



# Management plan 2023

DG BUDG

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## INTRODUCTION

The EU budget has always been a key instrument to support the European Union in delivering on its policy agenda and investing in projects that no Member State can implement as efficiently and effectively on its own. The European Commission's Directorate General for Budget (DG BUDG) composed of 6 departments and 530 staff members, based in Brussels and Luxembourg, plays a key role in making sure the EU funds are well-spent in line with the rules and to the benefit of citizens across the EU and beyond.

Despite its relatively small size, DG BUDG is gaining an ever-growing role in EU policy making. In 2020, DG BUDG worked on the proposal and negotiations of the largest stimulus package funded by the EU budget, of over €2.0 trillion, consisting of the 2021-2027 long-term EU budget and the NextGenerationEU recovery instrument. In 2021, DG BUDG started borrowing to finance the recovery under NextGenerationEU, thus taking the steps to turn the EU into one of the largest issuers in euro. In 2022, DG BUDG mobilised the EU budget to secure support to Ukraine following Russia's war of aggression, to help the EU countries face the unprecedented inflow of refugees and to finance the investments in Europe's strategic autonomy. In November, the EU budget was key to underpin the proposal for an unprecedented support package for Ukraine of up to €18 billion for 2023, in the form of a joint borrowing guaranteed by the EU budget headroom.

All of these challenges that DG BUDG had to address in a very short period of time, combined with the existing spending priorities, have put the EU finances under strain. In 2023, DG BUDG will work on a mid-term review of the 2021-2027 long-term EU budget. As singled out in the Commission Work Programme for 2023, it "will be an opportunity to reassess if the current EU budget continues to provide the means for common responses to common challenges." On the revenue side, DG BUDG will put forward a proposal for a second set of new own resources to the budget, while continuing the negotiations on the first set of own resources presented in December 2021.

At the same time, DG BUDG will work closely with the relevant Commission services, with the other EU institutions, with Member States and with a wide range of external stakeholders towards the timely commitment of the funds under the 2021-2027 long-term budget and NextGenerationEU. Spending in line with the rules and protection against any misuse will remain a priority. In 2023, DG BUDG will continue implementing the conditionality regulation which offers an extra layer of EU budget protection in cases where rule of law deficiencies or risks threaten the financial interests of the Union. Finally, DG BUDG will take forward the SUMMA project – new corporate platform for the management of budgetary implementation, accounting, and treasury – which will make financial management for the entire Commission, agencies and other EU Institutions easier and more efficient.

To organise its work effectively and in full support of the priorities of the von der Leyen Commission, DG BUDG is putting forward the present management plan. It builds on the structure of DG BUDG strategic plan for 2021-2024, outlines the operational outputs that will shape DG BUDG's work during 2023 and explains how DG BUDG will deliver on the

three general objectives of the von der Leyen Commission *(i) an economy that works for people; (ii) promoting our European way of life; and (iii) a modern, high performing, sustainable Commission*, translated into seven specific objectives:

- Design, negotiate and manage the EU budget expenditure and revenue, including the borrowing and lending activity;
- Develop policy-relevant knowledge, performance and financial intelligence;
- Enhance the agility of the budget;
- Ensure that the amounts allocated from the EU budget are invested for the intended purpose paving the way to the discharge;
- Strengthen the protection of the EU budget;
- Promote a strong enforcement culture to protect the EU budget;
- Act as a centre of expertise and trustful partner for Commission services, other institutions and EU entities, Member States and beneficiaries regarding financial governance, internal control, accounting, treasury, financial corporate IT systems, financial risks and management of debt, assets as well as contingent liabilities.

The Management plan is organised in two parts:

**Part 1 - “Delivering on the Commission’s priorities”** - describes main policy ambitions and deliverables supported by external communication actions. The related performance indicators and targets are presented in the annex.

**Part 2 - “Modernising the administration”** - focusses on organisational aspects and describes the various steps that will be taken to modernise the way we work together, covering gender equality, digitalisation, collaborative working, sustainability and how we make the most efficient and effective use of the resources at our disposal.

## **PART 1. Delivering on the Commission's priorities: main outputs for 2023**

Through its many roles and activities, DG BUDG contributes directly or indirectly to all Commission priorities. It has a central role in the delivery on three objectives as outlined below.

### **GENERAL OBJECTIVE 3: AN ECONOMY THAT WORKS FOR PEOPLE**

*3.1. Design, negotiate and manage the EU budget expenditure and revenue that delivers efficiently on Union priorities and provides added value through the financing of EU public goods*

#### **Continue to secure funds for EU's priorities**

The two consecutive crises that the EU budget was called to address in 2020 and 2022, combined with the continued need to deliver on the Union's political priorities, including the green and digital transitions, have put the EU's long-term budget (Multiannual Financial Framework) as agreed in December 2020 under considerable strain.

More than 90% of the over €2.0 billion under the 2021-2027 long-term EU budget and the NextGenerationEU recovery instrument are pre-allocated for specific purposes, programmes or national envelopes. This makes it challenging to mobilise funds to finance new priorities or address unexpected emergencies.

To address this challenge, the Commission will present a **mid-term review of the multiannual financial framework** 2021-2027, which may, as appropriate, be accompanied by a proposal for a targeted revision of the MFF. This will be a key project for DG BUDG in 2023, which it is due to present towards the middle of the year. It will be an opportunity to re-assess if the current EU budget continues to provide the means for common responses to common challenges.

DG BUDG will also work on the implementation of a more strategic and predictable approach of EU financing support for Ukraine in 2023, starting from the unprecedented support package for Ukraine of up to €18 billion for 2023.

Another important policy file on which work will continue will be the Social Climate Fund (SCF)..

At the same time, DG BUDG will continue to work on the **successful implementation** of the existing programmes and initiatives. This includes both programmes from the core EU budget and those funded by the NextGenerationEU recovery instrument. A particularly important programme is the Recovery and Resilience Facility (RRF), as funds under the instrument can only be committed until end-2023. In 2023, DG BUDG will continue supporting SG RECOVER and DG ECFIN in the implementation of the instrument. More concretely, DG BUDG will continue to help assess whether the milestones and targets,

relevant to the protection of the EU budget, have been completed and provide the financing of the programme.

On the other side of the coin, DG BUDG will continue to deliver on its mandate of borrowing from the international capital markets on behalf of the European Union, securing the revenue needed to fund EU priorities, including NextGenerationEU and funding for Ukraine. Building on the NextGenerationEU **diversified funding strategy** DG BUDG will as of 2023 include all borrowing operations under a **unified funding approach**. Under this approach, the Commission – on behalf of the EU - will henceforth issue only “EU-Bonds” rather than separately denominated bonds for individual programmes such as SURE and Macro-Financial Assistance (MFA). DG BUDG will also be working with partner banks and other market participants to strengthen the liquidity of EU-Bonds on the secondary market. The funding targets for 2023 will continue to be outlined in 6-monthly funding plans, giving clarity to markets and reinforcing the Commission’s presence in the market as a predictable and reliable issuer. With the Recovery and Resilience Facility being a demand-driven instrument, decisions about forthcoming borrowing operations will continue to be guided by a careful assessment of the upcoming disbursement needs, via a reliable forecasting tool. To ensure a timely disbursement of the payments, DG BUDG will continue to work closely with the Directorates-General responsible for the implementation of the programmes receiving support under NextGenerationEU and to further improve business processes linked to liquidity management.

As agreed at the time of the agreement on the EU’s current long-term budget including the recovery fund and as pencilled in the interinstitutional agreement concluded by the European Parliament, the Council and the Commission in December 2020, the Commission would be proposing **new sources of revenue to the budget**, to cover the repayment needs of NextGenerationEU.

The first set of new own resources was proposed in December 2021. This was complemented by proposals on regulations on the making available and implementing measures for these new own resources in March 2022. Throughout 2022, **negotiations on the package** continued with EU Member States in the Council. At the same time discussions with the European Parliament –strongly supporting the introduction of new own resources – took place. In 2023, the Commission – represented primarily by DG BUDG - will continue to carry out its role as an honest broker in the ongoing technical negotiations between the EU Member States on the proposal, in view of reaching an agreement.

As already singled out in the Commission Work Programme for 2023, DG BUDG will present a proposal for a **second set of new own resources**, building i.e. on the proposal for a single set of tax rules for doing business in Europe (BEFIT). Together with a first set of proposals, these measures will ensure more diversified and resilient types of revenue and avoid undue cuts to Union programmes or excessive increases in Member State contributions, in view of repaying the grant component of the NextGenerationEU recovery plan and the related interest.

## Enhance the transformative role of the EU budget

The EU budget is a central EU tool to deliver on the twin green and digital transition. DG BUDG will work to make sure the budget plays its role both on the spending and on the revenue side, in the current long-term budget and in the longer run.

30% of the 2021-2027 long-term budget and NextGenerationEU goes to **fighting climate change and helping meet the climate neutrality target agreed in the European Climate Law**. 20% of the Recovery and Resilience Facility should go to digital policy. To make sure the EU delivers on these targets, DG BUDG will work closely with the other Commission services to guarantee the adequate monitoring and reporting of these targets. To demonstrate the results from EU action, the Commission will continue to report on the performance of our programmes and the progress towards the targets reached. To display the information in a user-friendly manner, DG BUDG will be producing a single document on each EU spending programme which will be made available on the website.

Reporting will also continue on the revenue side, and in particular when it comes to the NextGenerationEU green bonds. Following a successful first issuance in October 2021, the European Commission has to-date issued €35.5 billion of NextGenerationEU green bonds. Real-time information about the allocation of the funds is available online in the **NGEU green bond reporting tool**, released in Q1 2022. As committed at the time of publication of the NextGenerationEU green bond framework, in 2022 DG BUDG published the **first NextGenerationEU allocation report**, showing how the proceeds from NextGenerationEU green bonds have been used. In 2023, DG BUDG will release the **second edition of the report, as well as the first NextGenerationEU green bonds impact report**, which shows the results from NGEU green bonds on the ground. With this, DG BUDG will deliver on its commitment to the investors in EU securities, demonstrating that the funds raised with green securities have gone for truly sustainable objectives.

More generally, DG BUDG will continue to look at the big picture. In 2023, the **analytical work on the transformative nature of the EU budget will continue, through** drafting and release of dedicated policy papers, organisation of debates, engagement with stakeholders, in particular in the context of the mid-term review of the MFF. DG BUDG will continue to organise the Annual EU Budget Conference as a high-level forum on the EU budget and its evolving nature, its past and future. DG BUDG will also seek to participate in external events, to promote our narrative and strengthen our relationship with external stakeholders. Our analytical work will be underpinned by an integrated economic data modelling and EU programmes' performance analysis to assess the socio-economic impact of the EU budget.

## Translate the long-term budget into annual budgets

One of the unique features of the EU budget is that it combines a multiannual nature which sets the big picture with regular annual cycles which clearly define how the funds are allocated across the priorities. In view of making sure that the annual budgets are well targeted to address the most pertinent policy objectives, DG BUDG will continue to manage

the annual budget cycle in a predictable and comprehensive manner, through (i) a proposal for a draft budget, (ii) facilitating agreement and the adoption of the budget, and (iii) following up on budget implementation including any necessary amendments of the budget to incorporate new priorities.

DG BUDG will start preparing the **annual budget for 2024 already in January 2023**. To that end, DG BUDG will work closely with line DGs to make sure funds go to where they would generate the greatest impact, in full respect of the six headline priorities of the von der Leyen Commission, within the framework of the MFF and to the benefit of citizens, businesses, regions and other beneficiaries. In line with the regular cycle, a **proposal will follow in the spring of 2023**. A particular challenge we face will be accommodating the expected increased spending under Heading 7 (European Public Administration), particularly exposed to the elevated inflation. Built on 2% deflator, the MFF 2021-2027 was not programmed for the current level of inflation, which have a knock-on effect on the EU institutions running costs, in particular for energy and (staff salaries. This is putting this part of the budget under greater pressure than foreseen and will require additional efforts from all institutions to keep the expenditures within the agreed ceilings.

The MFF mid-term review will be negotiated in parallel and ideally both negotiations are due to be finalised in the autumn, in view of the start of the budget spending as of 1 January 2024, including any possible changes proposed in the MFF review.

Ahead of the Draft Budget 2024 proposal, and in line with standard practice, DG BUDG will make the annual adjustment of the MFF in line with Article 4 and 5 of the MFF Regulation. Moreover, in the framework of the Advisory Committee on Own Resources (ACOR) DG BUDG will agree with Member States on the forecast of the own resources' bases.

As every year, DG BUDG will also issue the updated annual report on the long-term forecast of revenues and expenditure of the EU budget in line with the requirements of Article 247 of the Financial Regulation. It will assess and demonstrate the compatibility of the expected EU payment needs with the available ceilings of the financial framework, evaluating the risk of shortfalls and, if relevant, suggesting mitigating measures.

Another important strand of DG BUDG work will be the assessment of the over/ under provisioning of budgetary guarantees and the provisioned loan programmes.

In parallel, DG BUDG will adapt the adopted budget for the year as necessary, both on the revenue and on the expenditure side, by presenting draft amending budgets of the current year.

## **Manage the budgetary and legal aspects of the new relations with the UK**

The UK is and will remain an important partner of the EU. DG BUDG will maintain its key role in managing and advising on the budgetary and programme implementation issues of the new partnership, and administering the regular UK payments to the budget in line with the UK Withdrawal Agreement.



Building on the experience acquired in 2021 and 2022 and in the context of the implementation of the Trade and Cooperation Agreement, DG BUDG will continue chairing the Specialised Committee on Participation in Union Programmes (SCPUP) on the EU side. It will steer the discussions on the association of UK to the Union programmes, including negotiations with UK, coordination of the operational DGs and providing guidance to them on the transitional measures to be undertaken, and contacts with the other EU institutions.

DG BUDG will also continue to calculate the relevant amounts to be paid by the UK as specified in Art. 148 of the Withdrawal Agreement. The invoices for the payments due will continue to be prepared and sent out twice a year, in April and in September.

NOTE: The indicators corresponding to specific objective 3.1 are listed on page 39-41.

*3.2. Develop policy-relevant knowledge, performance and financial intelligence in order to optimise the use of resources, influence policy design and ensure efficient and effective implementation of the spending programmes*

### **Lead the way in financial management, internal control and knowledge management**

DG BUDG will continue to lead the negotiations for revising the Financial Regulation launched in 2022, with the objective of concluding them in the course of 2023. The revision aims at further improving the protection of the Union budget, increased transparency of Union funding including with respect to shared management, and facilitating crisis management.

As part of its responsibilities as Central Financial Service, DG BUDG will continue to advise on the interpretation of the financial rules including those for decentralised agencies, joint undertakings and executive agencies, and ensure that the internal rules of the Commission remain adapted to the needs of authorising officers.

Moreover, DG BUDG will keep analysing and advising on the budgetary impact on any new Commission proposals, both in terms of funding and human resources.

On this basis, DG BUDG will continue to provide extensive policy, legal and financial advice in the establishment of new EU policy initiatives. Our objective will be to continue to ensure simple, efficient and result-oriented solutions thus incentivising cooperation in tackling common challenges at EU level.

In addition, DG BUDG will continue to play a key role in negotiations of financial framework partnership agreements with international partners and in negotiations of agreements to association of third countries to Union programmes, supporting key procurement operations by the Commission, supporting the design of simplified forms of funding and promoting harmonised rules and synergies between different funding programmes.

DG BUDG will also continue to ensure a decisive steer in the modernisation, standardisation and simplification of the Commission's budget implementation. To that end, in 2023 DG BUDG will keep providing guidance and promoting the use of integrated corporate tools and

solutions for financial and operational management, across the Commission and by the other EU institutions and bodies (eGrants, eProc, e Indirect management, SEDIA, etc.).

The above streams will ensure underpin the day-to-day support of DG BUDG to other policy DGs, EU bodies and agencies in implementation of Union financing.

DG BUDG will also continue to encourage” **knowledge-sharing across the Commission, EU institutions and bodies**. DG BUDG experts will continue to feed BUDGpedia, the one-stop-shop platform for financial and budgetary information hosted by DG BUDG, with up-to-date information on financial management, relevant news and learning opportunities (see also point 7.1 below).

Every euro from the budget should go to where the needs are and this should be easily demonstrated to stakeholders and citizens. As every year, an in-depth **analysis of the performance of the spending programmes** will be carried out in the context of the preparation of the draft budget 2023 and the Annual Management and Performance Report 2021.

NOTE: The indicators corresponding to specific objective 3.2 are listed on page 41-42.

*3.3. Enhance the agility of the budget by strategic planning and foresight, harmonised asset management as well as efficient use of financial instruments, budgetary guarantees and the budgetary headroom.*

### **Optimal use of resources within the available framework**

DG BUDG will work to prepare for the new financial challenges which will inevitably emerge in the year ahead, and which the Commission must be ready to anticipate and respond to. The EU budget’s room for manoeuvre to react to unforeseen circumstances is constrained by the size of the unallocated margins under the MFF ceilings and the special instruments defined in the rules that govern the MFF. DG BUDG’s role is to ensure optimal use of these limited resources through careful forecasting of the expected implementation.

The management of the long-term EU budget and NextGenerationEU will be supported by adequate **planning and strategic foresight** with the long-term forecasts of revenue and expenditure, including those related to NextGenerationEU, allowing for early detection of trends and risks, risk mitigation, analysis and prioritisation among competing, emerging demands. DG BUDG will work to ensure sound and reliable planning and forecasting.

In 2023, DG BUDG will continue to borrow funds on the capital markets to finance different EU needs. In this context, DG BUDG will ensure prudent management of the budgetary headroom. This will include two main types of activities. First, monitoring the sustainability of the EU fiscal capacity to cover borrowing liabilities by applying a dedicated EU adapted assessment methodology. Second, ensuring that at any point of time, the headroom is sufficient to cover all contingent liabilities falling due in the same year in full respect of the Own Resources Decision in force. In addition, DG BUDG will continue to ensure close coordination of relations and interactions with credit rating agencies and provide analytical support to underpin the EU credit rating.

DG BUDG will continue to **report on the sustainability of the Union contingent liabilities** and share its findings with the European Parliament, the Council of the European Union and the Court of Auditors in a transparent and informative manner, through the report on sustainability of Contingent Liabilities (Art. 250 Financial Regulation) encompassing budgetary guarantees, borrowing and lending activities and headroom sustainability.

### **Efficient asset and risk management of the EU budget guarantees, debt issuance and loan administration**

In 2022, DG BUDG continued to successfully borrow funds on capital markets to finance the NextGenerationEU recovery instrument, the MFA and SURE programmes.

For that purpose, DG BUDG used mainly the borrowing and lending infrastructure already put in place in 2020 and 2021 for NextGenerationEU. In 2022, DG BUDG continued to develop that infrastructure further, for example by launching the process for the setting up of the EU Issuance Service, a Eurosystem-based infrastructure for its bond issuance settlement. Work on the implementation of the project will continue, in view of a target launch date of H2 2023.

DG BUDG will also continue to ensure efficient **liquidity management** for the Commission's various borrowing programmes to enable smooth financial flows between borrowing and disbursements. At the same time, targeted **communication outreach and investor relations, exchange of information with peer issuers and a structured dialogue with the Member States** will remain key to our work in 2023, providing transparency, building market's recognition of the EU as a government style supranational issuer and supporting the wider development of the European capital market.

When it comes to the management of budgetary guarantees, in 2022 DG BUDG will continue working on the Commission-wide implementation of 'state of the art' risk-management and reporting systems for contingent liabilities linked to budgetary guarantees and provisioned loans through work overseen by Steering Committee on Contingent Liabilities. Work on the implementation and further development of the DG risk management tool-box will continue.

The Common Provisioning Fund (CPF) with a maximum estimated size of around EUR 30 billion over the 2021-2027 MFF, is the critical capital buffer for the system of EU budgetary guarantees. In 2023, DG BUDG will continue to manage the administration of the Common Provisioning Fund, through review of the manual, decisions on structure, compartment openings, among others.

NOTE: The indicators corresponding to specific objective 3.3 are listed on page 42-45.

### **STRATEGIC COMMUNICATION**

Strategic communication will support and accompany the delivery on EU budget strategic objectives under General objective 1: An economy that works for people.

Communication is key to support DG BUDG policy work. Over the past years, communication was instrumental to position the EU budget as a key tool to respond to the new and existing challenges before the EU, and to ensure good outreach to key stakeholders to the benefit of successful policymaking. The last point was particularly important in the context of the EU’s borrowing operations, where outreach to and engagement with existing and potential investors is essential for the success of EU as an issuer.

In 2023, DG BUDG will continue to carry out targeted communication work directed at specific audiences and with the goal to support the delivery on a set of clear objectives. This work will be carried out by DG BUDG’s communication team in close cooperation with the policy units and in cooperation with the Spokesperson’s Service and the Cabinet of Commissioner Johannes Hahn.

DG BUDG will work to support the implementation of the budget, communicate about its added value and its impact, which is essential for the better understanding and acceptance of this topic by the target audiences, including by the general public.

The slide below summarises the target audiences, the main communication objectives and contains a non-exhaustive list of deliverables.

## AN ECONOMY THAT WORKS FOR PEOPLE

 **Target audience**

**In Brussels**

- Other institutions (EESC, ECA, etc.)
- Think tanks, industry associations, business organisations
- Social media multipliers
- Commission staff to serve as multipliers
- Brussels press corps (together with the SPP and the Cab)

**In the Member States:**

- National and regional administrations
- National and regional parliaments
- Multipliers: NGOs, think tanks, industry associations, business organisations, online influencers
- Beneficiaries of EU funding
- Media and social media on the ground
- Commission Reps, European Direct Centres
- Citizens

**Beyond the EU:**

- Third countries
- International Organisations (WB, UN, etc.)

**Specific to investor outreach:**

- The investment community and multipliers

 **Objectives**

- Support the smooth implementation of the EU’s long-term budget and NextGenerationEU
- Urge stakeholders to make the most out of the opportunities that the EU creates for them
- Communicate on the impact of the EU budget on the daily life of the Europeans and thus reinforce a pro-EU feeling
- Contribute to neutral media coverage or pro-Commission media coverage;
- Generate positive talk about the added value of the EU budget both in Brussels and across the EU
- Pass the message that the EU budget is well-protected
- Support the general reflection on the evolving nature of the EU budget

**Specific to investor outreach:**

- Ensure open and transparent communication to the investment community to support borrowing and lending operations
- Steer the communication on EU DSF

Non-exhaustive list of actions

- ▶ Ongoing communication and outreach work to media in cooperation with the Spokesperson’s Service and the Cabinet Communication Adviser
- ▶ Constant update of the DG BUDG web presence; support to the Commission web presence on DG BUDG-related topics
- ▶ Actions to support the reflection on the evolving nature of the EU budget: promotion of the policy briefs, EU budget talks, Annual EU Budget Conference
- ▶ Outreach to specialised stakeholders and targeted presentations
- ▶ Enhanced use of social media

**Specific to investor outreach:**

- ▶ Outreach on EU DSF in line to steer the market
- ▶ Ongoing regular and open communication on borrowing and lending including website, three-monthly newsletter, IIIA announcements, press communication and outreach to specialised media outlets

Investor outreach will remain key for the success of DG BUDG borrowing and lending operations. In this vein, DG BUDG will continue to engage with the investment community through the channels established back in 2021 and by exploring new channels where relevant. A key challenge in 2023 will be the communication of the new unified approach to borrowing, and the establishment of the EU-Bonds brand.

Through the regular publication of EU budget policy briefs, DG BUDG will contribute to the policy debate among specialised stakeholders. The flagship Annual EU Budget conference and the series of regular EU Budget Talks will provide yet another platform for stakeholder

engagement and discussions on the topic of the EU budget. Moreover, BUDGpedia will be used as a platform for targeted communication within the finance community of the EU institutions. In addition, DG BUDG will continue maintaining its web presence and release a series of publications as per a pre-defined calendar available at the end of the current management plan.

NOTE: The indicators corresponding to strategic communication on general objective 3 are listed on page 53.

## GENERAL OBJECTIVE 5: PROMOTING OUR EUROPEAN WAY OF LIFE

*5.1. Secure that the amounts allocated from the EU budget are invested for the intended purpose, and ensure strict compliance with the financial rules in order to minimise errors, prevent fraud, enhance transparency, and pave the way to the discharge.*

Making sure that every euro from the budget is spent in line with the rules and generates added value is a priority for the European Commission. The Commission works closely with Member States – which implement a large portion of the budget – and with the other EU institutions towards this objective.

DG BUDG plays a key role in this work. The Commission's multiannual control systems are designed to ensure that EU funds are spent according to the rules, avoiding double funding and preventing errors and, if it is not possible to prevent errors, to detect and correct them, during the programme's lifecycle and take appropriate remedial action to address root causes of errors. To help the managers of EU funds reduce errors, DG BUDG provides support and guidance for the establishment and improvement of their audit and control strategies.

These efforts are bearing fruit and helping to ensure that every euro goes to where the needs are. To demonstrate that, DG BUDG will continue preparing and releasing a comprehensive set of reports, reflecting the Commission's commitment to transparency and accountability. For example, DG BUDG will publish in July 2023 the **Integrated Financial and Accountability Reporting** package, which consists of the consolidated Annual accounts of the EU, the Annual Management and Performance Report (incorporating information on the key budgetary achievements and on the protection of the EU budget), the long-term inflows and outflows forecasts, the report on the follow-up to the 2021 discharge and the annual report on internal audits.

With this, DG BUDG will steer the work related to the annual **discharge procedure** across the entire Commission. In 2023, DG BUDG will work to successfully complete the annual discharge for 2021, and kick-start the work for the 2022 discharge. To that end, DG BUDG will work with all relevant stakeholders, in particular the European Parliament and the European Court of Auditors, as well as with EU Member States in the Council.

More generally, DG BUDG will continue to work for a positive and constructive relationship between the Commission and the other institutions in the area of discharge. In particular,

DG BUDG will continue to **ensure a corporate steer of exchanges with the European Court of Auditors** on its strategic goals and work programme, as well as on operational issues such as the streamlining of procedures and communication around ECA reports. In this vein, DG BUDG will continue to implement the newly designed approach to replies to ECA special reports.

NOTE: The indicators corresponding to specific objective 5.1 are listed on page 45-47.

*5.2 Strengthen the protection of the EU budget from financial risks including through the Early Detection and Exclusion System (EDES), the generalised deficiencies as regards the rule of law in the Member States by greater transparency, knowledge sharing, and accountability achieved by regular dialogue between all concerned stakeholders.*

## **Financial risk management**

Financial risk management has gained further importance in view of the challenges brought first by the pandemic and more recently by Russia's war of aggression against Ukraine, the increase in energy prices and the ensuing inflation.

In 2023, DG BUDG will continue working in the direction of improving financial risk management, by strengthening its support to the Commission services, promoting adequate oversight. More specifically, DG BUDG will implement a centralised risk register which will allow to harmonise information on risks, to easily keep track of risks and their evolution over time. This tool will streamline the work of the Commission's departments and will facilitate corporate monitoring. DG BUDG will also continue to provide guidance to the Commission services for the set-up and implementation of cost-effective audit and control strategies, notably in relation to new programmes and instruments such as the Recovery and Resilience Facility, including by promoting the use of automated IT tools.

The protection of the EU's financial interests in relation to fraud prevention, detection, deterrence and sanctioning will be ensured through the continued operation of the **Early Detection and Exclusion System** (EDES). The System allows to early detect fraudulent or unreliable economic operators, to possibly ban them from receiving EU funds and to impose financial penalties. To further increase its effectiveness, DG BUDG will continue to raise awareness about this system, thus making sure it receives sufficient information about cases to assess. It will continue to ensure the Secretariat of the EDES Panel which assists the Panel during the adversarial process with the economic operator and in the issuance of the recommendation on exclusions and financial penalties. In the context of the targeted revision of the Financial Regulation adopted by the Commission on 16 May 2022, DG BUDG will continue to work on further strengthening of EDES, by better targeting its application to funds under both shared management and direct management where funds disbursed as financial contributions to Member States, for instance under the Recovery and Resilience Facility (the RRF). In 2023, DG BUDG will continue negotiating the proposal with the legislative authority.

The prevention of fraud will also continue to be reinforced through the Commission's anti-fraud strategy where DG BUDG works in close collaboration with OLAF.

As an additional layer of protection of the EU budget, DG BUDG will continue to apply the provisions of the **Regulation on a general regime of conditionality for the protection of the Union budget**. Applicable as of 1 January 2021, it makes sure that the EU is better able to protect the EU budget from breaches of the principles of the rule of law in the Member States. Together with the other instruments already in place, it will make sure that every euro goes to where it is needed and creates added value for the citizens. DG BUDG led the work which resulted in the first ever proposal for a Council Implementing Decision under the conditionality regime in September 2022. DG BUDG will continue to lead the implementation and enforcement of the Regulation to identify and assess possible breaches of the rule of law that affect or seriously risk affecting the EU budget, and ascertain whether the conditions to launch the procedure set out in the Regulation are fulfilled. To that end, DG BUDG has also published guidelines for the application of the Regulation.

DG BUDG will also pay particular attention to the application of Article 61 of the Financial Regulation on **conflict of interest**. It will support the actions of other relevant Commission services to ensure its enforcement and raise awareness both within EU Institutions and in Member States.

EU budget protection efforts will also continue on the revenue side of the budget. When it comes to the effective management and control of the EU's own resources, in 2023 DG BUDG will ensure strict compliance with the financial rules to minimise errors, prevent fraud and enhance transparency. To achieve this, DG BUDG will be:

- ensuring the timely and correct budgeting, calling, collection and recording of Member States' own resources contributions,
- calling late interest when own resources are made belatedly available,
- advising internal and external stakeholders on legal issues relevant to own resources matters,
- managing any questions with respect to the Protocol on the Privileges and Immunities of the EU and the VAT exemption of the Commission (recovery of VAT for official purchases), and
- ensuring effective and targeted cooperation with and at the request of OLAF in the follow-up of financial recommendations addressed to Member States to protect the financial interest of the EU revenues.

Moreover, DG BUDG will continue to follow up on the ongoing infringement cases involving a loss of Traditional Own Resources, taking appropriate action to recover the losses into the EU budget.

When it comes to risk management for borrowing and lending operations and debt management, DG BUDG, as a 'first line of defence' together with the Chief Risk Officer (CRO) as a second line of defence ensure the monitoring and management of any potential



risks (e.g. related to market and liquidity risks). The roles of Risk Management and the Chief Risk Officer (CRO) are to provide adequate protection of the financial interests of the European Union through sound governance, effective risk management and oversight of borrowing, debt management and lending operations. Since the appointment of the CRO, the CRO has developed the first risk governance and compliance framework ('the Framework') for NGEU operations, comprising the High-Level Risk and Compliance Policy ('HLRCP'), Market and Funding Liquidity Risk Policy and Operational Risk Management Policy. The Framework sets the Commission's strategic risk objectives; risk appetite and risk tolerance levels; defines the main financial and non-financial risks stemming from NGEU operations as well as the process for risk management, monitoring, and mitigation. It also promotes a strong risk culture in DG BUDG, i.e., the set of values, competencies, and behaviours of the staff, necessary to ensure proper risk management in the institution. The framework will continue to be enhanced through the implementation of the necessary risk management IT tools and continued improvement of the existing risk policies, based on experience and periodic reviews. Work will continue in 2023, in particular to extend the HLRCP and other related policies to the extension of the diversified funding strategy which aims to cover all borrowing, lending and asset management activities of the Commission.

## **Providing information on beneficiaries and recipients of EU funds**

DG BUDG is already running a system which provides detailed information about the beneficiaries of the EU budget under direct and indirect management – the **Financial Transparency System**. In 2021, it was upgraded to make it even more transparent and easier to use by the wider audience. The 2022 update – as well as the alignment with other sources of information that publish data on EU beneficiaries, especially on Horizon Europe, reflected the increased interest to this type of information. Work on running the platform and providing the necessary information to interested parties, including the European Parliament, will continue in 2023.

DG BUDG will continue to develop the system in light of the proposal for the targeted revision of the Financial Regulation to make the FTS showing data for all management modes.

DG BUDG will also work on the development of the Single integrated IT system (corporate) data mining and risk scoring tool (Arachne) aiming at further strengthening the protection of the EU's financial interests. The tool is currently provided to Member States and they use it on a voluntary basis for **funds under programmes managed in shared management and of the Recovery and Resilience Facility**. Important progress has been made under the rules adopted for the new generation of programmes as regards the type of data, which has to be collected by Member States, including data on beneficial owners. DG BUDG will continue working to make sure a growing number of Member States use the tool, by providing trainings and promoting a culture of increased transparency.

This work, led together with DIGIT, should also deliver on the proposal for the targeted revision of the Financial Regulation to improve the system and make it compulsory in all management modes. The tool aims to improve the quality and interoperability of data on recipients of



Union funding and on those ultimately benefitting, directly or indirectly, from Union funding to effectively prevent, detect, investigate and correct frauds or remedy irregularities.

NOTE: The indicators corresponding to specific objective 5.2 are listed on page 47-49.

### *5.3. Promote strong enforcement culture to protect the EU budget on the revenue side*

EU budget protection matters on the revenue side as much as on the expenditure side. In 2023, DG BUDG will continue working with relevant stakeholders to make sure all revenue due is collected in full and on time.

To that end, in 2023 DG BUDG will work for the good implementation of the own resources legislation. This will include work on the governance framework of own resources in cooperation with other services, and practical work on the correct collection of different own resources.

In addition, DG BUDG will be carrying out revenue control for traditional own resources (TOR) and VAT-based own resources. This work will include implementation of the annual risk-based inspection programmes, additional targeted desk audits based on specific identified risks, where required; recovery of unpaid own resources, among others.

Moreover, DG BUDG will continue to provide guidance to Member States on how to increase effectiveness in collecting and making available own resources.

NOTE: The indicators corresponding to specific objective 5.3 are listed on page 49-50.

## **STRATEGIC COMMUNICATION**

Strategic communication on the topic of the EU budget sound financial management and budget protection is key to improve the trust in the EU institutions. With this consideration in mind, DG BUDG will continue to communicate on this topic, proactively and, where necessary, reactively. This will help improve the understanding that every euro from the EU budget is well-spent, to the benefit of citizens in the EU and beyond.

## PROMOTING OUR EUROPEAN WAY OF LIFE



### Target audience

#### In Brussels

- Council of the EU, individual PERM REPS
- Other institutions (EESC, ECA, etc.)
- Social media multipliers
- Brussels press corps (together with the SPP)

#### In the Member States:

- National and regional administrations
- National and regional parliaments
- Multipliers: NGOs, think tanks, industry associations, business organisations, online influencers
- Beneficiaries of EU funding
- Media and social media on the ground
- Commission Reps, European Direct Centres
- Citizens



### Objectives

- Improve the understanding of the public that the EU has zero tolerance to fraud and that the Commission is doing its best – together with EU countries and other partners – to make sure every euro from EU budget is well-spent and generates EU added value
- Improve the understanding of how this is being achieved (e.g. simplification, enforcement activities, e-governance, fight against fraud / conflict of interest etc.)
- Improve the understanding on how the RoL conditionality regulation functions and how it is different from other European Commission tools
- Contribute to positive media coverage / neutralise and rebut negative media coverage
- Improve the image of the Commission

### Non-exhaustive list of actions

- ▶ Ongoing communication and outreach work to media in cooperation with the Spokesperson's Service and the Cabinet Communication Adviser
- ▶ Constant update of the DG BUDG web presence and promotion of the updated web content
- ▶ Promotion of specialised publications such as the IFAR package
- ▶ Mythbusting activities – EU budget fact check
- ▶ Specialised events – participation in third party events
- ▶ Enhanced dialogue and exchange of information with the European Court of Auditors, proactive communication around ECA reports, where relevant
- ▶ Support of topics and events organised by the Commission Representations on the ground

To support the communication on this General Objective, DG BUDG will produce a number of publications summarised in the table on page 25. These include the IFAR package which is essential for the start of the discharge procedure, itself a communication milestone linked to the production of several publications.

Following the launch of the new approach to corporate communication around ECA reports in 2022, in 2023 DG BUDG will work closely with line DGs to ensure more pro-active communication around sensitive ECA reports. The objective will be to ensure balanced presentation of the arguments put forward in the report.

NOTE: The indicators corresponding to strategic communication on general objective 5 are listed on page 54.

## GENERAL OBJECTIVE 7: A MODERN, HIGH PERFORMING, SUSTAINABLE COMMISSION

**7.1. Act as a centre of excellence and trusted partner for Commission services, other institutions, agencies and bodies, Member States and beneficiaries regarding:**

- **high performing financial governance**, single (simplified) rulebook, transparency, smart reporting and derived intelligence, single audit approach, compliance and accountability
- modern, sound and efficient management of **accounts, treasury, financial risks and corporate financial and contract management IT systems**
- stronger central oversight and **management of debt, asset, and contingent liabilities** in view of ensuring sustainability of the EU budget

- **performance optimisation** through developing, implementing, monitoring and evaluating policies in an evidence-based, transparent and collaborative way with stakeholders and experts
- **robust internal control** that helps the Commission to achieve its objectives and sustain operational and financial performance.

DG BUDG is a central service which cooperates with colleagues across the board both in terms of policy making and when it comes to day-to-day operations. It communicates regularly with its stakeholders via multiple networks and knowledge management platforms.

In its role of financial domain leadership, DG BUDG will continue to simplify processes and infrastructure to make them more efficient and fit for the digital age

In addition to work undertaken in several strands such as performance or management of debt, asset, and contingent liabilities already presented earlier in this plan, DG BUDG will provide state-of-the-art accounting and treasury services and continue with the implementation of the new state-of-the-art corporate IT and data management tool, SUMMA.

## Domain leadership


The Central Financial Service plays a key role in the dissemination of a solid internal control culture at all levels of the institution. Together with the Secretariat-General, DG BUDG will continue to exert corporate oversight on risk management to foster coherence in the identification, assessment and response to critical risks and to identify and address any crosscutting critical risks. It will continue to support the services in implementing the Commission's internal control framework while pursuing the modernisation of the internal control monitoring and reporting tools. More specifically, DG BUDG will roll out its new tool centralising several registers that are compulsory in the context of the internal control framework: a risk register (see specific objective 5.2): the **register of reservations, the register of exceptions and of non-compliance events and the register of internal control monitoring criteria**. This will make it possible to harmonise the information across the Commission departments, to keep track of the corresponding data and information. Work will be streamlined and corporate monitoring, facilitated.

Building on [BUDGPedia](#), the knowledge-management platform hosted by DG BUDG, the Central Financial Service (CFS) will continue to improve its support to the Commission services, other institutions and bodies as regards the Financial Regulation, its application and interpretation. The CFS will continue to facilitate the sharing of financial and budgetary knowledge and exchange of good practices among Authorising Officers by Delegation (AODs) and carry out communication and coordination activities including communities of practice and Inter-DG networks (such as the network for Finance Heads of Unit, known as RUF) promoting a **financial knowledge-sharing culture**.

In terms of **learning and professionalisation of the financial community**, the CFS will improve the learning offer through blending physical training and e-learning tools, aligning it to emerging learning needs in the finance community. It will also contribute to creating recommended learning paths per given staff profiles, linking them to the overall promotion of knowledge management in the finance domain.

The Helpdesk of the Central Financial Service will continue to play an active support role in explaining and disseminating information about the applicable financial rules.

### COMMUNICATION ACTIVITIES AS DOMAIN LEADER ON FINANCIAL MANAGEMENT

	<p><b>Networks for better collaboration</b></p>	<p>Existing corporate networks animated by BUDG will provide 2-way communication to all services on the most important topics in financial management and internal control.</p>
	<p><b>One-stop-shop: BUDGPedia</b></p>	<p>BUDGPedia website, the corporate one-stop-shop will continue to provide the staff of all EU institutions and agencies easy access to the latest financial rules, procedures, models, information about blended financial learning and more.</p>
	<p><b>Reliable information, training and advice</b></p>	<p>BUDG will offer a wide range of information and advice for the finance community, including the Financial Helpdesk, blended financial learning, messages, monthly newsletters, meetings of the Finance Units Network and communities of practice.</p>
	<p><b>Improved financial governance</b></p>	<p>BUDG will communicate about joint budget planning, an uniform application of pillar assessment rules, single audit approach and cross reliance on existing audits and controls as well as on public internal control and risk management.</p>
	<p><b>Streamlined processes through digitalisation</b></p>	<p>The communication about new corporate IT tools for grants and procurement as well as SUMMA financial system will inform future users about new functionalities for simplified and more harmonised corporate management of EU funds.</p>

## Centralised reporting

Centralisation of reporting is the key to ensure coherence when disseminating information on the various financial aspects managed within DG BUDG. This centralisation provides **modern and high-quality reports representing the single version of the truth** to the Commission and external stakeholders. In November 2022, the dashboard on open transactions, providing a clear view on items requiring a management action, will become available for the entire Commission. A robust database for performance results is under development and will go into production in early 2023, to allow the collection of high-quality performance data. The financial scorecard measuring the financial performance has been further completed with additional indicators.

A first attempt to improve the accuracy of forecasts through predictive forecasting provided limited but encouraging results that will be further developed in 2023.

DG BUDG will continue to publish the annual data on the EU spending and revenue allocated to the Member States. In September 2022, the interactive chart with supporting data file became available for the internal and external users on the Europa website. Further work on the full automatization of data reporting will be continued in 2023.

## Accounting and treasury

DG BUDG is the central treasury service of the Commission, managing all the treasury operations related to the implementation of the EU budget. It also provides treasury services to 35 other EU Institutions and bodies. In 2023, the treasury will continue to develop its **robust forecasting capacity allowing matching inflows and outflows of cash resources**. It will continue to use the latest banking technologies to ensure cost and time efficient, reliable and secure payment processes with a specific focus on integrating latest banking technologies with the SUMMA framework. It will also expand the ongoing ACH (Automated Clearing House) project to further optimise the execution of administrative payment of EU Delegations. In 2023 the treasury will introduce the new centralised cash management model and will work actively with other parts of the DG to establish the best liquidity management mechanisms possible for all new initiatives, notably for the collection of new own resources.

DG BUDG will maintain a high-quality central accounting function that provides guidance and support and is a centre of expertise on accounting for EU Institutions and bodies consistently producing world class annual accounts, prepared according to the highest international standards. DG BUDG will continue to be involved in accounting discussions across the world, to ensure that the Commission influences developments appropriately.

2023 will involve significant efforts, led by BUDG, to implement the International Public Sector Accounting Standard (IPSAS) 43 on leases. This will require an in-depth analysis of the existing lease contracts as well as the set-up of data capturing, recording and accounting processes across the relevant DGs and Services to ensure new lease contracts are accounted for in line with the IPSAS 43 accounting model.

To ensure that DG BUDG can focus its resources on the role of domain leader providing accounting guidance and support, during 2023 it will pass the responsibility for the accounting for its agency clients back to these entities, as was done with the Joint Undertakings in 2022.

The 2022 EU annual accounts to be issued in 2023 will contain significant amounts relating to the InvestEU and NDICI activities which have accelerated in 2022 – these, like other financial activities, will have to be accounted for under IPSAS 41, introduced in the Commission last year as a pioneer of the worldwide implementation of this standard. Prompt and quality reporting from the implementing partners, many new to the Commission, will be ensured through strong collaboration and training given by BUDG accounting services. As well as aiming for a transparent and value-added reporting to stakeholders, as is done for all elements of the annual accounts, a specific objective for financial instruments reporting is to create a clear link between accounting for contingent liabilities and the Commission's risk management framework.

DG BUDG, considering the control environment, will focus validation resources on the assessment of the introduction of SUMMA in the Pilot Agencies, as well as preparatory work for the assessment of SUMMA's introduction for the Commission and the validation of the

related local systems. In so doing, it will be able to develop and use tools to increase the efficiency of its supervisory controls, automatise its processes and reduce the administrative burden on other Commission departments after the advent of SUMMA.

DG BUDG will also pursue a robust recovery process at Commission level. This is key to ensuring that amounts owed to the EU budget are duly paid and that the EU's financial interests are adequately protected. In 2023, it will continue to implement an **enhanced corporate debt management strategy** aimed to improve the effectiveness and efficiency of the recovery process across the Commission, through (i) preventing and avoiding, as much as possible, irrecoverable debts; (ii) ensuring appropriate management attention in authorising departments; (iii) reducing complexity and workload across the Commission; (iv) averting and mitigating any reputational risks.

During 2023, DG BUDG will also pay particular attention to recoveries following OLAF's financial recommendations; in cooperation with OLAF an active follow-up of these measures will be undertaken.

## Revision of the Financial Regulation

In 2022, DG BUDG proposed **targeted adjustments to** the Financial Regulation to align it with the rules adopted for the current long-term budget 2021-2027, and to further improve the already very high standards of EU financial rules, for an even more transparent, better protected and more agile budget. Negotiations in the European Parliament and in the Council are currently ongoing, with the objective of reaching agreement as soon as possible.

## Corporate financial IT systems

DG BUDG, in its role as leading service in the financial domain, will continue the preparation and deployment of the new **IT corporate financial platform, SUMMA**, which will replace the current ABAC. SUMMA will be a modern and integrated financial system, incorporating state of the art financial processes based on best practices and industry standards, and fully integrated within the EC corporate IT landscape.

This major project is fully in line with the Commission's digital strategy and contributes to its implementation. As such, SUMMA will provide an important contribution to the **modernisation and digitalisation of the EU administration**. It will support the Commission's key financial day-to-day activities with the latest available technology from SAP. Beyond the technology replacement, this project provides the opportunity to standardise and simplify the Commission's financial and accounting processes, and facilitates the decision-making process through integrated reporting and enhanced analytics capabilities. The roll-out of SUMMA for three pilot agencies (ERA, CINEA and EUROJUST) was completed early in 2022. The work on designing, building and testing the solution for the Commission specific business processes will pave the way for SUMMA to go-live by the end of 2023.

In the meantime, as SUMMA and ABAC continue to co-exist, DG BUDG will also ensure the **business continuity of the current ABAC and related systems.**

ABAC will remain the Commission's corporate financial and accounting information system managing the financial transactions, accounts, treasury and disclosure of the Commission and more than 50 other EU Institutions and Entities, up until the go-live of SUMMA in all relevant bodies.



Besides ABAC and SUMMA, DG BUDG is also responsible for the maintenance and further development of other corporate systems supporting sound financial management. These are further described in part II of the MP.

NOTE: The indicators corresponding to specific objective 7.1 are listed on page 50-52.

**STRATEGIC COMMUNICATION**

The strategic communication under strategic Objective 7: A modern, high performing, sustainable Commission is mainly targeted at internal and highly specialised audience in the EU institutions and agencies. It is linked to promoting knowledge management through targeted outreach to the community of specialised finance professionals. The table underneath provides a general overview of the outreach activities under this strand.

**A MODERN, HIGH PERFORMING, SUSTAINABLE COMMISSION**

 Target audience	 Objectives	<b>Non-exhaustive list of actions</b>
<p><b>In Brussels</b></p> <ul style="list-style-type: none"> <li>• European Commission management and staff</li> <li>• EU Institutions – European Parliament, Council of the European Union, European Court of Auditors</li> <li>• Agencies and bodies</li> </ul> <p><b>In the Member States and beyond:</b></p> <ul style="list-style-type: none"> <li>• EU budget implementing partners</li> <li>• National and regional administrations</li> <li>• National and regional partners</li> <li>• Citizens</li> </ul>	<ul style="list-style-type: none"> <li>• Improve the understanding of the public that the EU has zero tolerance to fraud and that the Commission is doing its best – together with EU countries and other partners – to make sure every euro from EU budget is well-spent and generates EU added value</li> <li>• Improve the understanding of how this is being achieved (e.g. simplification, enforcement activities, e-governance, fight against fraud / conflict of interest etc.)</li> <li>• Contribute to positive media coverage / neutralise and rebut negative media coverage</li> <li>• Generate a positive talk about the management of the EU budget both in Brussels and beyond</li> <li>• Contribute to the positive image of the EU public administration and DG BUDG in particular as a Central Financial Service</li> </ul>	<ul style="list-style-type: none"> <li>▶ Enhanced cooperation with the DGs and agencies via existing and new networks</li> <li>▶ Regular update of internal and external information resources and wide distribution of the information</li> <li>▶ Opportunities for blended financial learning</li> <li>▶ Strategic coordination and communication on modernisation (Sedia, Summa...) and improved E-governance</li> </ul> <p><b>Internal:</b></p> <ul style="list-style-type: none"> <li>▶ BUDG Net + BUDGpedia</li> <li>▶ BUDG Times + Media review</li> </ul>

BUDGpedia is central to the DG BUDG work to maintain and strengthen the community of financial professionals, to ensure knowledge sharing and adherence to the highest professional standards. After a successful launch in 2021, BUDGpedia gained popularity in 2022. For 2023, the continuous upload of fresh content as well as new features are foreseen. BUDGpedia will continue to be a vehicle for strategic communication to the finance community (roll-out of SUMMA, new initiatives to modernise and digitalise financial



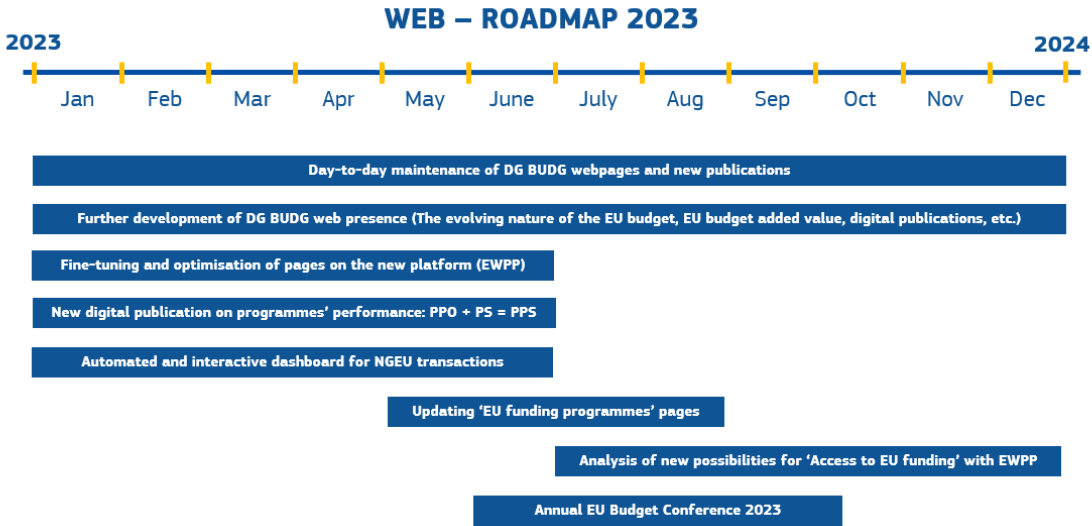
management, new knowledge-sharing initiatives in the finance domain).

**STRATEGIC COMMUNICATION – horizontal work strands**

Much of the communication and outreach work in DG BUDG is overarching and not limited to the service of a single general objective. The following section summarises the communication in three horizontal directions – web, publications and communication.

**Web projects**

Web presence is of growing importance for the successful interaction with target audiences. In addition to update and maintenance of existing projects, DG BUDG will develop further its presence as per the projects outlined below.



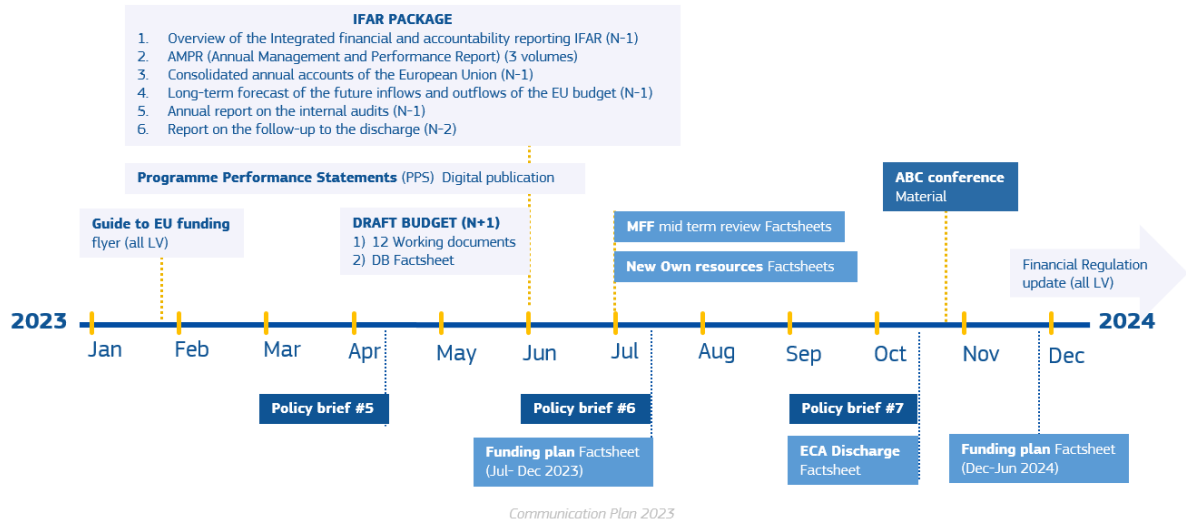
**Publications**

DG BUDG traditionally prepares a mixture of publications that cover publications required by EU law and publications to general audiences. This practice will continue in 2023, also taking account the reporting needs of our borrowing and lending operations, as per the timeline below.



## BUDG PUBLICATIONS – ANNUAL OVERVIEW 2023

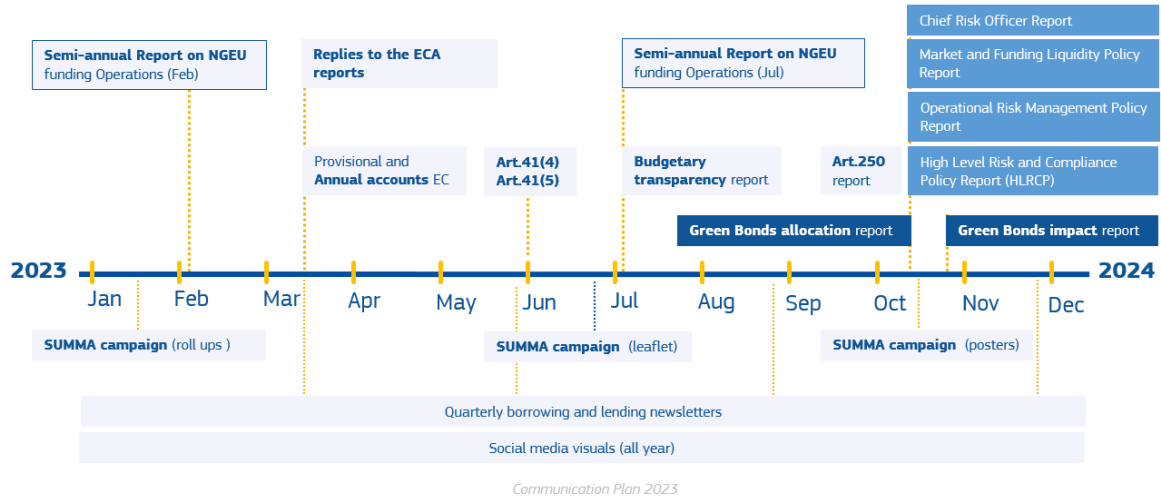
### Main titles



Unit 03 will also support other budget units with graphic design for multiple reports and communication products.

## BUDG PUBLICATIONS – ANNUAL OVERVIEW 2023

### Other reports, communications



NOTE: The indicators corresponding to strategic communication on general objective 7 are listed on page 54-55.

## **CONCLUSION:**

Placed at the heart of EU policy making, in 2023 DG BUDG will continue to contribute to the delivery on the general European Commission objectives, closely linked to the policy priorities of the von der Leyen team.

The current management plan outlines DG BUDG contribution to three main objectives:

- (i) an economy that works for people;*
- (ii) promoting our European way of life; and*
- (iii) a modern, high performing, sustainable Commission*

and explains how DG BUDG will deliver on them, on the basis of seven specific objectives.

It also specifies how DG BUDG cooperates with the other Commission services, EU institutions and other internal and external stakeholders, and communicates about its work, on the basis of a clear steer by the Spokesperson's Service and the Cabinet of the Commissioner for Budget and Administration.

The management plan is subject to adaptation based on overarching policy priorities which may impact the political agenda – a recurring pattern over the past years.

## **PART 2. Modernising the administration: main outputs for 2023**

The internal control framework<sup>1</sup> supports sound management and decision-making. It notably ensures that risks to the achievement of objectives are considered and reduced to acceptable levels through cost-effective controls.

Directorate General for Budget (DG BUDG) has established an internal control system tailored to its characteristics and circumstances. The effective functioning of the service's internal control system will be assessed on an ongoing basis throughout the year and be subject to a specific annual assessment covering all internal control principles.

### **A. HUMAN RESOURCE MANAGEMENT**

In 2023 DG BUDG will continue to focus on the effective management of its human resources to deliver on the political priorities it is responsible for and contribute to the Commission's over-arching priorities. Implementing the actions from DG BUDG's HR strategy and action plan, adopted in the autumn of 2022, aiming at enhancing its recruitment procedures, DG BUDG will foster an ever more positive work environment, supporting talent through career development opportunities, and delivering high quality HR services to DG BUDG staff, **in line with the Commission's new Human Strategy.**

The current difficult economic and political landscape and the resulting high workload implies a stronger focus on staff well-being and internal communication, as well as a greater investment in maintaining staff engagement as stated in DG BUDG's HR Strategy and action plan 2022-2024. In parallel, in 2023 DG BUDG will (i) continue to raise awareness on Equality, Diversity and Inclusion issues through lunchtime conferences and other targeted events and (ii) to pursue gender balanced appointments in 2023.

#### **Internal communication**

Staff are our best ambassadors. In 2023, DG BUDG will continue to use a mixture of tools to engage with DG BUDG staff and reach out to existing and new Commission employees to demonstrate that DG BUDG is an excellent place to work and to promote cooperation across teams.

Communication tools will include the well-established BUDG Times newsletter, DG BUDG's intranet and the Commission MyIntracomm platform, the organisation of lunchtime conferences and other internal events, in parallel to participating in the internal communicators' network.

The good cooperation established between the internal and external communication teams will ensure that internal audiences receive the same information at the same time as

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<sup>1</sup> [Communication C\(2017\)2373 - Revision of the Internal Control Framework](#)

external ones, while receiving additional details about the internal process preceding every major policy announcement. This approach contributes to the feeling of belonging and increases the motivation of staff.

## **HR strategy 2022-2024 and action plan**

Within the overall framework of the overarching corporate objectives, the broader goal of DG BUDG's HR strategy is to serve the main specific objectives put forward in part 1 of this document, via a series of actions developed in consultation with staff, covering the following main themes:

### **Equal opportunities**

Reaching the overall target set by President von der Leyen to achieve gender parity amongst management staff across the Commission by 2024 will remain a priority for the DG. Women currently account for 48,3 % of DG BUDG's middle management population.

This will be done through alerting eligible women administrators to management vacancies in the DG and by improving the quality, content, and attractiveness of vacancy notices. DG BUDG will also proactively offer one-on-one encouragement and advice to women applicants throughout the application process.

Staff with management potential (both men and women) will be offered the opportunity to apply for a specific in-house talent management programme which combines training with coaching, in order to foster leadership abilities and to encourage those selected to take on additional responsibilities over time to prepare a future management role. Particular attention will also be paid to the geographical balance of staff and managers.

In addition, DG BUDG will support informal networking initiatives within the DG for parents/single parents with small children and colleagues returning from maternity leave or long-term sick leave, and for LGBTQIA+. DG BUDG's Equality Action Plan will ensure an inclusive and diverse work environment where all people enjoy equal rights, opportunities, obligations, influence, and consideration.

### **Staff engagement**

DG BUDG's staff is highly engaged as demonstrated by the results of the 2021 staff survey (overall score of 74%) which also show colleagues are particularly proud of and appreciate teamwork. 89% believe that they have good and supportive working relationships with their close colleagues and team members. 87% believe their colleagues are committed to doing quality work, and 86% say that in their team, they work together to improve the way they deliver on their tasks. Most colleagues – 89% – have a clear understanding of what is expected from them at work, while 80% like their job content and tasks in general.

The wide range of staff engagement actions foreseen in the HR strategy 2022-2024 are designed to drive staff well-being and engagement forward. In this context the availability of BUDG's senior and middle managers to listen to staff and to address concerns as they arise is particularly important.

## Well-being

DG BUDG will continue to promote inspiring, empowering, and innovative leadership at all levels of management, based on trust and support, in order to provide a manageable workload and a good work/life balance for all colleagues.

In 2023, DG BUDG will propose events and leisure activities under the Commission's umbrella BeWell@work programme such as indoor and outdoor sports <sup>(2)</sup> and art events, (including BUDG's art@work activities) and will also organise summer and Christmas parties to bring colleagues closer together.

## Mobility & career development

DG BUDG actively seeks to attract suitable staff by using a dynamic approach in its management of vacant positions and recruitments.

In 2023, the organisation of/participation in specialist competitions should ensure that the profiles needed to keep up with policy and technological advances can be successfully recruited. In collaboration with corporate HR, special attention is already paid to filling vacancies in Luxembourg.

Regarding DG BUDG's domain leadership role, the development of new learning packages for all financial actors (Action 16 of the corporate HR strategy) per job profile will be rolled out and operational in 2023.

By identifying knowledge clusters and gaps and by preparing colleagues for more active engagement in policy design, DG BUDG also aims to increase and refine inter-DG cooperation and encourage intra-DG project teamwork. In addition to training, DG BUDG will continue to invest in transforming the way we work, moving towards more automated processing allowing staff to focus on more value-adding tasks.

In line with the HR strategy and in order to facilitate rotation and mobility within DG BUDG, all vacancies will be published on BUDG's intranet in parallel to publication in Sysper. DG BUDG will also launch regular calls for interest in mobility within the DG.

DG BUDG's targeted Talent Management Programmes will once more offer an opportunity to all statutory staff to enhance their skills.

## B. SOUND FINANCIAL MANAGEMENT

As the domain leader in financial management, DG BUDG aims to foster excellence in financial governance within the DG, across the institution and even in Member States, in collaboration with the Commission services responsible for shared management.

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<sup>(2)</sup> e.g. DG BUDG table tennis and table football tournaments.

At the corporate level, DG BUDG plays a leading role in the discharge procedure by ensuring the effective management of relations with all relevant stakeholders in the process, in particular the European Parliament and the European Court of Auditors.

DG BUDG manages the borrowing and lending activities, guarantees, financial instruments and trust funds, with risk management and controls specific to these domains.

DG BUDG also manages the Commission's treasury activities and executes payments on the EU and EDF budgets, for the Commission, the EEAS and other institutions and bodies. The significant volumes and amounts of payments are run under a strong internal control framework. The applied payment procedures are fully aligned with international banking standards.

Furthermore, DG BUDG manages its own administrative expenditure, including procurement, and defines and oversees the correct implementation of the financial rules applicable to the general budget. In this context, DG BUDG will continue to follow up on its budget to ensure its full implementation, timely and effective reporting to DG BUDG's senior management and other stakeholders.

Administrative support for procurement procedures and contract management was centralised in DG BUDG in 2022 to achieve – in compliance with financial rules – a more efficient and consistent management of DG BUDG's procurement procedures, which are increasing in number and complexity mainly due to its greatly increased borrowing and lending activities. To this end, DG BUDG's Procurement Cell will ensure the timely implementation of the procurement plan 2022-2024. The full use of all functionalities of PPMT (Public Procurement Management Tool) and parts of the e-submission tool (e-request, e-ordering and e-invoicing) will help to achieve this objective. Finally, the updating and publication of DG BUDG's procurement instructions and procedures, started in 2022, will continue in 2023 to ensure a common understanding and application across the DG.

DG BUDG's Financial Cell will continue to provide financial support in the implementation of the NGEU (NextGenerationEU) programme through the verification of the related financial transactions as well as the preparation of Budgetary Cover payments for BOP (Balance of Payments), EFSM (European Financial Stabilisation Mechanism), Macro-Financial Assistance and Euratom. In 2023, circuits defined in 2022 will be implemented for the recovery of NGEU related costs and for the Commission's new own resources. The Financial Cell will ensure the timely payment of invoices and report regularly on the implementation of DG BUDG's administrative expenditure.

DG BUDG will review the procedure of ex-post and horizontal controls and prepare the plan covering 2023 and 2024. Regular reporting to senior management on internal control matters will continue to further enhance assurance on sound financial management.

## C. FRAUD RISK MANAGEMENT

DG BUDG has an updated Anti-Fraud Strategy (AFS), covering all the relevant activity areas of the DG, both from a local and corporate perspective, aligned with the objectives of the current Commission Anti-Fraud Strategy.

DG BUDG's AFS and the implementation of its Action Plan is monitored on an annual basis. Except for one action, all actions in its current Action Plan are expected to be completed in 2023.

Cooperating with OLAF (European Anti-Fraud Office) and TAXUD (DG Taxation and Customs Union) on fraud risk management and on measures to fight fraud, DG BUDG will target, inter alia, mitigation measures on the undervaluation of imports to the EU (including implementation of the enforcement strategy) and an (upstream) fraud-proofing exercise on spending programmes.

In the context of OLAF's *financial* recommendations and in cooperation with OLAF, DG BUDG has published "Guidance for the follow-up of recoveries as regards suspected fraud and other irregularities" to facilitate the work of spending DGs.

As part of the fraud prevention and detection system in the area of TOR, DG BUDG will continue to actively participate, at Director and at technical level, in the strategic steering meetings with DGs TAXUD along with OLAF as permanent members and other interested services (in particular DGs TRADE, AGRI and MARE) on an ad-hoc basis.

Difficult market conditions, affected by high inflation, will affect borrowing and lending operations, inter alia to finance NGEU. DG BUDG and DG BUDG's Chief Risk Officer oversee a strong risk and compliance policy to ensure the sound financial management of NGEU operations and the adequate protection of the financial interests of the EU. In this regard the Director-General of DG BUDG and the staff responsible for the NGEU operations, as the first line of defence, will continue to ensure that all risks (financial and non-financial) undertaken in their respective operations are identified, quantified where possible, classified, monitored and mitigated. During their day-to-day operations, the first line of defence shall adequately manage and implement internal controls.

In 2023 DG BUDG will play an active role in OLAF's Fraud Prevention and Detection Network and further invest in increasing awareness among DG BUDG's staff on fraud related matters. This will be done by organising two dedicated trainings for staff and by communicating quarterly related tips and reminders on ethical rules via BUDG Times articles to all BUDG Staff.

## D. DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

### Digital transformation

As financial domain leader, DG BUDG will actively collaborate with DIGIT as ICT domain leader, and other DGs, to obtain the maximum synergies possible in implementing the 2022 European Commission Digital Strategy<sup>3</sup>, which will shape the next generation digital Commission, and contribute to the fulfilment of its strategic objectives (SO).

<p><b>SO1 - Foster a digital culture</b></p>	<p>Building on the excellent experience of its staff with IT projects and on its wide recognition of the importance of digital transformation for its core business BUDG will focus on high quality IT training, in particular the adequate preparation and completion of training for the new financial and accounting system – SUMMA. Thanks to the innovative application of the Single Integrated Framework for Collaboration based on the implementation of M365, BUDG will increase the use of the new collaborative tools, in particular Share Point On-line. The new BUDG IT governance will be adopted and contribute to the better implementation of the Commission’s new Digital Strategy.</p>
<p><b>SO2 - Enable digital-ready EU policymaking</b></p>	<p>DG BUDG will continue to make use of its IT systems in the support of its core business. Through the implementation of new business intelligence tools in such areas as multiannual financial programming (with a view to the presentation of the Review of the Multiannual Financial Framework) or as concerns the new own resources. Within the preparation of the ARACHNE scoring tool BUDG will make links between the shaping of the IT system and reflect the legislative process of the adoption of the new Financial Regulation.</p>
<p><b>SO3 - Empower business-driven digital transformation</b></p>	<p>Following the adoption of the Artificial Intelligence@BUDG Action Plan all BUDG future projects will include an evaluation of the possible use of AI elements. Through further implementation of modern methods of data analysis and visualisation BUDG will further improve its contribution to the Commission’s data ecosystem aiming at increased transparency – where possible – in the interest of providing the public with key information about the EU budget while contributing to fraud prevention.</p>
<p><b>SO4 - Ensure a seamless digital landscape</b></p>	<p>Following the optimisation of its IT portfolio in 2022 BUDG will continue increasing the interoperability of its IT systems and plans to further reduce their number, mainly thanks to their integration to SUMMA. Its implementation will strengthen the integration of the corporate financial systems with the other corporate and local systems, and contribute to the rationalisation of the Commission’s IT landscape . BUDG will decommission RAD as its last legacy system and replace it with the new system RESPOND, which will be obtained as a Software as a Service (SAAS) cloud solution.</p>

<sup>(3)</sup> C(2022) 4388 final.



## **S05 - Sustain a green, secure and resilient infrastructure**

Following the optimisation of its IT portfolio in 2022 BUDG will continue increasing the interoperability of its IT systems and plans to further reduce their number, mainly thanks to their integration to SUMMA. Its implementation will strengthen the integration of the corporate financial systems with the other corporate and local systems, and contribute to the rationalisation of the Commission's IT landscape . BUDG will decommission RAD as its last legacy system and replace it with the new system RESPOND, which will be obtained as a Software as a Service (SAAS) cloud solution.

### **• SUMMA**

DG BUDG will implement the new corporate financial platform, called SUMMA, to replace the current ABAC system in the Commission by the end of 2023. This major programme, being a key component of the European Commission Digital Strategy, will significantly contribute to the modernisation and digitalisation of the EU administration. SUMMA is the most important commercial off-the-shelf (COTS) tool in the European Commission. It is developed in line with the new corporate Dual Pillar Approach (DPA) for acquiring information systems.

With SUMMA and other elements of the new corporate suite (e.g. eGrants, eProcurement, SEDIA, etc.) the Commission will continue to harmoniously develop corporate interoperable financial and contract management IT tools, ensuring also interoperability with the Member States' internal systems<sup>4</sup>. These tools will facilitate automated budget implementation and result in a substantial reduction of the number of local financial systems within the Commission.

In January 2023 SUMMA will be rolled out to Clean Aviation Joint Undertaking with the objective to pilot an additional component of the system (SUMMA/eGrants integration) followed up by other milestones in preparation of the rollout to the Commission at beginning of 2024. In June 2023 the SUMMA/eProcurement integration will go live with one of the SUMMA pilot agencies, and in the third quarter of 2023, the first SUMMA component "Business Partners" (replacing the current "Legal Entities and Bank Accounts Files") will become operational for the Commission. The whole SUMMA system will be deployed for the Commission at the beginning of 2024, after testing in 2023 and opening the system for the anticipated budget operations at the end of 2023. In parallel to testing, SUMMA will be integrated with the other corporate and local systems, including data migration and security aspects. These actions are included in the change management plan, accompanied by a training programme to smoothen the Commission's transition to the new system.

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(<sup>4</sup>) In line with the proposed Financial Regulation, i.e. on alignment with the EIF (European interoperability Framework), in particular regarding the implementation of eInvoicing and the ESPD (Electronic Single procurement Document).

- **Other IT applications**

DG BUDG's other local applications will be further rationalised, either by replacing them by SUMMA, or moving them to modern platforms with the preference for low code/no code solutions. By replacing the RAD application (Recommendations, Actions, Discharges) with Respond (Recommendation's Storage Platform on Discharge), built on a state-of-the-art technological platform by the middle of 2023, all BUDG information systems will have an up to date 'fully supported' status and apply reusable corporate solutions.

DG BUDG will continue to support the development of major corporate systems eProcurement and eGrants through advice, participation in relevant working groups and development of models to be used by these systems. Following an IAS recommendation, in 2023, DG BUDG will implement a tool for managing the database of entities entitled to work under indirect management and which have undergone a pillar assessment. The limited version of the 'pillar assessment automated workflow (PAAW)' tool (database only) will go live at the end of 2022. In 2023, the management of pillar assessment data will be enabled directly in the tool.

The IT developments supporting the NGEU activities will first move in 2023 from project mode to maintenance and support mode within the current EC Financial System (ABAC). Thereafter, the entire Financial Asset and Debt Management domain is planned to be incorporated in SUMMA at the time of the SUMMA EC go-live, in Q4 2023.

The proposed revised Financial Regulation (to be adopted in 2023) foresees to design a single integrated IT system for data mining and risk-scoring, which will allow to analyse data on the recipients of EU funding to identify the risk of irregularities, fraud, corruption and conflicts of interest. Building on the existing locally developed tool ARACHNE, this tool will become corporate and mandatory for data mining and risk-scoring in all management modes. DG BUDG will lead the corporate efforts, in cooperation with other DGs and executive agencies, so that the new tool will be ready as required by the legislation, when approved by the legislative authority.

Business continuity (availability, reliability & security) of the BUDG corporate IT systems (ABAC, BadgeBud, EDES, NGEU Funding System) and all BUDG local applications will continue to be assured.

In 2022 a special working group was set up in DG BUDG to manage, facilitate and coordinate the transition from 'SharePoint On Premise' to 'SharePoint Online (SPO)'. In 2023 this group will prepare the migration of BUDGpedia (BUDG's knowledge management system). Depending on the speed of migration of BUDG staff to the Welcome platform, key for handling sensitive non-classified information, DG BUDG will also use SPO and other M365 tools for collaboration and co-authoring, local intranet and daily operations of the units and project teams.

- **Information and IT security**

DG BUDG will ensure that at the end of 2023 all its information systems have a valid security plan based on a security risk analysis making use of the Commission standards. DG BUDG will work with DIGIT to ensure that compliance with the security standards can be

monitored and reported for all DG BUDG information systems. The security section for all DG BUDG Information Systems will be reflected in Govis2.

DG BUDG will make use of the corporate DIGIT services as much as possible in order to build capacity and maturity in managing IT security, risk, compliance and cybersecurity for its staff and for the information systems that it owns. This will include specific information sessions for management, system owners and other stakeholders.

DG BUDG will continue ensuring compliance with the Corporate IT decisions. The compliance with priority controls of internal IT security standards will be kept up to date in the corporate tool. Particular attention will be paid to the implementation of risk mitigating actions identified in the security plans and to actions required to render systems compliant with the required security controls, taking into account priorities set by corporate decisions like for protecting systems with Sensitive-Non-Classified information with a two-factor authentication.

In addition, DG BUDG will also focus on raising awareness of the security risks (including specific threats and phishing campaigns) and share best practices.

BUDG's LISO will pay particular attention to ensure that systems or services procured from external suppliers respect the outsourcing guidelines of HR.DS and of the Cloud Council, including personal data protection aspects.

With regard to the security of external access to Commission information systems and data, DG BUDG will ensure that the details of these accesses are correctly described in the Interconnection Security Agreements drawn up in collaboration with HR.DS, and that HR.DS's contract-related rules for external consultants are correctly followed.

A major yearly milestone is the filing of the SWIFT customer security control framework attestation, where the LISO will ensure that the level of compliance with SWIFT controls is maintained or improved.

DG BUDG will also play a role in the follow up of the joint statement on Cybersecurity made by the European Parliament, the Council and the Commission during the negotiation of the 2023 budget. Under the terms of this declaration, the Commission, in close cooperation with CERT-EU and the other institutions, is asked to draw up an assessment, by mid-2023, of the needs for cybersecurity posts within CERT-EU and across all the institutions as well as of the mandate of CERT-EU.

Last but not least, when DIGIT's proposed Cybersecurity Regulation is approved, DG BUDG will follow any guidelines resulting from it. BUDG LISO is already informed about meetings of the inter-institutional Cybersecurity Board, and BUDG is in favour of a minimum set of information security rules and standards valid for all EU institutions, bodies, offices and agencies as there are users of them with access to corporate systems for which BUDG is the system owner. Idem for an information security regulation which will also be beneficial for BUDG in its interactions with Member States as well as for access of Member States to some of the systems of BUDG. BUDG LISO already follows attentively threat alerts issued by CERT-EU and is aware of its expertise and services.

## Data, information and knowledge management

- **Financial data management**

In line with the European Commission Digital Strategy and the Commission strategy on data, information and knowledge management, the strategic use of data, information and knowledge is an essential part of a new way of working of the Commission.

As regards further development of financial dashboards, in 2023 the efforts will concentrate on finalising the SUMMA dashboard and legal reports for the first accounting closure in the new IT system. 2023 will then be devoted to the preparation of reporting tools to ensure an early reporting coverage available shortly after the EC-go live in 2024.

To ensure the best possible data management in SUMMA, taking into account the EC's seven key data quality dimensions and other recommendations mentioned in the Operational Corporate Guidance on Data Quality<sup>5</sup>, DG BUDG will finalise a first iteration of a SUMMA Master Data Governance (MDG) project in 2023. BUDG will also continue to improve the management and exploitation of data related to MFF performance, monitoring and evaluation", as part of the Rolling Action Plan 2022-24 for data, information, and knowledge management.

- **BUDGpedia**

BUDGpedia, launched at the end of 2021, is a one-stop shop for all budgetary and financial information, providing news on finance and budget-related topics in real time and stimulating discussions on budget and finance matters. BUDGpedia will continue to be used to promote actions to modernise financial management and internal control across the Commission and other bodies.

DG BUDG established a cross-directorate Knowledge Management Steering Board to manage and promote knowledge management projects in-house and in the finance domain. In 2023, BUDGpedia "Gardeners" (skilled content authors) will continue to update and improve the platform in terms of content and quality, including adding the annotations of the Financial Regulation and linking BUDGpedia to recommended learning paths for the finance community. The Steering Board and Gardeners, together with a dedicated project team, will continue to foster initiatives to promote collaboration and knowledge sharing.

To facilitate collaboration and simultaneous working on documents and spreadsheets, DG BUDG will rationalise the structure and governance of collaborative sites and create more intuitive navigation.

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<sup>5</sup> Endorsed by the Information Management Steering Board on 3 December 2021.

- **Document management and data protection**

As regards the management of finalised and registered documents, DG BUDG will maintain compliance with e-Domec rules<sup>6</sup> across the DG, among others, by monitoring the filing and carrying out the communication actions towards the correspondents in the units, to ensure timely retrieval of documents.

DG BUDG will continue to ensure, in cooperation with the DPO and other Commission services, that the most relevant processing operations involving personal data are documented and updated in the corresponding records and privacy statements.

The DG will also continue to be in the lead for the corporate records in relation to new clauses in framework contract and specific contract models. In 2023, DG BUDG will focus in particular on the data protection aspects of corporate processing operations managed by DG BUDG. Two specific training sessions for all staff will be organised, covering the compliance requirements stemming from Regulation (EU) 2018/1725 and the EC implementing rules (C(2020) 969).

## **E. SOUND ENVIRONMENTAL MANAGEMENT**

DG BUDG follows and implements on a local level, the Commission's corporate environmental and EMAS actions, actively promoting measures to reduce the environmental day-to-day impact of the administration.

In 2023, DG BUDG will continue contributing to the implementation and achievement of the actions of the Commission Communication and Action Plan on Greening the Commission. In response to the energy crisis DG Budget will support special measures to further reduce the already low energy and water consumption of its building. In 2023, BUDG EMAS will promote the importance of waste management and reduction of paper consumption in the offices through various communication actions and launching a campaign for the promotion of ecological lunch boxes in DG BUDG's Luxembourg office. In addition, DG BUDGET will continue to contribute to the reduction of emissions and its carbon footprint caused by travel and commuting, by authorising only essential missions and by allowing staff to telework up to three days per week. Moreover, in 2023 DG Budget will ensure that a composting bin is placed in the courtyard. Regular communication will be provided (e.g. articles, tips) and participation in EMAS initiatives will be ensured. This will raise awareness about greening in addition to the regular updating of EMAS@BUDG web page and various articles in "BUDG Times" newsletter.

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<sup>6</sup> The records management and archival policy in the Commission is known under the acronym e-Domec, which stands for electronic archiving and document management in the European Commission. e-Domec applies to all Commission directorates-general and equivalent departments.

## **F. INITIATIVES TO IMPROVE ECONOMY AND EFFICIENCY OF FINANCIAL AND NON-FINANCIAL ACTIVITIES**

In its role of financial domain leader of the Commission, DG BUDG monitors the economy and efficiency of the EC's financial processes and seeks ways to improve. The revision of the Financial Regulation, for which DG BUDG is in the lead, will continue in 2023, to align the general financial rules with the Multiannual Financial Framework package, enhance the protection of the EU financial interests, improve crisis management and introduce technical updates.

Following the adoption of the Artificial Intelligence (AI) Local Action Plan in March 2022 DG BUDG will continue to focus on AI usage aiming at reducing human efforts while increasing the quality of its outputs. The main opportunities and challenges are linked to the SUMMA programme and the ARACHNE project. As a member of the Corporate Management Board, the Information Technology and Cybersecurity Board, the Information Management Steering Board and the Group of Resources Directors, BUDG will help to foster corporate approaches to AI activities, through cooperation with DIGIT and other DGs in implementing AI technologies in other projects. AI aspects will be taken into consideration when prioritizing the allocation of resources.

In the specific area of treasury management, in 2023 BUDG will implement the new treasury management model to further reduce time of payment processing and improve the precision of cashflow forecasts. Together with the EEAS, DG BUDG will continue remodelling the payment process in delegations building upon the successful deployment of the ACH (Automated Clearing House) project and the simplification of the management of imprest accounts.

## ANNEX: Performance tables

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

#### General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE

**Specific objective:** 3.1. Design, negotiate and manage EU budget expenditure and revenue that delivers efficiently on Union priorities and provides added value through the financing of EU public goods

Related to spending programme(s) ALL

#### Main outputs in 2023:

Output	Indicator	Target
Review of the functioning of the Multiannual Financial Framework, which may include a revision (non-legislative and/or legislative, Articles 312 and 295 TFEU) 	Adoption of the Communication	Q2/2023
Second set of new own resources (legislative, Articles 311 and 322 TFEU)  <ul style="list-style-type: none"> <li>Amendment of the Own Resources Decision for second set of new own resources</li> <li>Implementation rules for the second set of new own resources</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of the legislative proposals by the Commission</li> <li>Adoption of the accompanying legislative proposals for implementing measures and making available regulations by the Commission</li> </ul>	<p>Q3/2023</p> <p>Q3/ 2023</p>

#### Other important outputs

Output	Indicator	Target
Operationalisation of the RRF: assist ECFIN in the assessment of RRF operational agreements, loan agreements and payment requests and ensuring accurate reporting on expenditure for green bond eligible investments	<p>Contribution to the assessment of the fulfilment of milestones and targets completed, in particular for control and audit</p> <p>Confirmation of reported expenditures with Member State authorities and positive external audit assessment of the NGEU green bond allocation report.</p>	Throughout the year
Establish an annual budget for 2024 according to needs within legal deadlines respecting the political priorities	Statement of estimates adopted in June; draft budget by mid-July	2024 budget adopted at the latest in the December 2023 plenary

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Regular monitoring of annual budget execution to ensure full implementation, including by providing guidance to the DGs in the launch of the new programmes to limit further delays	Active Monitoring and Forecast of Budget Implementation + working document on implementation and assigned revenue produced on time	Regular information to the EP and the Council in the framework of interinstitutional meetings on payments.  Full implementation of the 2023 budget.
Amendment of the Own Resources Decision for first set of new own resources	Facilitation of the negotiation with the aim of a swift agreement	Conclusion of the negotiations by the Council and the Parliament ideally by 2023.
Implementation rules for the new own resources – CBAM, ETS & OECD Pillar	Facilitation of the negotiation with the aim of a swift agreement	Conclusion of the negotiations by the Council and the Parliament ideally by 2023.
Revision of the MFF Regulation linked with the proposals of new own resources (COM(2021)569)	Facilitation of the negotiation with the aim of a swift agreement	Conclusion of the negotiations by the Council and the Parliament ideally by 2023, together with the package on the own resources.
Technical adjustments of the MFF in line with Article 4 and 5 of the MFF Regulation	Timely adoption for the annual budget procedure	June 2023
Enhance agility of the budget by strategic planning and foresight	Long term forecast report of revenue and expenditure produced	June 2023
Social Climate Fund Regulation	Support and lead in the negotiations on the budgetary aspects of the Regulation	Throughout the year
Borrowing forecasting	Assessment of the disbursement needs under borrowing programmes as input for the decisions on the amounts to be borrowed on the financial markets	Throughout the year, at least ahead of every monthly decision
Borrowing forecasting	Monitoring of disbursement forecasts and their impact on the EURI budget line costs in view of prevailing market conditions.	Throughout the year



Output	Indicator	Target
Common Provisioning Fund	Against a background of difficult and volatile markets, further improve the risk/return profile of the portfolio by adding a new asset class (i.e. equity) to the benchmark.	Throughout the year
ACOR forecast - Calculation of Own Resources basis	Member States approval in the ACOR meeting: revised TOR, bases for plastics, VAT and GNI own resources for 2023; forecasts of TOR, and bases for plastic, VAT and GNI own resources for 2024	May 2023
Calculation of UK payments	Calculation of the relevant amounts to be paid by the UK – ‘the UK invoice’ as specified in Article 148 of the Withdrawal Agreement	April 2023 and September 2023
Follow-up on the financial and legal issues of the implementation of the EU-UK Trade and Cooperation Agreement and the Withdrawal Agreement.	Preparation of the reports based on the relevant Articles of the Part V of the Withdrawal Agreement.  Continuous support to policy DGs on implementation the TCA (Union programmes)	March 2023  Throughout the year

## General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE

**Specific objective:** 3.2. Develop policy-relevant knowledge, performance and financial intelligence in order to optimize the use of resources, influence policy design and ensure efficient and effective implementation of the spending programmes

Related to spending programme(s) ALL

### Main outputs in 2023

#### Other important outputs

Output	Indicator	Target
Publication of reinforced performance analysis, with focus on EU added value	Timely publication of programme performance statements	June 2023
Tracking of climate, biodiversity and gender expenditure; COVID tracking	Second iteration of gender equality tracking pilot methodology	June 2023

	First application of digital expenditure tracking methodology	June 2023
	First application of the biodiversity expenditure tracking methodology (deadline, June 2023)	June 2023
	First application of pilot methodology to establish an Aggregate Result Indicator on Climate for the RRF	October 2023
Enhanced economic and budgetary analyses	Enhanced modelling capabilities to assess the socio-economic impact of the EU budget  Analysis of own resource developments.	3 EU budget policy briefs in Q1, Q2 & Q3 2023
Enhanced revenue policy analysis	Participate in Joint Analytical Capability projects; analysis of own resource developments.	Throughout the year
Reinforced DG BUDG role as the centre of competence for financial reporting of the European Commission and its different agencies	New features for the EC corporate planning and forecasting tool  Formalisation of the recovery orders indicators (linked to the draft Debt Management Strategy) that were drafted last year. Selection of 1 or 2 indicators to be integrated in the scorecard).	Implementation by end of the year  Implementation by end of the year

## General objective: 3. AN ECONOMY THAT WORKS FOR PEOPLE

**Specific objective:** 3.3. Enhance agility of the budget by strategic planning and foresight, harmonized asset management as well as efficient use of financial instruments, budgetary guarantees and the budgetary headroom

Related to spending programme(s) ALL

### Main outputs in 2023:

### Other important outputs

Output	Indicator	Target
Borrowing and lending activities for the EU	Implementation of robust governance procedures across borrowing and lending	Throughout the year

	<p>operations.</p> <p>Extension of Diversified Funding Strategy to other financial support programmes (legal, operational and communication aspects)</p> <p>Active liquidity management</p> <p>Support of EU bonds' secondary market liquidity</p> <p>Accounting of flows and budgetary reporting</p> <p>Codified relations with bank counterparties</p> <p>Reinforced communication channels with investor base.</p> <p>Comprehensive reporting to Parliament and Council</p>	
NextGenerationEU green bonds	<p>Second allocation report</p> <p>First impact report</p>	<p>December 2023</p> <p>December 2023</p>
Communication with MS Debt Management Offices and peer issuers	Regular and proactive exchange of information through appropriate channels	Throughout the year
Support the Steering Committee on Contingent Liabilities (SC-CL) in implementing a corporate risk management and reporting framework	<p>Implementation of credit risk model for assessment of new guarantee agreements and reflection on methods for assessment of equity risk</p> <p>Development of BUDG strategy putting protection at the heart of the governance, management, monitoring and reporting on implementation of internal and external budgetary guarantees.</p>	<p>Q1 2023</p> <p>The credit risk model is operational now for debt instruments, but it still requires formal approval. For equity instruments, it is work in progress.</p>
Review of the Asset Management Delegated Service (AMDS) to improve the performance of the oversight function for portfolios entrusted to EIB	Development of new strategy based on policy agreed by DG/Acc Officer on basis of recommendation from AMB, presentation to stakeholder DGs, adoption of a manual codifying AMDS	<p>Regular Risk calls with EIF</p> <p>Adoption of the manual in Q1 2023</p>
Sound governance of CPF assets	Effective governance of the asset and financial risk management in DG BUDG	Throughout the year - weekly reporting to DG, Acc Officer,

	Update Effective Provisioning Rate and publish first annual report on CPF	regular review at AMB every 2-3 months  Annual report on CPF – Q1 2023.  Review of Effective Provisioning Rate Q2 2023.
Implementation of an ESG investing policy within the CPF portfolio management framework, promoting Commission’s sustainable finance initiative in that regard	CPF’s bond investments complying with the ESG investing policy as expressed in the CPF Asset Management Guidelines	Full compliance
Monitoring and reporting on financial instruments and budgetary guarantees	Publication of the reports foreseen by Articles 41(4) and 41(5) of the Financial Regulation on financial instruments and budgetary guarantees respectively  Continue the automation of Article 41(5) of the Financial Regulation on budgetary guarantees	Q2 2023 (together with DB 2024)  Target date: Q2 2023
Sustainability of Contingent Liabilities	Report on sustainability of Contingent Liabilities (Article 250 Financial Regulation) encompassing budgetary guarantees, borrowing and lending activities and headroom sustainability	Publication Q3/Q4 2023
Prudent management of budgetary headroom	Monitor the sustainability of the EU fiscal capacity to cover borrowing liabilities by applying - independently of the borrowing management - a dedicated EU-adapted assessment methodology  Ensure that at any point of time, the headroom is sufficient to cover all contingent liabilities falling due in the same year in full respect of the Own Resources Decision in force.  Ensure close coordination of relations and interactions with credit rating agencies and provide analytical support to underpin the EU credit rating.	Maintain high ratings, account being taken of evolving circumstances  Positive headroom in every year

Positive feedback every year

**General objective: 5: PROMOTING OUR EUROPEAN WAY OF LIFE**

**Specific objective: 5.1.** Secure that the amounts allocated from the EU budget are invested for the intended purpose, and ensure strict compliance with the financial rules in order to minimize errors, prevent fraud, enhance transparency, and pave the way to the discharge.

Related to spending programme(s) ALL

**Main outputs in 2023:**

**Initiatives linked to regulatory simplification and burden reduction**

Output	Indicator	Target
Continuous support to Commission DGs in legally and financially designing new policy initiatives and legal acts involving Union financing	BUDG support provided in designing new policy initiatives and legal acts	Prompt advice provided to Commission DGs throughout 2023
Continuous support to Commission DGs on association of third countries to any Union programme	BUDG agreement on draft association agreements	Prompt reply by BUDG throughout 2023 depending on the interest expressed by third countries to be associated and on the demand of DGs
Increased use of simplified forms of funding	BUDG agreement to proposed authorising decisions	Prompt reply by BUDG throughout 2023 depending on demand of DGs
Provision of corporate grants guidance	<ul style="list-style-type: none"> <li>• Grants Vademecum (1st draft);</li> <li>• Annotated Grant Agreement (3rd draft);</li> <li>• Indicative Audit Programme (1st draft);</li> <li>• Certificate on the Financial Statements;</li> <li>• Model Pre-financing guarantee;</li> <li>• BUDGpedia (i.a. EU restrictive measures and Third Country Association Agreements).</li> </ul>	Publication throughout 2023
Revision of the Procurement Vade-mecum	Development of the Contract management guidance to be	Q4 2023

	linked to the eProcurement Vademecum	Positive feedback from DGs
Revision of procurement documents and guidance	Update of contract models and contribution to the Corporate Framework for external consultants	Throughout 2023 Positive feedback from DGs
Continuous roll out of eGrants to Union programmes	Support to policy DGs for design of the IT tools in line with their policy objectives. Completion of onboarding of programmes to eGrants.	Throughout 2023 Positive feedback from DGs
Continuous development and roll out of eProcurement	Legal input for finalization and rollout of the eProcurement “Minimum viable product (MVP)”	Throughout 2023 Positive feedback from DGs
Increased oversight on indirect management	Guidance and models for use of the AODs.  Support to policy DGs in the pillar assessment of entities for cooperation under indirect management and in negotiations of updates to Financial Framework partnership agreements with pillar assessed entities	Throughout 2023  Positive feedback from DGs
Continuous development of Pillar Assessment Automated Workflow	Development of further functionalities of the IT tool to follow on the pillar assessments (Pillar Assessment Automated Workflow)	Throughout 2023 Positive feedback from DGs

### Other important outputs

Output	Indicator	Target
Effective management of the Commission’s own resources	Timely and correct revenue budgeting and calling of own resources from MS	100%
	Follow-up of all own resources due (recovery or contradictory procedure); correct recording of all transactions of the MS in respect of own resources	100%
Advising internal and external stakeholders on legal issues	Satisfaction by stakeholders with adequateness and timeliness of	High satisfaction achieved

relevant for own resources matters and managing any questions with respect to the Protocol on the Privileges and Immunities of the EU	output delivered	
Effective management of the discharge process	<p>EP grants the 2021 discharge</p> <p>Maintain constructive relations with the ECA and the CONT Committee</p> <p>Adoption of the follow-up report to the 2021 discharge</p> <p>Contributing to the implementation of the ECA multiannual strategy and work programme (statement of assurance, performance audits, various NGEU/RRF workstreams) and streamline adversarial processes with the ECA</p>	<p>Adoption in May 2023</p> <p>Throughout 2023</p> <p>Adoption by end of June 2023</p> <p>Throughout 2023</p>
High quality and readable reporting, with a positive impact on discharge discussion	<p>Adoption of the 2022 Annual Management and Performance Report</p> <p>Adoption of the 2022 Annual Activity Reports</p>	<p>Adoption in June 2023, together with DB 2024</p> <p>Review in view of adoption by DGs by 31/3/2023 (25/4/2023 for shared management)</p>

## General objective: 5: PROMOTING OUR EUROPEAN WAY OF LIFE

**Specific objective:** 5.2 Strengthen the protection of the EU budget from financial risks including to the generalized deficiencies as regards the rule of law in the Member States by greater transparency, knowledge sharing and accountability achieved by regular dialogue between all concerned stakeholders

Related to spending programme(s): ALL

### Main outputs in 2023:

- Enforcement actions**

Output	Indicator	Target
Promote the use of EDES, improve its functioning and ensure the secretariat of the Panel	<p>Increase in cases brought before the panel</p> <p>Reduction of backlog for EDES exclusion cases</p> <p>Setting up of a biannual workshop with the Panel and stakeholders</p>	Throughout the year

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Development of Domain Leadership	Awareness raising campaign on conflict of interest in different fora	Throughout the year
	Representing BUDG in JUST-led country teams for the preparation of the annual RoL report	Yearly cycle (continuous action)
	Representing BUDG in RECOVER / ECFIN country teams for the assessment of the implementation of National Recovery and Resilience Plans	Yearly cycle (continuous action)
Leading the enforcement and implementation of the new conditionality Regulation for the protection of the EU budget	Requests for information and/or written notifications and/or proposals for measures pursuant to the Regulation on a general regime of conditionality adopted and sent out in relevant cases.	Throughout the year
Improving quality and interoperability of information on recipients of EU funds	Facilitating the implementation of the new provisions in CAP, CPR, RRF to enhance quality and interoperability of data collected by Member States	4 Steering Committees a year
	Progress towards a generalised application by the Member States of the single data mining and risk scoring tool (including by participating in the Steering Committee for Arachne)	Throughout the year
	Development of the future corporate Arachne tool in cooperation with DIGIT, EMPL, DAC from 2024 to 2028  Adoption of the corporate Arachne project charter	Early 2023

### Other important outputs

<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Risk management related to the Borrowing and Lending (B&L) activities	Implementation of dedicated governance, risk management policies and procedures for B&L operations, of which NGEU	Opinion of CRO on 6-monthly funding plans in June and December 2023  Contribution by CRO on the



	<p>operations, to ensure that the risks remain within the approved risk appetite and risk tolerance</p> <p>Complete adoption of remaining manuals governing key borrowing/lending processes.</p> <p>Continue to promote a strong risk and compliance culture in DG BUDG</p>	<p>implementation of HLRCP in context of AAR</p> <p>Annual review exercise by the end of the 2023: Report of the Chief Risk Officer on the implementation of the High-Level Risk and Compliance Policy to the College</p> <p>B&amp;L monthly risk report</p> <p>Quarterly Operational Risks Report</p> <p>Monthly Operational Risks Report</p>
Contribution to of AAR/AMPR reporting for the RRF	Methodology for assessing the level of error / risk to the RRF different from an error rate	January 2023
Roll out of the central risk register for all risks (Centrics)	Regular use of the register by the DGs, replacing their in-house tools / registers	By the end of the 2023

## General objective: 5: PROMOTING OUR EUROPEAN WAY OF LIFE

**Specific objective:** 5.3. Promote strong enforcement culture to protect the EU budget, including the revenue side

*Related to spending programme(s) ALL*

### Main outputs in 2023

### Other important outputs

Output	Indicator	Target
Control of the VAT-based own resource	Number of effective inspections in close cooperation with Member States, ESTAT and TAXUD	13 inspections in 2023
Control of Traditional Own Resources	Number of effective inspections using a risk-based approach	18 inspections/year
Desk audits in Member states	Number of desk audits	Finalisation of ongoing 2022 desk audits and starting additional and targeted ad hoc audits, where required.

Assessment of TOR write-off reports (in coordination with TAXUD, OLAF and LS)	Timeliness and quality of assessment of Member States' write-off reports and related financial impact	All irregular TOR write-off amounts are made available to the EU budget
Launching infringement procedures against MS in breach of own resources rules	Adoption by the College of the relevant documents: Letter of formal notice, Reasoned Opinion, Referral to Court	Throughout the year

## General objective: 7: A MODERN, HIGH PERFORMING, SUSTAINABLE COMMISSION

**Specific objective:** 7.1. Act as a centre of excellence and trusted partner for Commission services, other institutions, agencies and bodies, Member States and beneficiaries regarding:

- high performing financial governance, single (simplified) rulebook, transparency, smart reporting and derived intelligence, single audit approach, compliance and accountability
- modern, sound and efficient management of accounts, treasury, financial risks and corporate financial and contract management IT systems
- stronger central oversight and management of debt, asset, and contingent liabilities in view of ensuring sustainability of the EU budget
- performance optimisation through developing, implementing, monitoring and evaluating policies in an evidence-based, transparent and collaborative way with stakeholders and experts
- robust internal control that helps the Commission to achieve its objectives and sustain operational and financial performance.

Related to spending programme(s) ALL

### Main outputs in 2023:

#### New policy initiatives

Output	Indicator	Target
Revision of the Financial Regulation	Preparatory work and start of the negotiations with the Council and the European Parliament	Throughout 2023 (with the aim to have an agreement in 2024)

### Other important outputs

Output	Indicator	Target
Deliver EU, Commission, EDF and other accounts, as well as providing prompt, high quality guidance & support to all EU entities on accounting matters	Annual accounts adopted on time by the Commission and by relevant other authorities & positive DAS on annual accounts from ECA	30 June 2023
Enhanced corporate debt management strategy	Commission Decision and related Communication adopted by the College	Q1 2023

Timely recovery of accounts receivable	Proportion of ROs fully 'cashed' on time	> 95 %
Reduction of doubtful & bad debts	Amount of overdue ROs	< EUR 500 million (aim = reducing following the measures of the debt management strategy)
More systematic recovery by offsetting against next payments	Number of offsetting opportunities not taken up ('exceptions')	< 5 'exceptional' cases per month
Increased management attention in authorising departments	Number of pending AOD replies to the AccO's requests for taking stance	< 100
Monitoring the authorising departments' compliance with the recovery performance standards Recovery orders	Regular reporting to the DGs and CMB, with possible escalation levels  Formalisation of the recovery order indicators drafted last year and selection of 1 or 2 indicators to be integrated in the scorecard.	At least 2 times  Upon Adoption of the new debt management strategy
Efficiency gains, inter alia through combined waiver decisions	Number of combined waiver decisions taken	2 (subject to the debt management strategy in place)
Business continuity (availability, reliability & security) of the BUDG corporate IT systems (ABAC, SUMMA, BadgeBud, EDES) and all BUDG local applications including the borrowing and lending activities	Availability and reliability of the IT systems  Aligning the IT systems with legal obligations and business requirements  Review of the IT security plans every 2 years  Priority controls are attested in GRC as either compliant or exempt	Continuous availability: (monitored during 2023)  All  All IT security plans up to date in 2023.  All
Implement the new Commission's corporate financial and accounting system SUMMA.	Level of completion of the development and testing of SUMMA, in view of its rollout to the Commission at beginning of 2024	Development + testing: 100%  Summa open for the anticipated budget operations at the end of 2023
<b>Output</b>	<b>Indicator</b>	<b>Target</b>
Strengthen the integration of the corporate financial systems with the other corporate and local systems, and contribute to the rationalisation of the	Level of completion of the integration  Reduction of the number of local systems integrating with SUMMA	>90% integration completed  >10% reduction

Commission's IT landscape	compared to ABAC	
Ensure the budgetary financial year transition	Timely opening in ABAC of the budget year ( appropriations + RAL)	Interruption of payment operations not to exceed 7 days  Complete carry-forward expenditure by 14 January
Validation of local systems	Timely evaluations according to the Decision of the Accounting Officer on the controls performed by Directorate C units  Provide reasonable assurance that local systems transmit accurate, complete and timely information to draft the annual accounts and produce reliable reporting, both for management and regulatory compliance purposes  Annual Report on Validation of Local Systems for ensuring financial data quality	Completion of the validation engagements concerning local systems where a new material risks arise or to address existing very important open recommendations.  Supervisory checks on all Commission services and EU bodies under the responsibility of the Accounting officer throughout the year  Q1 2023
CENTRICS: Roll out of the central risk registers for reservations, exceptions and non-compliance events, internal control monitoring criteria (fort the risk register see objective 5.2)	Regular use of the new tool by the DGs, replacing their in-house tools / registers	By the end of the 2023.
Efficient treasury management	Full execution of budget payments to ensure credibility and achievement of all policy objectives  Centralisation of local payments in EU Delegations  Implementation of the centralised treasury model via central deposit account	All authorised payments executed without delay  45 EU Delegations using ACH payment mode by end-2022  By the end of 2023
Annual data on the EU spending and revenue allocated to the Member States (for year 2022)	The publication of the interactive chart with supporting data file on the Europa website.	June/July 2023

## Strategic communication outputs

**General objective: 3.** An economy that works for people

### Main outputs in 2022:

- External communication actions**

Output	Indicator	Target
Annual EU Budget Conference	a. Number of participants b. Feedback received from participants	a. 500 b. At least 50% of good or excellent
EU BUDG talks	a. Number of participants b. Feedback received from participants	c. 50-100 d. At least 50% of good or excellent
Migration and update of EU budget website on Europa	a. Number of visits [web analytics] b. Number of page views [web analytics]	a. 350 000 b. 700 000
EU budget policy briefs	a. Release of 3 issues b. Number of readers reached	a. At least 3 issues b. >250
EU budget Twitter account	a. Number of impressions  b. Number of followers / fans / subscribers c. Number of posts	a. 100 000 impressions per month b. 22 000 c. 5 per week
Posting on European Commission LinkedIn account (borrowing and lending operations)	a. Number of publications b. Number of people reached	a. At least one per each syndication operation b. 100
Coordination of inter-institutional activities (GRI, EXCO, EP questions, national parliaments opinions, consultative committees)	Quality in the running of procedures and respect of deadlines in the submission of quality documents	Smooth running of procedures; timely submission of quality documents
Coordination of internal procedures (legislative coordination, comitology, briefings, access to documents, citizens questions, ombudsman, corporate management board)	Quality in the running of procedures and respect of deadlines in the submission of quality documents	Smooth running of procedures; timely submission of quality documents

**General objective: 5. Promoting our European way of life****Main outputs in 2022:****External communication actions**

<b>Output(s)</b>	<b>Indicator(s)</b>	<b>Target(s)</b>
Production and publication of the IFAR package including the overview brochure	Number of readers of the publication or online readers [EDICS, OP orders, REPS]	1000
Coordination of communication activities on the rule of law and conflict of interest	No incidents	0
Presentations delivered via Visitor Centre	Number of presentations	15

**General objective: 7. A modern, high performing, sustainable Commission****Main outputs in 2023:****Internal communication**

<b>Output(s)</b>	<b>Indicator(s)</b>	<b>Target(s)</b>
Communication and coordination activities as domain leader on financial management	Number of RUF meetings Number of RUF newsletters Number of people reached	At least 10 per year At least 8 per year >500
Promotion of SUMMA and SEDIA (E-grants, E-procurement)	Articles on BudgPedia	2 per year
Promotion of BUDG related initiatives	Number of articles on Intracomm	At least 5
BUDGTimes Newsletters	Regular weekly publication Openings per issue Unique clicks per issue Unsubscribe rate Spam complaint rate	> 90% > 400 (85% of all staff) > 350 (75% of all staff) < 5% of all staff < 5% of all staff
BUDGnet own content and web site administration	BUDGnet publications about management, staff, project teams and internal networks	At least two per week
Lunchtime presentations and	Organisation and communication of	At least 12

learning seminars	BUDG lunchtime conferences and learning activities	
Welcome sessions	Number of sessions	At least 8
	Feedback received	At least 70% of good or very good
Supporting the professionalisation of the finance community/domain	Number of learning activities delivered and average satisfaction rate	50 learning activities per year with an average satisfaction rate $\geq 80\%$

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

### A. HUMAN RESOURCE MANAGEMENT

**Objective:** DG BUDGET employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

#### Main outputs in 2023:

Output(s)	Indicator(s)	Target(s)
BUDG staff engagement	DG BUDG staff engagement index	$\geq 74\%$
Promotion of equal opportunities	% women in senior and middle management positions	$\geq 45\%$
Maintain gender parity in middle management positions	Level of representation of women and men in middle management positions	+/- 50%
Sound allocation of human resources ensuring effective and efficient operation of the DG	Occupation rate of posts in the DG	$> 95\%$

### B. SOUND FINANCIAL MANAGEMENT

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

#### Main outputs in 2023:

Output(s)	Indicator(s)	Target(s)
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Effective controls: Legal and regular transactions	Risk at payment	Remains: <2% of relevant expenditure <sup>7</sup> <1% of revenue
	Estimated risk at closure	Remains <2% of relevant expenditure <1% of revenue
Effective controls: Safeguarded assets Safeguarded information	1) Implementation of financial investments according to established asset management guidelines;  2) Performance compared with relevant financial market benchmarks (mix of fixed income indices, source: ICE BOFA, covering government bonds, covered bonds, corporate bonds)	1) 100% compliance with guidelines  2) Performance in line with relevant benchmarks (long run) (mix of fixed income indices, source: ICE BOFA, covering government bonds, covered bonds, corporate bonds)
Efficient controls	Timely payments	>95% of payments (in value) on time
Economy of controls	Overall estimated cost of controls  1) Administrative expenditure implementation  2) Own Resources collection  3) Fin. assets and loans	Remains:  1) <4% of funds managed  2) <0.01% of funds managed  3) <0.01% of funds managed

## G. FRAUD RISK MANAGEMENT

**Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CASF)<sup>8</sup> aimed at the prevention, detection and correction<sup>9</sup> of fraud**

### Main outputs in 2023:

<sup>7</sup> For the Research, industry, space, energy and transport family, it is necessary to make a distinction between Horizon 2020 and Horizon Europe since they have different materiality criteria for the risk at payment (see also management plan 2022).

<sup>8</sup> Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM (2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD (2019) 170 – 'the CAFS Action Plan'.

<sup>9</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.



<b>Output(s)</b>	<b>Indicator(s)</b>	<b>Target(s)</b>
Awareness raising about ethics & fraud matters	Percentage of staff included in awareness-raising activities BUDG Times articles for all BUDG Staff	>20% of staff  At least 4 per year
Actions are implemented as described in the AFS Action Plan	Degree of implementation	100% for each year covered by the Action Plan

## H. DIGITAL TRANSFORMATION AND INFORMATION MANAGEMENT

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

### Main outputs in 2023:

Output(s)	Indicator(s)	Target (s)
Following BUDG participation in the Portfolio Management Pilot the new BUDG IT governance will be adopted and contribute to better implementation of the new European Commission 's Digital Strategy	Adoption of the new BUDG IT governance and evaluation of its implementation.	Adoption in Q1/2023, evaluation in Q/4
Implementation of the corporate principles for data governance for DG BUDG key data assets <sup>10</sup>	Percentage of implementation of the corporate principles for data governance for DG BUDG key data assets  (1) For SUMMA  (2) All BUDG systems	(1) 100% (2023 target)  (2) 80% (2024 target)
Implementation of the new corporate financial system SUMMA	Degree of implementation of the programme in accordance with the programme timeline	Rollout of SUMMA, incorporating the integration SUMMA/eGrants, to the pilot entity Clean Aviation JU in January 2023.  Complete the development, testing and other related activities to SUMMA, with a view to its rollout in the

<sup>10</sup> For each key data asset, services should assess if the following principles have been respected (see also this [practical guidance](#)):

- Identify and designate the data owner and the data steward(s).
- Instruct their data stewards to share the metadata of their data assets in the Commission's data catalogue and to keep them up to date.
- Design and document processes for data collection/creation, acquisition, access, sharing, use, processing preservation, deletion, quality, protection, and security. Information concerning these processes should be made available to anyone interested, as long as any confidentiality restrictions are respected.
- Make any necessary changes and updates to the IT systems used for storing, managing, and disseminating these data assets to implement the aforementioned requirements and processes.

		<p>Commission at the beginning of 2024.</p> <p>Ensure well-functioning integration of SUMMA with the other corporate and local systems, and contribute to the rationalisation of the Commission's IT landscape.</p>
List of key actions on information management and data protection	<p>Percentage of staff included in awareness-raising activities</p> <p>BUDG Times articles for all BUDG Staff</p>	<p>&gt;30% of staff</p> <p>At least 4 per year</p>
Implementation of enhanced IT security standards for Information Systems	Percentage of BUDG Information Systems having a security plan based on a security risk analysis making use of the Commission standards	100% of BUDG Information Systems in operation.
Cybersecurity awareness and training	Percentage clicking rate for BUDG on phishing exercise emails compared to the average for the Commission	At least 2 % lower than the average for each exercise. If 4% higher than the average for an exercise, organisation of specific awareness sessions in BUDG in collaboration with DIGIT.
Ensuring active knowledge management in DG Budget and promoting knowledge management in the budget and finance domain.	<b>Usage</b> of BUDGpedia: Number of visits	≥ 25.000 visits per month.
Ensuring active knowledge management in DG Budget and promoting knowledge management in the budget and finance domain.	<b>Usage</b> of BUDGpedia: Number of visits	≥ 25.000 visits per month.
	<p><b>Quality</b> of BUDGpedia pages:</p> <p>Yearly user satisfaction survey;</p> <p>Yearly focus group from various DGs to test BUDGpedia usage and envisaged improvements;</p> <p>Extensive editorial checks.</p>	<p>1 Yearly user survey to improve quality;</p> <p>1 Yearly focus group from various DGs to test BUDGpedia quality;</p> <p>2 editorial checks per year.</p>

	<p><b>Collaboration</b> on BUDGpedia: Number of active gardeners</p>	<p>maintaining a network of <math>\geq 50</math> active gardeners.</p>
	<p><b>Dissemination</b> of information: Number of communication activities and interactive content featured via BUDGpedia</p>	<p><math>\geq 40</math> news items published per year; <math>\geq 8</math> Newsletters sent to the Finance Community per year.</p>
<p>Transition of internal communication and collaboration sites owned by Commission services to the new technology (SharePoint On-line)</p>	<p>Level of completion of the transition to a structured, and easily accessible intranet, collaborative and unit sites on SOL.  Level of satisfaction (survey) with the 'easy-to-use' navigation in collaborative and unit working spaces in SOL</p>	<p>Transition Project implementation by the end of 2023 in line with the corporate transition deadlines and the internal BUDG plan.  <math>\geq 70\%</math> satisfaction rate 6 months after completion of the transition (in 2024)</p>
<p>Effective implementation of e-Domec rules</p>	<p>Completion of awareness raising activities  % of documents filed</p>	<p>Two meetings with Document Management Correspondents per year,  <math>75\%</math> filed timely throughout the year, <math>95\%</math> by year-end.</p>
<p>Continuous roll out of eGrants to Union programmes</p>	<p>Number of Union programmes onboarded and share of grant budget managed in eGrants.</p>	<p>Finalisation of onboarding by Q3 2023 corresponding to <math>\sim 69</math> programmes using eGrants representing at least <math>90\%</math> of grant budget</p>

## I. SOUND ENVIRONMENTAL MANAGEMENT

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

### Main outputs in 2023:

#### I. More efficient use of resources (energy, water, paper)

##### Priority action to support the “Greening the Commission Communication and action plan”

Output	Indicator	Target
Regular staff awareness events on reduction of GHG emissions (Velo-Walk-, Ekiden-event, bike parking and availability of showers and lockers)	Number % of staff informed from the internal website Number of communication actions	100% 3
Communication to the staff through the internal website in order to raise awareness	Number of events organised	1
Digital Mindfulness Campaign to raise staff awareness	Number of people reached	At least 300

#### II. Reducing CO<sub>2</sub>, equivalent CO<sub>2</sub> and other atmospheric emissions

##### Priority action to support the “Greening the Commission Communication and action plan”

Output	Indicator	Target
Reduction of emission of the missions	level of the carbon footprint of the missions (influenced by the choice of transport used in the missions)	Reduction of 2% of the emissions of the missions compared to 2022.
Participate in the closing down of the DG buildings during the Christmas and New Year’s	Number of DG buildings which take part in the action	MO15 building will remain closed during the end-of-year period
Staff awareness actions and communication on energy saving, greener working methods and organisation of sustainable meetings	a. Number of communication actions b. Number of people reached	a. 3 actions b. 300

### III. Reducing and management of waste

Output	Indicator	Target
Paperless: DG Budget is using digital tools for e-signatories, colleagues are using collaborative tools and financial circuits are digital	a. Number of papers printed in the DG	Reduced 30% number of papers printed in 2023 compared to 2022.
	b. Number of colleagues using collaborative tools	100%
	c. Number of colleagues informed in BUDG Lux	100%
Campaign for the promotion of ecological lunch boxes in BUDG Luxembourg	Number of communication actions	3
	Number of people reached	300

### IV. Promoting green public procurement (GPP)

#### Priority action in line with the “Greening the Commission Communication and action plan”

Output	Indicator	Target
<b>Green Public Procurement:</b> increase awareness of the criteria through the trainings and increase the use of green provisions in the DG’s contracts	Number of contracts with reference to green public procurement criteria	≥1

### V. Supporting biodiversity

Output	Indicator	Target
Output: DG BUDG will explore the possibility of the creation of a composting bin in the garden of DG BUDG in Montoyer 15 building.	Feedback received	More than 50% of good or excellent