school continue to receive food at school and take home rations. For girls in secondary level, the EU was planning to support cash transfers for their households, conditional on girls' school attendance. Discussions are ongoing with WFP on how to support girls that were supposed to go back to secondary schools and could not in view of the Taliban's policy change (23 March 2022). The situation is fluid and the EU is closely liaising with the implementing and like-minded partners to get a better view of the factual implications of the announcement on schools and attendance.

**#Challenges 2021**

The pandemic has exacerbated existing challenges, linked to multi-dimensional inequalities and put additional stress on partner countries' economies and public finances. Protecting public financing to social sectors in the face of competing priorities is a critical challenge in partner countries recovery efforts. In 2020, INTPA has put in place guidance and mitigation actions to ensure a swift and efficient crisis response through all channels of EU funding (country level, regional and through the multilateral system). Reorientation and frontloading of existing funds were made, where possible, to guarantee the timely and efficient implementation of the global EU response to COVID-19. In 2021, INTPA finalised its programming laying the ground for continued support to partner countries in their pandemic response and overall recovery efforts.

**Performance Story 4 - Sustainable Jobs and Growth**



**General Objective 4: A stronger Europe in the world**

**Specific Objective 12: Mobilisation of public and private financing for sustainable development is enhanced contributing to decent jobs creation, and the reduction of inequalities**

In 2021, DG INTPA's work to fully operationalise the EFSD+ saw the following two major achievements.



First, the establishment of the EFSD+ governance bodies, with the first meeting (in November) of the **EFSD+ Strategic Board** (SB) that unanimously endorsed “**Global Gateways**”, “**Green Deal**” and “**Jobs and sustainable and inclusive Growth**” as overarching priorities for the areas of investment to be sustained. The EFSD have been selected by United Nations Department of Economic and Social Affairs (UN DESA) as one of the SDG Good Practices (2019) as one of the success stories by stakeholders in the implementation of the 2030 Agenda and the SDGs.<sup>28</sup>

Second, the approval of the multi-annual (2021-27) financing decision for the **provisioning of budgetary guarantees** under the EFSD+: a key legal act ensuring that adequate resources will be available to cover EFSD+ operations during the new EU budgetary cycle.

Lastly, DG INTPA launched the contracts for the design of a user friendly, visual and intuitive set of software tools, constituted by a **tracking tool and a dashboard**, which will organise and present an extensive and reliable set of operational and finance data related to the **EFSD and EFSD+ guarantee agreements**. In this way, monitoring and reporting on the DG INTPA’s investment operations results will improve.

In parallel, DG INTPA continued supporting mobilisation of public and private investment for sustainable development in partner countries and to support the implementation of the SDG 8 in particular (Decent work and economic growth). **Technical Assistance** (TA) **agreements** worth in total EUR 12 million have been concluded with development financial institutions (DFI). They reinforce DFI and final beneficiaries’ capacity to deliver results of EFSD programmes (e.g. EU TCX Market Creation Facility), thus improving their sustainability in the long term.

**Example of efficiency and effectiveness**  
**#EFSD/ EFSD+**

DG INTPA continued doing the utmost to counter the additional layer of challenges caused by the pandemic. The **European Fund for Sustainable Development (EFSD) guarantee** capacity of EUR 1.55 billion was fully absorbed by the end of 2020. The **EFSD+**, the new financial arm of the **External Action Guarantee** was approved in June 2021. It enables the EU to guarantee operations for up to EUR 53.45 billion to de-risk investment in partner countries and support their sustainable development. It is also a key instrument for the **EU response to COVID-19 pandemic**. Indeed, in November 2021, a EUR 200 million EFSD+ guarantee (COVAX II) was signed with the EIB as a top up aimed at continuing supporting the COVAX Facility, which is aimed at securing fair and equitable access to safe COVID-19 vaccines for all.

**# Integrated National Financing Frameworks**

DG INTPA has continued to support countries in their implementation of **Integrated National Financing Frameworks** (INFFs). INFFs aim at developing a comprehensive and

<sup>28</sup> First Open Call for SDG Good Practices (2018 – 2019) the results are made available in an online database of more than 500 good practices: <https://sdgs.un.org/sdg-good-practices>

coherent financing strategy to mobilise funds and align all sources of finance with sustainability objectives, and notably the Sustainable Development Goals.

The EU financed and developed a **Knowledge Management Platform for the INFFs**. This platform was launched in April 2021 during the Financing for Development Forum. DG INTPA continued to support the work on the INFF methodology as well as to facilitate a global conversation on INFFs with key stakeholders. The INFFs received during 2021 an increasing amount of support internationally (IMF, G20), and a lot of demand from partner countries. The World Bank also showed interest to engage more in the INFFs.

Another development during 2021 was the set-up of the **EU-UNDP Technical Assistance facility on INFFs**. The facility is financed by the EU, Italy and Sweden. This INFF Pioneer Initiative offers important technical expertise and country-level support to strengthen specific aspects of national INFF processes in foremost pioneer countries. The facility has so far started its activities in Indonesia and Senegal. Moreover, DG INTPA provided technical assistance support for the INFF implementation processes in different countries, including most lately Comoros.

### #Sustainable Finance

In 2021, DG INTPA continued its work in the field of **sustainable finance** in order to facilitate the mobilisation of additional private international and domestic capital for at scale to support partner countries in their endeavour to finance the Sustainable Development Goals and the Paris Agreement objectives, leaving no one behind. In that context it started, together with development finance institutions in a Team Europe approach, exploring the further development of green bond markets in partner countries by addressing challenges to green bond issuance from both the investors' and issuers' sides. At the same time, it was decided to develop an EU Sustainable Finance Strategy to scale up sustainable finance in low- and middle-income countries.

- During 2021, the EU strengthened partnerships within the **Economic Partnership Agreement (EPA)** ratified between the EU and Botswana, Eswatini, Lesotho, Mozambique, Namibia, and South Africa, all members of the **Southern Africa Development Community (SADC)**. National authorities have prepared EPA implementation plans, on the basis of which specific tailored projects are being implemented with EU financial support. Angola continued preparations to join the EU-SADC EPA. Similarly the **Eastern and Southern Africa (ESA)** EPA group of countries, namely Comoros, Madagascar, Mauritius, Seychelles and Zimbabwe, continued working with the EU to broaden and deepen the provisions of the EU-ESA EPA.
- Under **LAIF**, the **Latin America Investment facility**, a new operation in **Brazil** is focussing on **boosting sustainable investments** in Minas Gerais in the aftermath of the **COVID-19 crisis**. DINAMICA III in Central America and the Dominican Republic aims at promoting entrepreneurial innovation and private sector development to generate employment and income
- The EU-LAC Facility **ADELANTE 2** focussed on **Triangular Cooperation** initiatives with Brazil, Chile, Colombia, Costa Rica, Cuba and Uruguay and the ADELANTE Window, an instrument for a rapid response approach. It has enabled **COVID-19 recovery initiatives** with support for start-up companies and the strengthening of business management

- In 2021, the **AL-INVEST Verde** Program launched the “Dialogue on **sustainability and traceability of beef and leather value chain**” in **Brazil**. It creates opportunities for dialogue with partner countries and private sector on sustainable economic practices.
- In **Guatemala**, two programmes are contributing to the “Alliance for Sustainable Growth and Jobs”, one is focussing on increasing fiscal resources to enable **social investments** targeting the most vulnerable and aiming to overcome social, economic, ethnic and gender inequalities. The “Support to Decent Employment” programme aims to improve **labour market access for all**, it targets employability and the entrepreneurship and innovation capacities of MSMEs.
- In **Papua New Guinea**, the EU has made the local economy stronger and more climate-resilient, through its support to rural entrepreneurship, investment and trade. The EU’s action drove awareness on the Geographical Indication, enjoying a broad participation of the public, private and civil society. In addition, it promoted women's and girls' rights for inclusion, participation, and change, and advocated for collective action against gender-based violence. It provided tailored Training-of-Trainers workshops to 32 government officers and trained 744 lead cocoa and vanilla farmers, including at least 335 youth. It distributed over 20 000 Cocoa Pod Borer-resistant seedlings. It opened saving accounts for cocoa farmers in remote villages and helped establish a banking agent in the targeted locality. The project identified business (including women-led) in the sustainable fisheries sector for future support and developed an e-Agriculture Strategy was developed, to increase sustainable and inclusive development of rural areas, with a focus on cocoa, vanilla and fisheries value chains in East Sepik Province.

During 2021 DG INTPA continued working towards achieving SDG 8 “Decent Work and Economic Growth” by strengthened efforts for **women’s economic empowerment and SMEs support** in partner countries. President von der Leyen launched the Team Europe Initiative “**Investing in Young Business in Africa**” (TEI IYBA) to support small and new business access finance and thus create sustainable jobs and growth.

Several actions addressed as well the **decent work** (subscribing to the achieving of SDG 8) dimension, in particular implementing the President’s commitment to eliminate Child Labour in trade with the EU. In 2021 The Commission was also preparing accompanying measures for partner countries to address the forthcoming **sustainable corporate governance** directive.

In the area of **Responsible Sourcing of Raw Materials**, the EU Conflict Mineral Regulation entered into force on 1 January 2021 and programmes to support the implementation of responsible mining practices continued to play a central role for this notably, via the EU support to the implementation of the Extractives Industries Transparency Initiative (EITI).

DG INTPA continued to promote regular **public private dialogues** (PPD) in and with partner countries involving notably Small and Medium-sized Enterprises (SMEs). Concrete examples include an EU-Africa Business Forum event and virtual market place on energy in April 2021, programmes providing capacity-building for PPD in the clean cooking sector in Kenya, PPD for post COVID-19 recovery in Botswana, or promotion of renewable energy through a PPD in Tanzania.

The Commission's Trade, Private Sector Development and Engagement facility continued supporting EU Delegations and Headquarters with, among others, **investment mappings** and studies on **implementation of trade agreements**.

In 2021, DG INTPA conducted **two major communication campaigns**, both aimed at the strategic demographic of late Millennials/early Gen Z (18-35 year-olds) with no direct stake in, or specialised knowledge of, the EU in general and its global role in particular.

- #2030IsNow built on the 2019-2020 campaign that engaged young Europeans on the 2030 Agenda and the EU's leading role in support of the SDGs. The campaign achieved an aggregate reach of over 15.5 million, with engagement rates of 7.3% (central campaign) and 4.5% (influencers).
- #WeSeeAfrica saw the EU for the first time conducting a major public communication campaign outside its borders. The campaign was structured around "hero stories" celebrating the success of ordinary people from seven countries who thanks to the partnership with the EU had brought lasting, positive change to their lives and those of their communities. The campaign achieved a reach of some 85 million in 2021, representing 88% of the entire demographic, with an overall engagement rate of 3.8%.

## 2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

This section covers the **operating** dimension of the AAR explaining *how* the DG delivered the achievements described in the previous section. It is divided into two subsections:

- Section 2.1 – Financial management and control results: This first subsection reports the control results and other relevant information that support management's assurance on the achievement of the financial management and internal control objectives<sup>29</sup>. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to the DG.
- Section 2.2 Modern and efficient administration ( other aspects): This second subsection deals with the other aspects for a modern and efficient administration: human resources, digital transformation and information management and sound environmental management.

### o General environment

The operational environment of external assistance financed by the general budget of the EU, the EDF, and the EU Trust Funds is characterised by:

- a high level of risk in the partner countries context due to the geo-political, social, institutional and administrative environment frequently associated with instability;
- geographically dispersed activities (covering 92 Delegations managing funds for external assistance around the world);
- a high number of operations and associated financial transactions;
- the diversity of implementing organisations and partner countries with their diverse management and control capacities (ranging from small local NGOs to IOs);
- a diversity of assistance delivery methods (traditional projects, budgetary support, sectoral policy support programmes, contributions to global instruments, blending, budgetary guarantees etc.).

### 2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports have been considered:

- **92 External Assistance Management Reports (EAMR)** produced by EU Delegations, together with the statements of assurance signed by the Heads of Delegations. These statements include - as foreseen in the Financial Regulation - information on the effectiveness

---

<sup>29</sup> Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of risks relating to the legality and regularity of underlying transactions

of the internal control system put in place in the Delegations, as well as information on the management of the operations sub-delegated to them providing thus their assurance to the relevant Director in accordance with the sub-delegation received.

- **9 Sub-Delegated Authorising Officers' Reports** produced by DG INTPA Directors and Heads of units having received a sub-delegation from the Director-General or his Deputies;
- **3 reports from Authorising Officers in other DGs** managing budget appropriations in cross-delegation;
- the **activity reports of the Authorising Officers by Sub-delegation** designated for the EU Trust Fund Bêkou, for each window of the EU Trust Fund Africa and the EU Trust Fund Colombia;
- **Report on recorded exceptions and non-compliance events;**
- **Report on Annual Management declarations** from International Organisations (IOs) and Development Agencies;
- **Reports on Supervision missions to EU Delegations;**
- **Available pillar assessment reports:** International Organisations and National Agencies need to pass pillar assessments pursuant to the Financial Regulation in order to check whether the European Commission can entrust budget implementation tasks to those entities;
- the 2021 **Assessment of the Internal Control System** by the Risk Management and Internal Control Director;
- the **observations and recommendations** reported by the Commission's Internal Audit Service (IAS);
- the Commission's IAS's **conclusion on the state of DG INTPA's internal control;**
- the 2021 **RER Study;**
- a **desk review of the results of the RER studies and the ECA reports** for the last 3 years (2018-2020).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG INTPA. It covers the EU Budget, the EDF and the EU Trust Funds "Bêkou", "Africa" and "Colombia" managed by DG INTPA.

This section covers the control results and other relevant elements that support management's assurance. It is structured into:

- 2.1.1 Control results,
- 2.1.2 Audit observations and recommendations,
- 2.1.3 Effectiveness of the internal control system, and resulting in
- 2.1.4 Conclusions on the assurance.

### **2.1.1. Control results**

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives<sup>30</sup>. The DG's assurance

---

<sup>30</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the

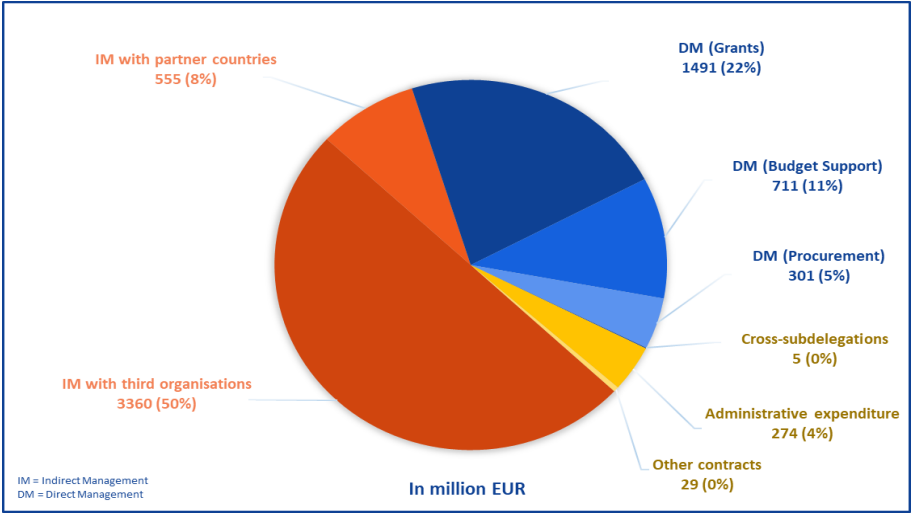
building and materiality criteria are outlined in AAR Annex 5. The AAR Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

The breakdown by management modes of total payments made by DG INTPA in 2021 is presented in the below chart<sup>31</sup>.

Despite the difficulties related to the COVID-19 crisis, DG INTPA has achieved a good level of execution of the commitment and payment credits funded by the EU general budget, European Development Fund and Trust Funds. In 2021, a total of EUR 6,725.75 million<sup>32</sup> was disbursed by DG INTPA<sup>33</sup>.

DG INTPA has achieved a full execution of 2021 credits on the general budget except for the amount of EUR 900 million of payment credits on the Global Challenges People budget line that will be carried over to 2022 for the funding of vaccines.

On the EDF, the level of payments amounted to EUR 3,435 million, representing 91% of the target of EUR 3,763 million communicated to the Member States. Due to prolonged COVID situation, 50% of Delegations in Sub-Saharan Africa did not reach their minimum (90% of) forecasted payment target. In the Pacific and in the Caribbean, COVID restrictions have also affected implementation as in Fiji or in Haiti where the negative collateral effects emanating from the deterioration of the economic, social and political situation and the deterioration of security conditions throughout the year had a devastating impact on infrastructure projects.



legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2<sup>nd</sup> and/or 3<sup>rd</sup> Internal Control Objective(s) (ICO) only when applicable, given the DG’s activities.

<sup>31</sup> Payments made by the EU Trust Funds and under the EDF follow the same Relevant Control System of all other operations implemented by DG INTPA. Those payments are therefore included in the graph and split between the relevant RCSs.

<sup>32</sup> Excluding general budget and EDF contributions to EU Trust Funds (EUR 703.77 million) and including payments made by EU Trust Funds (EUR 807.88 million). Payments made by DG NEAR in the context of cross-sub-delegation given by DG INTPA on the EU Trust Fund Africa – North of Africa window amount to EUR 167.28 million. These payments are reflected by management mode in the chart; they are not included in the category “cross-subdelegations”.

<sup>33</sup> general budget of the Union: EUR 3,134.36 million; European Development Fund (EDF): EUR 2,783.51 million and EUTFs Bêkou, Africa and Colombia: EUR 807.88 million.

## Overview table (amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Shared mngrt (MS's OPs, PAs, etc) + EAC (for NAs)	Cross-delegations to other DGs (other AOXDs)	Contributions and/or funds to EE (EU Agency, EA, JU)	Delegation / Contribution agreements with EE (EIB, Int-Org, etc)	Other (describe any other expenditure not covered by the previous columns)	Total Expenditure	NEI, e.g. Revenues, Assets, OBS ((in)tangible or financial assets & liabilities)
<b>RCS1 - Grants in DM</b>	1.491.280.150,68							1.491.280.150,68	
<b>RCS2 - Budget Support (DM)</b>							711.192.836,61	711.192.836,61	
<b>RCS3 - Procurement in DM</b>		301.312.441,91						301.312.441,91	
<b>RCS4 - IM with Beneficiary countries</b>	127.102.738,81	326.052.446,27					101.711.041,36	554.866.226,44	
<b>RCS5 - IM with third organisations</b>						3.360.199.866,74		3.360.199.866,74	
<b>Other</b>				4.560.883,00			302.344.389,49	306.905.272,49	
<i>EDF and EUTF contribution to support expenditure paid by BGUE</i>							37.956.734,81	37.956.734,81	
<i>- Recovery Orders on EDF (INTPA)</i>							- 33.169.767,28	- 33.169.767,28	
									-
<b>A.I.1 Intangible assets</b>									70.456.821,83
<b>A.II.6. Cash and Cash Equivalents</b>									1.255.726.064,69
<b>P.I.3 Non-Current Financial Liabilities</b>									- - 689.965.227,56
<b>OB.2.1&amp;OB.2.2-OB.2.6 Guarantees given for EU FI &amp; Budgetary Guarantees given (RCS6 - Fis and EFSDF/EFSD+)</b>									- - 826.289.029,36
<b>OB.3.3.8 Budgetary Guarantees Ceiling (RCS6 - Fis and EFSDF/EFSD+)</b>									- - 1.590.700.000,00
									-
<b>Totals (coverage)</b>	<b>1.618.382.889,49</b>	<b>627.364.888,18</b>	<b>-</b>	<b>4.560.883,00</b>	<b>-</b>	<b>3.360.199.866,74</b>	<b>1.120.035.234,99</b>	<b>6.730.543.762,40</b>	
<b>Links to AAR Annex 3</b>	<b>Overall total (m EUR); see Table 2 – payments made</b>						<b>Overall total (m EUR)</b>	<b>n/a</b>	<b>Table 4 – assets</b>

As of 2021, a new Relevant Control System (RCS6) describes the controls to be implemented for the Financial Instruments and Budgetary Guarantees.



In line with the 2018 Financial Regulation, DG INTPA's assessment for the new reporting requirements is as follows:

- Cases of "confirmation of instructions" (FR art 92.3) – no such cases for DG INTPA
- Cases of financing not linked to costs (FR art 125.3) – no such cases for DG INTPA
- Financial Framework Partnerships >4 years (FR art 130.4) – no such cases for DG INTPA
- Cases of flat-rates >7% for indirect costs (FR art 181.6) – no such cases for DG INTPA
- Cases of "Derogations from the principle of non-retroactivity of grants pursuant to Article 193 FR" (FR Article 193.2) – in 2021 DG INTPA recorded 61 cases of derogations from the principle of non-retroactivity of grants.

## **1. Effectiveness of controls**

### **a) Legality and regularity of the transactions**

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

DG INTPA's portfolio consists of segments with a relatively low error rate, e.g. Direct Procurement and Budget Support, and a few segments with a relatively high error rate, e.g. Direct Grants and Indirect Management with Third Organisations.

This is, respectively, due to the inherent risk profile of the operations and the performance of the related control systems, or due to the complexities of the funding modalities, despite the efforts made in the related controls systems.

For those latter (sub)segments with control weaknesses, the (root) causes of the issues are regularly analysed and lead to an action plan. Management actions taken to address these weaknesses are summarised in DG INTPA's 2021 Action Plan addressing identified control weaknesses and high risks: Simplify and clarify procedures and contractual conditions for grants; Continue and reinforce cooperation with International Organisations in view of sustainable reduction of errors; Address the high-risk observations from the IAS audit on pillar assessment of external action family; Clarify and promote use of results-based financing; Improve the methodology and manual of the RER study and Address vulnerabilities to excess clearing of prefinancing; Conduct an evaluation on the use of Terms of Reference for Expenditure Verifications adopted in 2018 and Share information on frequently occurring errors with relevant control stakeholders. The 2021 Action Plan builds on, among other sources, the progress made in implementing the previous Action Plan. In this context, the improvements made during the reporting year 2021 already resulted in reinforced checklists and templates to reduce the risk of excess clearing of pre-financing, the revised methodology and manual of the RER study, and progress in identifying possible practical solutions to further improve cooperation between ECA, the Commission and international organisations.

An annual risk assessment exercise identifies critical risks and possible mitigating measures, including those linked to the COVID-19 crisis. Some explanations can be found in the conclusions on the internal control systems below.

Through recoveries and financial corrections, DG INTPA has in place an effective mechanism for correcting errors. During the reporting year, the executed corrective capacity amounted in total to EUR 179.19 million representing 3.15% of the relevant expenditure. The benefit at ex ante level control amounts to EUR 165.57 million, whilst recoveries and financial corrections following the results of ex post controls amounted to EUR 13.36 million.

DG INTPA's relevant expenditure its estimated overall risk at payment, estimated future corrections and risk at closure are set out in the Table: Estimated risk at payment and at closure.

**Table X : Estimated risk at payment and at closure (amounts in EUR million)<sup>34</sup>**

*The full detailed version of the table is provided in Annex 9.*

DG INTPA (1)	Relevant expenditure		Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
	(2)	(3)	(3)	(4)	(4)	(5)	(5)	
	mEUR	mEUR	%	mEUR	%	mEUR	%	
RCS1 - Grants in DM	1,446.19	27.76	1.92	3.85	0.27	23.91	1.65	
RCS2 - Budget Support	711.19	0.02	0.002	0.02	0.002	0	0	
RCS3 - Procurement in Direct Management	303.48	1.18	0.39	0.56	0.18	0.62	0.21	
RCS4 - Indirect Management with Partner Countries	538.53	12.27	2.28	6.37	1.18	5.90	1.09	
RCS5 - Indirect Management with Third Organisations	2,279.59	35.65	1.56	1.87	0.08	33.78	1.48	
Other	364.14	2.78	0.76	0.96	0.26	1.82	0.50	
EDF and EUTF contribution to support expenditure paid by BGUE	37.96	0	0	0	0	0	0	
Recovery orders on EDF (INTPA)	- 33.17	0	0	0	0	0	0	
Reconciliation	15.35	0	0	0	0	0	0	
<b>DG total</b>	<b>5,663.27</b>	<b>79.65</b>	<b>1.41<sup>35</sup></b>	<b>13.62<sup>36</sup></b>	<b>0.24<sup>37</sup></b>	<b>66.03</b>	<b>1.17<sup>38</sup></b>	

The estimated overall risk at payment for 2021 expenditure amounts to EUR 79.65 million, representing 1.41% of the DG's 2021 total relevant expenditure. This is the AOD's best, conservative estimate of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

<sup>34</sup> The amount at risk at closure is based on the 2021 RER study. It is therefore the starting point for the estimation of the average error rate at payment.

<sup>35</sup> 2021 amount at risk at payment as a percentage of the 2021 relevant expenditure.

<sup>36</sup> As from 2021 and in accordance with the instructions from central services, the estimated future correction is presented by RCS. The retroactive calculation of recoveries by RCS was done for the years 2018 to 2021. Therefore, the estimation of future corrections is based on the historic recovery orders issued by INTPA after 2018 for the reimbursement of undue payments identified by ex-post controls (i.e.: recovery orders encoded with recovery context "errors", "irregularity" or "OLAF notified" but excluding recovery orders issued as per RER findings). Furthermore, necessary adjustments were made in order to exclude amounts of ex-post recoveries erroneously encoded with recovery context "Errors", "Irregularity", "OLAF notified".

<sup>37</sup> Estimated future corrections and deductions as a percentage of the 2021 relevant expenditure.

<sup>38</sup> 2021 amount at risk at closure as a percentage of the 2021 relevant expenditure.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2021 expenditure amount to EUR 13.62 million.

The difference between those two amounts results in the estimated overall risk at closure of EUR 66.03 million, representing 1.17% of the DG's total 2021 relevant expenditure. This is an increase of 25%, mainly due to the higher overall residual error rate.

For an overview at Commission level, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the Annual Management and Performance Report (AMPR).

The evolution of estimated correction is stable compared with previous years (2020: EUR 13.42 million, 2019: EUR 13.48 million), as the control system did not change. The amounts of risk at closure and at payment are higher compared with 2020, mainly due to the higher residual error rate.

DG INTPA	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure				
	(2)	(3)		(4)		(5)				
	mEUR	mEUR		mEUR		mEUR				
EU Budget	2,430.04									
<ul style="list-style-type: none"> <li>• Of which DG's contribution to EUTF Africa</li> <li>• Of which DG's contribution to EUTF Bêkou</li> <li>• Of which DG's contribution to EUTF Colombia</li> <li>• Of which DG's contribution to EUTF Madad</li> </ul>	20.00							13.32	10.00	26.54
EU Budget excl. contributions to EU TF	2,360.17									
EDF	3,052.46									
<ul style="list-style-type: none"> <li>• Of which DG's contribution to EUTF Africa</li> <li>• Of which DG's contribution to EUTF Bêkou</li> </ul>	626.90							7.00		
EDF excl. contributions to EU TF	2,418.55									
EU TF:										
<ul style="list-style-type: none"> <li>• Bêkou</li> <li>• Africa</li> <li>• Columbia</li> </ul>	40.64							820.11	23.79	
Sub-total	884.54									
<b>Total = sub-total (a) + sub-total (b)</b>	<b>5,663.27</b>							<b>79.65</b>	<b>1.41</b>	<b>13.62</b>

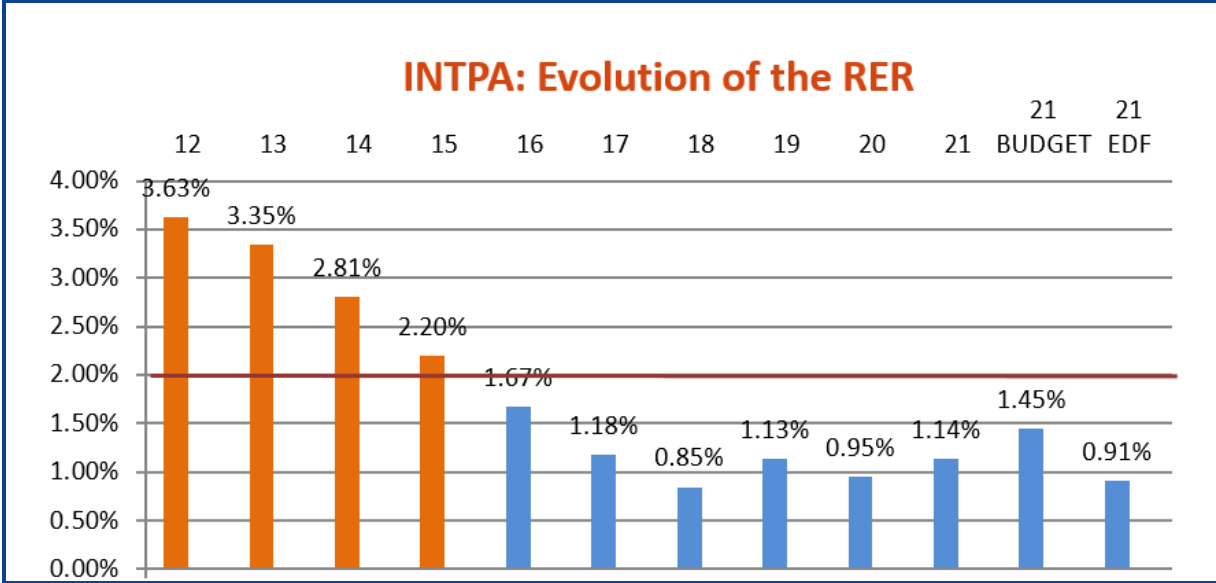
## I. General Objective of control

Regarding the legality and regularity of the underlying transactions, the control objective is to ensure that the estimated residual error is less than 2% at the end of the implementation of the programme.

Since 2012, DG INTPA estimates an annual residual error rate by means of a RER study based on a methodology developed as a reply to a recommendation by the ECA<sup>39</sup>. The main purpose of the RER study is to provide a representative indicator for the determination of the materiality of potential weaknesses. The errors identified by the RER are systematically followed-up.

The sampling for the RER Study covers transactions within contracts closed during a given 12-months period. This means that the specific transactions analysed can date back a number of years. The ECA samples from payments made during the audited year. This means that while the ECA mainly looks at transactions from ongoing contracts, for which there may be corrections at a later stage, the RER Study only looks on a multi-annual approach at transactions for which all controls and checks have been applied. As a consequence, the RER Study results in an assessment of the errors not detected by the overall control system. The ECA error rate can therefore be higher than the one resulting from the RER Study, which shows that the European Commission has a corrective capacity before a contract is closed.

As the European Court of Auditors separates the EU Budget and the EDF for the purpose of its error estimations, the RER Study also estimates representative error rates for the EU Budget and the EDF.



<sup>39</sup> The RER study does not represent an assurance engagement (or audit) and therefore is not performed in accordance with International Standards on Auditing. It follows its own methodology which is described in the RER Methodology and Instruction Manual. The main differences with an audit are: reliance on previous supervision and controls; using mainly desk review; estimation of errors in very few cases; scope of examination of procurement procedures. The methodology and manual provide the framework for RER procedures and clearly describe the situations in which reliance should be placed on previous control work and where substantive testing should be undertaken. Previous control work may include financial and technical audits, audits performed in the framework of the European Court of Auditor’s Declaration of Assurance (DAS), verifications, evaluations and technical supervisors’ reports. Reliance on previous control work does not entail re-performance of audit procedures or examination of detailed working papers. This aspect of the RER Methodology is founded on cost-effectiveness considerations. Where the quality of previous control work is examined and deemed capable of supporting reliance, there remains the possibility that errors will not have been detected by that previous control work, as is the case for any similar engagement. In such a case, these errors will remain undetected where full reliance is placed on previous control work. Where there is no previous control work or where the quality of previous control work cannot be demonstrated to have reached the standards demanded by the RER Methodology, the study requires performance of detailed substantive procedures designed to reveal undetected errors.

The 2021 RER Study applied the methodology on the basis of samples (drawn by monetary unit sampling) of 160 transactions for the EDF and 193 transactions for the EU Budget. These transactions relate to contracts closed in the CRIS and ABAC data bases in the period September 2020 to August 2021. As monetary unit sampling is used to choose the transactions, the number of transactions selected can vary from year to year, as in a varying number of cases the values of the transactions are greater than the sampling interval value, meaning that several transactions straddle more than one sampling interval.

The European Court of Auditors regularly issues observations on the implementation of the RER study and these observations usually lead to an update of the RER methodology, addressing the issues raised, such as - recently - the increase in the number of field visits, further clarification of procurement procedures and the clarification of the concepts of reliance or partial reliance in previous audit work. New versions of the RER manual and methodology were adopted in January 2022 to address these issues.

The most likely estimate of the representative RER is 1.14%<sup>40</sup> (0.92% for the EDF and 1.45% for the EU Budget), compared with 0.95% (0.82% for the EDF and 1.14% for the EU Budget) for 2020.

**For 2021, the breakdown of the RER is as follows:**

**EDF**

<b>Confirmed errors:</b>		<b>0.31%</b>
<b>of which:</b>		
<b>Indirect Management with Third Organisations</b>	<b>0.29%</b>	
<b>Errors due to missing or inadequate documentation:</b>		<b>0.60%</b>
<b>of which:</b>		
<b>Indirect Management with Third Organisations</b>	<b>0.33%</b>	
<b>Indirect Management with Partner Countries</b>	<b>0.16%</b>	
<b>Direct Procurement</b>	<b>0.11%</b>	

**Estimated errors:** **0.01%**

**EU Budget**

<b>Confirmed errors:</b>		<b>0.72%</b>
<b>of which:</b>		
<b>Indirect Management with Third Organisations</b>	<b>0.37%</b>	
<b>Direct Grants</b>	<b>0.35%</b>	
<b>Errors due to missing or inadequate documentation:</b>		<b>0.72%</b>
<b>of which:</b>		
<b>Indirect Management with Third Organisations</b>	<b>0.67%</b>	
<b>Direct Grants</b>	<b>0.04%</b>	

**Estimated errors:** **0.01%**

<sup>40</sup>Upper error limit at 3.07% and lower error limit at 0.11%.

As in previous years, a large part of the errors are due to missing documentation.

Although mobility restrictions due to COVID-19 pandemic caused minor restrictions/ delays for on-spot checks for the RER study, in almost all planned cases on-the-spot work was possible and where it could not be performed on site, it was done remotely.

## II. Risk-differentiated assurance

DG INTPA has a risk-differentiated approach by relevant control systems (RCS) that consists of estimating indicative error rates for each spending area to determine if the suspected residual error rate is above or below materiality.

For this purpose, a risk analysis was carried out on the basis of past RER and ECA results for a three-year period (covering reporting years 2018, 2019 and 2020). Indicative error rates have then been estimated by multiplying the overall error rate with the respective risk indices as follows:

INTPA Expenditure categories	Risk Indices	Error rates <sup>41</sup>	% of relevant expenditure <sup>42</sup>	% of payments <sup>43</sup>
<b>I Direct Management - Grants</b>	<b>145</b>	<b>1.65%</b>	<b>25.5</b>	<b>22.2</b>
<b>II Direct Management - Budget Support</b>	<b>0</b>	<b>0%</b>	<b>12.6</b>	<b>10.6</b>
<b>III Direct Management - Procurement</b>	<b>18</b>	<b>0.21%</b>	<b>5.4</b>	<b>4.5</b>
<b>IV Indirect Management with Partner Countries (IMPC), of which</b>	<b>91</b>	<b>1.04%</b>	<b>9.5</b>	<b>8.2</b>
<b>Va IMPC: Grants</b>	<b>134</b>	<b>1.53%</b>	<b>2.4</b>	<b>1.9</b>
<b>Vb IMPC: Programme Estimates</b>	<b>118</b>	<b>1.35%</b>	<b>1.3</b>	<b>1.0</b>
<b>Vc IMPC: Procurement</b>	<b>75</b>	<b>0.86%</b>	<b>5.5</b>	<b>4.8</b>
<b>V Indirect Management with Third Organisations</b>	<b>130</b>	<b>1.48%</b>	<b>40.3</b>	<b>49.9</b>

DG INTPA's portfolio consists of segments with a relatively low error rate, i.e. Budget Support or Procurement in Direct Management and a few segments with a relatively high error rate, e.g. Indirect Management with Third Organisations and Grants in Direct Management and in Indirect Management with Partner Countries.

This is due to the inherent risk profile of the operations in partner countries, the performance of the related control systems and the complexity of the programmes, funding modalities and beneficiaries.

Regarding the segments with control weaknesses, the main causes are missing supporting documents, procurement issues and the results of the verification of indirect costs.

<sup>41</sup> Risk index multiplied by the average RER.

<sup>42</sup> The total is less than 100%; the remaining percentage corresponds to other expenditure categories like administrative or contributions to the EFSD.

<sup>43</sup> The total is less than 100%; the remaining percentage corresponds to other expenditure categories like administrative or contributions to the EFSD.

### Conclusion for assurance

Reservations should in principle be raised for spending areas with an indicative residual error rate above 2%. As for none of the spending areas this is the case, no reservation is made.

In order to detect weaknesses, DG INTPA has categorised its portfolio and described five major relevant control systems (RCS) corresponding to the main methods of implementation. In addition, DG INTPA has developed *risk indices* to better support the assessment by RCS. A notional error rate for each RCS is estimated to add information on risks in the various methods of implementation.

The table below and Annex 6 describe the main implementation modalities used by DG INTPA in 2021 for the delivery of External Aid. They present for each of them the characteristics and results of the applicable controls and conclude on the level of risk associated to each of these implementation modalities.

Main controls by Relevant Control System (RCS)							
Moment of Control	Control type	RCS 1 – Grants in DM	RCS 2 – Budget Support (DM)	RCS 3 – Procurement in DM	RCS 4 – IM with Partner Countries	RCS 5 – IM with Third Organisations	RCS 6 Financial Instruments and Budgetary Guarantees
Prior Contracting to	Budget Support Eligibility Assessment	NA	100%	NA	NA	NA	NA
	Ex-ante checks	100%	100%	100%	100%	100%	100%
Contracting	Ex-ante checks	100%	100%	100%	100%	100%	100%
Prior to Payment	Expenditure verifications contracted by fund recipients	All final payments of grants > EUR 100 000	NA	Only for fee-based service contracts	Only for fee-based service contracts	All final payments of grants > EUR 100 000	N/A
		Further pre-financing > EUR 5 million				Further pre-financing > EUR 5 million	
Payments	Ex-ante checks	100%	100%	100%	100%	100%	100%
Monitoring the Implementation	Service contracts for the supervision of works	NA	NA	Only for works contracts	NA	NA	The underlying financial risks of each guarantee agreement are regularly assessed by DG INTPA's Unit E5 (Risk Management), supported by the technical risk assessment

Main controls by Relevant Control System (RCS)							
Moment of Control	Control type	RCS 1 – Grants in DM	RCS 2 – Budget Support (DM)	RCS 3 – Procurement in DM	RCS 4 – IM with Partner Countries	RCS 5 – IM with Third Organisations	RCS 6 Financial Instruments and Budgetary Guarantees
							group, based on the quarterly reports submitted by implementing partners.
Adequacy provisioning and of the payment to fiduciary accounts for Financial Instruments	NA	NA	NA	NA	NA	NA	100% of CAFIs and GAs
Partly ex-ante/partly ex-post	Engagements under Annual Audit Plans	overall audit coverage ratio > 5%	NA	overall audit coverage ratio > 5%			overall audit coverage ratio > 5%
After implementation of all other controls	Annual RER Study	representative monetary unit sample					
Relative Weight of payment per RCS		RCS 1 – Grants in DM	RCS 2 – Budget Support (DM)	RCS 3 – Procurement in DM	RCS 4 – IM with Partner Countries	RCS 5 – IM with Third Organisations	RCS 6 Financial Instruments and Budgetary Guarantees
Payments made in 2021 for each RCS (EUR million)		1 491	711	301	555	3 360	56 <sup>44</sup>
% of total of DG INTPA payments in 2021 (EUR 6725.75 million) <sup>45</sup>		22%	11%	5%	8%	50%	1%
Risk-index		145	0	18	91	130	N/A
Indicative RER in %		1.65	0	0.21	1.04	1.48	N/A
Risk level (see Annex 6 for details)		medium	low	low	medium	medium	N/A
Reservation Y/N		N	N	N	N	N	N/A

### III. Cross-sub-delegations

In 2021, DG NEAR made payments of EUR 165.76 million in the context of the cross subdelegation given by DG INTPA for the implementation the EU Trust Funds Africa – North of Africa window.

The cross-delegation agreements require the Authorising Officers by Delegation (AODs) of these DGs to report on the use of these appropriations. In their reports, the AODs did not communicate any events, control results or issues which could have a material impact on assurance.

<sup>44</sup> The EUR 56 million represent payments made for financial instruments on fiduciary accounts (belonging to the Commission), these funds remain property of the Commission. Therefore no risk index are calculated on these amounts.

<sup>45</sup> Excluding general budget and EDF contributions to EU Trust Funds (EUR 703.77 million) and including payments made by EU Trust Funds (EUR 807.88 million).



## **IV. Report on exceptions and non-compliance events**

### **A) Exceptions**

Exceptions are deviations from established processes and procedures that are not specifically allowed for by the applicable rules. A detailed justification is required from the competent authority responsible for the procedure or contract. Exceptions are not a breach of rules or procedures. They are approved by the competent authority before action is taken (ex-ante) and registered. 63 exceptions were registered and analysed in 2021. When relevant, necessary adjustments of procedures were undertaken.

More specifically, as concerns indirect management:

- 5 exceptions were registered on Financing Agreements. These exceptions aimed at modifying standard provisions of the general conditions in order to target specific needs of partner countries and, in two cases (Haiti and the Dominican Republic), to ensure the correct implementation of a works project.
- 35 exceptions were registered on agreements, including for the implementation of financial instruments, with pillar-assessed partners, such as international organisations or Member States' organisations. These exceptions aimed at modifying the standard provisions of the general conditions in order to cater for specific needs of such partners and, in several cases, at mitigating certain issues related to pillar-assessments.

As concerns contracts in direct management 23 exceptions were registered. While 3 of them are related to the strengthening of reporting and financial provisions in grant contracts, 3 exceptions provide for the increase of grant amounts, 2 of them referring to the COVID-19 response actions, and 3 exceptions record changes in payment terms for grants or procurement contracts. Other exceptions for grants relate to adding provisions on diplomatic immunity and privileges for the ACP Secretariat, to waiving the co-financing requirement, to having a co-beneficiary as recipient managing the EU grant instead of the coordinator (a local authority that cannot open sub-accounts), and to modifying the procurement rules and the pre-financing in a grant to Gavi, which is a part of the Global EU response to COVID-19. For procurement contracts, the other exceptions concern the composition of the evaluation committee in a nuclear safety project for technical reasons, the increase of the maximum number of key experts in a service contract, 2 extensions of a specific contract beyond the expiry date of the implementation period of the framework contract 2015, lot 3 Events, and 2 modifications of the special conditions of a service contract to be implemented in phases.

### **B) Non-compliance events (NCEs)**

A NCE is a departure from established processes and procedures or is a gap in existing controls, detected only after action was taken (ex-post). It could consist of a breach of existing regulatory and/or contractual provisions.

Out of 68 recorded NCE cases, 57 correspond to case 10B "A breach of existing regulatory and/or contractual provisions", and 11 to case 10A, "Absence of the required ex-ante authorisation".

Most of the 57 cases of breaches of existing regulatory or contractual provisions concern the signature of a legal commitment when no corresponding budgetary commitment was previously validated. Among reasons invoked are the exceptional working arrangements during COVID, dysfunctionalities of OPSYS for framework contracts, and the need for an increased awareness of financial rules on the part of AOSDs.

The other 11 cases were of type 10A “Absence of the required ex-ante authorisation” and relate mainly to errors in the financial circuits. One NCE concerned an ORDO visa given on a financing decision prior to its adoption, another one a rider to a contract agreed by mail instead of a proper written amendment, and one was recorded for a service contract signed with retroactive effect.

## **V. Reports on supervision missions to EU Delegations**

Supervision missions are a management tool aimed at enhancing the mutual understanding between DG INTPA in Brussels and the EU Delegations, improving the communication flows and increasing the efficiency of the management of the EU external assistance.

DG INTPA’s management approved in November 2017 new guidelines for supervision missions to Delegations that recommend performing between 7 to 10 per year with sampling based on risk analysis.

The implementation of the 2021 annual plan for supervision missions to EU Delegations was, for the second consecutive year, negatively impacted by the continuation of the COVID-19 pandemic and the ensuing travel restrictions. Of the 11 missions foreseen (Guinea-Bissau, Madagascar, Malawi, Niger, South Sudan, Haiti, Peru, Brazil, Fiji, Tajikistan and Vietnam) only the last six could be carried out, remotely from Brussels.

The missions took place in two phases: completion of the questionnaire on internal controls (restricted to staff allocation and development and management supervision) and ex-post verifications of a dozen of transactions selected from the Delegation’s portfolio.

As of September 2021, when physical missions became possible, DG INTPA attempted to carry out two more missions but the two Delegations contacted could not answer positively, given their specific situation on the ground. The five Delegations not visited in 2021 are now part of the 2022 annual plan.

No major weakness was identified through the missions. The most common recommendations relate to the accuracy and completeness of the documents uploaded in CRIS and ABAC.

On the basis of the available information, DG INTPA has reasonable assurance that the delay in supervision missions does not reduce the effectiveness of this assurance building block.

## **VI. Pillar Assessments**

Following the entry into force of Regulation (EU, Euratom) 2018/1046 (the Financial Regulation), the Commission requested all entities to be entrusted with EU budget implementation to complete the complementary pillar assessments (ex-ante checks on management and control systems) by 31/12/2021. The pillar assessments of the main partners are expected to be completed within the first half of 2022, as the large majority of the final reports have been received and are currently under analysis in order to assess whether additional supervisory measures are needed.

Although new contribution agreements cannot be concluded before the pillar assessments are finalised, and few Financial Framework Partnership Agreements are still being negotiated, mitigating measures were put in place to minimise the impact on the implementation of indirect management interventions. Such measures include the following:

- Substantial increase in contacts with the entities (mostly UN agencies) to accelerate the process. The main result is that at this moment all pillar assessments with major partners are finalised or at an advanced stage;
- Specific conditions (supervisory measures) for signing contracts with these entities in duly justified and exceptional cases have been set to ensure compliance with the European Commission's rules.

Moreover, ongoing contracts continued normal implementation and amendments were still possible.

### **b) Fraud prevention, detection and correction**

DG INTPA has developed and implemented its own anti-fraud strategy since 2014, on the basis of the methodology provided by OLAF. Since its entry into force, there have been three updates, the last of which adopted in 2021. Its implementation is being monitored and the management receives biannual reports on the ongoing OLAF investigations and the follow-up of OLAF recommendations. DG INTPA's new action plan adopted in 2021 contains 16 internal actions, out of which 80% were implemented within the indicated deadline or according to the foreseen recurrence. The remaining 20% of the actions are either in progress or with an implementation deadline set in 2022; their completion is expected for 2022.

DG INTPA also contributed to the Commission anti-fraud strategy and implemented timely the action 33, for which INTPA was designated jointly with DG NEAR as leading service. DG INTPA followed up 33% of OLAF's financial recommendations. Overall, 20% of the financial recommendations (issued in 2017-2021) have been fully implemented, 20% have been partially implemented, 60% are in an ongoing implementation process or still under analysis. Recurrent difficulties in fulfilling OLAF recommendations are due to legal specificities and constraints, such as lengthy legal actions, expiry of the time-barring limit, bankruptcy, etc.

DG INTPA systematically transmitted cases of suspected fraud or irregularity to OLAF. At the end of 2021, DG INTPA was aware of 23 on-going investigations. OLAF closed 3

investigations with financial, administrative and/or judicial recommendations and 2 investigations without recommendations.

DG INTPA systematically transmitted cases of suspected fraud or irregularity to OLAF. At the end of 2021, DG INTPA was aware of 23 on-going investigations. OLAF closed 3 investigations with financial, administrative and/or judicial recommendations and 2 investigations without recommendations.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: new online training on fraud prevention in EU external relations, launch of an information campaign dedicated to DG INTPA’s external partners, continued centralisation and distribution of information by the DG’s anti-fraud correspondent in close collaboration with INTPA’s anti-fraud network and OLAF, updates of webpages and manuals, annual note and information campaign to all staff on fraud prevention and fraud-sanctioning tools.

On the basis of the available information, DG INTPA has reasonable assurance that the anti-fraud measures in place are effective. DG INTPA adopted a new strategy and action plan to align its anti-fraud policy with the changing environment and to reinforce the measures already in place. The DG implemented all the recurrent actions, transmitted systematically all cases of suspected fraud or irregularity to OLAF and followed closely all financial recommendations notified by OLAF. As foreseen in 2022, DG INTPA will launch a mid-term assessment and adjust the action plan if deemed necessary.

**c) Other control objectives: safeguarding of assets and information, reliability of reporting**

DG INTPA manages significant<sup>46</sup> intangible assets, financial assets, liabilities and 'off balance sheet' items. They are presented in the table below:

	2021 (in EUR)	Thresholds
<b>BALANCE SHEET</b>		
A.I.1 Intangible Assets	70,456,821.83	> EUR 5 million
A.II.6 Cash and Cash Equivalents	1,255,726,064.69	> EUR 100 million
P.I.3. Non-Current Financial Liabilities	689,965,227.56	> EUR 100 million
<b>OFF BALANCE</b>		
OB.2.1. Guarantees given for EU FI	15,620,377.48	none
OB.2.2.-OB.2.6. Budgetary Guarantees given	810,668,651.88	none
OB.3.3.8. Budgetary Guarantees Ceiling	1,590,700,000.00	none

Intangible assets (EUR 70.46 million at the end of 2021) represent investments made for the IT system OPSYS which is DG INTPA’s new operational information system currently being developed and deployed. This new system also strives to provide a corporate solution for the external relations family, mainly DG NEAR and FPI.

<sup>46</sup> Based on the Thresholds available in the Guidance on [BUDGpedia](#) “[Illustrative examples of Non-expenditure items](#)”

The controls in place for the management of this project are described in the IT governance strategy documents and performed via regular IT Steering Committees. Based on the assessment of the control results, no significant risk have been identified.

Cash and cash equivalents concerns: (i) the balances of fiduciary accounts for **financial instruments** (EUR 104.09 million) and (ii) the **cash accounts** of EDF (EUR 959.23 million) and (iii) the **cash accounts** of Trust Funds (EUR 192.15 million) at year end.

The controls in place for the cash accounts of the EDF are governed by Article 7 of the Internal Agreement and Article 19 of the 11<sup>th</sup> EDF Financial Regulation. By October every year, the Commission, taking into account the EIB's forecasts concerning the Investment Facility, communicates to the Council a statement which confirms the level of commitments and payments and the annual amount that the parties (Member States and the UK) should contribute to the EDF in the following two budget years. This statement also includes an indicative forecast, based on a statistical approach, for the annual amounts of contributions for the years N+3 and N+4. These annual amounts are defined based on the capacity to effectively deliver the proposed level of resources and in line with the actual EDF needs for each financial year. The annual contribution, which provisions the treasury of the EDF, is further divided into three instalments (January, June, October). These instalments are subject to Council Decision proposed by the Commission.

The amounts of the calls for contributions which supply the TF accounts are determined in view of the expenditures planned. A medium-term forecast is used to establish the yearly needs and allocate the calls for contributions between the sources of contribution (Budget and/or EDF) , while the monthly forecasts are used for shorter term scheduling of calls for contributions (up to 3 months).

Non-current financial liabilities mainly concerns the **net contribution of the donors** in the EUTF Africa. The net contributions of the donors at 31 December equals the contributions paid less the allocated net expenses to that date. The net expenses of the current year are allocated to the donors in proportion to the contributions received at the year-end. The contribution percentage and the allocation of net results based on it is only indicative. When the Trust Fund is wound up, the final decision on the return of remaining funds will be made by the Trust Fund Board.

The Off Balance items cover the guarantees given for **financial instruments** and the **budgetary guarantees** given and signed under the EFSD and EFSD+.

As of 2021, a new Relevant Control System has been created to describe the strategy of control in place for the Financial Instruments and Budgetary Guarantees under the EFSD and EFSD+. For further information on the controls that will be in place, please refer to RCS 6 in Annex 6.

An annual and aggregated view for financial instruments and Budgetary guarantees managed by INTPA are presented below:

## Operations in Year 2021- provisional figures

Commitments made in 2021 (CAFI, PAGODA FIs & Guarantee agreements <sup>47</sup> )		Commitments for CPF provisioning <sup>48</sup>	Payments to fiduciary accounts & CPF provisioning <sup>49</sup>
FI - Budget	81,168,000	NA	39,292,685
FI - FED	111,672,900	NA	17,058,753
<b>FI - Total</b>	<b>192,840,900</b>	<b>NA</b>	<b>56,351,438</b>
<b>EFSD</b>		<b>750,000</b>	<b>0</b>
<b>EFSD +</b>	<b>200,000,000<sup>50</sup></b>	<b>1,442,778,634</b>	<b>0</b>

## Cumulative open operations at 31/12/2021 for financial instruments

Total ongoing commitments (PAGODA FIs & CAFI)	Payments to fiduciary accounts <sup>51</sup>	A.I.4 Non-current financial assets & A.II.I Current financial assets	A.II.6 Cash & cash equivalents	O.B.2.1 & O.B.2.2 contingent liabilities	
		Equity investments and loans	Fiduciary accounts balances	Guarantees given	
FI - Budget	605,905,114	341,371,586	237,637,383	69,779,206	-7,416,632
FI - FED	411,803,507	90,798,956	40,811,537	34,312,289	-8,203,745
<b>FI - Total</b>	<b>1,017,708,621</b>	<b>432,170,542</b>	<b>278,448,920</b>	<b>104,091,495</b>	<b>-15,620,377</b>

## Cumulative open operations at 31/12/2021 for budgetary guarantees

Total ongoing commitments (Guarantee agreements)	Commitments for CPF provisioning	CPF Balance <sup>52</sup>	O.B.2.1 & O.B.2.2 contingent liabilities	O.B.2.6 contingent liabilities	
			Inclusion notices signed and disbursed	Inclusion notices signed and disbursed	
<b>EFSD</b>	<b>1,548,700,000</b>	<b>799,718,935</b>	<b>790,679,804</b>	<b>-535,250,632</b>	<b>-75,418,019</b>
<b>EFSD+</b>	<b>200,000,000</b>	<b>1,442,778,634</b>	<b>0</b>	<b>- 200,000,000</b>	<b>0</b>

<sup>47</sup> for the Guarantee agreements under EFSD and EFSD+, the individual commitments is signed in ABAC Liga

<sup>48</sup> EN contracts encoded in CRIS, to process the payments constituting the provisioning for the EFSD/EFSD+

<sup>49</sup> For the provisioning of the CPF, this corresponds to the payments made from the EN contracts in CRIS.

<sup>50</sup> The Guarantee Agreement "Covax II" was signed with EIB under EFSD+, to cover the EIB's Covax II loan to The Gavi Alliance

<sup>51</sup> EFSD Guarantee Fund net asset

<sup>52</sup> CPF balance at market value

## 2. Efficiency of controls

The table below presents the most relevant **key indicators on the efficiency of controls and their values** structured in line with the internal control templates in annex 6. These indicators provide a complete overview of the controls in place and are reliable.

Relevant Control System (RCS)								
Control efficiency (2021)	RCS 1 - Grants in DM	RCS 2 - BS	RCS 3 - Procurement in DM	RCS 4 - IM with Partner Countries	RCS 5 - IM with Third Organisations	RCS 6 Financial Instruments and Budgetary Guarantees <sup>53</sup>	Other	Total
Ineligible expenditure identified by ex-ante controls/Invoiced amount	1.87%	6.70% <sup>54</sup>	2.29%	4.51%	2.24%	0	0.24%	2.62%
Ineligible expenditure identified by ex-ante controls (EUR million)	27.86	52.40	7.11	25.53	50.47	0	2.21	165.57
Invoiced amount (EUR million)	1 492.35	782.18	310.35	566.29	2 255.51	0	906.36	6 313.04
Relevant Control System (RCS)								
Control efficiency (2021)	RCS 1 - Grants in DM	RCS 2 - BS	RCS 3 - Procurement in DM	RCS 4 - IM with Partner Countries	RCS 5 - IM with Third Organisations	RCS 6 Financial Instruments and Budgetary Guarantees	Other	Total
RCS part in ineligible expenditure identified by ex-ante controls	16.82%	31.65%	4.29%	15.42%	30.48%	0	1.34%	100,00%
Ineligible expenditure identified by external audits / Audited amount	5.46%	0%	0.08%	6.27%	0.67%	0	0.30%	2.36%
Ineligible expenditure identified by external audits contracted by the Commission (EUR million)	20.60	0	0.04	13.39	7.29	0	0.04	41.36
Audited amount (EUR million)	377.55	0	52.57	213.62	1 093.68	0	13.10	1 750.52
RCS part in ineligible expenditure identified by external audits	49.81%	0%	0.10%	32.37%	17.62%	0	0.10%	100,00%
Timely payments (Art. 116.1 new FR): % of payments made within contractual deadlines.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	93.10%
Average time to inform applicants (Art. 194.1(e)&2 new FR) (in days)	82.78	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of applicants informed within 6 months of final submission deadline	98.64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Average time to grant as from information notice (Art. 194.1(e)&2 new FR) (in days)	71.35	N/A	N/A	N/A	N/A	N/A	N/A	N/A
% of grants signed within 3 months of informing applicants	80.32%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

<sup>53</sup> All the lines under this RCS are filled in with "0". Only when the first default payments will be registered, this value can be changed. Controls on the RCS 6 will be progressively put in place.

<sup>54</sup> "The system of ex-ante controls put in place by DG INTPA for Budget Support operations prevents any payment to be made unless all required pre-conditions and targets have been met by the beneficiary countries. The efficiency of the ex-ante control system is illustrated by the fact that BS Operations represent 31.65% of the amount of payment requests blocked by ex-ante controls in 2021. In the case of Budget Support the high rate of errors detected ex-ante is an indicator of reduced risk."

## Conclusion on the efficiency indicators

### Ineligible expenditure identified by ex-ante controls on payments (KPI 22):

In 2021, the ex-ante controls have prevented the payment of a total amount of EUR 165.57 million of ineligible expenditure. This represents 2.62% of the total invoiced amount and is above the benchmark of 2% set by DG INTPA for this indicator and above the result of last year (1.91%).

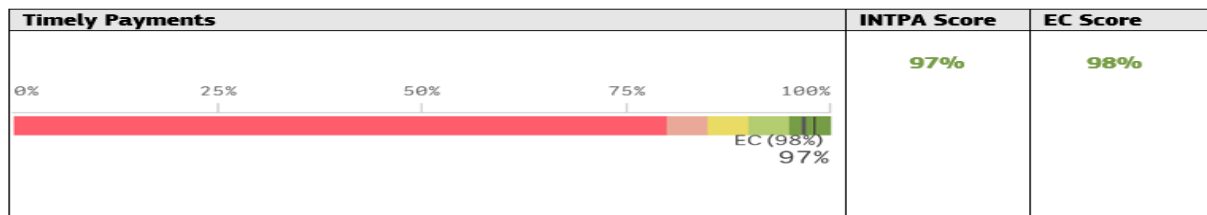
### Ineligible expenditure identified by external audits (KPI 26):

In 2021, the external audits contracted by the Commission have identified a total amount of EUR 41.36 million of ineligible expenditure. This represents 2.36% of the total audited amount and is above the benchmark of 2% set by DG INTPA for this indicator

### Timely payments (KPI 13):

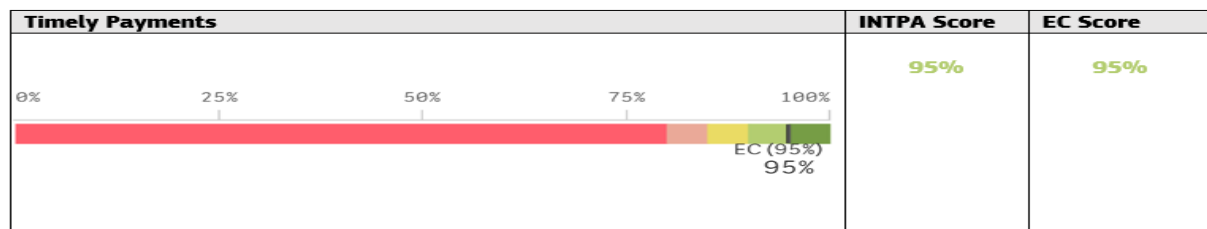
In 2021, 94.98% of the payments<sup>55</sup> (all funding sources altogether) were made within the contractual deadlines provided by the Financial Regulation. Timely payments disaggregated for each of the funding sources are presented below:

#### 1. General budget



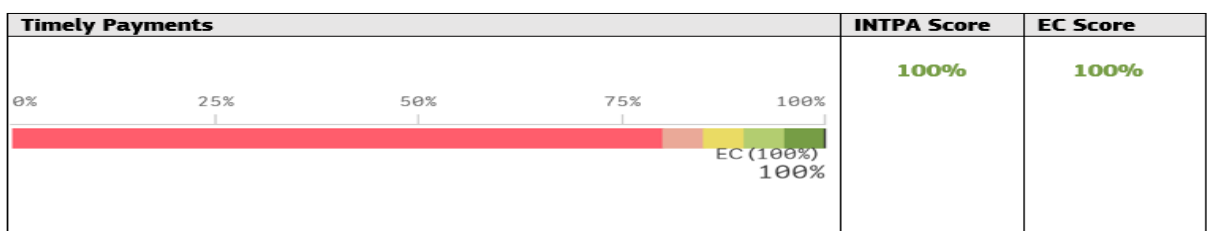
DG INTPA reached a 97% value for this indicator almost in line with the Commission average calculated for this funding source - 98%.

#### 2. European Development Fund



DG INTPA reached a 95% value for this indicator equaling the Commission average calculated for this funding source - 95%.

#### 3. Trust Fund Bekou (TF003)

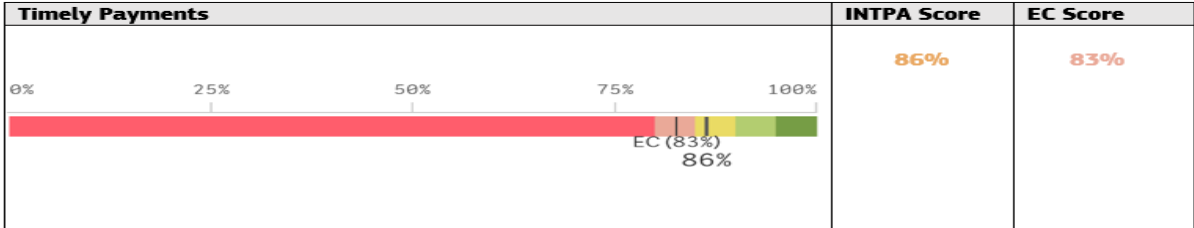


<sup>55</sup> In payment value. 93.10% in number of payments.



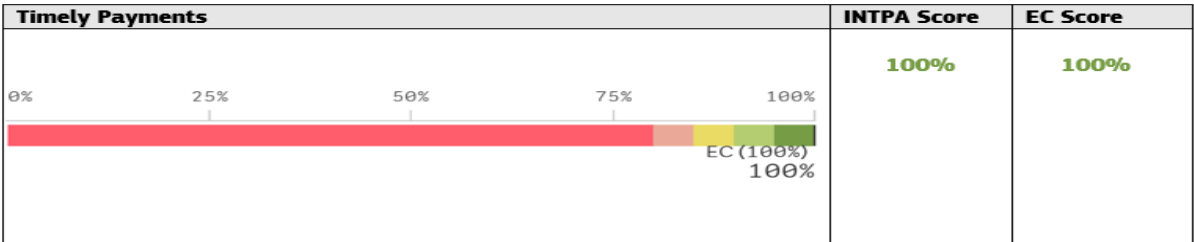
DG INTPA reached a 100% value for this indicator equaling the Commission average calculated for this funding source - 100%.

**4. Trust Fund Africa (TF005) Windows Sahel, Lake Tchad and Horn of Africa<sup>56</sup>**



The continued Covid situation, resulted in the EUTF Africa registering a value of 86.31% (although above the average calculated for the entire TF of 83% ). It is expected that for 2022 the results will improve.

**5. Trust Fund Colombia (TF006)<sup>2</sup>**



DG INTPA reached a 100% value for this indicator equaling the Commission average calculated for this funding source - 100%.

**Grants management<sup>57</sup>:**

In 2021, 98.64% of the notifications for informing the applicants of the outcome of the evaluation of their application were transmitted by DG INTPA within the time limit of six months set by the Financial Regulation. Furthermore, the average time taken by DG INTPA in 2021 is 82.78 calendar days – largely below the time limit of 6 months.

In 2021, 80.32% of the grant contracts were signed by DG INTPA within the time limit of three months set by the Financial Regulation for signing grant contracts as from the date of informing applicants of the outcome of the evaluation of their application. The average time taken by DG INTPA for signing grant contracts in 2021 is 71.35 calendar days - below the time limit of 3 months.

These results have to be interpreted in the light of the provision of the Financial Regulation which states that those reference periods "may be adjusted in order to take into account any time needed to comply with specific procedures(...) and may be exceeded in exceptional, duly justified cases, in particular for complex actions, where there is a large number of proposals(...)".

This is typically the case of the Calls for Proposals managed in HQ and in particular under thematic operations. These calls are often complex, or sensitive, or with a large number of

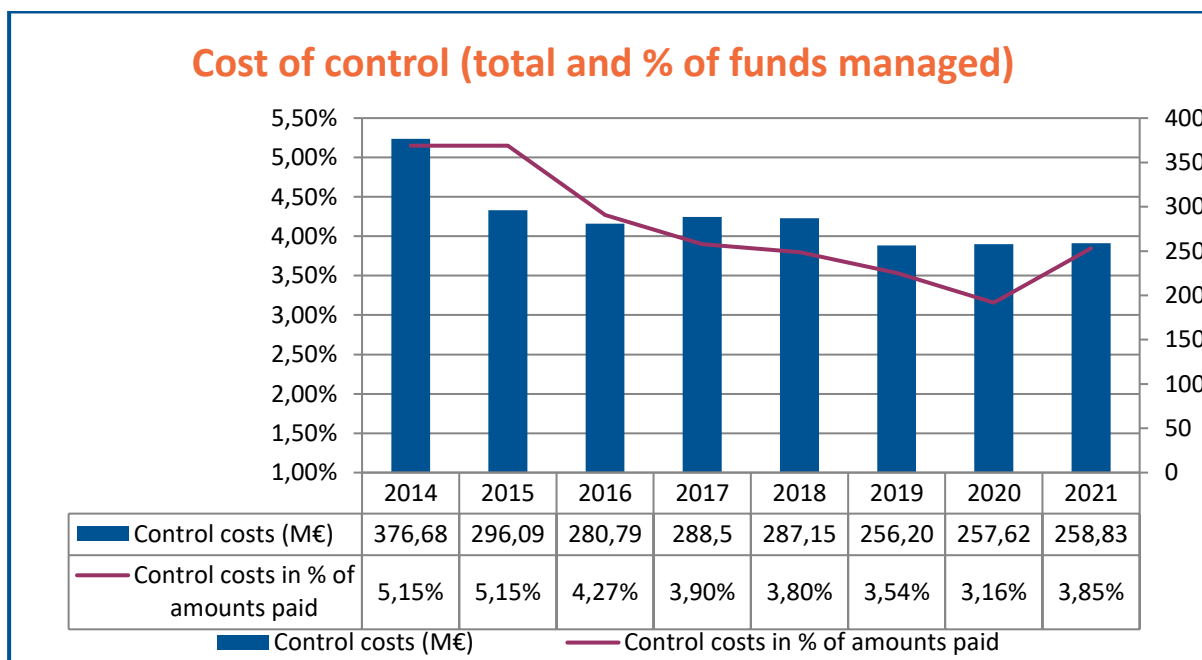
<sup>56</sup> The value of this indicator for the third window of Trust Africa- "North Africa" is commented upon in the AAR of DG NEAR  
<sup>57</sup> Results based on grant contracts implemented in direct management and whose calls for proposals are managed in PROSPECT.

applicants, proposals and countries, or complex pilot initiatives that made the contracting phase more time consuming.

Based on the results of the efficiency indicators described above and taking into account the contextual elements impacting the indicator on ineligible expenditure prevented by ex-ante controls and the indicator on time to grant, DG INTPA considers that the controls put in place by DG INTPA are efficient.

### 3. Economy of controls

The 2021 DG INTPA total cost of controls is estimated at EUR 258.8 million. This represents 3.85% of the funds managed by DG INTPA in 2021. The overall cost of control remains highly stable, with an increase year-on-year of just 1.2 million euros (0,5% increase). However, with the payments carried out during 2021 considerably decreasing versus 2020, the ratio shows a deterioration of 21,88 percentage points (from 3,16% to 3,85%).



In terms of management mode, Indirect Management with International Organisations represents 36,40% of above-mentioned cost, followed by Procurement and Grants in Direct Management at 20,52% and 19,13% respectively.

In terms of stages of control, differences versus last exercise stem from resuming supervision missions (virtually carried out from Brussels) and the investment in pillar-assessments for several entrusted entities.

(See Annex 07 for further details on split per management mode and stage of control).

Taking into consideration the highly risky environment DG INTPA operates in, the total costs of controls are not only reasonable but present also rather significant **non-quantifiable benefits** as better value-for money, deterrent effects, efficiency gains, system improvements and compliance with regulatory provisions.

#### 4. Conclusion on the cost-effectiveness of controls

**Based on the most relevant key indicators and control results, DG INTPA has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.**

For this conclusion the following elements were taken into account:

○ **Effectiveness:** the **RER of DG INTPA** for 2021 is estimated at 1.14%.

The main benefit of DG INTPA's control system is the prevention of errors. The fact that DG INTPA's system is geared towards ex-ante controls and not ex-post controls can be explained by the nature of its operations.

In 2021, DG INTPA was in charge of operations implemented in more than 130 countries on five continents, supervised by more than 90 fund centres (Delegations and HQ services) involving thousands of fund recipients and other stakeholders involved in the implementation.

Most of these operations take place in a context which is much more error-prone than is the case for operations of other Commission DGs and Services, in countries and regions with a low level of development, deficient infrastructure and weak governance. However, these operations are needed and the EU has decided to play an active role in implementing them in line with a wide-ranging international consensus, not only at the level of governments but also at civil society level. Operations implemented by DG INTPA are also necessary because of the EU's very own interest.

Due to the diversity of DG INTPA's operations and the fact that it covers a vast geographical area, DG INTPA has no other choice than to rely on a significant number of external partners for its operations. Funds usually are provided by means of pre-financing payments; expenditure is then incurred by DG INTPA partners and subsequently cleared on the basis of reports. Relationships with partners are less stable than in other spending DGs and Services and/or a higher number of partners are located outside EU jurisdiction. All these factors lead to a very pronounced need to focus on preventive controls.

○ **Efficiency:** some **measurable benefits** of DG INTPA's controls are captured in its information systems:

→ **KPI 22:** A total amount of EUR 165.57 million of undue payment was prevented by DG INTPA's ex-ante controls in 2021 (EUR 154.06 million in 2020). It represents 185% of the cost of the ex-ante controls (amounting to 89 million). In 2021, ex-ante controls are particularly cost-effective for Budget Support (ratio benefit/cost of 1744%) and for Indirect Management with Partner countries (ratio benefit/cost of 406%).

→ **KPI 26:** Total amount of EUR 41.36 million was identified as ineligible in the final audit reports received by DG INTPA in 2021. It represents 310% of the estimated cost of external audits contracted by the Commission, which amount to 13.34 million. Like last exercises, external audits keep on proving particularly cost effective for Indirect

Management with Partner countries (ratio benefit/cost of 1252% and for Grants in Direct Management (ratio benefit/cost of 732%).

→ **Recovery Orders:** Recovery Orders for a total amount of EUR 13.36 million were issued by DG INTPA in 2021 for the reimbursement of undue payments (errors & irregularities). It represents 37% of the cost of ex-post controls and follow-up, which totally in line with previous exercise.

○ **Economy:** The estimated total cost of control as a percentage of the amounts managed by DG INTPA has been steadily decreasing over the last years. This trend is halted in 2021 (EUR 258.8 million) which registers a slight increase of overall control costs (1.2 million or 0.5%). Even though the ratio shows a higher deterioration (from 3.16% to 3.85%), this is essentially due to the decrease of the amounts paid by DG INTPA in 2021. At any rate, DG INTPA's cost of controls does not only significantly reap qualitative and quantitative benefits, but is also reasonable and meeting the target of under 4% for the 5<sup>th</sup> year in a row.

DG INTPA continuously evaluates whether control resources should be re-directed towards more stringent verifications where needed, while having leaner and less burdensome controls where appropriate. RCSs aim to reflect the different risk profiles. Consequently DG INTPA arrives at different cost-payment ratios per RCS: for instance, where budget support operations are not subject to audits or verification under the Annual Audit and Verification Plans, making up for only 2,50% of overall control costs, high risk RCSs are subject to certain compulsory expenditure verifications and/or additional controls.

### 2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

The section is divided into two subsections: the **Internal Audit Service (IAS)** and the **European Court of Auditors (ECA)**, which covers the ECA's Annual Reports for the year 2020 and the relevant Special Reports.

#### **Internal Audit Service (IAS)**



*Internal audits in 2021 (finalised by 31 January 2022)*

Only one IAS assignment was finalised in 2021.

The overall objective of the limited review on the **“Measures implemented by the Directorate-General for International Partnerships to address the error rate for indirect management with beneficiary countries”** was to assess the adequacy and effectiveness of: the actions taken by DG INTPA to analyse the root causes of errors detected

by the RER study in IMPC contracts; the design of the measures to address them; and the implementation of these measures.

Overall, the IAS concludes that the actions taken by DG INTPA to analyse the root causes of errors and the measures to address them were adequately designed and effectively implemented. However, while the audit did not result in the identification of any critical or very important issues, the IAS considers that there is room for further improvement as regards the documentation of the root cause analysis, as well as the design and implementation of the action plan.

### Overview of the "Critical / Very Important" (VI) internal audit recommendations

Internal audit service (IAS) <sup>58</sup>						
Year	Audit	Critical open in January 2021	VI open in January 2021	Critical Implemented during 2021	VI Implemented during 2021	In progress
Prior to 2021	Pillar assessment (multi DG)	2	3	2	3	0
	<b>Total IAS</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>0</b>

All critical and very important recommendations from the IAS audit on pillar assessment were implemented and closed by the auditors after the follow-up audit.

Concerning the completion of complementary pillar assessments by the deadline of 31/12/2021, see the comments on Pillar Assessments in section 2.1.1.

### Conclusion of the Internal Auditor on the state of internal control in DG INTPA

The IAS concluded that the internal control systems in place for the audited processes are effective.

### European Court of Auditors (ECA)

#### Overview of the external audit recommendations

ECA Annual and Special Reports						
Year of publication	Audit	Open in Jan. 2021	New issued in 2021	Implemented during 2021	In progress	
Prior to 2021	SR 04/2018 'Myanmar'	3		2	1	
	SR 35/2018 'Transparency of funds implemented by NGOs'	1		1		
	SR 25/2019 'Data quality in budget support'	8		8		
	SR 14/2020 'Kenya'	3		3		
2021	Annual reports concerning the financial year 2019	2		1 <sup>59</sup>	1	
	Annual reports concerning the financial year 2020	0	5		4 <sup>60</sup>	
<b>Total ECA</b>		<b>17</b>	<b>5</b>	<b>14</b>	<b>7</b>	

<sup>58</sup> In accordance with its updated audit plan for 2021.

<sup>59</sup> While DG INTPA implemented the recommendation in June 2021, as the recommendation is addressed to several DGs, it remains open until all services consider it has been fully addressed.

<sup>60</sup> Recommendation 2 was rejected, therefore, the implementation of four out of five recommendations issued is in progress.



The ECA published its Annual Reports for the financial year 2020 in October 2021. For the Budget instruments, the European Court of Auditors did not calculate an error rate for the year 2020. The ECA estimated the level of error concerning EDF payments at 3.8 % (compared to 3.3% in 2016, 4.5% in 2017, 5.2% in 2018 and 3.5% in 2019) and therefore issued an adverse opinion on payments from EDF for the year 2020.

In its 2020 Annual Report on the Budget (Chapter 8: Global Europe), the ECA issued the following recommendations for DG INTPA:

- Recommendation 8.1: Complete and timely access to documents: Take steps so that International Organisations provide the ECA with complete, unlimited and timely access to documents and not just in read-only format. Timeframe: by the end of 2021

The Commission has accepted this recommendation. There are contractual provisions that cover the access to documents. The Commission continues to draw the partner organisations' attention to the need to provide the ECA with the necessary information. This is done through the regular coordination meetings with the international organisations implementing EU funds under indirect management and ad hoc communication when necessary. The Commission continues to work closely with UN entities and the ECA to find acceptable solutions to this sensitive issue. The recommendation is expected to be implemented by 2023.

- Recommendation 8.3: Establish obligations for the RER study contractor to report to the Commission any suspected fraud against the EU budget detected during its work on the RER study. Timeframe: by the end of 2022

The Commission has accepted this recommendation. DG INTPA, in coordination with DG NEAR, introduced a reference in the RER methodology to formalise the communication of suspected risks of fraud to the Commission at the appropriate level in January 2022.

In its 2020 Annual Report on the European Development Funds (EDF), the ECA issued the following recommendations:

- Recommendation 1: Take steps so that international organisations provide the ECA with complete, unlimited and timely access to documents necessary to carry out its task in accordance with the TFEU, and not just in read-only format. Timeframe: by the end of 2021

The Commission has accepted this recommendation. There are contractual provisions that cover the access to documents. The Commission continues to draw the partner organisations' attention to the need to provide the ECA with the necessary information. This is done through the regular coordination meetings with the international organisations implementing EU funds under indirect management and ad hoc communication when necessary. The Commission continues to work closely with UN entities and the ECA to find acceptable solutions to this sensitive issue. The recommendation is expected to be implemented by 2023.

- Recommendation 2: Issue reservations for all areas found to have a high level of risk, regardless of their share of total expenditure and their financial impact. Timeframe: by the time the 2021 AAR is published
- The Commission does not accept this recommendation. Since the 2019 financial year, a “de minimis” rule for issuing reservations in the Directors-General Annual Activity Reports (AARs) has been introduced. Its purpose is to focus the number of reservations on the significant ones only, while maintaining the transparency in management reporting. Nevertheless, full transparency of the management reporting remains ensured (as the cases for which the rule has been applied are duly mentioned in the AAR).
- Recommendation 3: Establish obligations for the RER study contractor to report to the Commission any suspected fraud against the EU budget detected during its work on the RER study.

The Commission has accepted this recommendation. DG INTPA, in coordination with DG NEAR introduced a reference in the RER methodology to formalise the communication of suspected risks of fraud to the Commission at the appropriate level in January 2022.



### *Report of the European Court of Auditors on the performance of the EU budget – Status at the end of 2020*

The ECA published its second Annual Report on Performance on 15 November 2021. DG INTPA’s work was analysed in Chapter 1 on the Commission’s performance framework. In the chapter, the ECA assesses whether and how the Commission and the co-legislators have used the lessons learnt from previous MFF periods to improve the design and performance of spending programmes for the 2021-2027 period, including the NDICI-Global Europe. The auditors acknowledge that the NDICI-Global Europe regulation, adopted in June 2021, largely took into account the lessons learnt from audits and evaluations of the previous external financing instruments including the significant reduction in the number of external action instruments. However, the report cautions that it is too early to fully assess the extent to which the NDICI would achieve simplification and increased coherence in practice.

In this report, the ECA has made corporate-level recommendations only, all of which were accepted by central services.



### *ECA's Special Reports*

In 2021, the ECA did not issue any Special Report for which DG INTPA was the lead Commission service.

## CONCLUSIONS ON AUDIT RESULTS AND FOLLOW-UP OF RECOMMENDATIONS

Sustained efforts have been made in implementing external and internal audit recommendations throughout the year 2021. The major deficiencies identified by the open "very important" and "critical" audit recommendations are being addressed according to the relevant Action Plans. Their current state of implementation does not lead to any significant assurance-related concern. DG INTPA has addressed any critical or major internal control deficiencies in the processes audited.

### 2.1.3. **Assessment of the effectiveness of internal control systems**

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG INTPA uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

Management assesses on a continuous basis the effectiveness of the internal control systems, in order to determine whether they work as intended and ensuring that any control weaknesses in the system are detected, analysed and considered for improvement. In addition, management performs specific assessments to ascertain whether the internal control systems and their components and principles are present and functioning.

The purpose of these management assessments is to provide reasonable assurance that the internal control principles adopted by the Commission are implemented and functioning in the DG, that the assessment findings are evaluated and that any deficiencies are communicated and corrected in a timely manner, with serious matters reported as appropriate.

The assessment was mainly based on a set of 47 Internal Control Monitoring Criteria (ICMC) covering all 17 Internal Control Principles. Three main sources fed into the analysis:

DG INTPA carried out a Headquarter desk review with units in charge to assess 37 of the ICMC. In addition, units provided documentary evidence to support the comments made;

Five Key Performance Indicators (KPI's) from the EAMR exercise were used as monitoring criteria, namely those relating to the effectiveness of the five components of the Internal Control Framework;

Internal control self-assessment survey with senior and middle management: the survey asked for the participant's assessment on five questions, representing the remaining five ICMC.



## CONCLUSION ON INTERNAL CONTROL SYSTEMS

DG INTPA has assessed its internal control system during the reporting year (Internal Control Monitoring Indicators, results of the corporate indicators reported in Annex 4 and all other available information) and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to Supervision Missions to EU Delegations, related to Internal Control Principle 12<sup>61</sup>, the remedial measures envisaged are that the five EU Delegations not visited in 2021 are now part of the 2022 annual plan.

The improvements and/or measures to anticipate deficiencies in DG INTPA control systems are the following:

### Critical risks linked to COVID-19:

- Despite difficulties linked to COVID-19 crisis and its effect on performing visits to projects, DG INTPA managed to reach the objective and, in 2021, 82.47% of primary interventions were visited by EU staff (more than the target of 80%). This represents an important improvement compared to 71% of primary interventions visited in 2020.
- Mitigating measures put in place, such as remote audits, helped avoiding an impact on assurance by the difficulties of external auditors to travel to perform on-site audits.
- Due to the COVID-19 crisis, the internal control possibilities through supervision missions were limited: 11 supervision missions were envisaged: Guinea-Bissau, Madagascar, Malawi, Niger, South Sudan, Haiti, Peru, Brazil, Fiji, Tajikistan and Vietnam. Due to the ensuing travel restrictions, only the last six could be carried out, remotely from Brussels. Given that this outcome is not a default of the control system as such and judging from the character of the recommendations usually following such missions, this should not be classified as a major control weakness. No major weakness was identified through these missions. The most common recommendations relate to the accuracy and completeness of the documents uploaded in CRIS and ABAC.

Mitigating measures have been reflected in the Critical Risk Register.

### 2.1.4. Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations. The information reported in Section 2.1 stems from the results of management and auditor monitoring contained in the reports listed. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Director-General of DG INTPA. The control instruments in place cover the entire budget expenditure managed by DG INTPA: EU Budget,

---

<sup>61</sup>The Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action.

the EDF and the Trust Funds: Bêkou, Africa and Colombia. No part of the budget is left out of the control strategy.

Therefore, under the prevailing risk environment and from a managerial point of view, DG INTPA's AOD can sign the Declaration.

### **Accountability chain (EAMR/SDAO/AAR) and KPI results for 2021**

The accountability and reporting chain in DG INTPA is organised as a pyramid through which the statements of assurance signed by each Head of Delegation set the basis of the assurance provided by the other (sub)-delegated authorising officer at the upper levels of the pyramid. All Authorising Officers by (sub)-delegation substantiate their statements of assurance in their annual reports taking into account the results achieved for 28 Key Performance Indicators (KPI) regrouped in three categories: sound financial management, effectiveness of the internal control systems and effectiveness of the audit system. The KPI results are automatically assessed versus the benchmarks through a “traffic lights” system.

At global level, Key Performance Indicators (KPI) results indicate a very good performance with 26 out of 28 KPIs having reached the benchmark. DG INTPA improved its performance in comparison to 2020 especially for the KPIs covering the invoice registrations and the % of payments done within the contractual deadline. Good improvement also for the KPIs related to projects visits and ex-ante controls on payments to which DG INTPA paid a special attention in 2021 in the context of the COVID crisis. Last but not last, all KPIs linked to the implementation of audit plans registered a positive evolution in 2021. (detailed KPIs analysis provided in annex 8).

Despite the difficulties related to the COVID-19 crisis, DG INTPA has achieved a good level of execution of the commitment and payment credits funded by the EU general budget, European Development Fund and EU Trust Funds. In 2021, a total of EUR 6,725.75 million was disbursed by DG INTPA.

### **Ex-ante controls**

The value of KPI measuring the result of ex-ante controls on the eligibility of expenditure<sup>62</sup> is also on track with 2.62% in 2021 above the benchmark of 2.00%. This good result is due to a close follow-up performed during 2021.

The KPI on % of visits of primary interventions by EU staff achieved 82.47% and is above the benchmark of 80%, despite travel restrictions and security measures due to COVID-19.

---

<sup>62</sup>Since COVID-19 outbreak, DG INTPA issued temporary measures and guidance for internal and external users that allowed business continuity while protecting the EC legal safeguards. As from April 2020, in line with DG BUDG's instructions, DG INTPA's temporarily granted all DG INTPA's authorising officers by sub-delegation a general exception to the rules and procedures in force regarding the submission of applications and tenders, and the evaluations of calls for tenders, allowed via virtual meetings, as well as the acceptance of signed and scanned copies of legal commitments and invoices in pdf format by email. In 2021, services were asked to apply standard procedures where possible, but the temporary general exception is still in place due to the number of DG INTPA's operations and varying local conditions.

The KPI on ineligible expenditure identified by audits achieved 2.36% and is above the benchmark of 2%. External audits may also be carried out ex-ante, not only ex-post, both allow for correction of errors detected.

### **Implementation of the annual audit plans**

As regards detective and corrective elements in the control strategy, external audits by the Commission and the recipients of funds cover a significant amount of the funding managed by DG INTPA. They contribute therefore substantially to assurance as regards both the legality and regularity of external aid and the sound and efficient management of the funds.

The effects of the COVID-19 crisis were limited, as mitigating measures put in place, such as remote audits, allowed DG INTPA to implement the annual audit and verification plans and to meet the targets for all audit-related KPIs.

### **Supervision missions to Delegations**

The implementation of the 2021 annual plan for supervision missions to EU Delegations was, for the second consecutive year, negatively impacted by the COVID-19 pandemic and the ensuing travel restrictions. Of the 11 missions foreseen (Guinea-Bissau, Madagascar, Malawi, Niger, South Sudan, Haiti, Peru, Brazil, Fiji, Tajikistan and Vietnam) only the last six could be carried out remotely from Brussels.

The missions took place in two phases: completion of the questionnaire on internal controls (restricted to staff allocation and development and management supervision) and ex-post verifications of a dozen of selected transactions selected from the Delegation's portfolio.

No major weakness were identified. The most common recommendations relate to the accuracy and completeness of the documents uploaded in CRIS and ABAC.

### **Institutional compliance assessments**

Institutional compliance assessments provide reliable, overall positive elements of assurance concerning the capacity and reliability of the entrusted entities involved in the implementation of DG INTPA funding.

The audit on pillar assessment in the external action family by the Internal Audit Service (IAS) concluded in January 2021 with two critical recommendations. The major deficiencies identified by the IAS in its audit have been fully addressed by mitigating measures and an action plan covering for possible future risk. By December 2021 all actions contained in the action plan to address the critical recommendations had been implemented. Consequently, in January 2022 the IAS determined that the recommendations were adequately and effectively implemented by INTPA by the end of 2021 and will therefore be closed.

Concerning the issue of the complementary pillar assessments by the deadline of 31/12/2021, mitigating measures have been taken.

## **Management declarations**

The submission of annual management declarations is subject to continuous follow-up. Where missing information or delays in the submission of management declarations have been detected, the concerned entities have been duly contacted in order to remedy the situation.

## **Supervision of Budget Support operations**

Eligibility criteria must be met both prior to and throughout the subsequent life of a budget support programme. The continuous assessment of the eligibility criteria enables the Commission to confirm the compliance of the programmes with the EU financial regulation and the financing agreement signed with partner countries, from commitments to payments. In addition, the disbursement of the variable component of instalments is contingent on specific performance indicators.

Disbursements only take place once agreed results (e.g. policy reforms or service delivery targets) have been achieved and the budget support eligibility criteria are met. Thus the ex-ante transactional checks performed by Commission staff at the point of payment claims on continuing eligibility and fulfilment of disbursement performance criteria are fundamental to the budget support control structure. Disbursement decisions range from full payment (all eligibility criteria and all specific performance indicators are met) to partial payment (all eligibility criteria and part of specific performance indicators are met) and no payment (one eligibility criterion or more is not met). In this last situation, the Commission engages with the partner government to agree on corrective measures.

The provision of budget support is subject to approval by the Strategic Steering Committee (SSC) composed of DG INTPA and EEAS senior management. The SSC provides political and strategic guidance on all EU operations in countries. It performs the responsibilities of the former Budget Support Steering Committee since January 2021. With respect to budget support specifically, the SSC approves the main objectives of new operations and the amounts to be paid on on-going ones. It assesses the political opportunity to provide budget support in each context and enhances the link between policy and political dialogue. It ensures the coherence of EU budget support across countries. Decisions by the SSC build on technical discussions held by the country cooperation teams (CCTs), made of INTPA staff of all directorates and involving the political desk officer at EEAS.

All new budget support programmes are discussed by the SSC together with the Annual Action Plans proposed for countries under the Global Europe instrument, and sometimes subsequently when a given operation (or an amendment to an on-going one) calls for strategic guidance and specific scrutiny. All budget support payments are approved by the SSC, either based on recommendations by the CCTs directly or after dedicated discussions.

An enhanced risk management framework (RMF+) is also part of DG INTPA's decision making process regarding budget support operations. From 2021 onwards, the RMF+ covers the EU cooperation in each country in its entirety and therefore all implementing modalities. Building

on an identification of major risks and ways to mitigate them, the RMF+ informs the policy dialogue with partner countries.

For further information on the controls in place for budgetary operations, please refer to Annex 6.

### **An anti-fraud strategy in place**

DG INTPA adopted a fully reviewed anti-fraud strategy (AFS) in 2021, which is in line with the recommendations of the Commission's anti-fraud strategy and the DG's evolving financial and operational context. As planned, DG INTPA implemented 80% of the new accompanying action plan in 2021, and the remaining partially implemented actions will be followed-up in 2022.

### **Assessment of control efficiency and cost effectiveness**

Total cost of controls for year 2021 is estimated by DG INTPA at EUR 258.8 million. This represents 3.85% of the funds managed by DG INTPA in 2021. In absolute terms, the overall total cost of control remains highly stable, with an increase year-on-year of just 1.2 million or 0,5%. The ratio to funds managed has shown a slight deterioration due to the drop in total payments made by DG INTPA during 2021 (compared to 2020).

Taking into account the risky environment in which DG INTPA operates and the complex set up for the implementation of external assistance, DG INTPA considers the total cost of control is not only reasonable but significantly assists in achieving better value-for-money, efficiency gain, system improvement and compliance with regulatory provisions.

Costs effectiveness of DG INTPA's controls is also demonstrated by the benefits of the controls. The 2021 RER is estimated at 1.14%, i.e. well below the materiality threshold of 2%. A total amount of EUR 165.57 million of undue payment was prevented by DG INTPA's ex-ante controls in 2021 (KPI 22). A total amount of EUR 41.35 million was identified as ineligible in the audit reports received by DG INTPA in 2020 (KPI 26).

Recovery Orders for a total amount of EUR 13.36 million were issued by DG INTPA in 2021 for the reimbursement of undue payments (errors & irregularities)

### **Follow-up of audit results**

Sustained efforts have been made by DG INTPA services throughout 2021 to address past internal (IAS) and external (ECA) audit recommendations. In particular, all critical and very important recommendations from the IAS audit on pillar assessment were implemented and closed by the IAS after the follow-up audit. The efforts to implement the outstanding recommendations, in particular those bearing a potential risk for the assurance process, will be continued in 2022 (See 2.1.2).

## Implementation of the Internal Control Principles

The desk review, KPI results and a survey at Headquarters that all provide parts of the internal control monitoring criteria did not reveal any major deficiencies. The implementation of the action plans following past reservations and the specific action plans relating to the individual audit findings intend to improve the control system.

## Close follow-up of past reservations

Reservations were made by DG INTPA in its Annual Activity Reports for 2012, 2013, 2014, 2015, 2016, 2017, and 2018 due to the significant occurrence of errors in the underlying transactions (legality and regularity) or specific issued identified (African Union Commission).

Following the AARs, several action plans were drawn up in order to address the weaknesses in the internal control system. The latest was set up in the autumn of 2021 (following the 2020 AAR and taking into account past reservations concerning the error rate and other high risk areas identified): it contains actions from the previous action plans that were not fully implemented, as well as other actions that became part of the control system but that will be strengthened, and a newly-defined targeted action related to the IAS audit on pillar assessment.

Special attention is paid to spending areas previously associated with a higher risk. In the current action plan, specific actions have been included for each of them.

### A. Actions targeting Grants in both Direct and Indirect Management:

- Simplify and clarify procedures and contractual conditions for grants.

### B. Actions regarding Indirect Management with Third Organisations:

- Continue and reinforce cooperation with International Organisations in view of sustainable reduction of errors.
- Address the high-risk observations from the IAS audit on pillar assessment of external action family.

### C. Cross-cutting actions:

- Clarify and promote use of results-based financing.
- Improve the methodology and manual of the RER study.
- Address vulnerabilities to excess clearing of prefinancing. Conduct an evaluation on the use of Terms of Reference for Expenditure Verifications adopted in 2018.
- Share information on frequently occurring errors with relevant control stakeholders.

## Close monitoring of higher risk areas

Given the high-risk environment, it is clear that the control system needs to anticipate a significant occurrence of potential error in transactions and build in a high level of prevention, detection and correction controls as early as possible in the payment process.

This means in practice that DG INTPA's control architecture places most reliance on ex-ante checks by both external auditors and Commission staff in the field before final project payments are made. DG INTPA therefore performs a high level of ex-ante controls both in

terms of the coverage and in the nature of these controls, going well beyond the financial safeguards required by legislation.

Nevertheless, the main elements in the control strategy are operating in a satisfactory manner (no major flaws in the design of the control system), even if improvements are possible and already being implemented in many cases. These elements do not compromise the overall soundness of the control system, even if they have an impact in its effectiveness in the field. As in previous exercises, a large part of the overall error rate as estimated by the 2021 RER study related to inadequate or missing documentation rather than to confirmed errors.

The European Court of Auditors estimated the level of error concerning EDF payments (mostly on-going contracts) at 3.8% for 2020, while it was 3.5% for 2019. In its 2020 Annual EDF Report, the ECA issued an adverse opinion on the legality and regularity of payments underlying the accounts.

There are regular meetings amongst Finance-Contract-Audit Units in order to discuss the most common sources of errors and ways to avoid them. The financial management toolkit for grant beneficiaries and the manuals for different contract types are further promoted; training activities are undertaken and adapted.

### **IAS conclusion on the state of internal control**

The IAS concluded that the internal control systems in place for the audited processes are effective.

\*\*\*

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

## **OVERALL CONCLUSION**

**In conclusion, despite some restrictions due to the COVID-19 pandemic, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. The Director General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.**

### 2.1.5. Declaration of Assurance

*I, the undersigned,*

*Director-General of Directorate-General for International Partnerships*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>63</sup>.*

*State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.*

*This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment, ex-post controls, the work of the Internal Audit Service and the lessons learnt from the reports of the Court of Auditors for years prior to the year of this declaration.*

*Confirm that I am not aware of anything not reported here which could harm the interests of the institution.*

*Brussels, 31 March 2022*

*(signature)*

*Koen DOENS*

---

<sup>63</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.



## **2.2. Modern and efficient administration – other aspects**

This section contains the reporting on the key achievements achieved by the DG INTPA under the "Modernising Administration" objectives, indicators and expected outputs presented in the Strategic Plan 2020-2024 and Management Plan 2021. A complete reporting on all outputs identified in the 2021 MP and on all objectives and indicators set up in the SP is presented in the tables of Annex 10.

### **2.2.1. Human resource management**

The overarching objective of the DG INTPA HR strategy is to implement Human Resources policies that allow rapidly recruiting and deploying highly qualified staff in Headquarters and in EU Delegations in line with policy priorities of the DG, and to improve career developments and well-being of staff working in DG INTPA. In order to achieve this objective, the main lines of action are to strengthen its management capacity in Delegation; to support a constant honing of staff skills aligned to its policy priorities; to improve the well-being of staff, including a harassment-free work environment; to increase gender balance at all levels; to enhance career perspectives and talent management; to scale-up communication and collaboration across services. The following actions have been accomplished in 2021:

- DG INTPA appointed 4 women to middle management positions in 2021
- A new WLAD (workload assessment in Delegations) exercise has been defined and will be launched early 2022
- regarding wellbeing, DG INTPA:
  - launched the Digital workload guidelines with the aim to support a better work-life balance
  - updated the Management Charter to reflect a more employee-centred workplace and to ensure that staff have the right tools and conditions to develop, thrive and deliver
  - launched a Dignified workplace with the aim to create a safe, healthy and positive work environment, as a facilitator for the development and wellbeing of all its staff and the conduct of its core business.
  - organised Wellbeing online sessions on different topics such as ergonomics, mindfulness and environment-friendly cookbook
  - published a HR and Learning fortnightly newsletter with the aim to keep the staff informed on different trainings, workshops and HR news and decisions

INTPA's internal communication team stimulated the HR BC unit to inform staff in a more engaging way. This was done by proposing more user friendly-style articles on MyINTPA on HR decisions, to stimulate participation to the Staff Survey (with 62% at HQ, INTPA had the highest participation of all DGs). The IC team provided news about covid related issues and had a colleague in the corporate Covid team to reply to questions from staff.

## 2.2.2. Digital transformation and information management

### Digital transformation

In the wider Commission' strategic context, the major IT challenges for DG INTPA are:

- (i) the design, development and deployment of the next generation of mission-critical digital solutions, and
- (ii) the modernisation of its legacy systems.

#### **OPSYS – Example of efficiency and effectiveness in 2021**

DG INTPA coordinates the Multiannual Financial Framework exercise in the field of external action and is responsible, together with the EEAS, for the multiannual programming of external financing instruments.

The RELEX family (DG INTPA, DG NEAR and FPI) started planning a gradual phasing out of its legacy information systems in 2014. The development of the new operational information system OPSYS started in earnest in 2017, after the signature of a Memorandum of Understanding between DG INTPA and DG DIGIT. This system will allow the decommissioning of most of DG INTPA's legacy systems.

Compared to the previous generation of RELEX IT systems, OPSYS offers:

- A single interface covering all the end-to-end workflows in the project lifecycle;
- The management and aggregation of results, as well as core and corporate indicators all in one system
- User pools for task management and task allocation;
- The engagement with external partners through the IT system;
- Individualised Process Centre, Metro-Lines workflow management, task notifications for users;
- The automatic creation of documents based on templates and encoded structured data, as well as progress and completion reports submitted and approved directly online;
- The e-signature of all official documents by both the Commission and Implementing Partners.

The OPSYS programme has three major delivery tracks:

- Track 1 Results and Monitoring targets an improvement in results management through an integrated approach (replacing stand-alone systems at DG INTPA HQ and in EU Delegations), allowing users to shape and manage in real-time their operational portfolio;
- Track 2 Contracts and Procurement aims at covering all types of contracts, defined as a legal commitment associated to a budgetary commitment. The module aims at covering all business processes currently in use for the purpose of contractualisation by the External Action DGs. Starting with January 2021, the OPSYS Track 2 has become fully integrated in the corporate eProcurement programme;
- Track 3 Programming, Actions and Decisions focuses on the initial phases of the "cycle of operation" ranging from strategic indicative programming, action appraisal, up to formal financing decisions.

In 2021, the following milestones have been reached and they will be used as stepping stones for future developments expected in 2022:

- New MFF R1 and R2: "Basic Act and Programming Management" for the MFF 2021-2027 was successfully opened in OPSYS in October 2021.
- New MFF R3: the Action Design features were deployed in Production in October 2021. Following user feedback, an update (v2) was implemented and tested in December.

- New MFF R4: OPSYS decided to postpone the Forecasting Release and to be ready for mid-year 2022 exercise, during this time ensuring that the old MFF data is migrated in OPSYS by the end of Q1-2022.
- New MFF R7: Features related to EVAL completed the gathering of business requirements in mid-September 2021.
- New MFF R5: The Contract Management release 5.0 is part of the eProcurement programme. Most of the components of the release have been tested and will be deployed for users in production in Q1 2022 (Q2-2022 for Contribution Agreements).
- CRIS is ready for the new MFF 2021.
- CRIS Derogation module supports PPMT and OPSYS injected contracts.
- CRIS was integrated with OPSYS MAP.
- A new EAMR release has been put in production in December 2021, integrating with the Primary Interventions (PINTV) in OPSYS.

## **Data information and knowledge management**

The consolidation of electronic-paperless procedures has been a significant aspect of the digital transformation in the Directorate-General.

The Qualified Electronic Signature (QES) in ARES has been implemented for signing contracts and agreements, whenever this option is legally and technically feasible. This consolidated the move towards full electronic, paperless contracts and agreements.

A “Zero paper” campaign has been launched in 2021 aiming at full elimination of units’ paper archives within legal obligations.

The high filing rate in ARES and the progressive opening of files between HQ and Delegations and between DG INTPA and other Commission departments enhances the sharing and reuse of information.

Finally, the automated registration and filing of documents by the first OPSYS modules which are in production has contributed to ensuring that the documents handled by OPSYS are registered, filed and retrievable under a coherent and robust procedure.

These actions contribute to the alignment with the Commission strategy on Data, Information and Knowledge Management.

Knowledge management was improved in DG INTPA by promoting collaborative and learning practices to make work processes and methods as transparent and collaborative as possible.

Capacity for knowledge sharing and collaboration has been enhanced through Capacity4dev and other collaborative platforms. Capacity4dev, INTPA’s corporate knowledge sharing platform started the migration to the new Commission IT platform Drupal 9. Corporate collaborative tools such as M365 Teams were extensively promoted in DG INTPA. Basic dedicated trainings to INTPA units and teams, and support materials were provided. A huge achievement was to obtain M365 core team support for opening collaboration in Teams to EU Delegations’ colleagues.

The Global Development Data Tool project, started by JRC, was transferred completely to DG INTPA. The Tool is available for users in the European Commission and other relevant EU Institutions in a web-based version and mobile app, providing comprehensive and verified data on partner countries. In 2021, the INTPA “Global Development Data Tool” expanded both geographically (covering all world and regions) and thematically (STI, health and humanitarian aid indicators were added).

DG INTPA contributed to the implementation of the Commission strategy on Data, Information and Knowledge Management by participating at its governance structures (Information Management Steering Board, Local Data Coordinators, Collaboration Hub) and the Commission Task Force M365.

## Data protection

The Commission adopted an Action Plan – C(2018)7432 complemented by C(2020)7625 – to support and structure the data protection implementation process, with a particular emphasis on ensuring compliance with the data protection Regulation<sup>64</sup> applicable to EU institutions, bodies and agencies.

To meet the Action Plan five objectives, DG INTPA took following actions in 2021:

- *Awareness raising activities:* Despite the pandemic, DG INTPA organised two training sessions open to all DG INTPA Staff, two training sessions specifically designated for managers, and six tailor-made training sessions to address specific needs of identified Units and Directorates - hence reaching another 30% of DG INTPA HQ Staff and meeting 2021 Management Plan training targets of 60% of all DG INTPA Staff and 100% of senior and middle management. There were no targeted sessions organised for newcomers.
- *Record keeping, ownership and compliance monitoring:* As part of the 2021 ‘Review and update of existing records in the DPMS’ exercise launched by the DPO, DG INTPA updated 15 of its records, archived one, and identified the need of creating two new records. DG INTPA also contributed to the 2021 ‘Data Protection Action Plan compliance monitoring’ survey launched by the DPO. The Secretary-General is expected to sign it the consolidated report on behalf of the Commission in the coming weeks. Moreover, to avoid possible disruptions to DG INTPA activities and reduce additional workload for Units and Delegations, DG INTPA is also closely following the impact of the EU General Court judgement of 16 July 2020 (case C-311/18) as regards international data transfers. DG INTPA is naturally concerned given the high amount of service contracts with stakeholders in partner countries. DG INTPA already informed the DPO Office (SG) about the possible impact on its operations and stressed the need to consider its operational context. This question has been identified as an ‘audit objective’ in the IAS Strategic Audit Plan 2021-2023 for DG INTPA.
- *Relationship with citizens:* No request from data subjects were received in 2021. DPC asked DG INTPA operational controllers to update, where necessary, contact e-mail address in relevant privacy statement(s) and keep checking regularly their specifically dedicated functional mailboxes to make sure that data subjects requests are received and dealt with in due time. Moreover, four Data Protection breaches were identified in 2021, which could all successfully be mitigated. Two of those breaches were reported to the EDPS.

---

<sup>64</sup> Regulation (EU) 2018/1725.

- *Resources:* DG INTPA allocates 1,25 FTE to Data Protection related tasks, which includes a full-time Data Protection Coordinator (DPC) and an Assistant DPC, both new in 2021. Each Directorate hosts one or several data protection focal point(s).

### 2.2.3. Sound environmental management

The European Green Deal has set an internal target for the Commission to reach GHG emissions' neutrality by 2030. Among the four objectives defined for 2020-2024 under the EMAS to contribute to reaching this target, in 2021, DG INTPA focused its efforts on the following objectives:

**(1) Develop paperless working methods, as well as promote the efficient use of other resources:** this was done by promoting a more responsible use of Information and Communication Technologies (ICT), especially by disseminating good ICT practices for 'digital sobriety'.

**(2) Reduce the impact of travelling ('Avoid-Reduce-Offset'), as well as set up other actions to reduce emissions:** remote meetings were still the general rule in 2021 and ICT methods to reduce the digital footprint were promoted.

**(3) Organise sustainable events by implementing the EMAS 'green approach':** in 2021, events continued to be organised online and there was no Staff Seminar due to the sanitary situation. However information was disseminated on the subject.

**Commission wide (other actions):** the EMAS correspondent in DG INTPA promoted EMAS campaigns and raised awareness on the importance of sustainable food in terms of climate change and preserving the environment (forests, biodiversity, use of resources), as part of a webinar organised by EMAS. This included a presentation of the *EU Staff Cookbook* of sustainable food.