



Annual Activity Report 2020

Annexes

DG ENVIRONMENT

Contents

ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control	3
ANNEX 2: Performance tables	4
ANNEX 3: Draft annual accounts and financial reports	39
ANNEX 4: Financial Scorecard	65
ANNEX 5: Materiality criteria	70
ANNEX 6: Relevant Control System(s) for budget implementation (RCSs)	71
ANNEX 7: Specific annexes related to "Financial Management"	102
ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"	115
ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management	121
ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission	127
ANNEX 11: EAMR of the Union Delegations	130
ANNEX 12: Decentralised agencies and/or EU Trust	131

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

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

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


Brussels, 30 March 2021

[Signed]

Gilles Gantelet

¹ C(2017)2373 of 19/04/2017.

ANNEX 2: Performance tables

In the below tables, the following icon is used to flag key initiatives announced in the Commission Work Programme: 

General objective 1: A European Green Deal			
Impact indicator 1: Resource productivity			
Source of the data: Eurostat (Eurostat online data code: sdg_12_20)			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
133.8 ²	Increase	Increase	136.5 ³
Impact indicator 2: Common birds population index			
Source of the data: European Birds Census Council; Birdlife; Royal Society for the Protection of Birds; Czech Society for Ornithology (Eurostat online data code: sdg_15_60)			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2018)
93.45	Curtail biodiversity loss	Curtail biodiversity loss	93.45
Impact indicator 3: Consumption of hazardous chemicals			
Source of the data: : Eurostat (Eurostat online data code: sdg_12_10)			
Baseline (2016 ⁴)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
<i>Hazardous to health:</i> 217.6 million tonnes <i>Hazardous to the environment:</i> 75.7 million tonnes	Decrease	Decrease	<i>Hazardous to health:</i> 216.2 million tonnes <i>Hazardous to the environment:</i> 78.4 million tonnes
Impact indicator 4: Years of life lost due to fine particulate matter in the air			
Source of the data: European Environmental Agency report on air quality in Europe (for the baseline, Report No 10/2019 , p. 66, p. 69)			
Baseline (2016)	Interim milestone (2022)	Target (2024)	Latest known results (2018)

² Provisional estimate

³ Provisional estimate

⁴ Data for EU27 as per 'Air Quality in Europe - 2019 Report' (EEA, 2019)

3 848 000 (EU28) 3 530 400 (EU27)	Decrease	Decrease	4 381 000 (EU28) 4 007 700 (EU27)
Impact indicator 5: Circular materials use rate			
Source of the data: Eurostat (Eurostat online data code: sdg_12_41)			
Baseline (2017)	Interim milestone (2022)	Target (2025)	Latest known results (2019)
11.5% ⁵	Increase	Increase	11.9% ⁶

Specific objective 1: The EU economy is more circular and uses natural resources and products more sustainably			Related to spending programme LIFE
Result indicator 1.1: Number of EU Ecolabel products			
Source of data: DG Environment [EU Ecolabel facts and figures]			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
77 358 products	Increase	Increase	75 796 products ⁷
Result indicator 1.2: Eco-innovation index			
Source of data: DG Environment / Eco-Innovation Observatory (EIO) [EIO Indicators] (For the baseline: EIO Brief 2019)			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
124 Index 2015 = 100	Increase	Increase	128
Result indicator 1.3: Municipal waste generation and treatment			
Source of data: Eurostat [Eurostat online data code: env_wasmun]			
Baseline⁸ (2019)	Interim milestone	Target (2024)	Latest known results (2019)

⁵ Eurostat estimate

⁶ Eurostat estimate

⁷ The 2020 drop is due to an error of overestimation dating back to 2017, communicated in 2020 by one National Competent Body, for the “Indoor and outdoor paints and varnishes” product group, which led to an overall decrease of 5.542 products in the final 2020 figures.

⁸ Baseline modified to reflect EU27 data as updated on 16/02 by Eurostat, downloaded on 24/03. Percentages are calculated by DG Environment based on data currently labelled by Eurostat either as ‘s’ (Eurostat estimate) or ‘ps’ (provisional Eurostat estimate).

Generation of municipal waste: 502 Kg/person ⁹ Incineration: 27,3% Recycling & composting: 47,6% Landfilling: 23,7%	N/A	Generation: Reduce Recycling & composting: 50% (65% by 2035)* Landfilling: Reduce (Reduction to 10% by 2035)* <i>*Targets defined for 2035 by the Waste Framework Directive</i>	Generation of municipal waste: 502 kg/person Recycling & composting: 47,6% Landfilling: 23,7%
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Result indicator 1.4: Export of waste outside the EU

Source of data: Eurostat [Eurostat online data code: [cei_srm020](#)]

Baseline (2019)	Interim milestone	Target (2024)	Latest known results (2019)
25 467 976 tonnes (EU27)	Reduce	Reduce	25 467 976 tonnes (EU27)

Result indicator 1.5: Proportion of proposed legislative revisions that include burden reduction measures

Source of data: DG Environment analysis





Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
N/A	Positive trend	Positive trend	The revision of the Batteries Directive foresees the simplification and reduction of administrative costs notably through capturing the digitalisation potential.

Main outputs in 2020:

New policy initiatives

Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 A new Circular	Adoption by the	2020 Q1	COM(2020)98

⁹ Eurostat estimate

Economy Action Plan For a cleaner and more competitive Europe (PLAN/2019/6244)	Commission		Adopted 11/03/2020
 EU approach to support and accelerate the transition to the Circular Economy globally	Staff Working Document accompanying the Circular Economy Action Plan	2020 Q1	SWD(2020)100 11/03/2020
Initiatives linked to regulatory simplification and burden reduction (Refit annex)			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 Revision of EU Batteries legislation - Proposal for a Directive on batteries and accumulators and waste batteries and accumulators (repealing Directive 2006/66/EC) (PLAN/2019/5391)	Adoption by the Commission	2020 Q4	COM(2020)798 adopted 10/12/2020
Evaluations and fitness checks			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Evaluation of the Environmental Technology Verification Pilot programme (PLAN/2017/871)	Finalisation of the evaluation and publication of Staff Working Document	2020 Q3	SWD(2020)243 21/10/2020
 Evaluation of the End-of-Life Vehicles (ELV) Directive (PLAN/2018/3471)	Finalisation of the evaluation and publication of Staff Working Document	2020 Q3	Delayed to Q1 2021 to align with the impact assessment support study
 Evaluation of the Restriction of Hazardous Substances (RoHS) Directive (PLAN/2018/3000)	Finalisation of the evaluation	2020 Q4	Postponed due to resource constraints
Public consultations			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Revision of the Waste shipments Regulation	Public consultation launched	2020 Q2	Launched 07/05/2020


(PLAN/2019/5394)			
Proposal for a Regulation on substantiating environmental claims using the Product/Organisation Environmental Footprint methods (PLAN/2020/7435)	Public consultation launched	2020 Q3	Launched 27/08/2020
Sustainable Products Policy Legislative Initiative (PLAN/2020/7714)	Public consultation launched	2020 Q4	Delayed to 2021 Q1, in the context of the lockdown and instructions to extend and, when possible, postpone open public consultations
Revision of Directive 94/62/EC on Packaging and Packaging Waste to reinforce the essential requirements for packaging to be placed on the EU market PLAN/2019/5397	Public consultation launched	2020 Q4	Launched 30/09/2020
External communication actions			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Circular economy 2.0 promotional activities	Number of people reached and number of interactions on Social Media accounts of DG ENV	More than 100 000	Total maximum reach 373,000
	Coverage in key media outlets	At least 10	13
Other important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Setting up the: Global Alliance on Circular Economy and Resource efficiency (PLAN/2020/8260)	Adoption of decision by the Commission	2020 Q3	C(2021)15 Adopted 07/01/2021 Postponed in line with relevant international schedule (UNEA 5 takes place in February 2021)

Circular Economy Stakeholders Conference	Event organised	2020 Q4	The annual Conference took place on 3rd and 4th November. High-level speakers from the Commission included Executive Vice-President Frans Timmermans and Commissioner Virginijus Sinkevičius. Around 2800 participants from 64 countries joined on Day1, organised by the Commission, and social media efforts resulted in a reach estimated between 2,5 million real reach (between 29 October and 5 November) and 12 million potential reach (between 27 October and 11 November)
2020 European Business awards for the Environment	Awarded	2020 Q4	Awarded: six winners were announced on 3 November, during the Circular Economy Stakeholder Conference
Decisions on EU Ecolabel criteria for several products and services, including electronic displays (2016/ENV/067), hard covering products (PLAN/2020/6379), printed paper, stationery paper and paper carrier bag products (PLAN/2020/6380), amendment to textiles and footwear (PLAN/2020/7716).	Adoption of four decisions by the Commission	2020 Q4	2016/ENV/067 C(2020)8156 adopted on 27/11/2020 PLAN/2020/6380: C(2020)8155 adopted 27/11/2020; PLAN/2020/7716: C(2020)8152 adopted 27/11/2020 PLAN/2020/6379: adoption delayed because of the need to further consult the industry. New planned Adoption 2021 Q1
EMAS reference documents - including	Adoption of two reference documents	2020 Q3-Q4	PLAN/2018/3534 & 3533: New planned


best environmental management practice, environmental performance indicators and benchmarks of excellence for Fabricated Metal Products and telecom/ICT services (PLAN/2018/3534, 3533,) Updated EMAS user's guide (PLAN/2020/8047)	by the Commission Adoption of the updated guidance by the Commission	2020 Q4	decision Adoption 2021 Q1 Delay due to staff change; very long and complex documents, which are currently being translated. PLAN/2020/8047 – C(2020)8151 adopted 27/11/2020
25 th EMAS anniversary conference and EU Ecolabel showroom	Event co-organised with the German Presidency of the UE	2020 Q3	EMAS anniversary conference took place on 29 September 2020 as a hybrid event with interesting discussions with experts from economy, politics and society. The EU Ecolabel showroom in Berlin was a success with – among other – over 1,46 million people were reached by social media actions, 4,2 million reached by advertisements in the metro and train stations. Commissioner Sinkevicius' presence raised high attention.
Green Public Procurement criteria for two product groups: data centres, server rooms and cloud services and EU GPP criteria for imaging equipment, consumables and print services (PLAN/2020/7713)	Publication of criteria (Staff Working Documents)	2020 Q1 and 2020 Q3	SWD(2020)55 11/03/2020 and SWD(2020)148 24/07/2020
Restriction of Hazardous Substances in waste – Implementation of Directive 2011/65/EU (RoHS) – management of exemptions (PLAN/2018/3640, 3641, 3642, 3644, 3645)	Adoption of exemptions by the Commission	2020 Q3-Q4	The adoptions had to be postponed due to the complexity of the files and to the allocation of resources to urgent priorities (e.g. linked to Covid-19 and waste management). Two decisions were ready for adoption in

			<p>the first part of 2021 (PLAN/2018/3641 and PLAN/2018/3644).</p> <p>On the other three files, final substance evaluation reports were published and presented to Member States experts on 23 February 2021.</p>
<p>Implementation of Waste Framework legislation (WFD Directive EU/2008/98) including:</p> <ul style="list-style-type: none"> - Rules to calculate average loss rates for sorted waste (PLAN/2018/3612) - Decision on reporting format for the reuse of products (PLAN/2018/3623) - Common methodology to report on products reuse (PLAN/2018/3676) - Guidelines for Extended Producer Responsibility criteria on the costs of cleaning up litter (PLAN/2020/6697) - Guidelines on minimum requirements for extended producer responsibility schemes (re Article 8a of the WFD (PLAN/2020/6789) - Commission Notice on the separate collection of hazardous fractions of household waste (PLAN/2020/7685) 	Adoption of measures by the Commission	2020 Q3-Q4	<p>Several files were delayed, due mainly to their complexity. In detail:</p> <ul style="list-style-type: none"> - PLAN/2018/3612 is on hold, under discussion across services (interservices consultation) - PLAN/2018/3623 C(2020)8976 Adopted on 18.12.2020 - PLAN/2018/3676 – C(2020)8976 Adopted 18/12/2020 - PLAN/2020/6697 and PLAN/2020/6789 are postponed to 2021. - PLAN/2020/7685 C(2020)7473 adopted 03/11/2020
EU position at the triple Conference of the Parties of the Stockholm, Rotterdam and Basle Conventions on Transboundary movements of hazardous wastes, on International trade in hazardous	Adoption of proposals by the Commission and the Council	2020 Q3-Q4	<p>Commission proposal PLAN/2020/7029 for a Council Decision for the Basel Convention is adopted as COM(2020)362 adopted 07/08/2020 Adopted by the Council in December 2020</p>

chemicals and pesticides, and on Persistent Organic Pollutants (PLAN/2020/7029, 8482 and 8483)			Commission proposals PLAN/2020/8482 and 8483 (Rotterdam and Stockholm) have been postponed due to the uncertainty about the time schedule of the Conference of the Parties.
<p>Implementation of Single Use Plastic legislation (SUP Directive EU/2019/904):</p> <ul style="list-style-type: none"> - Implementing Regulation on the marking of certain single-use plastic products (PLAN/2020/7076) - Calculation and verification of the targets for the separate collection of plastic beverage bottles (PLAN/2020/7078) - Reporting of data on the separate collection of single-use plastic bottles (PLAN/2020/7079) - Guidelines on the products subject to the Directive on the reduction of the impact of certain plastic products on the environment (PLAN/2020/6696) 	Adoption of measures by the Commission	2020 Q3-Q4	<p>PLAN/2020/7076 – C(2020)9199 adopted 17/12/2020</p> <p>PLAN/2020/7078 (in consultation) and PLAN/2020/7079 postponed due to resource constraints</p> <p>PLAN/2020/6696 (in consultation) delayed due to its complexity and high stakeholder involvement</p>
Update of the Waste Shipment Regulation to take account of decisions taken under the Basel Convention (PLAN/2020/7154)	Adoption of one decision by the Commission	2020 Q3 and Q4	C(2020)7091 adopted 19/10/2020
Update of the European List of ship recycling facilities (PLAN/2018/3667)	Adoption of the updated list by the Commission	2020 Q3	C(2020)7657 adopted 11/11/2020

Specific objective 2: Biodiversity and natural ecosystems in the EU are put on the path to recovery by stepping up their protection and restoration			Related to spending programme LIFE
Result indicator 2.1: Terrestrial and marine areas protected under Natura2000			
Source of data: Eurostat [Eurostat data code env bio 1]			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2019) ¹⁰
Land: 763 986 Km ² Oceans and seas: 441 001 Km ²	Increase	Increase and contribute to the 30% increase of EU land, oceans and seas protected by 2030	Land: 763 986 Km ² Oceans and seas: 441 001 Km ²
Result indicator 2.2: Grassland butterfly index			
Source of data: European Environment Agency [Population Index]			
Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2017)
62.9 Index 100 in 1990	Increase	Increase	62.9
Result indicator 2.3: Net land take			
Source of data: European Environment Agency [Land-take assessment]			
Baseline (2012-2018 EU28)	Interim Milestone (2022)	Target (2024)	Latest known results (2012-2018 EU28)
438.94 km ² /year	Reduce	0 km ² /year (No net land take)	439.94 km ² /year
Main outputs in 2020:			
New policy initiatives			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 EU Biodiversity Strategy for 2030:	Adoption by the Commission	2020 Q2	COM(2020)380 adopted 20/05/2020

¹⁰ Updated information on Natura 2000 protected areas, based on updated lists of Sites of Community importance approved at Habitats Committee in December 2020 is provided in the narrative, under Specific Objective 2. This information is not yet reflected in this indicator by Eurostat.

Bringing nature back into our lives (PLAN/2019/6264)			
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
 Fitness Check of the Forest Law Enforcement, Governance and Trade (FLEGT) and the EU Timber Regulations (PLAN/2019/6094)	Public consultation launched Finalisation of the evaluation	2020 Q4	Public consultation finalised Work on evaluation postponed for synergies with work on deforestation under PLAN/2019/6251.
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
Evaluation of the EU Biodiversity Strategy to 2020 (PLAN/2017/1319)	Public consultation launched	2020 Q3	Published 11/01/2021, following a political decision to launch jointly with the consultation on EU restoration targets.
Legislative proposal for the legally binding EU nature restoration targets (PLAN/2020/8491)	Public consultation launched, in combination with the above consultation	2020 Q3	Published 11/01/2021 together with PLAN/2017/1319
Evaluation of the EU Action Plan against Wildlife Trafficking (PLAN/2019/6139)	Public consultation launched	2020 Q3	Publication postponed to 2021, – in line with corporate instructions regarding public consultation, and the priority given to initiatives linked to recovery.
Evaluation of the Sewage Sludge Directive 86/278/EEC (PLAN/2020/7406)	Public consultation launched	2020 Q3	Published 20/11/2020 (Publication of the consultation was delayed to allow for an extension of public feedback on the related roadmap, in line with Covid-19 corporate instructions.
EU Forest Strategy (in collaboration with DGs Agriculture and Climate Change) (PLAN/2020/8551)	Public consultation launched	2020 Q4	Due to delay in the political validation of the initiative, launched on 29/01/2021

Revision of the EU Soil Strategy (PLAN/2020/8697)	Public consultation launched	2020 Q4	Due to delay in the political validation of the initiative, launched on 02/02/2021
Review of the Marine Strategy Framework Directive (Directive 2008/56/EC) – back to back evaluation and possible amendment (PLAN/2020/8067)	Public consultation launched	2020 Q4	Due to delay in the political validation of the initiative (obtained only in February 2021) the OPC is postponed to Q2/2021
Minimising the risk of deforestation and forest degradation associated with products placed on the EU market (PLAN/2019/6251)	Public Consultation closed	2020 Q4	Published 03/09/2020
External communication actions¹¹			
Output/ Result	Indicator	Target	Latest known results (situation on 31/12/2020)
EU Green Week on Biodiversity	Number of participants at the high level event conference	200 (because of Covid-19 limitations)	2 700 (thanks to virtual setting)
Biodiversity promotion during Green Week	Number of impressions on Twitter	Target adjusted to communication activities adaptation due to Covid-19	Impressions: 803.600
Global Biodiversity Coalition	Number of participants	At least 100	50 institutions and 23 organisations
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2020)
International Conference on forests – “Forests for biodiversity and climate”	Event organised	2020 Q1	Organised 4-5/02/2020
Natura 2000 Implementation Guidance document on Wind Energy Developments and EU Nature legislation (PLAN/2020/7849) Guidance on the assessment of plans and projects in relation to Natura 2000 sites	Adoption by the Commission (two guidance documents)	2020 Q3 and Q4	PLAN/2020/7849 – C(2020)7730 adopted 18/11/2020 PLAN/2020/8476 delayed. Additional consultations needed,

¹¹ Events requiring physical presence may be either rescheduled or transformed into online events

(PLAN/2020/8476)			
Update of the lists of Natura 2000 sites according to Member States proposals (PLAN/2020/7712)	Proposed updates adopted by the Commission	2020 Q4	C(2021)21 Adopted 21/01/2021
Natura 2000 Day and Awards	Award candidate projects selected and Natura 2000 ceremony organised	21 May	Awards granted and ceremony organised
Report on the State of Nature in the European Union (PLAN/2020/8188)	Adoption of report by the Commission	2020 Q4	COM(2020)635 Adopted 15/10/2020
Guidance on the compliance measures for users from the Nagoya protocol on fair use of genetic resources (PLAN/2020/7286)	Adoption of guidance by the Commission	2020 Q3	C(2020)8759 adopted 14/12/2020
Implementation of the EU Timber Regulation and the Forest Law Enforcement, Governance and Trade (FLEGT): - Biennial report on the EU Timber Regulation for the period 2017-2019 (PLAN/2020/7930) - Synthesis report of the FLEGT licensing scheme for the year 2018 (PLAN/2020/7638) - EUTR: Union-wide overview for the year 2019 - FLEGT Regulation: Union-wide overview for the year 2019	Adoption of two Commission reports	2020 Q3-Q4	PLAN/2020/7930 – COM/2020/629 adopted 02/10/2020 PLAN/2020/7638 COM/2020/307 Adopted 10 July 2020 Published October 2020 Published October 2020
Strengthening the EU regime governing intra-EU trade and re-export of ivory: Commission Regulation aligning EU rules to recent decisions taken under CITES (PLAN/2018/3345) and Revised Commission guidance document on Closing gaps in the EU regime on ivory trade (PLAN/2020/6500)	Adoption of implementing Regulation by the Commission Adoption of the revised guidance by the Commission	2020 Q4	Postponed to 2021 Q2 High level of interest among stakeholders, third countries and the general public required additional consultations and correspondence.
Regulatory updates	Adoption of two	2020 Q4	PLAN/2017/1009:

required for the implementation of the CITES Convention and the EU Wildlife Trade Regulations: Commission Implementing Regulation suspending imports into the EU of certain endangered animal and plant species from specific source countries (PLAN/2020/6559) and Commission Regulation revising the Annexes to Council Regulation 338/97 (PLAN/2017/1009)	Regulations by the Commission		combined in a single amending Regulation with PLAN/2018/3345 (now expected 2021 Q2 – see above). PLAN/2020/6559: expected need for revision has not been confirmed until now.
Implementation of the Nitrates directive – management of derogations requested by Denmark (PLAN/2020/6305) and The Netherlands (PLAN/2020/7718)	Adoption of two decisions by the Commission	2020 Q2-Q3	PLAN/2020/6305 – C(2020)4821 adopted 17/07/2020 PLAN/2020/7718 C(2020)4819 adopted 17/07/2020
Setting up of the Knowledge Centre for Biodiversity	Setting up of the Centre at Green Week	2020 Q3	Knowledge Centre for biodiversity set up as planned. Public launch was slightly delayed, to 21 October 2020 to be part of the EU Green Week. It will provide a one-stop shop for key information about biodiversity and the impact of related policies, a dashboard monitoring progress under the EU Biodiversity Strategy for 2030, an interface for policy-makers, scientists and stakeholders to network, share research results and channel them more effectively to support EU policies. https://ec.europa.eu/knowledge4policy/biodiversity_en
Mapping and assessment	Publication of a	2020 Q4	On 20 October 2021

of ecosystems and their services (MAES)		"Summary for policy-makers"		at Green Week, the first EU-wide Ecosystem Assessment was released by the Commission in close cooperation with the EEA. (https://publications.jrc.ec.europa.eu/repository/handle/JRC120383). The release of the Summary for Policy-Makers (SPM) of the first EU-wide ecosystem assessment was postponed to 20 May 2021, to celebrate the first anniversary of the EU Biodiversity Strategy for 2030.
Marine Framework implementation (Marine Framework Directive 2008/56/EC, Article 20) (PLAN/2018/3912)	Strategy Directive report (Marine Framework Directive 2008/56/EC, Article 20) (PLAN/2018/3912)	Adoption of report by the Commission	2020 Q2	COM(2020)259 Adopted 25/06/2020
EU negotiating position at the OSPAR Ministerial Meeting (PLAN/2020/6926)		Adoption of proposal by the Commission	2020 Q2	COM/2020/182 Adopted 07/05/2020

Specific objective 3: Citizens and natural ecosystems are better protected from environmental pressures and risks to health as a result of Europe's zero-pollution ambition and measures for a toxic-free environment			Related to spending programme LIFE
Result indicator 3.1: Percentage of urban population exposed to air pollution			
Source of data: EEA [https://www.eea.europa.eu/ds_resolveuid/IND-34-en]			
Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2018) ¹²
Particulate Matter (PM_{2.5}) ¹³ 7.9% Urban population exposed (above EU limit value)	Reduce	Particulate Matter (PM_{2.5}) 0 % Urban population exposed (above EU limit value)	Particulate Matter (PM_{2.5}) 3.8% Urban population exposed (above EU limit value)
Particulate Matter (PM₁₀) 17.2% Urban population exposed (above EU limit value, on more than 35 days per year)	Reduce	Particulate Matter (PM₁₀) 0 % Urban population exposed (i.e. above EU limit value, on more than 35 days per year)	Particulate Matter (PM₁₀) 15.0 % Urban population exposed (i.e. above EU limit value, on more than 35 days per year)
Nitrogen Dioxide (NO₂) 6.4% Urban population exposed (above EU limit value, on an annual average)	Reduce	Nitrogen Dioxide (NO₂) 0% Urban population exposed (i.e. above EU limit value, on an annual average)	Nitrogen Dioxide (NO₂) 3.6% Urban population exposed (i.e. above EU limit value, on an annual average)
Result indicator 3.2: Percentage of population in urban areas affected by high road noise levels			
Source of data: European Environment Agency			
Baseline (2019) ¹⁴	Interim Milestone (2022)	Target (2026)	Latest known results (2019)

¹² <https://www.eea.europa.eu/data-and-maps/indicators/exceedance-of-air-quality-limit-2/assessment>

¹³ PM_{2.5} has been included under this indicator to facilitate monitoring how results contribute to the fourth impact indicator "Years of Life Lost", which has a focus on PM_{2.5}.

¹⁴ The data refer to Member States reporting on noise for 2917, reported and/or re-submitted to the [European Environment Agency](#) by 01/01/2019

More than 91 million people	Reduce	Reduce and approach WHO values ¹⁵	
Result indicator 3.3: Biochemical oxygen demand			
Source of data: Eurostat [online data code: sdg_06_30]			
Baseline (2017) ¹⁶	Interim Milestone (2022)	Target (2024)	Latest known results (2017)
2.0 five-day mg/L	Decrease	Decrease	2.0 five-day mg/L
Result indicator 3.4: Groundwaters polluted by nitrates			
Source of data: European Commission reports on the implementation of the Nitrates Directive: https://ec.europa.eu/environment/water/water-nitrates/reports.html			
Baseline (2018*)	Interim Milestone (2021*)	Target (2024*)	Latest known results (2018)
13.2% Groundwater monitoring points > 50 mg/L *Reporting period 2012-2015	Reduce *Reporting period 2016-2019	Reduce *Reporting period 2020-2023	13.2% <i>Reporting for the period 2016-2019 is expected to be completed in 2021, pending submissions from Member States under the Nitrates Directive</i>
Result indicator 3.5: Industrial pollution intensity			
Source of data: E-PRTR for emission data /Eurostat for economic data and EEA for air pollution damage costs – DG ENV elaboration			
Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2017)


¹⁵ WHO values released on 10/10/2018: below 53dB (road), 53dB (railway), 45dB (aircraft)


¹⁶ Baseline updated for 2017 by Eurostat, downloaded on 01/02/2020 (Eurostat regularly updates its information based on e.g. newly reported data, improved estimates etc.)

<p>EU large industry air pollution damage costs intensity (EUR damage per EUR GVA) EUR 0.043</p> <p>EU large industry water pollution intensity (kg per million EUR GVA): 2.37 Kg</p>	N/A	To further prevent or reduce environmental industrial pollution	<p>EU large industry air pollution damage costs intensity (EUR damage per EUR GVA) EUR 0.043</p> <p>EU large industry water pollution intensity (kg per million EUR GVA): 2.37 Kg</p>
<p>Result indicator 3.6: Proportion of proposed legislative revisions that include burden reduction measures</p> <p>Source of data: DG ENV analysis</p>			
Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
N/A	Positive trend	Positive trend	<p>No revision proposals were adopted in 2020. However, under the revised Drinking Water Directive (adopted by the colegislators in December 2020), according to risk-based approach, monitoring can be adapted to local realities – in case of absence of some substances in the raw waters or in the drinking water, they can be excluded from monitoring obligations;</p> <p>Reporting to the Commission has been eliminated and replaced by dataset to be regularly updated with a focus only on exceedances of parametric values and incidents of a certain significance;</p>

Main outputs in 2020:

New policy initiatives

Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 Chemicals strategy for sustainability (PLAN/2020/6491) Accompanied by Staff Working Documents on - Use and contamination of PFAS in the EU (PLAN/2020/7567) - Review of certain provisions of the Registration, Evaluation, Authorisation and Restrictions of Chemicals (PLAN/2020/7758)	Adoption of a Communication by the Commission Two Staff Working Documents)	2020 Q3	Chemicals strategy for sustainability COM(2020)667 Adopted 14/10/2020, accompanied by the following Staff Working Documents: SWD(2020) 247 on Review of certain provisions of REACH SWD(2020) 248 Synopsis report summarising CSS feedback SWD(2020) 249 on Poly- and perfluoroalkyl substances (PFAS) SWD(2020) 250 Progress report on combined exposures to chemical mixtures and associated risk SWD(2020) 251 Fitness check on endocrine disruptors and its executive summary SWD(2020) 225
Drinking Water – revision of EU Directive (Proposal COM(2017)753)	Communication on the Council position by the Commission Adoption of the legislation by the co-legislators	2020 Q2 2020 Q3	Delay due to additional requirements regulating the market of materials in contact with water and followed by an additional assessment of the potential impacts. COM(2020)669 adopted 26/10/2020 EU Legislation adopted 16/12/2020, published 23/12/2020
Minimum requirements for water reuse – new EU Regulation (Proposal COM(2018)337)	Communication on the Council position by the Commission Adoption of the	2020 Q2 (Adopted 15/04/2020) 2020 Q4	COM(2020)125 adopted 15/04/2020 Legislation adopted

	legislation by the co-legislators		25/05/2020, published 05/06/2020
Evaluations and fitness checks			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
 Evaluation of the Directive 2010/75/EU on Industrial Emissions (IED) (PLAN/2018/3301)	Finalisation of the evaluation and publication of conclusions (Staff Working Document)	2020 Q3	SWD(2020)181 Published 10/09/2020
Public consultations			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Review of the EU Recommendation on the definition of nanomaterial (PLAN/2020/7881)	Public consultation launched	2020 Q3	Initiative on hold, to be aligned and possibly re-launched under the new Chemicals Strategy for Sustainability.
Commission proposal for the revision of Directive 2010/75/EU on industrial emissions (PLAN/2020/6608)	Public consultation launched	2020 Q3	Consultation launched 22/12/2020
EU Action Plan towards a Zero Pollution Ambition for air, water and soil	Public consultation launched	2020 Q4	Consultation launched 11/11/2020
Other important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Implementation of the REACH Regulation (EC) No 1907/2006: - Regulation clarifying registrants' obligations concerning dossier updates under art 132 (PLAN/2018/3503) - Decisions on substances evaluation / compliance check (PLAN/2018/2668) - Amendment of REACH Annexes regarding Endocrine Disruptors under	Adoption of decisions by the Commission	2020 Q3-Q4	PLAN/2018/3503 - C(2020)6866 Adopted 09/10/2020 PLAN/2018/2668: Postponed due to continued scientific discussion on the best approach to bring this specific dossier (on Reaction Mass PTBP) into compliance. PLAN/2019/5822 and: PLAN/2018/3630 Postponed to ensure

REACH (PLAN/2019/5822) - Regulation amending the REACH Annex on test methods (PLAN/2018/3630)			coherence with the Chemical Strategy for Sustainability and to allow sufficient time for subsequent discussion with stakeholders.
Classification, labelling and packaging of substances and mixtures – adaptation to technical progress (PLAN/2020/7285)	Adoption of two decisions by the Commission	2020 Q2 and Q3	C(2020)3151 Adopted 19/05/2020 C(2021)441 Adopted in January (corresponding to the 15th and 16th technical adaptations)
Progress report on the assessment and management of combined exposures to multiple chemicals and associated risks (PLAN/2020/8252)	Staff Working Document published	2020 Q3	SWD(2020)250 Published 14/10/2020 (with the Chemicals Strategy)
Persistent Organic Pollutants (POPs) implementation Summary report on the application of Regulation (EC) No 850/2004 during the periods 2010-2012 (PLAN/2017/2188) and 2013-2015 (PLAN/2020/8477)	Adoption of two reports by the Commission	2020 Q3 2020 Q4	PLAN/2017/2188 – delay due to further revisions PLAN/2020/8477 – delay due to further revisions and consultation of Member States in November 2020 (adoption expected in 2021 Q2).
Amendments of Annex I to the POPs Regulation as regards 1) a limit value for PCP (PLAN/2020/8480) 2) the entry on PFOA (PLAN/2020/8387) 3) the listing of dicofol (PLAN/2019/5914) 4) the entry on PFOS (PLAN/2019/5915)	Adoption of two amendment by the Commission	2020 Q2/Q4	1) C(2020)8844 Adopted 16/12/2020 2) C(2020)7980 Adopted 27/11/2020 3)C(2020)3645 adopted 9/6/2020 4)C(2020)3639 adopted 9/6/2020

Update of the third European Union Implementation Plan under the Stockholm Convention (PLAN/2019/6262)	Adoption by the Commission	2020 Q4	Delay due to further revision and consultation of Member States in November 2020. Adoption expected in Q1 of 2021.
Export and import of hazardous chemicals - Prior Informed Consent (PIC) Implementation: Union import decisions for certain chemicals, pursuant to Regulation (EU) No 649/2012 concerning the export and import of hazardous chemicals (PLAN/2020/6748)	Adoption of decision by the Commission	2020 Q3	C(2020)8977 Adopted 18/12/2020 (delay due to priorities in the chemicals agenda)
Amendment of annex I and V of the PIC Regulation 649/2012 (PLAN/2020/8481)	Adoption by the Commission	2020 Q4	Postponed to Q2 2021, due to a revision after consultation of Member States in November 2020.
Clean Air Outlook report (PLAN/2020/8778)	Adoption by the Commission	2020 Q4	COM(2021)3 Adopted 08/01/2021
Reduction of national emissions of certain atmospheric pollutants – Implementation report (PLAN/2019/6133)	Adoption of report by the Commission	2020 Q3	COM(2020)266 Adopted 26/06/2020
Methods for the assessment and management of environmental noise under Directive 2002/49/EC (PLAN/2018/3499)	Adoption by the Commission	2020 Q3	C(2020)9101 Adopted 21/12/2020
Revision of the watch list of substances in water, pursuant to the Quality Standards Directive 2008/105/EC (PLAN/2020/7153)	Adoption by the Commission	2020 Q3	C(2020)5205 Adopted 04/08/2020
Implementation of the urban waste water treatment Directive (PLAN/2020/6387)	Adoption of report by the Commission	2020 Q3	COM(2020)492 Adopted 10/09/2020
Assessment of remaining Member States River Basin	Publication of Staff Working Document	2020 Q4	Postponed to Q2 2021 due to late reporting by

and Flood Risk Management Plans			Member States
Commission report on the reviews set-out in Article 19(1) of Regulation 2017/852 on mercury (PLAN/2018/2606)	Adoption of report by the Commission	2020 Q3	COM(2020)378 Adopted 17/08/2020
Best Available Techniques to reduce Industrial pollution –Surface Treatment Using Organic Solvents (PLAN/2018/2973)	Adoption by the Commission	2020 Q2	C(2020)4050 Adopted 22/06/2020

Specific objective 4: Environmental concerns are integrated, and biodiversity standards mainstreamed, across EU policies, investments and finance, through existing consultation mechanisms and a proactive approach to coordination			Related to spending programme LIFE
Result indicator 4.1: Structural funds interventions			
Source of data: DG REGIO https://cohesiondata.ec.europa.eu/			
Baseline (2018)	Interim Milestone	Target (2024)	Latest known results (2019 ¹⁷)
Additional waste recycling capacity (C017): 755 400 tonnes/year Surface area of habitats supported to attain a better conservation status (C023): 2.8 million hectares Total surface area of rehabilitated land (C022): 583 hectares Population benefiting from flood protection measures (C020) 4.1 million people Additional population served by waste water collection and treatment	N/A	Additional waste recycling capacity (C017): 4 793 578 tonnes/year Surface area of habitats supported to attain a better conservation status (C023): 8.5 million hectares Total surface area of rehabilitated land (C022): 12 608 hectares Population benefiting from flood protection measures(C020) 16.5 million people Additional population served by waste water collection and treatment	Additional waste recycling capacity (C017): 1 243 300 tonnes/year Surface area of habitats supported to attain a better conservation status (C023): 5.9 million hectares Total surface area of rehabilitated land (C022): No data available yet ¹⁸ Population benefiting from flood protection measures(C020) 7.5 million people Additional population served by waste water collection and treatment

¹⁷ Preliminary REGIO data; final data to be available in the second quarter of 2021.

¹⁸ Data to be available in the second quarter of 2021.

(C019): 1.9 million people		(C019): 17.7 million people	(C019): 3 million people
Result indicator 4.2: EAFRD support for environment and climate action Source of data: DG AGRI			
Baseline (2014-2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
51,3 % (not cumulative, total for both periods 2007-2013 and 2014-2020)	Maintain or increase	Maintain or increase	51.6% (not cumulative, total for both periods 2007-2013 and 2014-2020)
Result indicator 4.3: Structural funds supporting the marine environment Source of data: DG ENV Analysis			
Baseline (2014-2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
10% (of the directly managed European Maritime and Fisheries Funds - EMFF)	Maintain or increase	Maintain or increase	10% reached for the EMFF 2014-2020
Result indicator 4.4: Share of environmental taxes Source of data: Eurostat (online code name sdg 17 50)			
Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2019)
6% ¹⁹	Increase	Increase	5.91% ²⁰

¹⁹ Updated by Eurostat (downloaded on 29/01). Eurostat regularly updates indicators to reflect updates from Member States, or improved calculation methods

²⁰ This indicator is the best available proxy indicator to capture the shift from labour taxation to environmental taxes. However, it has to be read with caution as its evolution is influenced by numerous factors. In absolute terms, revenue from environmental taxes keeps increasing every year. The reduction of the percentage could be explained by changes in the nominal GDP, or could be partially linked to positive developments such as changes in the energy mix in Member States (more than 77% of the revenues behind this indicator come from energy). A decrease in the percentage, however, is still a negative trend, as the objective is to shift the burden from labour to environmental taxes. DG Environment will continue pursuing this target through the integration of environmental considerations into the fiscal reforms, the European Semester/RRF, and through work on green taxation led by DG TAXUD.

Main outputs in 2020:			
Important outputs ²¹			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Close participation in the European Semester Process	Number of environmental recommendations in country reports	Increase (with regards to previous exercises)	For all MSs, although some do not cover only ENV
LIFE Multiannual Work Programme for 2021-2024 (PLAN/2019/6137)	Adoption by Commission Decision	2020 Q4	Postponed pending adoption of the new LIFE legal base by the co-legislators, linked to the new Multiannual Financial Framework
Financing decision and work programme for the pilot projects and preparatory actions in the field of environment (PLAN/2020/7702)	Adoption of decision by the Commission	2020 Q3	C(2020)5200 Adopted 04/08/2020
Implementing decision on the financing of the Union contributions to certain international and multilateral environment agreements for 2019 and 2020 (PLAN/2020/7251)	Adoption of decision by the Commission	2020 Q2	C(2020)3928 Adopted 17/06/2020
Cohesion Policy - Appraisal and follow-up of major projects submitted for co-financing by the ESIF and CEF under the 2014-2020 programming period. Appraisal of modifications of 2014 -2020 operational programmes to address emergency measures related to Covid-19	Projects assessed (through interservices consultations)	100% consultations with a proactive reply	28 major projects 269 modifications of operational programmes ²²
Contribution to the European Investment Bank	Loan requests assessed	100% consultations with a proactive reply	370 consultations

²¹ With regards to the output “compliance promotion”, which is a duplicate of the same output under Specific Objective 5, please see reporting below (Specific objective 5, ‘other outputs’).

²² This extra element corresponds to modifications of operational programmes linked to the Covid-19 emergency

(EIB) interservice group (Article 19 of EIB Statute ²³)	(interservice consultations)		
Appraisal and follow-up of the modifications of Rural Development Plans (RDP) under the 2014-2020 programming period.	Modifications assessed (through interservice consultations)	100% consultations with a proactive reply	DG ENV assessed 159 RDP modifications
Guidance and definition of a strategic approach to mainstreaming under the next programming period	Internal Commission guidance delivered	2020 Q4	Study completed and published ²⁴ .
Sustainable finance: contribution to establishing an EU classification system for green investments	Criteria for environmental objectives integrated in the taxonomy	2020 Q4 and beyond	Criteria, including on Do No Significant Harm (DNSH) integrated in the 1 st Taxonomy Delegated Act (DA), development of criteria for 2 nd DA ongoing

Specific objective 5: There is an enabling framework for implementation based on strong governance and enforcement action, supported by advanced knowledge and digital technologies, close collaboration with cities and citizens' engagement			Related to spending programme LIFE
Result indicator 5.1: Proportion of proposed legislative revisions that include burden reduction measures			
Source of data: DG Environment analysis			
Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
N/A	Positive trend	Positive trend	The proposal to amend the rules on access to justice in environmental matters is neutral with

²³ DG Environment's contribution to the work of the EIB's interservices group increased in connection to the EIB's sustainable investments to fight Climate change in 2020. It is therefore reflected as an additional output in this Annual Activity Report.

²⁴ This guidance was not originally planned but was advanced to support other DGs in the integration of environmental considerations in relevant EU programmes, in the context of the European Green Deal oath to do no significant harm. A study was also published to share best practices and support programme Managing Authorities in Member States <https://op.europa.eu/en/publication-detail/-/publication/25295fb0-c577-11ea-b3a4-01aa75ed71a1/language-en>

			regards to burden. It aims to ensure compliance of the EU with its international obligations under the Aarhus Convention..
Result indicator 5.2: Compliance with EU landfilling rules			
Source of data: DG Environment (Internal Infringements Database)			
Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
1753 ²⁵ Number of illegal landfills remaining in the EU (as covered in infringement cases)	N/A	Significant reduction of illegal landfills across the EU	1804
Result indicator 5.3: Compliance with EU nature rules			
Source of data: DG Environment (Internal Infringements Database)			
Baseline ²⁶ (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
13% Natura 2000 sites assessed in EU investigation/infringement cases that have not yet been designated as Special Areas of Conservation under Art 4(4) of the Habitats Directive	N/A	Significant reduction in the % of sites not in compliance with EU nature rules	12%
Result indicator 5.4: Compliance with Air quality legislation			
Source of data: DG Environment (Internal Infringements Database)			
Baseline ²⁷	Interim Milestone	Target	Latest known

²⁵ Baseline updated in line with corrections operated in the infringements database

²⁶ Baseline definition updated in line with the infringements database, which focus on the failed designation of conservation areas under article 4.4 of the Habitats Directive. Baseline data updated to reflect the situation at the end of 2019 (the original figure was incorrectly reporting the situation of end 2018).


(2019)	(2022)	(2024)	results (2020)
91 Air Quality zones still in exceedance covered by a PM ₁₀ infringement	N/A	Significant reduction in the number of zones	85 Air Quality zones still in exceedance covered by a PM ₁₀ infringement
84 Air Quality zones still in exceedance covered by a NO ₂ infringement	N/A	Significant reduction in the number of zones	77 - Air Quality zones still in exceedance covered by a NO ₂ infringement
Result indicator 5.5: Compliance with the principles of environmental governance framework Source of data: DG Environment (Internal Infringements Database)			
Baseline²⁸ (2019)	Interim Milestone (2022)	Target (2024)	Latest known results²⁹ (2020)
a) Number of infringement cases relating to the breach of the EU environmental governance framework: 45 b) Number of infringement cases relating to the breach of access to justice rights in EU environmental rules: 15	N/A	Significant reduction in the number of cases (showing a) improved compliance by Member States with key provisions of EU environmental rules relating to governance and b) Improved access to justice in national courts in environmental matters)	a) 6 of 45 cases were closed. However, the total number of cases increased to 62, due to the new infringements. b) 3 of 15 cases were closed. However the total number of cases increased to 33, due to new infringements.
Result indicator 5.6: Number of cities applying for the European Green Capital Award Source of data: DG Environment ³⁰			

²⁷ Baseline updated in line with corrections operated in the infringements database.

²⁸ The baselines established in the DG Strategic Plan [100 for bullet a) and 25 for bullet b)] were introduced by mistake. The updated baselines are therefore correcting a clerical error. To be noted also that case b) is a sub-case of a).

²⁹ The reported results include both the closure of existing cases and the opening of new infringements. The increase in the number of infringement cases reflects the objectives of the European Green Deal to step up EU's efforts to ensure that current legislation and policies relevant to the Green Deal are enforced and effectively implemented. Strengthening the governance framework remains a priority, to help close the implementation gap and ensure that Europeans reap the full benefits of EU environment legislation.

³⁰ More information at <https://ec.europa.eu/environment/europeangreencapital/winning-cities/>

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
9 cities ³¹	Increase	Increase	18 cities ³²
Main outputs in 2020:			
New policy initiatives			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Access to Justice in environmental matters: Amendment to the Regulation (EC) No 1367/2006 on the application of the provisions of the Aarhus Convention (PLAN/2019/6242)	Adoption of legislative proposal and Communication by the Commission	2020 Q3	COM(2020)642 Adopted 14/10/2020
Communication on improving access to justice in environmental matters in the EU and its Member States (PLAN/2020/7389)	Adoption of legislative proposal and Communication by the Commission	2020 Q3	COM(2020)643 Adopted 14/10/2020
 8th Environmental Action Programme to 2030 (PLAN/2019/5395)	Adoption of proposal by the Commission	2020 Q4	COM(2020)652 Adopted 14/10/2020
Public consultations			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Evaluation of the INSPIRE Directive 2007/2/EC establishing an Infrastructure for Spatial Information in the European Community (PLAN/2020/8050)	Public consultation launched	2020 Q3	Postponed. A delay in awarding the support contract resulted in a new target date, the public consultation will be launched in March 2021.
Enforcement actions			

³¹ Refers to the number of cities that applied for the 2021 European Green Capital Award (EGCA), awarded in 2019

³² This baseline refers to the number of cities that, in 2019, applied for the 2022 European Green Capital Award (EGCA), awarded in 2020. The latest known results refer to the number of cities that, in 2020, applied for the 2023 EGCA (18 cities is by far the highest number since the awards were launched in 2010; with new applicants covering mainly Southern and Eastern European Member States)

Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Conformity check – transposition of the revised Environmental Impact Assessment (EIA) Directive	Assessment of Member States reports	28 assessments	25 assessments were carried out, two are pending (due to late transposition), UK not covered by the exercise.
External communication actions			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Direct reach of DG ENV social media channels	Number of followers in Instagram	10 000	18.900 (+343%)
	Number of followers in Facebook	280 000	282.490 (+3%)
	Number of followers in Twitter	100 000	105.325 (+29%)
DG ENV website performance	Number of visits	3 million	4,086,763 visits
Other important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Guidelines providing a common understanding of the term 'environmental damage' as defined in Article 2 of Directive 2004/35/EC on environmental liability (PLAN/2020/7326)	Adoption by the Commission	2020 Q4	The adoption is delayed for Q1 2021 in order to consult more thoroughly national authorities and stakeholders.
Compliance promotion and co-operation with relevant professional networks	Bilateral dialogues and cooperation with IMPEL and other networks on specific issues	2020 Q1-Q4 (and beyond)	The actions under the 2018 Action Plan on environmental compliance assurance and governance was completed and a new work programme was adopted for 2021-2022. Several meetings were organised with IMPEL Expert team leaders as well as an annual general assembly. Good coordination continued on different projects, including with financial support from

			<p>LIFE, involving virtual meetings and e-mail exchanges.</p> <p>ENV representatives attended the annual conferences for ENPE (environmental prosecutors network), EnviCrimeNet (police officers) and EUFJE (judges), and had frequent online contact.</p> <p>All networks participate in the Environmental Compliance and Governance Forum, in February 2020.</p>
Environmental Impact Assessment - Stakeholders Conference on its 35 years anniversary	Event organised	2020 Q4	The event was cancelled due to Covid-19. A brochure was prepared instead and published online.
Guidelines on Citizen Science for Environmental Monitoring (PLAN/2020/7540)	Publication of Guidelines (Staff Working Document: 'Best Practices in Citizen Science for Environmental Monitoring')	2020 Q3	SWD(2020)149 27/07/2020
Science News Alert (Science for Environment Policy)	Publication of Science News	Publication of 20 news alerts, 3 future briefs.	News alerts published. Two longer future briefs were delivered instead of three. Infographics and videos accompanying the Future Briefs were also published.
FORENV – The EU Foresight System for the Environment	Publication of a report on Emerging innovations in the Green economy of the Future, with 10 priority issues	2020 Q4	The final report and accompanying factsheets are ready, publication delayed waiting for an accompanying video expected in Q1 2021.
EU Green Cities Awards: European Green Capital Award European Green Leaf Award	Awarded	2020 Q2	Online Award Ceremony hold in September.
Green City Accord	Project launched	2020 Q4	The Green City Accord was launched in October 2020

Specific objective 6: Global uptake of the environmental objectives of the European Green Deal is stimulated through participation in multilateral agreements, institutions and fora, EU accession negotiations, engagement with third countries and trade			Related to spending programme Global Public Goods and Challenges ³³
Result indicator 6.1: Progress towards a circular, resource efficient global economy Source of data: DG Environment analysis			
Baseline (2020)	Interim Milestone (2021)	Target (2024)	Latest known results (2020)
In the 2020 Circular Economy Action Plan, the Commission proposed the establishment of a 'Global Circular Economy Alliance to identify knowledge and governance gaps in advancing a global circular economy and take forward partnership initiatives, including with major economies'. It has also called for stepped up action in multilateral fora, including UNEA.	Decisions under UNEA5	A Global Alliance on Circular Economy and Resource Efficiency promotes the sharing of best practice and support discussions on an international agreement on the management of natural resources. Furthermore, Decisions under UNEA and or in other high-level meetings support EU policy objectives linked to EGD	Adoption of Commission Decision on Global Alliance for Circular Economy and Resource Efficiency; partnership with UNEP and UNIDO agreed, Ministerial outreach letter to key prospective member countries dispatched in view of formal launch of GACERE planned at UNEA 5 in February 2021.
Result indicator 6.2: Environmental standards in enlargement and neighbourhood countries Source of data: DG Environment analysis			
Baseline (2020)	Interim Milestone	Target (2024)	Latest known results (2020)
2020 Enlargement package outlining	N/A	- Progress in the transposition,	- Progress recorded in the 2020 Package on

³³ Thematic programme on Global Public Goods and Challenges from the Development Cooperation Instrument

<p>progress of candidate countries and potential candidates in assuming accession obligations.</p> <p>For Neighbourhood countries: reports of 2019/2020 environment subcommittee meetings under the Association/Partnership Agreement(s)</p>		<p>implementation and enforcement of EU environmental legislation in candidate countries and potential candidates.</p> <p>- Progress towards the adoption of EU standards and norms for environmental protection by countries covered by the EU Neighbourhood policy.</p>	<p>approximation of candidate countries and potential candidates ;</p> <ul style="list-style-type: none"> - Contribution to the articulation of the Green Agenda for the Western Balkans (adopted 10/2020) - Engagement with Eastern Neighbourhood countries on the update of the Association Agreements expanding on the environmental acquis with which the countries will approximate; - Contribution to the Eastern Partnership policy beyond 2020 Communication.
<p>Result indicator 6.3: European Green Deal mainstreamed into bilateral and regional cooperation</p> <p>Source of data: DG Environment analysis</p>			
Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
N/A	European Green Deal mainstreamed into policy dialogues, outreach activities, bilateral and regional cooperation agreements.	European Green Deal mainstreamed into policy dialogues, outreach activities, bilateral and regional cooperation agreements.	<ul style="list-style-type: none"> - EGD featured as the overarching framework for cooperation in all dialogues, cooperation agreements and communications (Eastern Partnership, Western Balkans) in 2020. - Outreach activities on EGD carried out with EU Delegations, Eastern, Southern Partnership and Western Balkans countries.

Main outputs in 2020:			
Important outputs			
Output description	Indicator	Target	Latest known results (situation on 31/12/2020)
Sustainable Development Goals: Effective promotion of the environmental goals in the world	Visible participation in 2020 HLPF, including organisation of side event/s Participation in G7 and G20 dialogues	2020 Q3	Visible participation in the virtual UN HLPF, including in side events Participation in the G20 ENV ministerial and contribution to relevant G20 tracks (energy, agriculture etc.) Contributions to Financing for Development (FfD) processes, including the FfD Forum and the process linked with the High-level Meeting on FfD and Covid-19.
High-level Environment dialogues with key EU trade and strategic partners on environmental issues	Participation in high-level dialogues	2020 Q1 to Q4 (and beyond) 10 dialogues estimated	Dialogues held with inter alia Japan, Australia, Canada, Iran, South Africa, ASEAN, Brazil, and Indonesia. Dialogues held in virtual form; however, due to Covid-19; the initial period of adapting to the pandemic and remote teleworking saw no HL dialogues in Q1 2020.
Enhanced integration of environmental considerations into trade policy	Environment covered in trade agreements including during implementation	2020 Q1 to Q4 (and beyond)	Contribution to 2020 WTO Environment week and Committee on Trade and Environment Contribution to environmental aspects of the negotiation of Free Trade Agreements with Chile, Australia, New Zealand and Indonesia. Contribution to preparatory work of Trade Policy Review

			TSD Committees/TSD dialogues held with Canada, Central America, Colombia/ Ecuador/Peru, Japan, Korea, Singapore, and Ukraine
Progress in the environment chapter of accession negotiations with Serbia/Montenegro	Closing the chapter on environment	2020 Q4	<ul style="list-style-type: none"> - Negotiating position by Serbia submitted (01/2020) and EU Draft Common Position Adopted in Council (12/2020) - Progress in achievement of closing benchmarks with Montenegro (designation of Ulcinj Salina RAMSAR site)
Annual programming of environment relevant projects under the Global Public Goods and Challenges programme (GPGC), including cross sub delegation in support of International Environmental Governance (IEG)	Adoption by the Commission of annual action programme with EUR 11 million for IEG	2020 Q4	Financing decision adopted

ANNEX 3: Draft annual accounts and financial reports

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

TABLE 1 : OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG ENV					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,23	0,00	0,00 %
	02 03	Internal market for goods and services	0,00	0,00	0,00 %
Total Title 02			0,23	0,00	0,00 %

Title 05 Agriculture and rural development					
05	05 04	Rural development	0,00	0,00	0,00 %
Total Title 05			0,00	0,00	0,00 %

Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	1,52	1,49	98,20 %
	07 02	Environmental policy at Union and international level	134,92	133,94	99,27 %
Total Title 07			136,44	135,43	99,26 %

Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	4,01	4,01	100,00 %
Total Title 11			4,01	4,01	100,00 %

Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	11,45	11,00	96,08 %
Total Title 21			11,45	11,00	96,08 %

Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0,01	0,01	100,00 %
	22 02	Enlargement process and strategy	0,00	0,00	0,00 %
Total Title 22			0,01	0,01	100,00 %

Title 34 Climate action					
34	34 02	Climate action at Union and international level	0,00	0,00	0,00 %
Total Title 34			0,00	0,00	0,00 %

Total DG ENV			152,13	150,44	98,89 %
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· Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e

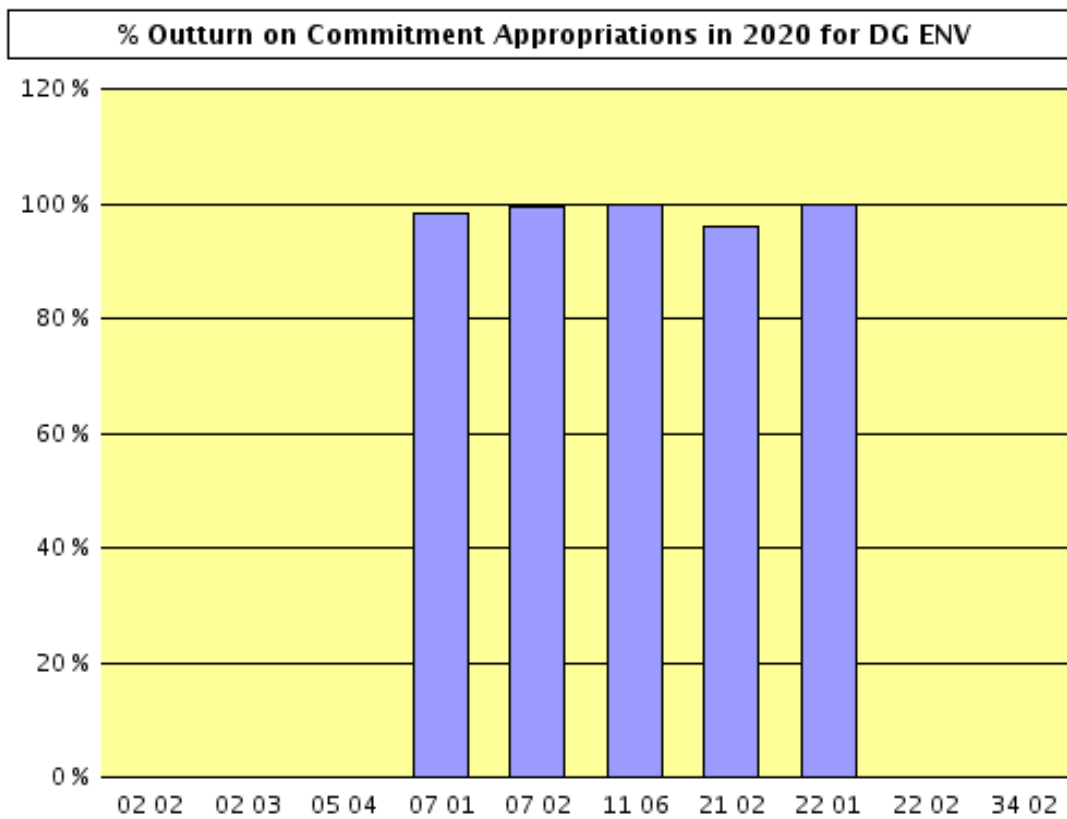


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG ENV					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,23	0,00	0,00 %
	02 03	Internal market for goods and services	0,00		
Total Title 02			0,23	0,00	0,00%
Title 05 Agriculture and rural development					
05	05 04	Rural development	0,05	0,05	100,00 %
Total Title 05			0,05	0,05	100,00%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	3,05	1,74	56,98 %
	07 02	Environmental policy at Union and international level	130,80	130,30	99,62 %
Total Title 07			133,85	132,04	98,65%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	4,80	4,80	100,00 %
Total Title 11			4,80	4,80	100,00%
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	0,45	13,29	2960,25 %
Total Title 21			0,45	13,29	2.960,25%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0,04	0,01	12,33 %
	22 02	Enlargement process and strategy	0,00	0,73	0,00 %
Total Title 22			0,04	0,74	1.774,91%
Title 34 Climate action					
34	34 02	Climate action at Union and international level	0,05	0,05	100,00 %
Total Title 34			0,05	0,05	100,00%
Total DG ENV			139,47	150,97	108,24 %

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

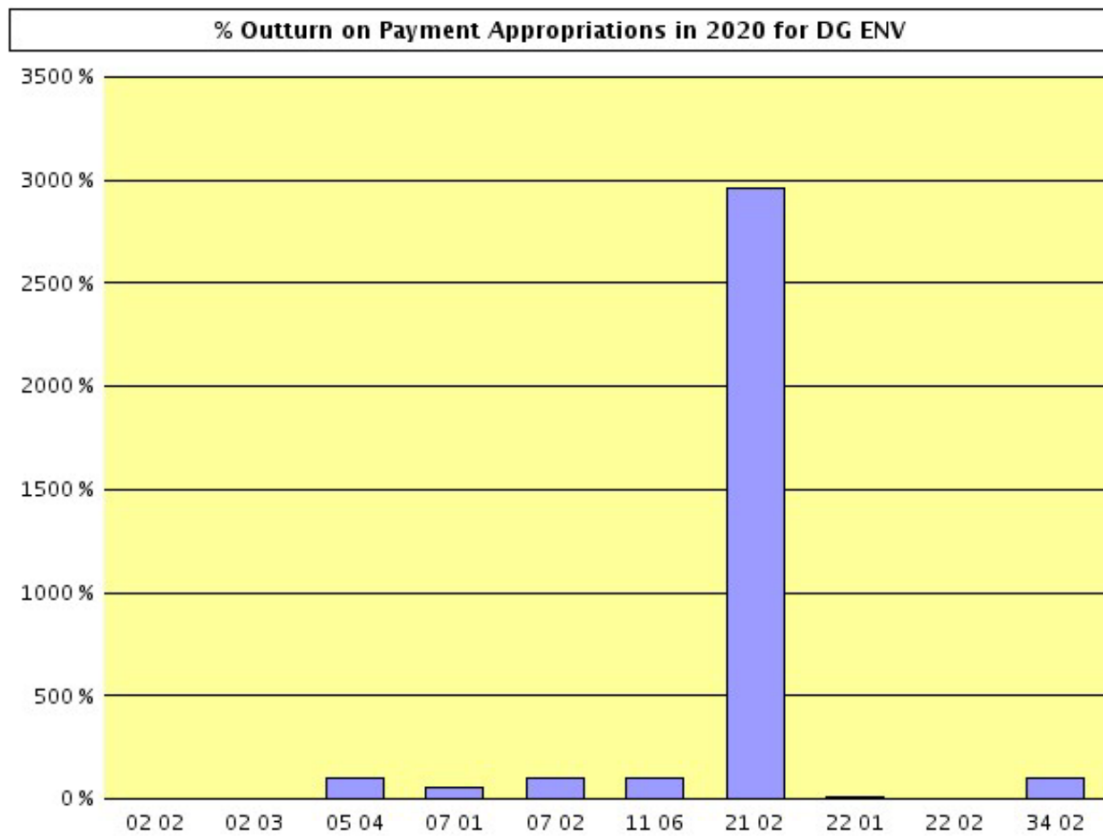


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,00		0,00	0,00%	0,00	0,00	0,11
	02 03	Internal market for goods and services	0,00		0,00	0,00%	0,15	0,15	0,15
Total Title 02			0,00		0,00	0,00%	0,15	0,15	0,26

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
05	05 04	Rural development	0,00	0,00	0,00	0,00%	0,61	0,61	0,66
Total Title 05			0,00	0,00	0,00	0,00%	0,61	0,61	0,66

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
07	07 01	Administrative expenditure of the 'Environment' policy area	1,49	0,27	1,22	81,61%	0,00	1,22	1,53
	07 02	Environmental policy at Union and international level	133,94	56,31	77,63	57,96%	135,52	213,15	230,41
Total Title 07			135,43	56,58	78,84	58,22%	135,52	214,36	231,94

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
11	11 06	European Maritime and Fisheries Fund (EMFF)	4,01	1,04	2,97	74,15%	5,82	8,79	10,09
Total Title 11			4,01	1,04	2,97	74,15%	5,82	8,79	10,09

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
21	21 02	Development Cooperation Instrument (DCI)	11,00	0,00	11,00	100,00%	6,67	17,67	19,96
Total Title 21			11,00	0,00	11,00	100,00%	6,67	17,67	19,96

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0,01	0,00	0,01	100,00%	0,00	0,01	0,04
	22 02	Enlargement process and strategy	0,00	0,00	0,00	0,00%	1,07	1,07	2,10
Total Title 22			0,01	0,00	0,01	100,00%	1,07	1,07	2,13

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1 -2/1	5	6=3+5	7
34	34 02	Climate action at Union and international level	0,00	0,00	0,00	0,00%	23,68	23,68	27,95
Total Title 34			0,00	0,00	0,00	0,00%	23,68	23,68	27,95
Total for DG ENV			150,4394755	57,62	92,81986917	61,70 %	173,509135	266,3290042	292,9963948

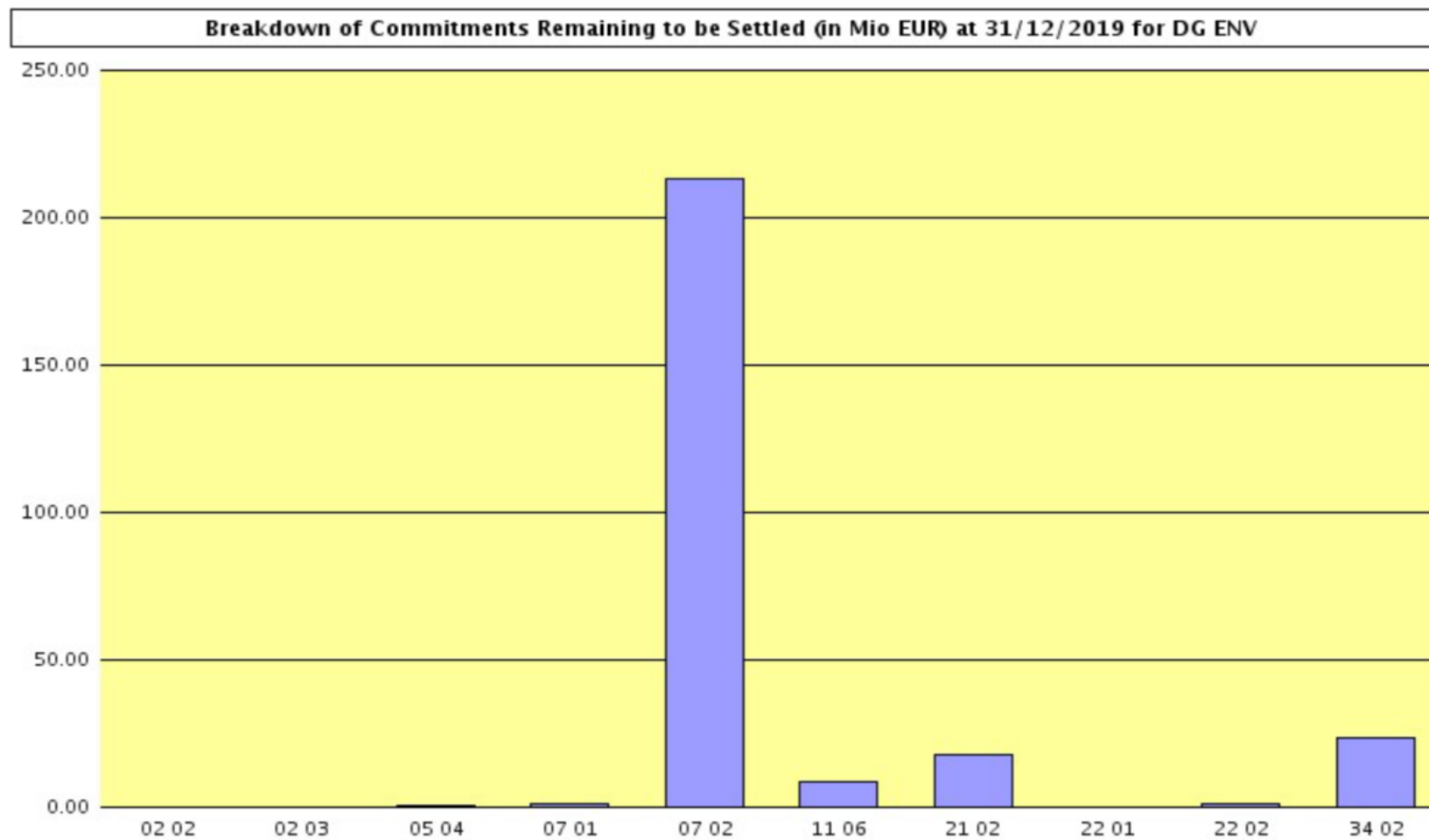


TABLE 4 : BALANCE SHEET for DG ENV

BALANCE SHEET	2020	2019
A.I. NON CURRENT ASSETS	15055748,29	5951654,07
A.I.5. Non-Current Pre-Financing	14.902.686,29	5.798.592,07
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	153.062,00	153.062,00
A.II. CURRENT ASSETS	85074719,06	96794424,52
A.II.2. Current Pre-Financing	13.408.746,07	20.612.801,10
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	60.672.758,99	65.188.409,42
ASSETS	100130467,4	102746078,6
P.II. CURRENT LIABILITIES	-35517314,69	-72234985,92
P.II.4 Current Payables	-8.721.833,84	-11.383.720,53
P.II.5. Current Accrued Charges & Defrd Income	-26.795.480,85	-60.851.265,39
LIABILITIES	-35517314,69	-72234985,92
NET ASSETS (ASSETS less LIABILITIES)	64613152,66	30.511.092,67
P.III.2. Accumulated Surplus/Deficit	1.082.433.409,70	1081271040
Non-allocated central (surplus)/deficit*	-1.147.046.562,36	-1111782132
TOTAL DG ENV	0,00	0,00

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

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG ENV

STATEMENT OF FINANCIAL PERFORMANCE	2020	2019
II.1 REVENUES	-40602691,54	-178919159,1
II.1.1. NON-EXCHANGE REVENUES	-50133077,31	-183506372,5
II.1.1.4. FINES	-45.352.838,92	-177.781.413,23
II.1.1.5. RECOVERY OF EXPENSES	-163.281,89	-1.165.977,38
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-4.616.956,50	-4.558.981,84
II.1.2. EXCHANGE REVENUES	9530385,77	4587213,32
II.1.2.1. FINANCIAL INCOME	-29.238,35	-9.518,48
II.1.2.2. OTHER EXCHANGE REVENUE	9.559.624,12	4.596.731,80
II.2. EXPENSES	98385267,98	180081529,2
II.2. EXPENSES	98385267,98	180081529,2
II.2.10. OTHER EXPENSES	2.085.862,18	2.490.953,98
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	48.182.206,85	112.745.447,41
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	50.405.969,25	46.533.660,49
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	-2.290.494,86	18.303.827,08
II.2.8. FINANCE COSTS	1.724,56	7.640,21
STATEMENT OF FINANCIAL PERFORMANCE	57.782.576,44	1.162.370,04

Explanatory Notes:

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

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

TABLE 5bis : OFF BALANCE SHEET for DG ENV

OFF BALANCE	2020	2019
OB.1. Contingent Assets	449260	1321164
GR for other	0,00	871.904,00
GR for pre-financing	449.260,00	449.260,00
OB.2. Contingent Liabilities	-10012205,3	-10012205,3
OB.2.1. Guarantees given for EU FI	-7.406.200,00	-7.406.200,00
OB.2.7. CL Legal cases OTHER	-2.606.005,30	-2.606.005,30
OB.3. Other Significant Disclosures	-221139752,3	-221139752,3
OB.3.2. Comm against app. not yet consumed	-221.139.752,28	-221.139.752,28
OB.4. Balancing Accounts	230702697,6	229830793,6
OB.4. Balancing Accounts	230.702.697,58	229.830.793,58
OFF BALANCE	0,00	0,00

Explanatory Notes:

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

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

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for ENV

Legal Times									
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments	Percentage
30	320	304	95,00 %	10,64802632	16	5,00 %	39,4375	13832662,73	19, %
60	332	324	97,59 %	20,82407407	8	2,41 %	84,375	699097,85	2, %
90	129	127	98,45 %	40,28346457	2	1,55 %	95	569219,05	1, %
105	9	9	100,00 %	44,88888889				0	0, %

Total Number of Payments	790	764	96,71 %		26	3,29 %		15100979,63	10, %
Average Net Payment Time	21,51898734			20,29319372			57,53846154		
Average Gross Payment Time	33,33417722			32,01570681			72,07692308		

Suspensions							
Average Report Approval Suspension Days	Average Payment	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	58	161	20,38 %	790	29.362.536,47	19,45 %	150.941.662,40

Late Interest paid in 2020			
DG	GL Account	Description	Amount (Eur)
ENV	65010100	Interest on late payment of charges New 1	1 724,56
			1 724,56

NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide (https://mvintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx).

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG ENV

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED,BANK AND OTHER INTEREST	29.238,35	740,84	29.979,19	29.238,35	0,00	29.238,35	740,84
60	CONTRIBUTIONS TO UNION PROGRAMMES	4.616.956,50	0,00	4.616.956,50	4.616.956,50	0,00	4.616.956,50	0,00
66	OTHER CONTRIBUTIONS AND REFUNDS	2.360.701,73	4.787.187,04	7.147.888,77	1.485.115,20	235.151,07	1.720.266,27	5.427.622,50
71	FINES AND PENALTIES	91.143.877,17	83.297.972,44	174.441.849,61	45.508.924,81	83.268.146,46	128.777.071,27	45.664.778,34
Total DG ENV		98150773,75	88085900,32	186236674,1	51640234,86	83503297,53	135143532,4	51093141,68

TABLE 8 : RECOVERY OF PAYMENTS in 2020 for DG ENV
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. nonqualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2010	4	320585,78	4	320585,78	4	320585,78	100,00%	100,00%
2011	1	458,38	1	458,38	2	447537,01	50,00%	0,10%
2012	5	57439,69	5	57439,69	8	424648,74	62,50%	13,53%
2013	6	194959,84	6	194959,84	10	433796,63	60,00%	44,94%
2014	4	41131,31	4	41131,31	10	480403,22	40,00%	8,56%
2015					2	12518,65		
2019					3	256845,41		
Sub-Total	20	614575	20	614575	39	2376335,44	51,28%	25,86%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN							1	29.238,35		
NON ELIGIBLE IN COST	49	1459255,31			49	1459255,31	49	1.459.255,31	100,00%	100,00%
CREDIT NOTES							9	333.674,36		
Sub-Total	49	1459255,31			49	1459255,31	59	1822168,02	83,05%	80,08%
GRAND TOTAL	69	2073830,31			69	2073830,31	98	4198503,46	70,41%	49,39%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2020 for DG ENV

	Number at 31/12/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 31/12/2020	Open Amount (Eur) at 31/12/2020	Evolution
2012	2	2	0,00 %	554.460,75	554.460,75	0,00 %
2014	1	1	0,00 %	148.803,08	148.803,08	0,00 %
2015	3	3	0,00 %	406.476,55	406.476,55	0,00 %
2016	1	1	0,00 %	8.240,72	8.240,72	0,00 %
2017	3	3	0,00 %	935.433,45	935.433,45	0,00 %
2018	2	2	0,00 %	922.204,40	922.204,40	0,00 %
2019	3	3	0,00 %	1.606.983,84	1.606.983,84	0,00 %
2020	15	15	0,00 %	46.526.172,60	46.526.172,60	0,00 %
	30	30	0,00 %	51.108.775,39	51.108.775,39	0,00 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG ENV

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

Total DG ENV	
---------------------	--

Number of RO waivers	
-----------------------------	--

TABLE 11 : Negotiated Procedures in 2020 for DG ENV

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	2	3.400.000,00
Total	2	3.400.000,00

TABLE 12 : Summary of Procedures in 2020 for DG ENV

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	3	365.065,00
Negotiated procedure without prior publication (Annex 1 - 11.1)	2	3.400.000,00
One-step procedure based on a call for expressions of interest - Vendors' list (Annex 1 - 13.3 (b) (i))	1	688.300,00
Open procedure (FR 164 (1)(a))	31	33.094.155,76
Total	37	37.547.520,76

Additional Comments:

TABLE 13 : BUILDING CONTRACTS in 2020 for DG ENV

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG ENV

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

TABLE 15 : FPA duration exceeds 4 years - DG ENV

None of DG ENV FPA exceeds 4 years.

TABLE 16 : Commitments co-delegation type 3 in 2020 for DG ENV

ANNEX 4: Financial Scorecard

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2020, 6 standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes)³⁴:


- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments

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

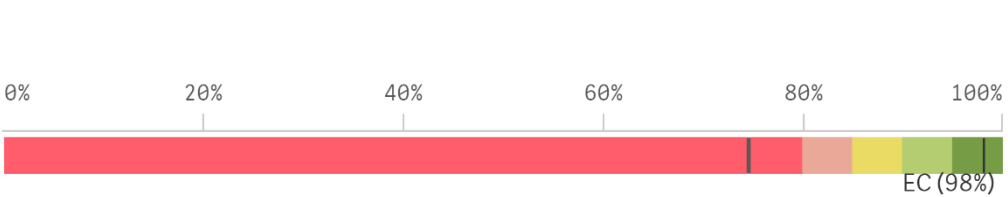
- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

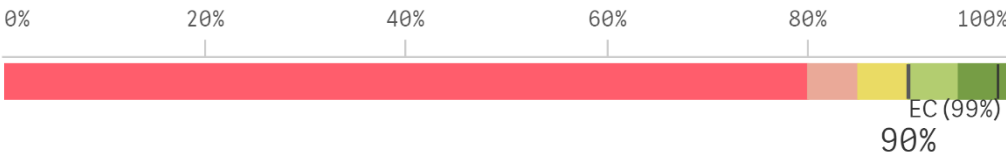
The Commission services are invited to provide commentary behind each indicator's result in the dedicated boxes below as this can help the reader to understand the Commission's service context. In cases when the indicator's value achieves 80% or less of the target, the comment becomes mandatory.

³⁴ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	<u>PA Forecast Implementation</u>
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
Result	<p>DG ENV achieved 89% compared to the EC result of 98%</p>  <p>0% 20% 40% 60% 80% 100%</p> <p>89% EC (98%)</p>
Comment	[An explanation behind the indicator result should be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is below the target]
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Commitment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Commitments on all relevant Fund Sources - Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Indicator	<u>Global Commitment Absorption</u>
Category	Efficiency Controls / Absorption
Result Objective	DG ENV achieved 94% compared to the EC result of 99%
	<p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 94%</p>
Comment	[An explanation behind the indicator result should be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is below the target]
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Payment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A) / Value B)</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> - Payments on all relevant Fund Sources - Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

Result	DG ENV achieved 75% compared to the EC result of 98%
Indicator	
Category	
Objective	
Comment	<p>DG ENV made a partial de-commitment of its global commitment for LIFE projects, in order to transfer funds to EASME where quality proposals were received and additional resources needed. The de-committed and transferred amount has been fully used by EASME. Taking this on board, it brings the absorption of DG ENV global commitment in 2020 to 99%.</p>
Definition	<p>Formula:</p> <ul style="list-style-type: none"> - Value A: Com L1 Consumption amount (Eur) - Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommitment Amount (Eur) on all Fund Sources except for C8 and C9) <p>Scope:</p> <ul style="list-style-type: none"> - Com L1 with FDC ILC date from 01/01 to 31/12 of the current year - No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption) <p>Remark: Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>

Result	<p>DG ENV achieved 90% compared to the EC result of 99%</p>  <p>0% 20% 40% 60% 80% 100%</p> <p>EC (99%) 90%</p>
Comment	<p>DG Environment regularly pays a subsidy to the European Environment Agency. Due to the negative interests applicable to money deposits in bank accounts in Denmark, the Agency requested to receive its payments on specific dates, in order to avoid negative interests on their bank account. This has resulted in some payments to be registered as delayed, causing underperformance for this indicator. Corrective measures have been set in place since April 2020.</p>
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) in time <ul style="list-style-type: none"> o In Time: Payment Bank Value Date < = Payment legal deadline - Value B: Payment Accepted Amount (Eur) <p>Scope:</p> <ul style="list-style-type: none"> - Payments made in the current year - Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y")

ANNEX 5: Materiality criteria

Section 2.1 of this report sets out the main elements used to identify possible weaknesses in the internal control system. The significance/materiality of any weaknesses identified is assessed according to the following criteria:

1. Qualitative criteria

The qualitative criteria for assessing the significance of any weaknesses identified are:

- ***the nature and scope of the weakness***
- ***the duration of the weakness***
- ***the existence of compensatory measures***
- ***the existence of effective corrective actions to correct the weaknesses***
- ***the residual reputational, financial, operational and legal/regulatory risk***

2. Quantitative criteria

Concerning legality and regularity, a weakness is considered material if the value of the errors in the transactions affected by the weakness is estimated to represent more than 2% of the authorised payments of the reporting year of ABB activity 0702. In the case of DG ENV, the errors detected are well below the 2% mark.

Note: The method for estimating the amount at risk is explained in detail in section 2 of the AAR and in the related pages in Annex 7.

De minimis' threshold for financial reservations

Since 2019³⁵, a 'de minimis' threshold for financial reservations has been introduced. The Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

Of course, this is without prejudice of maintaining a reservation for its reputational reasons if applicable.

³⁵ Agreement of the Corporate Management Board of 30/4/2019.

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

Procurement – direct management

Stage 1: Procurement

A: Planning

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> Needs not well clearly specified in a planning stage for those actions not related to requirements of legal framework or for those actions that respond to policy initiatives not earlier planned 	<ul style="list-style-type: none"> Individual standardised fiches to be drafted for all individual actions included in the Man Plan. 	<ul style="list-style-type: none"> Once per year for every envisaged action. Fiche includes objectives and purpose of the action, as well as a short budget estimate. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of changes done to the Management Plan; Procured study/service highly contributes to policy priorities. High percentage of executed Management Plan at the end of the year. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of preparing Man Plan fiches compared to cost of insufficient prioritization and poor definition of needs. <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved (staff involved on the process)

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			Benefits: <ul style="list-style-type: none"> • Prioritization and proper usage of DG's budget.
<ul style="list-style-type: none"> • Poor budget planning (over/ under estimating) 	<ul style="list-style-type: none"> • Revision of each fiche by the finance Unit (FU); • Briefing to the AOD done by the FU. 	<ul style="list-style-type: none"> • Once per year for every envisaged action; its validity, choice of procedure and budget line, budget estimate; • Once per year for every Directorate. 	Effectiveness: <ul style="list-style-type: none"> • Low percentage of cancelled procedures and offers of poor quality. Efficiency: <ul style="list-style-type: none"> • Cost of reviewing Man Plan fiches compared to costs from not assuring compliance with Financial Regulation, inefficient budget estimate and selection of wrong procedure. Economy: <ul style="list-style-type: none"> • Estimation of costs involved (staff involved on the process) Benefits: <ul style="list-style-type: none"> • Assuring compliance with Financial Regulation, efficient budget estimate and selection of proper procedure

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Lack of competition 	<ul style="list-style-type: none"> • Prior information notice (PIN) published; • Desk officers consider possible market response before publishing tenders (market research). 	<ul style="list-style-type: none"> • Once per year- 1st quarter of the year. PIN provides an overview of foreseen contracts; its subject and approximate value. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Higher average number of offers received per procedure. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved (staff involved on the process) <p>Benefits:</p> <ul style="list-style-type: none"> • Steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players.
<ul style="list-style-type: none"> • Insufficient time allocation for financial procedures 	<ul style="list-style-type: none"> • Management plan launch dates; • Financial dashboard; • Individual follow-up by FU of procedures which are late; 	<ul style="list-style-type: none"> • All items in management plan have a target date for launch; • Financial dashboards monitor compliance 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of global commitments; • High level of budgetary execution; • Evenly distributed budgetary execution. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of proper planning and time allocation compared to cost of poor

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> Planning tool provided on unit A1 Intranet page. 	<p>with target launch dates set in Management Plan. Produced 6 times per year;</p> <ul style="list-style-type: none"> Monitoring covers all items in the management plan; Establishing a time table for every procedure. 	<p>budget/ Man Plan implementation.</p> <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved (staff involved on the process) <p>Benefits:</p> <ul style="list-style-type: none"> Avoidance of bottlenecks at the end of the year; decrease risks of contracts not signed before end of the year.

B: Needs assessment & definition of needs

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none">• Poor quality of tender specifications and selection of wrong procedure	<ul style="list-style-type: none">• Consultation with the FU during preparatory stage and agreement on the final version of the tender specifications;• Additional verification and AOSD supervision (upstream control);• Training organized by the FU on drafting the tender specifications.	<ul style="list-style-type: none">• 100% of tender specifications for Open Calls, all specifications for contracts above the threshold of 150.000 euro, and negotiated procedures are reviewed and scrutinised;• Files above 500.000€; random selection of other projects and all EP Pilots go to ex-ante assessment by ENVAC;• Training organised at list twice per year.	<p>Effectiveness:</p> <ul style="list-style-type: none">• Very low number of procedures where only one or no offers were received;• Average number of requests for clarification per tender. <p>Efficiency:</p> <ul style="list-style-type: none">• Cost of financial verification and organization of trainings compared to cost of cancelling or repeating a procedure. <p>Economy:</p> <ul style="list-style-type: none">• Estimation of costs involved <p>Benefits:</p> <ul style="list-style-type: none">• Better quality tender specifications, limit the risk of litigation, limit the risk of cancellation of tender, better informed desk officers.

C: Selection of the offer and evaluation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> • Biased, inaccurate, unfair evaluation procedure 	<ul style="list-style-type: none"> • Opening Committee and Evaluation Committee; • Opinion by consultative committee ENVAC; • Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision; • Training organized by the FU on evaluation of tenders; • Model evaluation report and guidelines; • Tenderers able to attend openings; 	<ul style="list-style-type: none"> • Formal evaluation process; nomination of the Committees by the AOS for every file above 150,000€. Minimum of three members (one from another Directorate); • ENVAC assesses full procurement and evaluation process and the draft award decision for all files above 500.000, 00€ and number of files below the amount by a random selection (all documents related to the procurement procedure publications, committee reports, 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of files rejected or suspended for comments by ENVAC. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of staff involved (opening, evaluation committee members, ENVAC members, FU) compared to cost of possible litigation. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Compliance with FR, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency

	<ul style="list-style-type: none"> Award decision communicated to tenderers. 	<p>winning offer, draft contract);</p> <ul style="list-style-type: none"> 100% when conditions are fulfilled; Templates and guidelines up-to-date following DG BUDG updates; For open calls tenderers are able to attend the opening of offers; Successful and unsuccessful tenderers always informed on the evaluation outcome. 	
<ul style="list-style-type: none"> Confidentiality issues/ conflict of interest 	<ul style="list-style-type: none"> Opening and Evaluation Committee members' signed declaration of absence of conflict of interests; Checks by the FU. 	<ul style="list-style-type: none"> 100% of the members of the opening committee and the evaluation committee; Red flags checked by the FU for every file. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> No or very low amount of indemnities. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of FU staff involved compared to cost of possible litigation. <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> Potential irregularities/inefficiencies prevented.

<ul style="list-style-type: none"> • Inadequate number of offers/ poor quality offers 	<ul style="list-style-type: none"> • Award criteria announced in advance; • FR followed in terms of minimum time granted for preparation of tenders. 	<ul style="list-style-type: none"> • Appropriate selection criteria publishes with the tender • Award criteria in every tender specifications published with the call; • 100% FR respected. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of cancelled procedures. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Ensure better quality offers.
<ul style="list-style-type: none"> • Unreliable contractor/ False declarations 	<ul style="list-style-type: none"> • Exclusion criteria determined; • Early warning system (EWS); • Satisfaction certificates. 	<ul style="list-style-type: none"> • 100% checked. The required documents provided by the tenderers are consistent with the specifications and appropriate for evaluation purposes (as required by the FR); Financial turnover and declaration on honour; • 100% of successful contractors checked in the EWS; • Satisfaction 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of discontinued contracts. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of staff involved compared to cost of contract discontinuation. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Avoid contracting with excluded economic operators.

		certificates are an increasing requirement in tender specifications, especially for high value or sensitive files.	
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Stage 2: Contract implementation and Financial transactions

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> Contractor fails to deliver all that was contracted in accordance with technical description and terms and conditions of the contracts Business discontinues because contractor fails to deliver. 	<ul style="list-style-type: none"> Operational and financial checks in accordance with the financial circuits; Operation authorisation by the AO; Request of bank guarantee; Non-performance clauses in contract. 	<ul style="list-style-type: none"> 100% of the contracts are controlled; Riskier operations subject to in-depth controls. High-risk operations identified by risk criteria. Amount and potential impact on the DG operations of late or no delivery (bank guarantees); Clauses on liquidated damages/ termination of contract are integral part of every contract (general conditions). 	<p>Effectiveness:</p> <ul style="list-style-type: none"> High % of errors prevented (amount of errors/irregularities averted over total payments). Low amount of liquidated damages. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of financial checks in place compared to cost of non-performance and discontinuation of contract. <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved. <p>• Benefits: Irregularities, errors and overpayments prevented</p>
<ul style="list-style-type: none"> Not structured financial and contract 	<ul style="list-style-type: none"> Payment made on the basis of a deliverable; 	<ul style="list-style-type: none"> 100% payments made on the basis of an accepted 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of errors; overpayments.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
monitoring	<ul style="list-style-type: none"> • FU monitoring tables; • Trainings on contract management organized by the FU. 	deliverable; <ul style="list-style-type: none"> • Tables monitored and updated on a regular basis (after each payment, amendment, etc.); 	Efficiency: <ul style="list-style-type: none"> • Cost of financial unit monitoring compared to cost of possible errors and overpayments. Economy: <ul style="list-style-type: none"> • Estimation of costs involved. Benefits: <ul style="list-style-type: none"> • Irregularities, errors and overpayments prevented, better informed desk officers.
<ul style="list-style-type: none"> • Fraud not detected 	<ul style="list-style-type: none"> • Four eyes principle and written procedures and checklists for initiators and verifiers; • Fraud awareness trainings. 	<ul style="list-style-type: none"> • Four eyes principle applied to 100% of files; • All FU staff and financial correspondents. 	Effectiveness: <ul style="list-style-type: none"> • Low number of court litigations. Efficiency: <ul style="list-style-type: none"> • Cost of financial unit staff detecting red flags and issues of non-compliance compared to cost of possible litigation. Economy: <ul style="list-style-type: none"> • Estimation of costs involved. Benefits: <ul style="list-style-type: none"> • Detection of red flags and issues of non-compliance
<ul style="list-style-type: none"> • Payment delays 	<ul style="list-style-type: none"> • FU monitoring tables 	<ul style="list-style-type: none"> • Tables monitored 	Effectiveness:

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>with special filters signalling latent invoices;</p> <ul style="list-style-type: none"> • Financial reporting tool; • Optimization of available appropriations; • Global transfer. 	<p>and updated on a regular basis (filters signal invoices inactive for 7 days);</p> <ul style="list-style-type: none"> • Twice a month identifying Units' current and outstanding invoices; • Monitoring of payment appropriations on a weekly basis. 	<ul style="list-style-type: none"> • Low rate of payment delays; • Low amount of late interest payment and damages paid (by the Commission); • High rate of implementation of the payment appropriations. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of improving financial monitoring tools compared to cost of late interest and damages paid by the Commission. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Detection of dormant invoices, maximization of budget execution.

Stage 3: Supervisory measures and ex post control

Main control objectives: Ensuring that any weakness in the procedures (tender and financial transactions) is detected and corrected

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> An error or non-compliance with regulatory and contractual provisions, or an attempt to fraud is not prevented, detected or corrected by ex-ante control. 	<ul style="list-style-type: none"> Internal audit and Court of Auditors; Ex-post publication (possible reaction from unsuccessful tenderers); Review of ex post results and implementation of recommendations; Training for staff assigned to sign "Certified correct" (compulsory as of 2014); Review of exceptions reported; Yearly review of procedures; Yearly review and "lessons learnt" based on ENVAC conclusions; Statistics on payment delays at the Directors' meetings. 	<ul style="list-style-type: none"> Representative sample, review of the procedures implemented (procurement and financial transactions); Potentially 100%; 100% results reviewed, implementation of recommendations on a yearly basis; Ad hoc/ hands-on trainings; 100% once a year; look for any systematic problems in the procurement procedure, in the financial transaction procedure and for weaknesses in the selection process of the ex-post controls 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Low number of errors detected (related to fraud, irregularities and error); Increased number of system improvements made. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of staff involved compared to cost of not detecting fraud, irregularities and inadequate systems in place. <p>Economy:</p> <ul style="list-style-type: none"> Proportion of overall cost of control over total expenditure (payments authorised) <p>Benefits:</p> <ul style="list-style-type: none"> Detection of possible fraud and errors. Deterrents and systematic weaknesses corrected.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
		(exceptions reported, review of procedures, ENVAC conclusions); <ul style="list-style-type: none"> • Statistic on payment delays on Directors' meeting (six times a year) 	

Financial Instruments - Indirect management

IFI = (entrusted) International Financial Institution (e.g. EIB/EIF, etc.); **FI** = (further entrusted) Financial Intermediaries; **"sub"-FI** = (further) sub-delegated FI; **FR** = Final Recipient

DS = Designated service (competent DGs)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>a) The actions supported through the Financial Instrument do not adequately reflect the policy objectives (no compliance with Fin. Reg. art. 140 and instrument specific objectives)</p>	<ul style="list-style-type: none"> • Guidance provided to the IFI for the assessment of projects by the DS; • Prior eligibility confirmation of the DS for every project • Regular reporting by the IFI to the DS on the operational performance, including the management declaration, and the summary of audits and controls carried out during the reporting year; • Independent audit opinion; • In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random 	<p>If risk materialises, the Financial Instrument would be irregular. Possible impact 100% of funds involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklist on operational reporting includes a list of checks to be done.</p>	<p>Effectiveness: Evolution of the specific indicators in the operational reporting compared with benchmarks and evolution over time.</p> <p>Where applicable, opinion by technical assistance (recommendations, actions taken).</p> <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the preparation and validation of the operational reporting. • Cost of the technical assistance. <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total value of the Financial Instrument.

	and/or case/risk-based audits at the IFI and (sub) FI levels;		
b) The IFI (and the (sub)FI) does not have the experience to ensure effective implementation of this type of Financial Instrument.	<ul style="list-style-type: none"> • Eligibility standards for IFI established and verified according to the Delegation Agreement and FAFA. • Guidance provided to the IFI for the assessment of projects by the DS; 	Coverage / Frequency: 100% Depth: In accordance with the Delegation Agreement.	Economy: <ul style="list-style-type: none"> • Estimation of technical assistance cost. Benefits: <ul style="list-style-type: none"> • Reduced risk related to the disbursement of the total amount by selecting the IFI on the basis of the ability to use the funding in the most efficient and effective way.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
c) FIs and FRs are not selected on the basis of an open, transparent, justified on objective grounds procedure or there are conflicts of interests in the selection process.	<ul style="list-style-type: none"> • Responsibility for selecting FI and FR, lies with the IFI and FI, respectively; • Prior eligibility confirmation of the DS for every FI. 	Coverage / Frequency: determined by the IFI/FI in accordance with the delegation agreement (max twice per year for the next 5 years) Depth: determined by the IFI/FI in accordance with the Delegation	Effectiveness: <ul style="list-style-type: none"> • The selection of FI and FR would (not) be (successfully) challenged. Cost-effectiveness: <ul style="list-style-type: none"> • Average cost of preparation, adoption and selection work done (compared with similar cases as benchmark).

		Agreement	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. • Cost of contracted services (Audit costs). <p>Benefits:</p> <ul style="list-style-type: none"> • Reduced risk related to possible conflict of interest and questionable selection procedure.
d) The design of the accounting and reporting arrangements would not provide sufficient transparency (True & Fair View)	<ul style="list-style-type: none"> • Separate records per Financial Instrument are to be kept by the IFI; and harmonised reporting has been required by the Commission (cf. FAFA & Das). 	<p>Coverage / Frequency: 100%</p> <p>Depth: In depth assessment of the statement of expenses</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any • Training of the concerned staff.
e) the remuneration of the IFI³⁶, the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the	<ul style="list-style-type: none"> • Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap; • Reimbursement of cost for technical assistance and additional tasks to 	<p>Coverage / Frequency: 100%</p> <p>Depth: In depth assessment of the statement of expenses</p> <p>Training of the concerned staff</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any

³⁶ Remuneration includes administrative and performance fees.

objective	<p>be defined in the FAFA and the delegation agreement;</p> <ul style="list-style-type: none"> • Review by the designated service of the statement of expenses together with evidence provided by the IFI; • Ex-ante and ex-post controls, On-the-spot verifications (risk-based or representative samples). 		
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Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
f) Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.	<ul style="list-style-type: none"> • Monitoring or supervision ⁽³⁷⁾ of entrusted entities; • Regular reporting by the IFI to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year; • Independent audit opinion; • In case of weak reporting, negative audit opinion, high risk operations, etc.: 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p> <p>Depth: depends on risk criteria such as past experience of/with the IFI/Fl, complexity or lack of experience on the area of financed actions or the management modalities</p> <p>If needed: suspension or interruption of</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Success performance ratios (e.g. "leverage", "co-risk-taking", number of FR supported by the Financial Instrument, disbursement rate) • Number of control failures detected; value of the issues concerned prevented/corrected. • Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of critical IAS and ECA findings • Number of cases submitted to OLAF <p>Efficiency:</p> <ul style="list-style-type: none"> • e.g. Management (fees) and supervision costs (FTE) over assets under management? <p>Cost-Effectiveness:</p> <ul style="list-style-type: none"> • Average cost per Financial Instrument; % cost over value delegated

³⁷ The nature of these measures is similar. We distinguish between those cases in which the Commission has a direct (legal/contractual) say in the management process, such as the right to block ex-ante a transaction (supervision), or can merely flag its disagreement (monitoring), and influence the fundamental options foreseen under the FR related to stopping/suspending/reconfiguring/winding-down the FEI.

	<p>reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI levels;</p> <ul style="list-style-type: none"> • Regular submission of disbursement and repayment (assigned revenue) forecasts; • Reporting on financial risk & off-balance-sheets liabilities; • Reporting on treasury management. 	<p>payments, or even application of exit strategy (winding up)</p>	<ul style="list-style-type: none"> • Costs/Benefits ratio <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any. <p>Benefits:</p> <ul style="list-style-type: none"> • Value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR. <p>Losses:</p> <ul style="list-style-type: none"> • E.g. write-offs of equity/loans, loan guarantees called above expectations.
<p>g) the FI, which are pilot initiatives, are not resulting in a number of operations significant to give conclusive results</p>	<ul style="list-style-type: none"> • Regular reporting by the IFI to the Commission "Designated Service" (=accountable DG and AOD) on the operational and financial performance • Mid-term evaluation 	<p>Coverage: 100% of the operations are taken into account.</p> <p>If needed: revision of the reporting requirements</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total value of the Financial Instrument.
<p>h) the risk sharing mechanism is used in an instrumental way by the IFI</p>	<ul style="list-style-type: none"> • Check that the Portfolio First Loss Piece will be decreasing with the increase in the number of operations 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) value of the Commission

		subject to more in-depth controls and/or audits.	contribution to the Financial Instrument.
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Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

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

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential	<p>Hierarchical validation of the contribution to the annual working programme within the authorising department. Inter-service consultation, including all relevant DGs.</p> <p>Adoption by the Commission of a Financing Decision.</p> <p>For grants without call for proposals funded under external relations' budget, a committee of ENV and DEVCO staff examines all proposals on the base of a</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular.</p> <p>Possible impact could be 100% of budget involved and furthermore significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> Budget amount of the work programmes concerned. Success ratios; % of number/value proposals received over number expected / budget available. Number/Amount of direct grant with a negative opinion from ENVAC. <p>Efficiency:</p> <ul style="list-style-type: none"> Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution

<p>eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant.</p>	<p>concept fiche before proposing grants to the financing decision of DEVCO.</p> <p>Each individual call for proposals is prepared by the technical unit (assisted by the finance units) and then checked by the finance Units.</p> <p>Direct grants are checked by the finance and the technical Units and may subsequently be submitted to internal advisory Committee (ENVAC) by request of the Finance Unit if monopoly situation is not clear.</p>	<p>Depth: The check is made for each individual call for proposals or direct grant.</p>	<p>over time.</p> <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total budgetary amount of the annual work programmes or calls with prevented, detected and/or corrected errors.
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B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among (a good balance of) the proposals selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<p>Assignment of staff (including technical unit desks) to evaluate the proposals.</p>	<p>100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • No litigation cases. • Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions. • Number of supervisory control failures. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Average cost per call and/or per (selected) proposal. • % cost over annual amount disbursed in grants. • Time-to grant (inform applicants of the results within 6 months from the call deadline; additional 3 months to make a legal commitment). <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the ex-ante checks :
	<p>Assessment by staff (e.g. programme officers)</p>	<p>100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).</p>	
	<p>Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals; publication</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>Depth depends on several</p>	

		<p>risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion.</p>	<ul style="list-style-type: none"> • Programme management and monitoring • Budget & accounting • Financial management • General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management • Anti-fraud • Cost of experts. <p>Benefits:</p> <ul style="list-style-type: none"> • Amount of expenditures declared ineligible compared to total amount of proposals received. • Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects).
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Stage 2 – Contracting

Transformation of selected proposals into legally binding grant agreements

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with the regulatory or financial framework.</p>	<p>Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed Adjustments / budget reviews.</p> <p>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.</p> <p>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.</p> <p>Reinforce financial and contractual circuits. Financial viability checks</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements.</p> <p>Depth/Risk may be determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant. Based on legal nature of the applicant/beneficiary</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • % of selected proposals with recommendations implemented in grant agreement. • Amount of proposed costs rejected. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Value of grant agreements completed over budget requested in the corresponding proposals (%). • Time-to-Grant. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls). <p>Benefits:</p> <ul style="list-style-type: none"> • Prevented, detected, corrected errors or irregularities during the evaluation and selection.

Stage 3 - Monitoring the execution

This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.</p> <p>Operation authorisation by the AO.</p> <p>Audit certificates.</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For LIFE projects: each project is visited every year by the monitoring team and once in its</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>For LIFE projects (80% of the Budget) visit of each project once a year by the monitoring team and once in its lifetime by the desk from the operational Unit.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned. • Number of projects with cost claim errors; budget amount of the cost items rejected. • Number of penalties damages; amount of the penalties damages. • Success ratios; % of value of cost claims items adjusted over cost claims value. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Cost/benefit ratio % cost over annual amount disbursed. <p>Economy:</p>

	lifetime by the operational Unit.	The depth depends on the risk criteria.	<ul style="list-style-type: none"> • Estimation of cost of staff involved in the actual management of running projects (costs of initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits). • Costs of audit certificates.
	<p>For high risk operations, reinforced monitoring.</p> <p>LIFE projects: Ex-ante verification on-the spot (OV and/or FV) – e.g. monitoring visits. Identify projects for risk-based ex-post audit.</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, unstable consortium, requesting many amendments, EWS or anti-fraud flagging, etc.</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary, but rejected by the project officers. • Budget value of the part of the grant not paid out as pre-financing for projects that have been terminated by the Commission. • Budget value of penalties and liquidated damages.
	If needed: application of suspension/interruption of payments, Penalties or liquidated damages. Referring grant beneficiaries to OLAF.	Depth: depends on results of ex-ante controls.	

Stage 4 - Ex-Post controls

A: Reviews, audits and monitoring

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls as such fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits or desk reviews of a representative sample of 30 closed projects to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante-controls).</p> <p>This is complemented by risk based sample and check of time sheets by the monitoring team. If error rate over materiality level reservation in the AAR and action plan.</p> <p>Envisaged: multi-annual basis (programme's lifecycle) and coordination with other AOs concerned (to detect systemic errors). Validate results of audits requested by the operational units.</p>	<p>Representative sample: random or MUS sample sufficiently representative to draw valid management conclusions.</p> <p>Risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise error correction (higher amounts, number of partners, recurrent beneficiaries, poor interim/final financial reporting, files signalled by operational Units).</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Representative error rate. • Residual error rate below materiality level. • Number of supervisory control failures. • Amount of budget of errors concerned. • Number of projects with errors; budget amount of the errors detected. <p>Efficiency:</p> <ul style="list-style-type: none"> • Total (average) annual cost of audits compared with benefits (ratio). <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the coordination and execution of the audit strategy. • Cost of the appointment of audit firms for the outsourced audits. • Costs of missions. <p>Benefits:</p> <ul style="list-style-type: none"> • Amount of expenditures declared ineligible by the auditors and subsequent issue / payment of recovery orders.

	Recommend recovery order(s) to the AOS. If needed: referring the beneficiary or grant to OLAF.		
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Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.	<p>If needed management letter on findings of ex-post audits to operational Units.</p> <p>Audit reports included.</p> <p>"Management findings" related to internal errors.</p> <p>Draft audit reports are reviewed and approved by hierarchy. At this stage, hierarchy could be informed of any systematic errors.</p>	<p>Coverage: For each audited project, the random sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p> <p>However, it is limited to 30 audits for resources reasons and due to files closed in the previous year.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Number of supervisory control failures. • Amount of budget of errors concerned. • Number of transactions with errors; • Budget amount of the errors detected by the supervisors. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Total (average) annual cost of supervisors compared with benefits (ratio). • Average cost per programme, call and/or per (running) project. • % cost over annual amount disbursed in grants. <p>Economy:</p>

			<ul style="list-style-type: none"> • Estimation of cost of staff involved in coordinating and executing the ex-post audit strategy and in the implementation of audits. • Costs of the appointment of audit firms and missions. <p>Benefits:</p> <ul style="list-style-type: none"> • Budget value of the errors detected by the supervisors.
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B: Implementing results from ex-post audits/controls

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
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<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented in a database</p> <p>As from 2014: forecast of revenue issued by Finance Unit together with the audit report.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation of recovery order by the AOD or the AOS.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Number/value/% of audit results pending implementation. • Number/value/% of audit results failed implementation. • Success ratio; % of value of the ROs over detected errors by the auditors. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Total (average) annual cost of implementing audits compared with benefits (ratio). • Time-to-recovery. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the implementation of the audit results. <p>Benefits:</p> <ul style="list-style-type: none"> • Budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).
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ANNEX 7: Specific annexes related to "Financial Management"

Management Partners: Agencies and Co-Delegations

European Agency for Small and Medium-sized Enterprises (EASME) in Brussels

In 2020 EASME launched the LIFE calls for proposals for action grants (traditional projects, integrated projects and technical assistance projects) and for operating grants with NGOs.

For the traditional projects, a two-step call for proposals was launched for an overall amount of around 238 million EUR. 1126 concept notes were received, registering a 33% increase compared to 2019. 854 (56% - +39% compared to 2019) concept notes under the Environment and Resource Efficiency priority area, 418 (28% - +21% compared to 2019) under Nature and the Biodiversity priority area and 243 (16% - +40% compared to 2019) under the Environmental Governance and Information priority area.

The call for proposals for integrated projects for an amount of 103 million EUR, received 21 concept notes. Eight grant agreements for integrated projects were concluded following the two-step call for proposals launched in 2019.

In March 2020, EASME launched a call for proposals to support the 38 framework partner NGOs. Specific grant agreements (SGAs) were concluded to support the 2021 work programmes of these NGOs.

A specific call for proposals was launched in June 2020 under preparatory projects, to support NGOs impacted from the consequences of the COVID pandemic and also to mobilise and strengthen the civil society's participation and contribution to the implementation of the European Green Deal. This ad-hoc call for proposals was based on simplified cost options. The objective was to simplify the financial management of the projects, shifting the controls from the costs to the outputs of the projects. It implies a reduction of the workload for the financial management of the applicants and the Commission services.

Furthermore, 108 grant agreements related to the 2019 call for proposals were signed in 2020. Taking into account the new grant agreements signed this year, the number of on-going ENV-LIFE projects managed by EASME is around 750.

European Investment Bank (EIB) in Luxembourg:

EIB is entrusted with the implementation of the Natural Capital Financing Facility (NCFF), a financing instrument for projects promoting the preservation of natural capital, including adaptation to climate change. The NCFF provides loans and investments in funds to support projects that promote the preservation of natural capital, including adaptation to climate change, in the Member States.

In total, five operations have been finalised since 2017 (“Rewilding Europe Capital”, “Irish Sustainable Forestry Fund”, “City of Athens”, “Croatian Bank for Reconstruction and Development”). Three operations (“Wallonia Waster Water”, “Finland conservation services”, “Alzette River Renaturalisation”) are currently under appraisal. No new operations have been signed and no payments were made in 2020. The total amount of payments made to the EIB in previous years is equal to EUR 12,645,000³⁸.

The Commission has put in place control and monitoring processes in order to verify whether the internal control system set up by the EIB is efficient and effective. For instance, Commission staff (Directors and Head of Unit) participate in the NCFF Steering Committee. Financial statements and operational reports provided by the EIB are examined by both the financial and operational units in DG Environment.

Co-delegations:

DG Environment has entrusted the implementation of small parts of its budget to other DGs through co-delegations³⁹. Supervision arrangements are in place, based on a memorandum of understanding with delegated DGs and/or defined reporting obligations.

Fund Management Center	Committed	Paid
BUDG	23.538,00	51.804,00
COMM	56.250,00	69.583,90
DGT	460.100,00	466.611,95
DEFIS	1.200.000,00	0,00
DIGIT	332.235,54	504.578,49
EASME	362.283.954,55	247.530.480,96
GROW	349.600,00	0,00
HR	30.673,00	45.347,38
JRC	0,00	298.195,00
NEAR	750.000,00	56.200,16
OP	200.000,00	131.339,17
PMO	296.161,77	551.471,16
SANTE	115.000,00	133.776,02
TOTAL	366.097.512,86	249.839.388,19

³⁸ EUR 3.25 million in 2014, EUR 8,5 million in 2015 and EUR 895,000 in 2017.

³⁹ For co-delegations, the DGs which received the funds report on their use in their own AAR.

This arrangement is put in place when another DG is better placed than DG Environment to implement a particular action. Furthermore, some resources of DG Environment are used for the financing of necessary services such as IT tools, IT security and applications (DIGIT), translations (DGT), publications (OP), conferences (SCIC), experts (PMO), communication (COMM), as well as corporate tools (BUDG and HR), etc.

Overview of payments authorised in 2020 per budget line/ABB:

Expenditure M €	Grants & Contributions to agencies	Procurement	Total payments made in 2020	%
Administrative expenditure (07010211)	0,000	0,099	0,099	0,1%
LIFE - LIFE completion (0702-01, -02, -03, -51)	34,785	36,155	70,940	47,0%
LIFE support expenditure (07010401)	0,000	1,636	1,636	1,1%
Contributions EEA (070206)	47,611	0,000	47,611	31,5%
Contributions ECHA (07020501, 07020502)	3,057	0,000	3,057	2,0%
Multilateral Environmental Agreements (070204)	0,000	3,655	3,655	2,4%
Preparatory Actions & Pilot Projects (07027702-59)	0,672	4,366	5,039	3,3%
Sub-Total ENV	86,125	45,911	132,036	87,5%
Co-delegations CIP/EIP - GROW (020251, 020301)	0,000	0,000	0,000	0,0%
Co-delegation MARE (110661)	3,146	1,656	4,802	3,2%
Co-delegation AGRI (050460)	0,053	0,000	0,053	0,0%
Co-delegations DEVCO (21020701, 21025106)	13,293	0,000	13,293	8,8%
Co-delegations NEAR (22010401, 22020401, 220251)	0,000	0,736	0,736	0,5%
Co-delegations CLIMA (34010401, 340203)	0,000	0,049	0,049	0,0%
Sub-Total co-delegations received:	16,493	2,442	18,935	12,5%
Sub-Total ENV + co-delegations received:	102,62	48,35	150,97	37,7%
Administrative expenditure co-delegated to HR (07010211)	0,000	0,597	0,597	0,2%
LIFE support expenditure co-delegated to DIGIT and BUDG (07010401)	0,000	0,556	0,556	0,2%

LIFE co-delegated to COMM, DGT, DEFIS, GROW, JRC, NEAR, OP, SANTE (0702-01, -02, -03, -07027741)	0,000	1,156	1,156	0,5%
Sub-Total co-delegations given:	0,00	2,31	2,31	0,9%
Credits managed by EASME (070201, 070202, 070203)	235,94	11,59	247,53	99,1%
Credits managed by GROW for EASME (07 01 06 01)	0,00	0,00	0,00	0,0%
Sub-Total delegations to EASME	235,94	11,59	247,53	99,1%
Sub-Total co-delegations given + EASME	235,94	13,90	249,84	62,3%
GRAND TOTAL	338,561	59,941	400,810	100%

Key control indicators for 2020 (compared to 2019 and 2018):

1. Input indicators (resources devoted)	2020	2019	2018
Ex-ante financial initiation procurement (FTE)	3	3	3
Ex-ante financial verification procurement (FTE)	1.5	2	2
Ex-post control internal staff (FTE)	2	2	2
Ex-post control outsourced (amount of the contract, EUR)	313.306	226.156	247.948
Ex-ante financial initiation LIFE grants (FTE)	1	1.5	1.5
Ex-ante financial initiation other grants (FTE)	1	1	1
Ex-ante financial verification LIFE grants (FTE)	0.5	0.5	0.5
Ex-ante financial verification other grants and FIs (FTE)	0.5	0.5	0.5
IAS and ECA (FTE)	2	1.5	1
2. Output indicators (controls during project implementation)	2020	2019	2018
LIFE grants ex-ante: rejected/corrected/suspended transactions compared to total numbers of transactions	3.06%	2.54%	4.53%
Other (incl. administrative lines and Procurement) ex-ante: rejected/corrected/suspended transactions compared to total numbers of transactions	10.8%	6.6%	3.9%
Procurement: number of procurement files reviewed by ENVAC	22	23	20
Procurement: number of negative opinions by ENVAC	0	0	0
Number of exceptions registered (ICP 12) (non-compliance)	2	1	5
LIFE grants: number of ex-post audit reports issued (MUS + Risk-based)	23	37	43
3. Results of ex-post controls	2020	2019	2018
Ex-post "detected error rate" (on MUS audits)	0,88%	1,61%	0.19%
Recovery orders issued / Recommended recovery (1-year time lag ⁴⁰)	On 2019 audits: 24%	On 2018 audits: 87%	On 2017 audits: 90%
4. Payment delays	2020	2019	2018
Number of payments exceeding legal deadlines	26/797=3.26%	30/928=3.23%	80/976 = 8.20%

– **Ex-ante controls (procurement):** The available control resources remained stable in 2020. The number of rejected/adjusted commitments following the ex-ante verification was higher to those in 2019, but compares to the levels of 2016 and 2017 and accounts for a bit over 10%. The increase observed in 2020 was due to the additional ex-ante control effort put to address comments received in the framework of an IAS audit, as well as the overall increase of the control effort to address possible risks from the COVID pandemic. Furthermore, the introduction of certain new procedural elements by the new tools for e-procurement (PPMT) and the e-workflows using Ares, asked for new controls in place until the use of the new procedures and workflows become more habitual.

⁴⁰ This indicator shows the value of recovery orders actually issued compared to recommended recovery. Because the issuance of recovery orders may be lengthy, the indicator shows the situation after 12 months.

- The assessments of correct application of procurement procedures performed by the **Environment Advisory Committee (ENVAC)** are an important internal control tool. In 2020, ENVAC assessed 22 procurement files compared to 30 files originally selected (the number of assessed files remains stable, with 23 files in 2019, 21 files in 2018, 19 files in 2017). Out of the 30 files foreseen for assessment, eight files were carried over from the 2019 ENVAC selection; while four of the planned for 2020 procedures have been cancelled. In the reporting year, only six files have been assessed under the Full ENVAC procedure, while the majority of the files (16) have been dealt with under the more flexible ENVAC Lite procedure. ENVAC gave a favourable opinion to all assessed files.
- Five specific targeted trainings for financial assistants and policy officers managing contracts took place in July 2020; they have been organised by ENV.A.5 in order to improve the quality of procurement files and their filing in ARES taking into account issues identified by the IAS in the audit on studies and evaluations,
- **Ex-ante controls (LIFE and other grants):** In 2020, 3,06% of the total number of verified transactions have been adjusted following the rigorous ex-ante verification, in particular of all final payments made for the LIFE legacy grants managed by DG Environment.
- **Ex-post controls:** The ex-post "detected error rate" (on MUS audits) for LIFE remains below 2% (0,88%). The final error rate was calculated on the basis of 20 out of the 30 planned MUS audits, because of serious delays and difficulties in the deliverance of the audit reports by the external audit firm⁴¹. A rigorous monitoring of the contractor's performance and some remedial actions have been taken to ensure that the 2020 calculated error rate of 0,88% is representative.
- **Payment delays:** In 2020, DG Environment maintained the increased efforts have been put in place to reduce the percentage of delayed payments observed in 2018 (8.2%). Thanks to these efforts, late payments in 2020 accounted again for 3.2% of the total payments executed by the DG. Although this good result maintained a significant improvement compared to 2018, efforts will continue in 2021 to obtain an even better result and in particular, to reduce the amount paid late (which is around 10% and significantly above the Commission's average).

⁴¹ This difficulties caused mainly by the serious business disruption and long confinement periods in many Member states. The strict confinement measures in place in some Member States or regions have prevented the contractor and the LIFE beneficiaries to access project data stored in offices.

Estimation of the Detected Error Rate (DER) and Residual Error Rate (RER) on LIFE Grants

In line with the AAR Standing Instructions, the detected error rate (DER) and the residual error rate (RER) is calculated as follows:

The detected error rate (DER)

A comparison with the previous years is possible as the audit selection process has been consistent for years. On top, in the last five years, a total of 140 so-called MUS audits have been performed. This large number of audits provides strongly reliable estimation for the error rates. A multi-annual comparison of the yearly Detected Error Rates shows that the rates are low and relatively stable, after having declined drastically in the years before 2019:

ERROR RATE CALCULATION BASED ON PAYMENTS (% OF TOTAL ELIGIBLE COSTS)						
<i>The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited</i>						
Audit year - AAR year		2016	2017	2018	2019	2020
DER		0,44%	0,25%	0,19%	0,90%	0,30%
Auditable population (accepted costs)	amounts	210.942.654	205.948.574	195.390.688	205.591.421	207.277.984
	nb of grants	273	224	213	216	160
Selected randomly and audited (amount paid)	amounts	44.383.526	45.213.849	58.204.687	47.681.893	37.914.847
	nb of audits	30	31	29	30	20
Representativity	% population	21%	22%	30%	23%	18%
Recommended Recovery	amounts	196.723	112.601	110.913	429.650	207.072
	% of audited	0,44%	0,25%	0,19%	0,90%	0,55%
DER applied to auditable population	B	934.970	512.896	372.330	1.852.534	615.147
Recoveries issued the audit year	C	699.225	140.195	204.805	212.327	163.282
Net result	B-C=D	235.745	372.701	167.525	1.640.207	451.865
RER	D / auditable population	0,11%	0,18%	0,09%	0,80%	0,22%
ERROR RATE CALCULATION BASED ON TOTAL AMOUNT ACTUALLY AUDITED (*)						
<i>The error rate is calculated as a share of the amount actually audited (no extrapolation of findings applied in DG ENV)</i>						
Audit year - AAR year		2016	2017	2018	2019	2020
DER		0,79%	0,45%	0,34%	1,61%	0,88%
audited amount (accepted costs)	amounts				57.616.302	45.761.962
Recommended ineligible costs	amounts				929.246	404.579

(*) Clarifications on how the error rate was recalculated in accordance with the IAS recommendations (Note IAS Ref. Ares(2020)1504722 - 11/03/2020).

For 2019 and 2020 the total audited amount (instead of the total accepted amount) was used as the denominator for the error rate calculation.

For the purpose of the retroactive calculations for 2016 to 2018, the same proportion was applied (basis 2019), so the recalculated error rates for these years may deviate from the actual error rates.

Recalculated DER 2020 = 0,88% compared to 0,30% initially calculated.

In case the errors found are of a systemic nature, the error was NOT extrapolated.

	DER	RER
Error rates 2020	0,88%	0,74%
Average figure (last 5 years)	0,82%	0,57%

The current low error rates are the result of:

- Ex-ante controls, including good guidance from the start of the project, on-the-spot monitoring during the projects, and meticulous checks before the final payments;
- Ex-post verifications, which cover a substantial proportion of grants and amounts, thus probably deterring fraudsters.

Good articulation of ex-ante and ex-post controls over time has also been decisive. The best example was when ex-post auditors analysed the causes of errors and detected that personnel costs were the most likely costs to be at risk: the ex-ante controllers adopted the conclusions and improved, as early as 2010, their guidance for timesheets. This decision, the result of internal cooperation, proved to be decisive in leading to a lower error rate

The residual error rate (RER)⁴²

The results are calculated in accordance with the IAS recommendations (Note IAS Ref. Ares(2020)1504722 - 11/03/2020), i.e. paid amounts and recovered amounts are converted to the corresponding costs.

Calculation step	Result	Explanation
A. Detected ex-post error rate LIFE grants	0.88%	Ex-post auditors recommended rejecting €404.579 out of the €45.761.962 they audited.
B. Apply DER of 0.88% to total auditable population of €207.277.984	€1.832.535	Estimate of amount unduly paid in the auditable population.
C. Deduct recoveries issued the audit year (converted to the corresponding ineligible amount)	€292.084	Recovery orders issued in 2020 related to audits in previous years, which reduce the amount unduly paid in 2020.
D. Net result	€1.540.451	Net amount unduly paid.
E. Residual error rate (RER)	0,74 %	Net result of €1.540.451 divided by the

⁴² Please see clarifications on calculations on previous page

		auditable population of €207.277.984

Control results

Economy – Cost of controls

Procurement

Procurement procedures/launch of calls
Financial operations (ex-ante)
Supervisory checks (ex-post)
Overall cost of controls

Cost of controls		
FTE Officials		Total
N	€	€
0.5 AST	111,400	55,700
2.5 AST	111,400	278,500
1 AD	172,700	172,700
4		506,900

The corporate Public Procurement Management Tool (PPMT) was introduced in 2019, and was fully used throughout 2020. The tool facilitated the monitoring and control of the procurement procedures process from the moment of the request to launch from the operational unit until the contract has been signed. During the COVID pandemic, this e-tool allowed for business continuity and also to gain some efficiencies on different stages of the procurement process (e.g. templates, link with the e-submission, an automated filing in Ares system).

Grants - Direct Management

In order to estimate the cost of controls regarding grants in direct management⁴³, we have identified all technical staff allocated time, as well as the time for initiation and verification in the financial unit of DG Environment. To this breakdown (please refer to the table below), we added the cost of external monitoring of LIFE and the ex-post audits of mainly LIFE grants carried out by ENV.A.5 and two external contractors.

⁴³ Mainly in the framework of the LIFE programme, but also for the grants financed through funds co-delegated to DG Environment by other Directorates-General.

Financial Instruments and Indirect Management

The cost of supervision of indirect management is shared between several staff members of primarily Units ENV.F.2 and ENV.D.2, but also mainly from ENV.A.5. It represents a small or even a very small part of their time for each of them. The cost of such supervision does not exceed 0.5 FTE, the main part representing the supervision of the European Investment Bank (EIB), work on the entrusted Financial Instruments and the verification of grants in indirect management to some international organisations and of subsidies to the 2 decentralised Agencies that DG ENV supports (EEA and ECHA).

Grants, Financial Instruments and other Indirect Management

Cost of controls – Grants and FIs			
FTE Officials		Other (external) inputs	Total
n	€	€	€

Stages 1 and 2 - Evaluation, selection, contracting	1 AST	111,400	-	111,400
Stage 3 - Monitoring and execution (fin circuits)	1.5 AST	167,100	1,000,000	1,167,100
Subtotal ex-ante	2.5 AST	278,500	1,000,000	1,278,500
Stage 4 - Ex-post controls and recoveries	0.75 AST	83,550	313,306	396,856
Subtotal ex-post	0.75 AST	83,550	313,306	396,856
Financial Instruments and Indirect Management	0.5 AD	86,350	-	86,350
Subtotal FIs and IM	0.5 AD	86,350	-	86,350
Total costs	3.75		1,313,306	1,761,706

The total cost of controls, for both procurement and grants stands at: **EUR 2,268,606**.

Benefits of Controls

Prevented errors relate to funds that have been saved after the conclusion of procurement and grant procedures and have been re-allocated for use still in 2020. In 2020, a very rigorous monitoring of the implementation of all contracts has been put in place, to address increased risks due to the COVID pandemic. A lot of re-planning and

changes done to a significant number of contracts, to allow contractors to deliver the best possible results considering the prevailing confinement conditions in many of the Member States. These controls and early cancellations of commitments, when needed, allowed DG Environment to minimise - to the extent possible - losses of its resources.

Detected errors in procurement relate to mistakes in the pre-award phase (in 2020 for a number of published calls additional clarifications have been provided, 1 Open Call resulted in a non-award due to insufficient competition, while 2 Open Calls of 2019 have been republished with new terms of reference to correct detected errors). DG Environment is still responsible for the award and management of Preparatory Projects under LIFE. In this context, due to the rigorous revision during the evaluation phase of these proposals, the controls done detected errors in proposal and produced corrections to the amounts asked that otherwise would have been allocated to actions that were not eligible.

Corrected errors in procurement relate to non-eligible expenditure corrected ex-ante prior to final procurement payments (due to wrong invoicing and calculations mainly) which have been rectified mainly through credit notes; there have also been contracts with unused/unclaimed amounts which led to de-commitment of these unused resources. In 2020 there have been a limited number of wrong invoices, which have been corrected by asking contractors to provide credit notes and corrected invoices. Again in 2020, the controls of final procurement payments lead to reduced invoices of the amount due (due to non-delivery or delays in delivery and, in certain cases, due to early termination of contracts and partial delivery of the products due to the COVID pandemic). Benefits also result for the ex-post discovery of non-eligible expenditures due to irregularities or ineligible costs of grants for which recovery orders recommended from ex-post auditors or the verifiers are issued.

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

NB. The absolute values are presented in million EUR.

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total***	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	related funds managed/concerned*	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)* (g)/(b)
Procurement	0,33	48,35	0,68%	0,17	48,35	0,31%	0,5	1,03%
Grants (including FIs and IM)	1,36	102,62	1,32%	0,40	102,62	0,39%	1,76	1,72%
OVERALL total estimated cost of control at EC level	1,69	150,97	1,12%	0,57	150,97	0,38%	2,26	1,5%

* related funds managed/concerned = payments made, revenues and/or other significant non-spending items such as e.g. assets, liabilities, etc.

** ratio possibly “*Not Applicable (N/A)*”, e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc.; or if control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc.

** any ‘holistic’ control elements (e.g. with ‘combined’ ex-ante & ex-post characteristics) can be mentioned in the total column (without being in either one of the ex-ante or ex-post columns), provided that a footnote clarifies this (their nature + their cost). *Example: MS system audits in shared management.*

Audit observations and recommendations

Conclusion of the Internal Auditor on the state of internal control in DG ENV

There is one 'very important' IAS recommendation accepted and not reported as implemented by management and/or closed by the IAS⁴⁴.

Reported as not yet implemented by management

– 1. Audit on international activities in DG ENV (2019)

- **Recommendation No. 2: Coordination with DG DEVCO as regards Voluntary Partnership Agreements:**

Original due date: 01/08/2020 - Updated target date: 31/03/2021- 6 months overdue at the cut-off date of this report (31/01/2021) - 8 months of expected delay.

The IAS found that the allocation of voluntary partnership agreement processes had not been formally established between DG ENV and DG DEVCO. In addition, responsibilities for different steps in an individual voluntary partnership agreement process had not been established in any formal agreement, memorandum of understanding, working arrangements or procedure either between the two Directorates-General or at the level of DG ENV.

The lack of formalised working arrangements between the two Directorates-General regarding the management of voluntary partnership agreements may lead to common issues not being identified and acted upon in a consistent and timely manner. It could also result in key information being lost and it poses a risk to business continuity. This may in turn have a wider impact on the achievement of the EU environmental objectives regarding trade in timber, which could be damaging for the reputation of the Commission. It may also result in inefficient working practices.

DG Environment should establish in writing the responsibility for various voluntary partnership agreements with the DG DEVCO. It should also prepare and agree with DG DEVCO working arrangements regarding voluntary partnership agreements, including coordination and reporting mechanisms. These arrangements should be regularly reviewed. DG Environment is also working on closing the audit on the LIFE financial instruments: "Effectiveness and efficiency of the current framework" (ENV+CLIMA), carried out by the IAS in 2018. The following three recommendations are expected to be closed during the first half of 2021:

1. Functioning of the Steering Committee
2. Financial and performance monitoring
3. Visibility and promotion of the EU contribution

⁴⁴ Based on the latest reporting made by the DG/Executive Agency in TeamCentral (cut-off date 31/01/2020).

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

Annual assessment of the Internal Control Principles

1. Annual assessment of the Internal Control Monitoring Criteria

The ICMC of DG Environment for 2020 consist of 49 indicators (for the 17 principles under its five components).

Component 1: Control Environment

Minor deficiencies were identified related to:

- 42% of managers/staff replied in the internal survey that DG Environment takes appropriate and sufficient action to promote a flexible and dynamic work organisation, whereas the target was 45%.
- 30% of managers/staff considers that DG Environment takes appropriate or slightly appropriate action to promote mobility (same as last year).

Many of the indicators under this component use the EU staff survey 2018 as source. The following deficiencies can be noted:

- 46% of the DG Environment staff considers that the DG is organised in an efficient way; this is slightly below the EC score, which is 48%.
- Just 44% of the DG Environment staff considers having an acceptable workload, which is a decrease by 7% as from 2016 and should be compared to the EC score of 56%.
- There are also some concerns related to Learning and Development, where the DG scores lower than the overall EC. However, the DG's scores have increased in this area compared to the 2016 staff survey.

Component 2: Risk Assessment

- No weaknesses identified.

Component 3: Control Activities

- No weaknesses identified

Component 4: Information and Communication

- No weaknesses identified

Component 5: Monitoring Activities

- No weaknesses identified

2. The results of the internal control survey

The questions in the annual internal survey were updated for the survey launched for 2020. For the first time, the survey was sent to all DG Environment staff (a total of 542 persons). The response rate to the 2020 survey was 36%, but given the wide population it was addressed to, the volume of replies was significant, with almost 200 replies.

The assessment of the replies did not identify any significant control weaknesses. However, some concern was raised especially on the following issues:

- a) Despite the efforts made throughout 2020 on **staff mobility**, the scope in the survey on this topic remains at the same level as last year: only 30% of the staff consider the actions as appropriate or slightly appropriate.
- b) 42% of the staff consider that DG Environment takes appropriate and sufficient action to promote a **flexible and dynamic work environment**. Comments were raised concerning the particular situation during the COVID lockdown, where more support from the management would have facilitated the work load and arrangements. Some of the issues raised are however Commission related and not specifically at the level of the DG. Even so, more flexibility from the side of the DG would have been appreciated, e.g. possibilities to work from abroad and flexibility in working hours for parents caring for children while working.
- c) Internal communication flows in DG Environment: 66% find that the flows are exclusively/mostly top-down.
- d) Mid-range/low awareness scores were noted in the areas of **ethics, action in case of data breach** and **fight against fraud**. However, these results and comments need not to be considered as weakness in internal control. The comments indicate that staff is aware of the issues but not necessarily of the procedures to use to address these issues, while knowing where to find the information and instructions for this.

Suggestions were put forward on ways to further improve guidance and new ways to work.

3. The annual declarations by the Authorising Officers by Sub-delegation.

In this declaration, each AOS confirms that the commitments and payments authorised by them in 2020 are legal and regular and that the corresponding funds have been used for their intended purpose and in accordance with the principle of sound financial management. The AOS declarations do not indicate any significant weaknesses in the control system.

- 4. The reporting of **exceptions and non-compliance events** (ICP 12): In 2020, one exception and one non-compliance event were registered. Further mitigation measures have been set up in order to avoid recurrence of such incidents.
- 5. **Financial monitoring and reporting tools**, for information, action and supervision. A **"Financial Dashboard"** is regularly sent to senior management. It is based on a set of control indicators notably covering budget implementation, commitments and launches, payment delays, recovery orders, fines to Member States, forecast of revenue, RAL, and ENVAC. These monitoring reports, provided eight times in the year, are presented beforehand and discussed at senior management level, while they are also disseminated to all the DG. For a pro-active monitoring of payment delays, the twice-monthly **"Financial Priorities Report"** gives to each manager a listing of open invoices under his/her responsibility, with indication of those that are nearing the payment deadline. Furthermore, other tools

and reports from DG BUDG are used for monitoring the execution of the management of the LIFE budget and communicate this information to the management.

6. DG Environment's **risk register**: following the COVID lockdown, DG Environment carried out a targeted review of COVID-related risks and a COVID-dedicated risk register was put in place to facilitate specific follow-up. None of the registered risks was critical. The general risk situation was examined by senior management in the context of the corporate exercise on critical risks linked to the preparation of the DGs' management plans. No critical risk was identified.
7. **Anti-fraud activities and OLAF cases**: during the reporting year, the Finance Unit continued its efforts to raise awareness on fraud prevention. In 2020, the situation with cases transmitted to OLAF by the DG, initiated by OLAF or relating to potential fraud involving EU funds is the following:
 - One new case was sent by the DG to OLAF of which OLAF decided not to open an investigation for cost-efficiency reasons. We also received information of another case, where allegations came from a third party and OLAF decided not to open an investigation.
 - One case was closed by OLAF and a recommendation of recovery of funds was sent to the DG.
 - One case of investigation by the Member States of potential fraud was monitored by the DG together with the Legal Service.
 - The DG responded to at least five requests by OLAF to provide additional information.
 - DG Environment reported to OLAF on the state of play of implementation of six OLAF recommendations which were fully accepted by the DG.
 - The DG revised its Anti-Fraud Strategy, which has been endorsed by the management, and presented its new Anti-Fraud Strategy to the Direct Management Subgroup of OLAF.

On 31 December 2020, there is one case open by OLAF, which was notified by the DG in 2019.

8. **The European Ombudsperson**: No individual financial cases were brought to the attention of the Ombudsperson in 2020. DG Environment has fully implemented the recommendations made by the Ombudsperson in its own initiative enquiry on expert groups. The DG also provided replies to nine enquiries by the Ombudsperson on the implementation of environmental policies.
9. **Review of sensitive functions**: The process in place to identify and manage sensitive functions is effective. An extensive risk assessment of the sensitive functions was carried out in collaboration with all Directorates/Units concerned end of January 2021. This resulted in that the Head of Unit post of ENV.A5-Finance will be kept as a sensitive post, as will also the post of Local Authorisation Manager (LAM) in Unit A5. However, as from 2021, the Head of Unit of ENV.A.4- LIFE Governance, Administration, IT & Support Services, which has maintained the responsibility of the LIFE legacy projects and the LIFE regulation, will become non-

sensitive, as all the financial officers of LIFE have been fully integrated in ENV.A.5 Unit in 2020.

10. **Staff Allocation and Mobility:** The DG continued to pay special attention to the staff allocation and promotion of mobility in 2020. The risk to lose seven AD temporarily allocated positions foreseen by the end of 2020 (a risk that materialised with the 2021 HR allocations) and the extra workload linked to the European Green Deal obliged to look for inventive solutions. The following actions took our outmost attention:

- Continuous assessment of vacant posts in order to meet the DG's responsibilities in terms of reductions whilst at the same time taking action to transfer some vacant positions to more priority linked activities. All vacant positions also need to be filled as quickly as possible and we anticipated well in advance with an early publication of the future vacancy. Our vacancy rate was once again consistently lower than the Commission vacancy rate.

DG Environment promoted internal mobility with planned actions, resulting in 2020 to the internal transfer of 16 colleagues. In addition, the DG recruited nine colleagues from other DGs via article 29 and nine colleagues from other DGs arrived via the article 7 procedure. We also reintegrated four colleagues after CCP or secondment and also recruited six EPSO laureates.

11. **Document management:** Measures taken in 2020 focused mainly on making information and knowledge as widely available as possible, and ensuring documents are preserved in accordance with their informational, administrative, legal or historical value. The following measures have been taken:

Training:

- Due to the COVID-19 crisis, traditional training in groups was replaced by individual coaching session via VC. This resulted in a considerable drop of participants in comparison with the previous years;
- Several short VC training and coaching sessions on document management, information security and personal data for all staff have been organised to ensure knowledge of latest developments and of best practices;
- A total of 19 training sessions on document management/information security and personal data protection were organised in 2020 and 75 staff attended these sessions.

Implementation of e-signatories in the DG:

- Due to the rolling out of the new Public Procurement Management Tool (PPMT) and to the lockdown situation, the use of electronic workflows and signatures has increased.
- In 2019: 4046 registered document with e-signatory workflow (65 % of all registered documents, 93% with a SIGN task)
- In 2020: 5601 registered Documents with e-signatory workflow (74% of all registered documents, 96 % with a SIGN task)
- The use of electronic workflows for financial documents in the DG has been rolled out.

- The analysis on the feasibility to use qualified electronic signature (QES) for financial documents in the DG is ongoing. Presently, priority to receive a QES token has been given to DG Environment's authorising officers (DG, DDG and Directors).

Review of visibility of HAN files:

- The default visibility for files to be created in ARES has been changed from Environment to Commission visibility, as of 2018. This allows that, data and information in ARES are available, searchable and retrievable as widely as possible across the Commission. In 2020, all new files have been created with the default setting and file access has been restricted in case of legal or security requirements or clear justifications.

Reminders and reporting:

- ARES provides limited reporting facilities, but units received regular reminders in relation to registration and filing of documents.

Improved archiving procedures:

- Additional attention was given to review of e-filing system in units. This included training and guidance to staff.
- The number of filed documents in ARES is stable (in 2020: 20,656 documents have been created of which 629 documents are unfiled = around 97% of DG Environment's documents are filed).

12. **IT Security:**

The Commission Decision 46/2017 dictated that "IT security shall be based on a risk management process. This process shall aim at determining the levels of IT security risks and defining Security Measures to reduce such risks to an appropriate level and at a proportionate cost".

As such, all IT systems of DG ENV went through a complete IT Risk Management process in 2020. Primary and Secondary assets were identified and valued. Risks were identified, along with the corresponding measures identified and implemented to reduce the residual risk to acceptable levels. While systems already had security plans based on the old methodology, all system now have security plans compliant with ITSRM (The IT Security Risk Management methodology of the EC). The security information of all systems was updated in the corporate inventory.

Conclusion

DG Environment has assessed its internal control system 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:

- Possibilities for increasing **staff mobility**;
- Enhance efforts to promote a **flexible and dynamic work environment**;
- Formalising **working arrangements between DG Environment and DG DEVCO** for the management of voluntary partnership agreements (IAS recommendation rated “Very important”).

ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management

Objective: DG ENV employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business			
Indicator 1: Number and percentage of first female appointments to middle management positions			
Source of data: Commission data			
Baseline (1 December 2019)		Target (2024)	Latest known results (2020)
50%		+1	The DG has two vacant HoU positions, one female appointment will be enough to reach the target. The DG will also realise the Middle Management target M/W if the two posts are filled by women.
Indicator 2: DG Environment staff engagement index			
Source of data: Commission staff survey			
Baseline (2018)		Target (2024)	Latest known results (2020)
72%		74%	69% (2020/21 Pulse Survey) ⁴⁵
Main outputs in 2020:			
Description	Indicator	Target	Latest known results (31/12/2020)
To reach the target of first female appointments on middle management positions	1 appointment	By end of Q2 2020	No HoU post was finally published in Q2 (a HoU was transferred under article 7). Two HoU vacancies were published by end 2020.

⁴⁵ This decline may be linked to the excessive workload combined with the emotional impact of the long term lockdown. The DG will continue looking for synergies and dynamic allocation of resources, in parallel to actions related to the well-being of staff and the right to disconnect.

Development of a local HR Strategy	HR Strategy and action plan	By end of Q2 2020	Postponed for adoption in 2021 Q1, in line with corporate instructions and to allow for the integration of important developments (the HR situation created by the EGD priorities on the one hand, and the pandemic crisis on the other hand).
<p>Programme of internal online communication actions such as:</p> <ul style="list-style-type: none"> Online events such as coffee breaks with the Senior Management <p>Targeted information on policy achievements</p>	Number of events / policy campaigns implemented	<p>Regular pipeline of events during lock down/recovery</p> <p>Policy achievements regularly highlighted through internal communication means, including direct messaging and the DG's intranet/collaborative sites</p>	<p><u>Events</u></p> <p>Two broad social events were organised at DG level, one to welcome the new Director General in September 2020; another for Christmas. Several "online coffee breaks" were organised by the Deputy Director General.</p> <p><u>Policy information campaigns</u></p> <p>Important DG initiatives were announced by internal emails to all staff. Policy Information was regularly provided through the news page on the DG's intranet.</p>

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

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

Source of data: DG Environment

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
50% Average of 3 most expensive solutions	65% Average of 3 most expensive solutions	85% Average of 3 most expensive solutions	50% (1 of the 3 systems is still fully non-compliant as is under development)

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

Source of data: DG Environment

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
60%	50%	80%	60%

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

Source of data: DG Environment

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
20% of DG ENV staff followed local training in 2018] 100% of DG ENV controllers followed central training organised by DPO	40% of staff 100% of controllers	80% of staff 100% of controllers	10% of DG ENV staff followed local training in 2020 100% of DG ENV controllers followed central training organised by DPO

Main outputs in 2020:

Description	Indicator	Target	Latest known results
Creation of the ENV data platform	Availability of first version of the ENV data platform, supporting at least 2 data outputs as proof of concept	Q4 2020	ENV Data platform available, supporting 6 additional data sets, previously unmanaged.
Security Plans available and aligned with ITSRM2	Security plans for all IT systems of DG ENV in GovIS	Q4 2020	All GovIS IS entries with security plans, with ITSRM2 and sent to corporate services.

Coordinate knowledge sharing and collaboration with the partners of the Environment Knowledge Community (EKC).	Regular meetings and activities of the EKC (at Sherpa, Director and DG level).	Throughout 2020	The new, post-2020 EKC mandate and project proposals have been prepared and endorsed at Sherpa and Director-level. Four EKC Sherpa meetings were held, one horizontal directors meeting, and several other thematic meetings at Sherpa, Director or technical level (e.g. on biodiversity, on green data, on citizen science etc.)
EKC deliverable: Publication of the Guidelines on Citizen Science for Environmental Monitoring	Publication of the guidelines	Q3 2020	Published on 27 July 2020 as Staff Working Document. ⁴⁶
Increase staff awareness on data protection	<p>Data protection information included in the welcome pack</p> <p>Number of general data protection awareness communication sent to staff</p> <p>Number of general data protection events organised</p> <p>Percentage of DG ENV data controllers having followed training</p>	<p>Q4 2020</p> <p>1</p> <p>1</p> <p>100%</p>	<p>Data protection information included in the DG welcome pack, as planned</p> <p>5 data protection communications sent to staff</p> <p>1 general data protection event organised</p> <p>By end 2020, 100% of the data controllers had followed training</p>

⁴⁶

https://ec.europa.eu/environment/legal/reporting/pdf/best_practices_citizen_science_environmental_monitoring.pdf

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

Indicator 1: Environmental performance in the Commission

This indicator looks at percentage reductions compared to 2014 levels. It gives the weighted average for eight Commission sites participating in the Eco-Management and Audit Scheme (EMAS) on specific core parameters. The sites are Commission buildings in Brussels and Luxembourg, as well as JRC sites Geel (Belgium), Petten (the Netherlands), Seville (Spain), Karlsruhe (Germany), and Ispra (Italy), along with DG SANTE at Grange (Ireland)

Source of data: [Environmental Statement 2019 results](#)

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
<i>Energy consumption of buildings (MWh / person): -8.8%</i>	-5.2%	Achieve greater reduction	
<i>Water use (m³ / person): -9.5%</i>	-5.4%	Achieve greater reduction	
<i>Office paper consumption (sheets / person / day): -32%</i>	-34%	Achieve greater reduction	
<i>CO₂ emissions from buildings (tonnes / person): -24%</i>	-5.1%	Achieve greater reduction	
<i>Waste generation (tonnes / person): -15%</i>	-9.7%	Achieve greater reduction	
Main outputs in 2020:			
Description	Indicator	Target	Latest known results (2020)
EMAS webinar organised (June 2020)	Number of participants Number of proactive suggestions collected	High participation and at least 10 new suggestions from participants	29 participants, and more than 10 new relevant suggestions collected from the participants
Videoconference meetings are more and more encouraged. All the DG ENV meeting rooms have been renovated and equipped with last technologies in	Trainings on how to use the new installations were organised for colleagues, including lunchtime videoconference with the participation of SCIC	Reduce emissions from DG ENV's missions by 8% per year.	The target by 8% was by far overpassed in 2020 due to the pandemic situation. More than 95% of the planned and encoded missions were cancelled. The main meetings with MS

order to facilitate videoconferencing.	and DIGIT		experts were organised by videoconference.
Reduce the number of personal office printers to reduce unnecessary printouts.	Amount of paper used	Reduce the number of paper sheets used in DG ENV by 8% per year.	Most of the individual and unit printers were removed in 2020. The target of 8% of reduction of paper sheets was by far attended.
<p>Raise awareness to switch lights off when leaving the offices.</p> <p>Switch off remaining office lights by the last person leaving the office.</p> <p>Switching off the main power hub for each office PC at source (unplugging from main electricity supply to avoid stand-by consumption)</p>	Reduction of electricity consumption	Reduce consumption of electricity in BU-5 and BU-9 (DG ENV offices) by 8% per year	The electricity consumption during 2020, was reduced more, reaching a 60% reduction, mostly because of the crisis situation and measures by OIB.
Elaboration of guidance on the use of GPP in the procurement of studies and services	Draft guidelines established	2020	Output on hold pending the establishment of related corporate guidelines, to which DG Environment is contributing importantly.

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

1. Programme(s) concerned:

Multiannual Indicative Programme for the 'Global Public Goods and Challenges (GPGC)' thematic programme for 2018-2020 on behalf of the EU.⁴⁷

2. Annual budgetary amount entrusted:

EUR 500 000,00

3. Duration of the delegation:

72 months (delegation agreement runs from 16/6/2020 to 16/06/2022).

4. Justification of the recourse to indirect management:

The financing decision states that this action may be implemented in indirect management with the Organisation for Economic Co-operation and Development (OECD), which is an organisation pillar assessed by the Commission.

5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

The OECD has been selected using the following criteria: the organisation is a multidisciplinary intergovernmental organisation with a long-standing expertise on the economics and policy of the environment. Since 1993, it has been providing a unique forum to discuss, exchange views on and foster the application of environmentally effective, economically efficient and socially equitable instruments for the sound management of chemicals and wastes.

6. Summary description of the implementing tasks entrusted to these bodies. The OECD is responsible for the Environment Health and Safety (EHS) Programme, which has a long record of accomplishment regarding the development of best practices for the sound management of chemicals and their dissemination to OECD and non-OECD countries.

The action entitled '**Consolidation and implementation of international standards in chemicals management**' aims at providing developing countries and countries with economies in transition with knowledge, tools and methodologies for a sound management

⁴⁷ Commission Implementing decision of 21.11.2019, Brussels, 21.11.2019 C(2019) 8371 final.

of hazardous substances and to enable them to build more sustainable and pollution-free economies.

1. Programme(s) concerned:

Multiannual Indicative Programme for the 'Global Public Goods and Challenges (GPGC)' thematic programme for 2018-2020 on behalf of the EU.

2. Annual budgetary amount entrusted:

EUR 9 620 000,00

3. Duration of the delegation;

72 months (the contribution agreement runs from 01/10/2019 – 30/09/2026)

4. Justification of the recourse to indirect management:

The financing decision states that the United Nations Environmental Programme (UNEP) may implement this action in indirect management. This organisation has been pillar assessed by the Commission.

5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.);

The UNEP is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimensions of sustainable development within the United Nations system and serves as an authoritative advocate for the global environment. UNEP is also providing the Secretariat to a number of Multilateral Environmental Agreements (MEAs) and is acting as their financial trustee.

6. Summary description of the implementing tasks entrusted to these bodies:

The action, entitled '***Increase of the EU contribution to the Programme Cooperation Agreement to improve international environmental governance (under GPGC 2018-2020)***' will represent an increase in the 2018 EU contribution to the cooperation agreement between the Commission and the United Nations Environmental Programme (UNEP) established in 2019.

It will enable further EU voluntary support to the implementation of the programme of work of both UNEP and related multilateral environmental agreements (MEAs) in the areas of biodiversity protection and management of ecosystems, the transition to more circular economy, the sound management of chemicals and waste, the making and enforcement of environmental laws and policies, as well as the generation and management of environmental knowledge for policy-making in third countries.

1. Programme(s) concerned:

Multiannual Indicative Programme for the 'Global Public Goods and Challenges (GPGC)' thematic programme for 2018-2020 on behalf of the EU.

2. Annual budgetary amount entrusted;

EUR 2 130 000,00

3. Duration of the delegation:

72 months (the contribution agreement runs from 1/10/2020 to 1/10/2023)

4. Justification of the recourse to indirect management:

The financing decision states that the United Nations Development Programme (UNDP) may implement this action in indirect management. This organisation has been pillar assessed by the Commission.

5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

The UNDP is a duly mandated international organisation, with global experience and expertise in development assistance and the mainstreaming of thematic issues such as environment, health, and pollution into partner countries' development plans.

UNDP has been accelerating its work at the nexus of health and environment including by supporting policymakers to take multisector action and implement cost-effective policies, which respond to growing environmental threats such as pollution.

6. Summary description of the implementing tasks entrusted to these bodies:

The action entitled '**Advancing health and environmental sustainability through action on pollution**' will support governments in pilot countries to address pollution as a key environmental determinant of Non-Communicable Diseases (NCDs) and as part of broader efforts to respond to environmental degradation and the changing climate.

ANNEX 11: EAMR of the Union Delegations

Not applicable

ANNEX 12: Decentralised agencies and/or EU Trust

European Environment Agency (EEA) in Copenhagen: The objective of the Agency and of the European Environment Information and Observation Network is to provide the EU with objective, reliable and comparable environmental information at European level.

EEA is a Decentralised Agency with its own Financial Regulation, as per Article 70 of the Financial Regulation applicable to the general budget of the Union, is subject to a specific discharge procedure, and issues its own Annual Activity Report. The EEA Management Board consists of one representative of each of the 33 member countries, two representatives of the Commission (DG ENV and DG Research, with the Joint Research Centre and Eurostat as substitutes) and two scientific experts designated by the European Parliament. DG CLIMA attends as an observer.

Among its tasks, the management board adopts the multi-annual work programme, the annual work programmes and the annual reports, appoints the Executive Director and designates the members of the scientific committee, in accordance with the Regulation establishing the EEA [*Regulation (EC) No 401/2009 of the European Parliament and of the Council*].

There are regular meetings between DG ENV and the EEA at senior level to ensure coordination of activities, including in the context of the Environmental Knowledge Community (EKC). Information on planned calls for tender is exchanged on an annual basis to prevent duplication of actions.

In 2020, the EU channelled contribution to the EEA core budget was EUR 47.6M, including contributions from non-EU Member States.

European Chemicals Agency (ECHA) in Helsinki: Regulatory agency as per Article 70 of the Financial Regulation applicable to the general budget of the Union. It is the driving force among regulatory authorities in implementing the EU's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness. ECHA helps companies to comply with the legislation, advances the safe use of chemicals, provides information on chemicals, and addresses chemicals of concern.

In 2020, DG ENV paid EUR 3,1 M in subsidies to the ECHA for Prior Informed Consent Procedure (PIC) for certain hazardous chemicals and pesticides in international trade, for Persistent Organic Pollutant (POP), and for specific tasks under the Waste Framework Directive.