



Annual Activity Report 2024

DG ENVIRONMENT

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DG ENVIRONMENT IN BRIEF

DG Environment's **key mission** is to design and implement transformative initiatives contributing towards a fair green transition that enables EU citizens to live well, within the planet's ecological limits, based on an innovative and circular economy, where biodiversity and ecosystems are protected and restored, pollution and environment-related health risks are minimised, and environmental objectives are projected in international action, contributing to position the EU as a global champion of the green transition.

The activities of **DG Environment are framed by the EU Treaties** ⁽¹⁾, which establish the objectives to preserve and improve the quality of the environment, protect human health and promote a prudent and rational utilisation of natural resources. The EU Treaties also establish that priority objectives are set by general action programmes adopted by the European Parliament and Council. The **8th Environment Action Programme** sets out priority objectives to 2030 and the conditions to achieve them.

DG Environment's core activities are primarily legislative. In line with **Better Regulation** principles, the DG evaluates existing legislation regularly and, when appropriate, prepares new legislative proposals following input from citizens and stakeholders and rigorous impact assessments. The DG facilitates **interinstitutional negotiations** leading to the adoption of the proposed legislation by the co-legislators and works with **Member States** and other stakeholders towards its implementation. **External communication** supports the implementation of main DG policies and **enforcement action** is taken when necessary. Full implementation of the comprehensive EU environmental law, including new and revised Green Deal legislation, is the key challenge for the DG to meet its policy objectives. In 2024, disinformation and anti-nature lobbying have been additional challenges.

The EU Treaties require the **integration of environmental protection** across the Union's policies and funding programmes and establish that the EU shall promote **sustainable development** and international measures to address **regional or global environmental problems**. DG Environment works closely with other Commission services and represents the EU in a wide range of international fora. Together with DGs Energy and Climate Action, the DG is co-responsible for the **LIFE programme**, while its implementation is delegated to the European Climate, Infrastructure and Environment Executive Agency (CINEA). Since 2021, DG Environment plays also a significant role in the implementation of **Horizon Europe**.

By the end of 2024, the DG had **521 staff members** organised in six directorates divided into units. A strategic unit and a human resources team are directly attached to the Director-General.

⁽¹⁾ Articles 3 and 17 of the Treaty on the European Union and Articles 11, 49, 191-193, 208 and 209 of the Treaty on the Functioning of the European Union

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director-General of DG Environment to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties².

A. Key results and progress towards achieving the Commission's general objectives and department's specific objectives

In 2024, DG Environment set out to **complete the work** planned for the mandate 2019-2024 under the European Green Deal, with a three-fold focus: facilitating **interinstitutional negotiations** to turn pending legislative proposals into EU law, **implementing legislation** already adopted and stepping up **EU's global leadership** on water, nature and circular economy. The shared objective was to progress towards a **net-zero, clean, nature-positive and competitive circular economy**. In a highly political and challenging context ahead of EU elections, a number of work strands were brought to a closing line, paving a smooth transition to the new Commission mandate.

The **circular economy** is an area where the DG has delivered a significant number of proposals under this mandate to support the green transition. In 2024, the co-legislators adopted the revised **waste shipment regulation**, with new rules designed to boost waste recycling in the EU and establish clear conditions for shipping waste outside the EU. Following intense discussions, an agreement was reached on **packaging and packaging waste**, while negotiations were ongoing on another four proposals (on the textiles and food aspects of waste, green claims, microplastics, and the design and end-of-life management of vehicles). Recently agreed legislation to support the **EU's sustainable competitiveness and strategic autonomy**, such as on **batteries** and **ecodesign for sustainable products** entered into application, while a number of implementation rules still need to be put in place to give full effect to these laws.

The protection of **nature and biodiversity** remained high on the agenda. The ground breaking Nature Restoration Regulation entered into force and the focus shifted to its implementation, notably to set the frame for Member States to prepare **nature restoration plans**. Negotiations with co-legislators started on the **soil monitoring and the forest monitoring** proposals; both laws will be very relevant for food security, water and nature, as well as to advance the digital transition over the next mandate. DG Environment led a massive outreach and information campaign within the EU and beyond to address concerns linked to the **EU Deforestation Regulation** and delivered the information system required to manage due



² Article 17(1) of the Treaty on European Union

diligence statements on deforestation free products. To accommodate remaining concerns, co-legislators agreed to grant 12 more months before the entry into application of the regulation.

The revised legislation on **industrial emissions** entered into force and implementation



work started right away, to better protect human health and the environment while promoting energy efficiency, circular solutions and decarbonisation. Political agreements were reached by the co-legislators on the **air quality** and the **urban wastewater treatment** setting high standards for air quality and treating wastewater. Progress was made also on chemicals, notably with the adoption by the co-legislators of the revised **mercury regulation**, which prohibits the last remaining intentional uses of mercury, and new rules on **chemicals labelling**.

Preparing for the next mandate was another relevant work strand in 2024. In March, responding to a legal requirement for a **mid-term review of the 8th Environmental Action Programme**, which showed that under the last mandate the EU was put on the trajectory to reach a net-zero, clean, nature-positive and circular economy but additional efforts are needed to shift towards sustainable production and consumption. Several evaluations were ongoing in 2024 and their results will inform the work under the next mandate. The DG also launched work to **reduce reporting** obligations in line with the 25% reduction commitment, including through the use of **digital technologies**. Main deliverables in 2024 were a streamlined reporting under the industrial emissions, drinking water and the INSPIRE directives.



Enforcement action continued to be pursued to improve implementation, in parallel to providing support to Member States and facilitating access to **public and private finance**. Results of the **LIFE Programme** evaluation finalised in 2024 will feed into the preparations for the next EU multiannual budget.

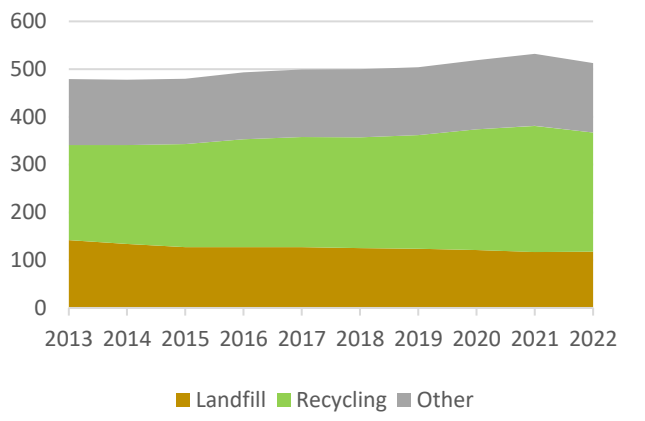
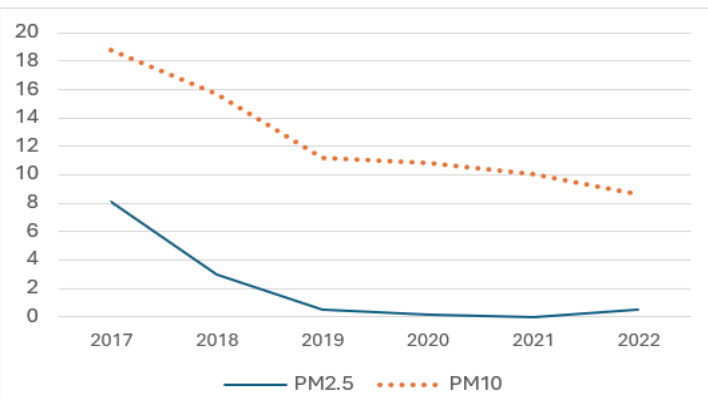
At **international level**, DG Environment was on the forefront of driving the Green Deal



Agenda on multilateral fora while also working bilaterally with key countries and regions. In November, the **16th Conference of the Parties to the Convention on Biodiversity** delivered several EU-championed outcomes such as on digital sequence information, whilst highly relevant decisions on resource mobilisation and the monitoring framework are expected in early 2025. The DG continued its intense engagement in the negotiations for a binding **global plastics agreement**. In December, despite two-years efforts, UN members failed to reach an agreement. Negotiations on plastics will continue in 2025.

External communication continued supporting DG Environment's activities throughout the year. **Green Week 2024**, the DG's flagship communication event, was dedicated to **Water Resilience**, as was the broader **WaterWiseEU** campaign, contributing to raise awareness of water in support of the next mandate's agenda.

B. Key performance indicators

<p>KPI 1 (Specific Objective 1)</p> <p>Municipal waste generation and treatment</p> <p>Target: Reduce waste generation and landfill, Increase recycling</p>	 <p>Legend: Landfill (orange), Recycling (green), Other (grey)</p>	
<p>KPI 2 (Specific Objective 2)</p> <p>Terrestrial and marine areas protected under Natura2000</p> <p>Target: Increase</p>	<p>Baseline (2019)</p> <p>Land: 763 986 Km² Oceans and seas: 441 001 Km²</p>	<p>Latest results (2023):</p> <p>Land: 766 920 Km² Oceans and seas: 452 494 Km²</p>
<p>KPI 3 (Specific Objective 3)</p> <p>Percentage of EU urban population exposed to air pollution. Particulate Matter (PM)</p> <p>Target: 0% exposure to levels above EU limits</p>	 <p>Legend: PM2.5 (solid blue line), PM10 (dotted orange line)</p>	
<p>KPI 4 (Specific Objective 5)</p> <p>Compliance with the principles of environmental governance framework</p> <p>Target: Close open infringement cases</p>	<p>Baseline (2019)</p> <p>a) Infringement cases relating to the breach of the EU environmental governance framework: 45</p> <p>b) Infringement cases relating to the breach of access to justice rights in EU environmental rules: 15</p>	<p>Latest results (2024)</p> <p>a) New total of infringement cases, including cases open since 2019: 28.</p> <p>b) New total of infringement cases, including cases open since 2019: 17.</p>

As regards financial management, **KPI 5 is the risk at closure** expressed as the total relevant expenditure at risk of mismanagement at payment/closure. In 2024, the risk was **0.25%** of the total relevant expenditure, well below the target of 2%.

C. Key conclusions on internal control and financial management

In line with the Commission's Internal Control Framework DG Environment has assessed its internal control systems during the reporting year and has concluded that it is effective and that the components and principles are present and functioning well overall. Please refer to AAR section 2.3 for further details.

DG Environment has systematically examined the available control results and indicators, including those from supervised entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2 for further details.

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

D. Provision of information to the Commissioners

In the context of the regular meetings during the year between DG Environment and the Commissioner on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Sinkevičius, responsible for Environment, Oceans and Fisheries, and Commissioner Roswall, responsible for environment, water resilience and a competitive circular economy.

1. KEY RESULTS AND PROGRESS TOWARDS ACHIEVING THE COMMISSION'S GENERAL OBJECTIVES AND SPECIFIC OBJECTIVES OF THE DG

Specific Objective 1-Circular Economy: The EU economy is more circular and uses natural resources and products more sustainably

Circular economy aims to optimise and maximise the use of materials and assets by increasing resource efficiency, keeping products functional for as long as possible, minimising waste and bringing carbon emissions down. It is a means of boosting sustainable **competitiveness, resilience and strategic autonomy**.

By the end of 2024, the Circular Economy Action Plan yielded a successful delivery of all its 35 actions. New legislation developed under this plan entered into implementation phase, notably the new **Ecodesign for Sustainable Products Regulation (ESPR)**, which provides a clear legal framework for a green transition pathway, making circularity the norm for all products placed on the EU market. A broad stakeholder consultation was carried out to establish the **first ESPR roll-out**, setting out the key sectors and other horizontal measures to be adopted. An **Ecodesign Forum** was established, bringing together diverse public and private stakeholders to provide input to ESPR implementation. The initial steps were taken to implement the ESPR **Digital Product Passport (DPP)**, to give consumers and other value chain actors access to product information. Detailed content of the DPP for specific products will be defined as part of future Ecodesign requirements.

The **Regulation on Shipments of Waste** entered into force in May 2024 and work was launched to develop an IT system for the digitalisation of procedures for shipments of waste in the EU, as well as to inform stakeholders and third countries authorities of the new rules and their impact. New rules on the shipments of e-waste were also agreed, implementing global decisions adopted in the Basel Convention. Work was also pursued to give effect to the new **Batteries Regulation**, in particular regarding increasing content of secondary raw materials, improving durability and performance, removability and replaceability of batteries and generating higher collection and recycling rates.

In 2024, the co-legislators reached an agreement on the **Packaging and Packaging Waste Regulation**, which aims to reduce the generation of packaging waste, increase resource efficiency and reduce barriers to the internal market. The DG steered progress in all other ongoing files, including the targeted revision of the waste framework directive to reduce **textile waste** and set **food waste reduction targets**, as well as the proposals on **green claims** and **microplastics from pellets**. Finally, negotiations started on the proposal for a Regulation on **circular design and production of vehicles**.

The evaluation of the **Waste Electrical and Electronic Directive** was launched, (and will be published in 2025), looking, *inter alia*, at its potential to boost access to secondary **critical raw materials**. The evaluation of the **Ship Recycling Regulation** was finalised,

and the EU List of ship recycling yards was updated twice, providing additional capacity for sustainable ship recycling for EU-flagged vessels.

The DG's **Key Performance Indicator on municipal waste** shows that the EU average municipal waste generation was slightly reduced to 513kg per capita. Municipal waste generated varies considerably, from 301kg in Romania to 835kg in Austria, reflecting differences in consumption patterns and in the interpretation and scope of municipal waste. Achieving waste targets is the responsibility of the Member States. Through “Early Warning Reports” prepared by DG Environment, the Commission has provided recommendations to 18 Member States at risk of not meeting the municipal waste targets on how to improve their waste management performance.

Enforcement action focused on the conform transposition of waste legislation, key to support a circular economy, in particular by contributing to establish a single market for waste and create demand for secondary materials. Infringement procedures were pursued against five Member States for failure to correctly transpose the revised Waste Framework or the Single Use Plastic Directives. Enforcement action was pursued against two Member States that had failed to close and rehabilitate their illegal and substandard landfills, as well as against two Member States for failure to ensure that the mixed municipal waste and biowaste is treated before landfilling. Furthermore, enforcement action was initiated against 27 Member States due to the failure to attain recycling and collection waste targets, including electronic waste. In 2024, penalty payments of EUR 20 753 700 were collected from three Member States following judgments of the Court of Justice of the EU. Finally, **30 cases were closed**, demonstrating that enforcement action was effective to remedy previous infringements; in most cases, Member States have transposed delegated directives; one Member State has closed and rehabilitated its illegal and substandard landfills and two Member States have amended their legislation to correct instances of non-conform transposition of the revised Waste Framework Directive.

Circular economy has been a key priority across the DG's **international activities** (see also specific objective 6). The DG represented the EU and its Member States in negotiations on measures to improve the management of waste (including plastic waste, e-waste and waste batteries) under the **Basel Convention** and participated in OECD discussions on a special regime applying to shipments of e-waste. It also participated actively in the negotiation sessions for a legally binding **global plastics agreement**. In December, however, the 5th session of the Intergovernmental Negotiating Committee finished without a deal however, significant progress was made towards a deal and a decision was taken to continue negotiations in 2025. The **Global Alliance on Circular Economy and Resource Efficiency** grew to 17 members including the EU, and an **EU Circular Economy Resource Centre** was launched (with DG International Partnerships) to promote learning and exchanges with partners in the Neighbourhood, Asia, Africa and Latin America.

DG Environment continued to engage actively with the industry, the financial sector and asset managers on risks linked to climate change and environmental degradation and opportunities linked to green transition for a long-term competitive sustainability. These were key issues at the 2024 **Circular Economy Stakeholders Conference**, co-organised with the European Economic and Social Committee (EESC), in conjunction with the **World**

Circular Economy Forum and under the auspices of the Belgian Presidency of the Council The **European Circular Economy Stakeholder Platform**, co-managed with the EESC, held more than 50 #CircularTalks events.

External communications aimed to increase awareness and understanding of circular economy as a key enabler of the transition to sustainability, shifting attention towards design and waste prevention, and strengthening links with climate, zero pollution and nature policies. This included, for instance, promotion of the EU's role in the negotiations on the global plastics treaty and comprehensive communications packages on the entry into force of the Waste Shipment Regulation and the Ecodesign for Sustainable Products Regulation, resulting in strong news coverage. **Euronews** "Road to Green" episodes on the "How is the EU tackling illegal waste shipments?" and "How is the EU combating greenwashing?" reached a large audience on both social and broadcast media.

Specific Objective 2-Biodiversity and natural ecosystems in the EU are put on the path to recovery by stepping up the protection and restoration of nature

Work under specific objective 2 continued to be guided by the **EU Biodiversity Strategy for 2030 (EU BDS)** and, since 2022, the **Kunming-Montreal Global Biodiversity Framework**. 2024 was a crucial year with important achievements in a challenging political and economic context.

The Nature Restoration Regulation was adopted in June 2024. Following its entry into force in December, the focus shifted to implementation and supporting national authorities for the development of **National Nature Restoration Plans**. Support was also provided to both national authorities and local stakeholders to find solutions for **coexistence with large carnivores** such as wolves, another sensitive matter frequently targeted by disinformation. Efforts continued as well to complete the **Natura2000 network**, especially the marine sites, and some progress was achieved, as demonstrated by the DG's second **key performance indicator**.

To facilitate the phasing in of the **EU Deforestation Regulation (EUDR)**, co-legislators agreed – based on a Commission proposal – to a 12-months additional period for its entry into application, to provide third countries, Member States, operators and traders more time for their preparations and ensure a successful deployment of the regulation. A massive outreach campaign towards third countries, stakeholders and within the EU was carried out to clarify the rules and to address concerns raised. In parallel, several implementing measures were delivered, as well as guidance and frequently asked questions (FAQs) documents. EU programmes continued to be implemented and can provide technical assistance to global stakeholders, such as smallholders involved with the production of the commodities in scope of the EUDR. The Commission also launched the EUDR information system, required for the submission and management of due diligence forms.

Soil and forest ecosystems are crucial to address the climate and biodiversity crises and ultimately ensure the EU's resilience, contributing to food security and disaster prevention. Increasing data availability and knowledge on both ecosystems is of crucial importance for robust policy making and implementation. In 2024, DG Environment facilitated interinstitutional negotiations on the **soil monitoring proposal**, on which a first trilogues was held in October and December, and the technical work with co-legislators on the **forest monitoring** proposal.

Implementation of the **Nitrates Directive** to reduce nutrients to levels that are not harmful to soil and biodiversity continued. Extensive stakeholder and public consultations were carried out in the frame of the ongoing evaluation. The DG prepared an implementing measure to facilitate the **use of RENURE** (recovered Nitrogen from manure) as an organic fertiliser, which was positively received by the Nitrates Committee, a prerequisite for its expected adoption in 2025. The DG contributed as well to the simplification package of the Common Agricultural Policy to reduce the burden on farmers, and closely followed the **strategic dialogue on the future of EU agriculture**, which resulted in a **comprehensive report** with recommendations for the transition to an economically, socially and environmentally sustainable agriculture. In this context, DG Environment is already exploring market-based incentives, such as nature certificates and credits, designed to financially reward those who engage in sustainable practices.

Marine biodiversity and habitats were also under the spotlight in 2024 (see work related to the Marine Strategy Framework Directive in specific objective 3). The implementation efforts for the **Marine Action Plan**, in collaboration with DG Maritime Affairs and Fisheries, supported more sustainable fishing practices, reducing the bycatch of sensitive species and limiting damage to the seabed. Work to implement the 2023 agreement on the protection of **marine biodiversity beyond national jurisdiction** also continued.

Compliance promotion on biodiversity was combined with continued **enforcement action** for key obligations contributing to protecting nature and the services that natural ecosystems provide to the economy and the society. . In five Member States, problems of non-conform transposition of the Habitats and Birds Directives were identified and resulted in infringement procedures. Action was taken also against three Member States to ensure the completion of the Natura 2000 network and the adequate management of the Special Areas of Conservation and Special Protection Areas. Enforcement action was also pursued against five Member States to address insufficient protection of species and habitats in decline due to fishing or agricultural practices, as well as illegal practices. Finally, **four court cases were closed**, demonstrating that enforcement action was effective to remedy previous infringements; for instance, one Member State has completed its Natura 2000 network, and one Member State established penalties related to the Invasive Alien Species Regulation. In the marine sector, enforcement action addressed the failure of five Member States to update programmes of measures under the Marine Strategy Framework Directive; only one Member State is still non-compliant, as the other four Member States have complied.

At **international level**, DG Environment continued its work to foster implementation of the ambitious **Global Biodiversity Framework** (GBF) agreed in 2022 under the United Nations Convention on Biodiversity (CBD). In October 2024, the DG played a key role at the **16th Conference of the Parties (COP16)**, steering adoption of decisions on digital sequence information, the role of Indigenous Peoples and local communities, biodiversity and health, biodiversity and climate change and Ecologically or Biologically Significant Marine Areas. The EU showed leadership thanks to its clear domestic targets (including those adopted through the Nature Restoration Regulation) and financial commitments, as well as fostering discussions on **nature credits**. Despite these achievements, some implementation decisions were postponed for further discussion, notably on resource mobilisation and the monitoring framework. The GBF will remain a priority for the next mandate, in line with the political guidelines of President Von der Leyen. Furthermore, in view of the drought challenge the EU is facing, in December DG Environment put forward a strong message to the 16th Conference of Parties of the UN Convention to **Combat Desertification**.

Promoted by the DG, EU positions were retained at other **multilateral agreements** including resolutions enhancing the protection of various marine and terrestrial species under the Convention on Migratory Species (CMS), and the Bern Convention on the conservation of European Wildlife and Natural Habitats. At the 69th meeting of the **International Whaling Commission**, the DG ENV initiated and supported a successful adoption of a resolution aligning its activities with the objectives of the GBF and the High Seas Treaty. The implementation of the **Convention on International Trade in Endangered Species (CITES)** and the rollout of the revised EU Action Plan against Wildlife Trafficking continued at EU and global level.

Biodiversity, the first ally in tackling major issues like climate change, food and water security, was a constant feature in the DG's **external communication**. The **#ForOurPlanet** campaign was very successful in creating awareness among citizens on the importance of trees, in the context of the **3 Billion Trees** commitment, and on the need for nature restoration in general. An international high-level 3 Billion Trees conference and tree-planting event ensured strong engagement with key stakeholders and has led to a significant increase in reported additional trees. Communication supporting the implementation of the EU Deforestation Regulation has also been priority. In addition, new, unpaid partnerships with stakeholders and influencers have been instrumental in raising the profile of Natura 2000.

Specific Objective 3 – Zero Pollution: Citizens and natural ecosystems are better protected from environmental pressures and risks to health as a result of Europe’s zero-pollution ambition and measures for a toxic-free environment

The implementation of the Zero Pollution Action Plan for air, water and soil, together with the Chemicals Strategy for Sustainability, continued. It was guided by the zero pollution ambition and halting biodiversity loss objectives.

In line with the Commission Work Programme for 2024, DG Environment attached the highest priority to **water issues**, both at EU and global level. Europe is increasingly suffering from both water scarcity and massive floods that evidence the vulnerability of people, critical infrastructure and key economic sectors such as agriculture, energy and transport. In this context, efforts continued towards full implementation of the **Water Framework and the Floods Directives**, which play a key role for water quality and quantity. In November, the devastating floods in Valencia tragically confirmed that stronger action is needed also under the Floods Directive. The DG will continue its engagement with Member States to assess investment needs and to further develop forecasting and modelling of flash floods, a better understanding of climate change impacts and the possible integration of nature-based solutions.

Implementation continued also for the 2020 recast **Drinking Water Directive**, with the establishment of minimum hygiene standards for materials and products that come into contact with drinking water to better protect human health while significantly reducing administrative burden for companies that produce the relevant materials and products. In collaboration with the Joint Research Centre, the DG developed a methodology to measure **microplastics** and technical guidelines for monitoring **PFAS** in drinking water.

The evaluations of the **Marine Strategy Framework Directive (MSFD) and of the Bathing Water Directive**, were carried out, thereby providing the foundations for further work under the **Water Resilience Initiative** and the future **Ocean Pact**. The DG also finalised the assessment and recommendations to Member States on their programmes of measures under the MSFD.

In November 2024, the co-legislators reached an ambitious agreement on the revision of the **Urban Wastewater Treatment Directive**, which will step up the effort to reduce pollution from urban wastewater sources, promote water reuse and deliver the first application of extended producer responsibility to the water sector. Negotiations advanced on the DG proposal on **water pollutants**, adopted by the Commission in 2022, and will continue in 2025.

At **international level**, following the 2023 Water Conference and Water agenda, the EU actively advocated for the finalisation of a UN Strategy on Water (launched on 16 July) and the appointment of a UN Special Envoy on Water, Ms Retno L.P. Marsudi, former Foreign Minister of the Republic of Indonesia, who took office on 1 November. Furthermore. The DG

also represented the EU at the 10th Meeting of the Parties to the **Water Convention**, which has reaffirmed the importance of transboundary water cooperation for peace, stability and sustainable development. In December, DG Environment led the EU engagement in the **One Water Summit in December** to accelerate action on SDG 6 (clean water and sanitation), discuss solutions to water challenges and start preparations for the 2026 UN Water Conference.

Air pollution continued to be the single largest environmental health risk while also an area where legislation is producing positive effects on the ground. The percentage of EU **urban population exposed to air pollution** (third DG Key Performance Indicator) has decreased remarkably, contributing to the steady **decline of premature deaths** attributable to air pollution and making the 2030 objective to reduce it by 55% compared to 2005 within reach. In 2024, the legislative process on the **Ambient Air Quality Directives** was completed, raising quality standards in the EU. Over the coming years, the DG will proactively engage with Member States to support timely transposition and sound implementation. The fourth edition of the **Clean Air Outlook** will provide additional evidence on remaining challenges.

The revised **Industrial Emissions Directive** and the **Industrial Emissions Portal Regulation** (IEPR) entered into force in 2024, following adoption by the co-legislators. Their full implementation will further reduce emissions and boost resource efficiency across the largest industrial and livestock rearing installations in the EU, as well as help digitalise reporting. Furthermore, the **Innovation Centre for Industrial Transformation and Emissions** (INCITE), run in cooperation with Joint Research Center, an important element of the revised legislation, was launched and will play an important role during the next mandate, among others in the context of the Clean Industrial Deal.

DG Environment continued **enforcing existing legislation**, focusing on structural or systemic shortcomings. In the **water sector**, DG Environment took enforcement action, among others, for the lack of standards for the collection and treatment of urban wastewaters (in seven Member States)³; failure to adopt and report their third river basin management plans and/or second flood risk management plans by 22 March 2022 (seven Member States); non-conform transposition of the obligation to periodically review the controls over different types of water use (also in seven Member States). Regarding **air pollution**, enforcement focused on key pollutants that continue to see persistent exceedances, and compliance with the National Emission reduction Commitments Directive. Action was also taken against six Member States for failure to report data from strategic noise maps and against two Member States for their failure to draw up and submit noise action plans. With regard to **industrial installations**, enforcement action aimed to ensure the conform transposition of the Industrial Emissions Directive (cases pursued against five Member States), the Medium Combustion Plants Directive (cases pursued against three Member States) and the Seveso Directive (cases pursued against five Member States).

³ Penalty payments of ca EUR 58 439 953 were collected from three Member States following second judgments of the Court of Justice of the EU

In the areas of chemicals, the Regulation on Classification, Labelling and Packaging of Chemicals (CLP) was formally adopted by the European Parliament and the Council shortly after the EU elections. The revised **Mercury Regulation** was also adopted, restricting the last uses of mercury in the EU and reaffirming the global EU leadership in tackling the environmental impacts of chemicals. The legislative proposals⁽⁴⁾ required to deliver on the **‘one substance, one assessment’** commitment of the European Green Deal also entered the interinstitutional process. The revision of the REACH Regulation was postponed to the upcoming mandate by political decision, while implementation of existing legislation continued, with more than 50 decisions taken by the Commission for the authorisation of substances. The DG also updated the annexes to the regulations on Persistent Organic Pollutants and on Prior Informed Consent, in follow-up to the **Triple Conferences of the Parties** to the Basel, Rotterdam and Stockholm Conventions’ decisions to list new substances.

Specific Objective 4 – Integration: Environmental concerns are integrated, and biodiversity standards mainstreamed, across EU policies, investments and finance, through existing consultation mechanisms and a proactive approach to coordination

Achieving environmental objectives requires **significant investments**, both from public and private sources. DG Environment continued **monitoring investment needs, expenditures and gaps** to help direct EU spending to the most pressing needs and contribute to the promotion of environmental investments under the main funds. The **LIFE programme** continued to be another priority, as the only EU programme specifically dedicated to environmental policy (plus actions on climate and energy). The final evaluation of the **2014-2020 cycle** concluded in 2024, and the mid-term evaluation of the current programme 2021-2027 made important progress towards delivery in 2025. The results of both evaluations will inform the next multiannual budget preparation.

The EU has also committed to ensure that **EU investments do no significant harm** (DNSH) to any of the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation⁽⁵⁾. DG Environment contributed to the preparation of the DNSH guidance for the Social Climate Fund and was involved in monitoring that the DNSH principle was applied correctly especially in the context of the Recovery and Resilience Facility and Cohesion policy programmes, including the new **STEP initiative**, which supports projects that develop or manufacture critical technologies and strengthen value chains in strategic sectors.

⁽⁴⁾ Three technical proposals were adopted in December 2023, to streamline chemicals data flows (COM(2023) 779), reallocate chemicals work to the EU agencies (COM(2023) 783) and amending the ROHS Directive (COM(2023)781)

⁽⁵⁾ Regulation (EU) 2020/852 of the European Parliament and of the Council

Jointly with DG Reform, DG Environment also contributed to the development of technical assistance to public authorities and environmental administrations, aiming to enhance **administrative capacity** under the 2023 ComPact communication⁶, and using the **Technical Support Instrument** from DG Reform.

The **Environmental Impact Assessment (EIA) and Strategic Environmental Assessment** directives are crucial instruments for the integration of environmental considerations into Member States programmes and projects and for facilitating public acceptance and the speedy implementation of permitting. Increased support and guidance were provided in 2024 to Member States, including on the transposition and implementation of newly adopted provisions on the streamlining of **permitting for certain projects** of EU importance (such as renewable energy, critical raw materials and net-zero industrial projects) while making sure that the key environmental safeguards are observed.

Boosting **EU spending on biodiversity** was another key objective in line with the Global Biodiversity Framework and the EU ambition enshrined in the Biodiversity Strategy. The inter-institutional agreement for the 2021-2027 Multiannual Financial Framework (MFF) set out a spending ambition of 7.5% (in 2024) and 10% (in 2026 and 2027) for biodiversity measures. Current estimates indicate that these spending targets are likely to be missed, with 7.3% of MFF funds dedicated to biodiversity in 2024, and 7.8% and 7.9% expected in 2026 and 2027, respectively, against the 10% target. Further efforts would also help the EU comply with its commitment under the Convention on Biological Diversity to double total (public and private) biodiversity finance from 2020 to 2030.

Private sector finance is essential for the transition to a more sustainable, competitive economy. DG Environment continued to support DG Financial Stability, Financial Services and Capital Markets Union in the implementation of the EU's sustainable finance policy agenda, with a particular focus on improving usability (e.g. via the publication of Frequently Asked Questions in relation to the Taxonomy and to Corporate Sustainability Reporting) and coherence (ongoing review of the Sustainable Finance Disclosure Regulation). Substantive inputs were provided to the Platform on Sustainable Finance for the development of technical screening criteria for the next batch of Taxonomy activities and collaboration continued on sector-specific European Sustainability Reporting Standards.

DG Environment enhanced its collaboration with key Multilateral Development Banks, National Promotional Banks and Institutions (NPBIs) and Central Banks to leverage public financing through repayable and blended financing mechanisms. The DG continued coordinating **Green Assist**, the *Green Advisory Service for Sustainable Investment Support* funded by the LIFE programme to help public and private investors to trigger investments in green projects. Both LIFE and Green Assist are currently supporting, among others, the launch of **biodiversity credit pilot projects**, biodiversity friendly forestry investments, assistance to SMEs in the circular economy sector, etc. The DG participates as well in an

⁶ COM(2023) 667 Enhancing the European Administrative Space (ComPact)

advisory service for green investments deployed by the EIB under the InvestEU programme, which is supporting pilot actions to implement the Nature Restoration Law and nature-based solution in particular for flood risk mitigation.

Finally, DG Environment continued to raise awareness on EU funding and technical assistance opportunities with information tools such as [Find your EU Funding for the Environment](#).

Specific Objective 5-Governance: There is an enabling framework for implementation based on strong governance and enforcement action, supported by advanced knowledge and digital technologies, close collaboration with cities and citizens' engagement

Full implementation of EU environmental legislation is the main challenge DG Environment faces on a regular basis. Poor implementation in areas such as air and water quality, nature protection, waste or governance directly concern citizens' health, the state of the environment and the EU economy. In March 2024, the **mid-term review of the 8th Environment Action Programme** confirmed the EU is on the right trajectory to reach a **net-zero, clean, nature-positive and circular economy** but that further efforts are needed to accelerate efforts to achieve all the targets by 2030. Progress under the 8th Environmental Action Programme will be monitored under the next annual report due early 2025.

Effective environmental **governance** and observance of the environmental **rule of law** is key to achieve the implementation of environmental legislation and deliver the expected benefits for Europeans. DG Environment continued implementing the revised regulation on **Access to Justice** which, since 2023, enables members of the public to request the review of Commission decisions, under certain circumstances. The number of such requests has increased substantially, passing from a total of 48 requests between 2006-2020 to over 50 since 2021.

The new **Environmental Crime Directive**, which aims to improve the effectiveness of criminal law enforcement against environmental offences, entered into force in May. DG Environment started assisting Member States in the transposition process, including through an expert workshop that focussed on individual offence categories and penalties.

Support to Member States was also delivered in the framework of the **Environmental Compliance and Governance Forum**, a platform for sharing good practices and developing practical tools to facilitate compliance assurance. In June, a forum meeting was devoted to environmental crime and enforcement provisions in new green deal legislation.

Cooperation with the European networks of environmental enforcement practitioners⁷ was further strengthened.

Strategic enforcement action continued to support the implementation of the horizontal instruments (such as the Directives on Environmental Impact Assessment, Strategic environmental Assessment, Environmental Liability and INSPIRE), that underpin good environmental governance. The fourth DG's **Key Performance Indicator** shows clear and steady progress in closing baseline infringement cases, identified in 2019, related to breaches of the EU environmental governance framework (especially concerning non-conform transposition). This is a positive trend which implies that citizens have access to environmental information, participate in decision-making processes for plans, programmes and projects and may protect the environment from environmental damage. However, the number of infringement cases relating to the breaches of access to justice rights in EU environmental rules remains stable, due to new cases opened against six Member States. This is an indication that obstacles concerning access to justice at national level subsist.

Beyond enforcement, the DG continued promoting dialogue with Member States, mainly through the **Environmental Implementation Review**, which outlines the causes of implementation problems and policy recommendations to address them. In 2024, the [TAIEX-EIR Peer-to-Peer tool](#), which provides support to authorities facilitating inter alia the organisation of workshops, study visits and expert missions, reached the number of 100 events organised since its set-up in 2017. In agreement with DG European Neighbourhood Policy and Enlargement Negotiations, the programme was extended for another four years.

The fitness-check of the **Polluter Pays Principle**, which inter alia responds to calls by the European Court of Auditors to reinforce the implementation of this principle enshrined in the Treaty, made substantial progress in 2024, together with the evaluation of the **Environmental Liability Directive**.

In the context of the Commission's commitment **to reduce administrative burden and reporting obligations** by 25%, DG Environment prepared and started implementing actions to simplify and rationalise legal reporting requirements to reduce related burden on businesses and/or national administrations, without undermining the policy objectives. Concrete deliverables in 2024 included an initiative to streamline reporting on major accident hazards involving dangerous substances under Seveso III, and the adoption of six delegated and implementing acts that simplify the recognition of materials in contact with drinking water. Identifying potential for streamlining reporting was a key aim across evaluations⁽⁸⁾ and subject of a study contracted by the DG which will continue until 2025.

The DG also explored the use of **digital technologies** for direct automated monitoring and reporting on the environmental impact of corporate economic activities along value chains,

⁷ EU Network for implementation and Enforcement of Environmental Law (IMPEL), European Network of Prosecutors for the Environment (ENPE), EnviCrimeNet, EU Forum of Judges for the Environment (EUFJE)

⁽⁸⁾ Notably the evaluations of legislation on Waste Electric and Electronic Equipment, Bathing Water, Marine Strategy Framework and Nitrates.

as part of the development of the **Green Deal Data Space**, and in the context of the ongoing impact assessment of the **Green Data for All** initiative.

In close cooperation with the European Environment Agency, the Joint Research Centre and Eurostat, DG Environment continued developing a strong **knowledge base** and ensuring that research and innovation support the environmental priorities of the European Green Deal. In its role as co-chair of cluster 6 of **Horizon Europe** (Food, natural resources, bioeconomy, agriculture and environment), the DG co-created the Strategic Plan 2025-2027 and contributed to partnerships and **missions** on Cities, Soil, Climate change and Ocean. The DG Environment was co-responsible for budget allocation, with environmental policies directly supported with at least EUR 326 million for biodiversity; EUR 327 million for circular economy and EUR 141 million for zero pollution from Cluster 6, work programme 2023-2024.

In the international context, the DG actively participated in the negotiations on the new Council of Europe **Convention on protection of the environment through criminal law** co-led with DG Justice. Mirroring the environmental crime directive, the Convention's objective is to effectively prevent and combat environmental crime, promote and enhance national and international co-operation and establish minimum rules to guide states in their national legislation. Once signed and concluded, the new Convention will ensure comparable efforts to tackle environmental crime in Europe, beyond the EU.

2024 saw the consolidation of the DG's **Communication Strategy 2030**, ensuring that external communication efforts were aligned with the main environmental priorities under the European Green Deal. The monthly **Euronews** televised magazine The Road to Green has continued to showcase the positive changes delivered by the European Green Deal across the different strands of the environment policy portfolio on the ground. The flagship outreach event of DG Environment, EU Green Week, was themed "Towards a water resilient Europe" ((see specific objective 3 for more information)

Infringement actions were appropriately communicated to the public and press. The [environmental infringements interactive map](#) established in 2022, was regularly updated and shared with journalists seeking information on infringements, contributing to the visibility of enforcement efforts and raising citizens' awareness of EU action to protect them.

Specific Objective 6 – International: Global uptake of the environmental objectives of the European Green Deal is stimulated through participation in multilateral agreements, institutions and fora, EU accession negotiations, engagement with third countries and trade

As part of the implementation of the European Green Deal ambition, the EU played a leading role on the international front, stepping up **global efforts towards sustainability** through multilateral conventions, promoting EU leadership on climate and

environmental goals and reducing the EU's **global environmental footprint**⁽⁹⁾. With **unsustainable consumption and production** as key driver of the climate and environmental planetary crisis, the global promotion of the circular economy was another focus, in terms both of global economic recovery and of preventing potential conflicts over **raw materials**.

Against this backdrop, DG Environment led the EU engagement in meetings and events at various levels of the United Nations (UN) system. It notably contributed to reflect environmental priorities at the UN **Summit of the Future** and its agreed outcome, the **Pact of the Future** (Action 10), as well as to strengthening consideration of issues like water and circular economy across the resolutions of the UN General Assembly Second Committee (Economic and Financial) and participating in the UN High Level Political Committee to follow-up the implementation of the Sustainable Development Goals (SDGs).

At the **6th United Nations Environment Assembly** (UNEA-6), the DG led successfully the negotiations on two resolutions proposed on behalf of the EU and its Member States, to promote effective and inclusive solutions for water policies in the context of climate change and on action on oceans. In a geo-politically charged context, the EU failed to maintain its other priority proposal, to increase the global ambition on circular economy. Steered by the DG, for the first time UNEA-6 included the organisation of a Multilateral Environmental Agreements Day aimed at building synergies and enhancing cooperation.

Contributing to strengthen the environmental profile of the **G7/G20** constituted another priority. In 2024, under the Italian Presidency, G7 Climate, Energy and Environment Ministers committed for the first time to halt and reverse deforestation and forest degradation by 2030. In addition, DG Environment negotiated the establishment of the G7 Water Coalition, which aims to identify common goals and strategies to tackle the global water crisis and to mainstream water into international processes and fora. The policy dialogue on water was intensified specially with China, India and Egypt (see details in annex). Under Brazil's Presidency, G20 Environment and Climate Ministers recognised for the first time that G20 members are responsible for 80% global greenhouse gas emissions, material and energy use, and of 75% of waste generation.

As regards trade, DG Environment worked with DG Trade to further strengthen the **trade-environment interface** in support of responsible and sustainable value chains at the World Trade Organisation and in other multilateral fora. Cooperation was pursued also to uphold the highest standards of environmental protection in **EU Free Trade Agreements**.

Supporting the European Green Deal was also the focus of **bilateral and regional cooperation**. With regard to its engagement with **African countries**, notably the **Southern Neighbourhood**, work focused on the implementation of the Green Partnership with Morocco and the follow-up to the conclusion of the EU-Egypt Water Partnership, as

⁽⁹⁾ See relevant information under Specific Objectives 1, 2, 3 on limiting the external impacts notably of waste and chemicals as well as efforts under the new Deforestation-free supply chains Regulation.

well as cooperation through the Union for the Mediterranean. **Green Deal Diplomacy** initiatives and high-level dialogues on the broader environment agenda continued with **key countries and regions**. In 2024, engagement through dialogue and technical cooperation was reinforced in particular with **Canada** for the operationalisation of the Green Alliance established in 2023. With **India**, cooperation was reinvigorated through the Joint Working Group on Environment with focus on priority areas such as circular economy, resource efficiency and water. Cooperation was strengthened also with **Latin America and Caribbean** countries, notably through Commissioner Sinkevicius' visit to Paraguay, Bolivia and Ecuador, as well as through a high-level dialogue with Colombia and a technical dialogue with Ecuador. Special emphasis continued to be put on the protection of the **Amazon basin**.

Close engagement with **China** continued, especially through the holding of the high-level Climate and Environment dialogue, but also on technical issues linked to the transition to a circular economy. Relations with the **Republic of Korea** continued to be pursued through the holding of the Working Group on Energy, Environment and Climate and in the context of the 2023 Green Partnership, while work with **Japan** concentrated on implementing the Green Alliance and its action plan also through a high-level mission at Director level. Bilateral relations with Southeast Asian countries, notably **Indonesia, Malaysia and Vietnam** focused on the preparation of the entry into application of the **EU deforestation regulation** (see also information under Specific Objective 2).

Enhanced assistance was provided to **Ukraine** through the **PHOENIX dialogues** and support to reconstruction through LIFE funding. Seven dialogues were held to cover all aspects of the environmental *acquis*, followed by the explanatory screening exercise which, together with Moldova, took place in May. This assistance was complemented by other forms of cooperation in view of the environmental damages caused by the Russian war of aggression and the future reconstruction and recovery efforts, notably through supporting the **High-Level Working Group on the Environmental Consequences of the War** in the completion of its report. Through a dedicated mission, the DG provided also strong support to **Moldova** as candidate country, and helped **Albania** and **North Macedonia**, as well as other candidate and potential candidate countries in the accession process.

External communication supported EU green diplomacy and multilateral environmental negotiations, building synergies between EU and international policies.

2. INTERNAL CONTROL AND FINANCIAL MANAGEMENT

Management monitors the functioning of the internal control systems on a continuous basis and carries out an objective assessment of their efficiency and effectiveness. In annex 7, there is a list and details of the reports that have been considered. The results of the above assessment are explicitly documented and reported to the Director-General.

2.1. Control results

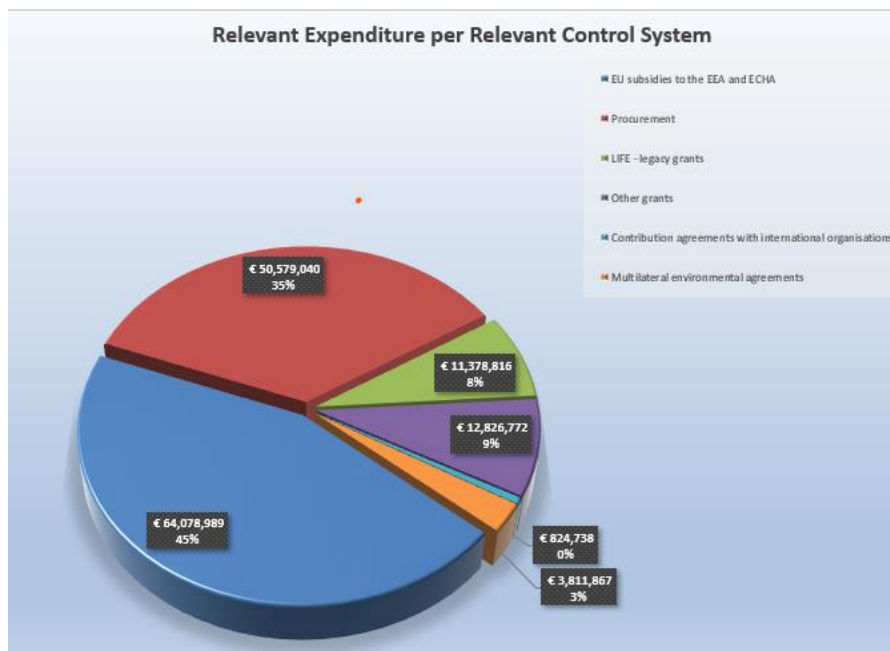
Management uses control results to support its assurance and reach a conclusion about the cost-effectiveness of those controls, meaning whether the right balance between the following elements is achieved:

- **Effectiveness** The level of error found, based on the controls carried out.
- **Efficiency** The average time taken to inform or pay.
- **Economy** The proportionality between the costs of controls and the funds managed.

2.1.1. Overview of the budget and relevant control systems (RCS)

DG Environment is responsible for the implementation of the environment part of the LIFE programme. Other expenditure includes the subsidies to the budgets of the European Environment Agency (EEA) and the European Chemicals Agency (ECHA) and contributions to multilateral international environmental agreements, pilot projects and preparatory actions, as well as routine administrative expenditure.

Most of the LIFE budget implementation is delegated to the European Climate Infrastructure and Environment Executive Agency (CINEA). The commitments and payments made by DG Environment in 2024 amount to EUR 155 million and EUR 152 million respectively. The pie chart below gives an overview of the payments made in 2024.



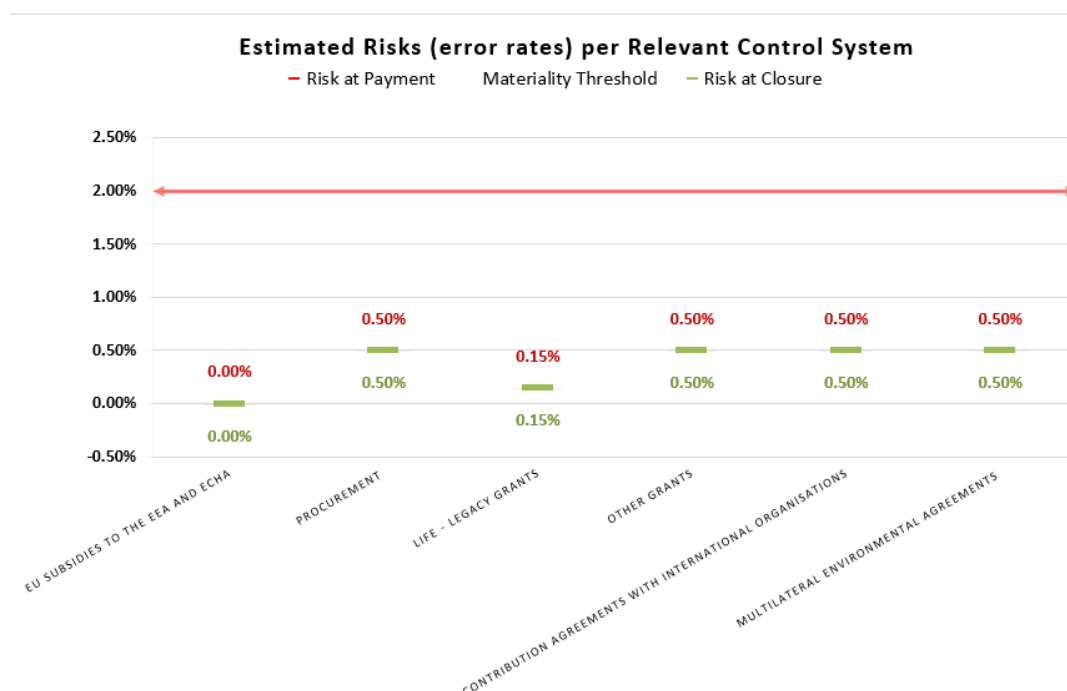
The vast majority of DG Environment's spending is composed of procurement, grants/contribution agreements with international organisations and subsidies to EU decentralised agencies. DG Environment implements its budget through direct or indirect management. The control strategies for all these expenditures are described in Annex 6 "Relevant Control System(s) for budget implementation".

A short presentation of the bodies that collaborate with DG Environment for the implementation of the budget and/or as recipients of contributions from the budget are provided in annex 7 "Specific annexes related to "Financial Management", annex 11 "Implementation through non-EU entrusted entities" and annex 13 "Decentralised agencies".

The DG Environment's assurance building and materiality criteria are outlined in annex 5.

2.1.2. Effectiveness of controls

a) Assessment of control results per RCS for expenditure



DG Environment's portfolio consists of segments with very low error rates. This is, respectively, thanks to the inherent risk profile of the beneficiaries and funding modalities and the performance of the related control systems.

Procurement

Thorough ex-ante controls apply to procurement-related transactions in DG Environment. In addition to the mandatory initiator/verifier controls of all commitments and payments, procurement specialists in the financial unit systematically provide advice and support the operating units, for the whole lifecycle of a contract, from the terms of reference until the final payment/de-commitment. In case of partial delivery, the full contract amount is not paid and technical reports and deliverables required for the payments are discussed with the contractor and approved before the final payment.

Also, the DG Environment Advisory Committee (ENVAC) for procurement performs verifications of all contracts above EUR 500,000 and all framework contracts issued, all procurement contracts corresponding to European Parliament's Pilot Projects and Preparatory Actions, plus a sample of contracts of lower value, covering different procurement options (negotiated procedures, specific contracts under Framework contracts, etc.) and all DG policy areas. The value and type of procedures are the main factors of ENVAC's risk-based approach.

Grants and Contribution agreements with International Organisations

For grants under the LIFE programme, the estimation of the amount at risk is based on the average detected error rate (DER) observed in the last three audited years (2020 to 2022). As only a very small number of legacy LIFE grants remain under the responsibility of DG

Environment (the rest being delegated to CINEA), DG Environment stopped its ex-post audit campaigns since 2023. The last three audited years 2020-2022 average DER is 0,15%.

Contribution agreements are signed with 'pillar assessed' international organisations, i.e., entities that have undergone an ex-ante assessment that demonstrated a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. In 2024, DG Environment signed such agreements with United Nations bodies, OECD and WHO. (see annex 11 "Implementation through national or international public-sector bodies" for more details).

Contributions to decentralised agencies

DG Environment collaborates closely with the EEA as its main partner DG and pays the EU's subsidy to the EEA's core budget. ENV also works with ECHA and contributes financially to its budget for the tasks related to the environmental policies.

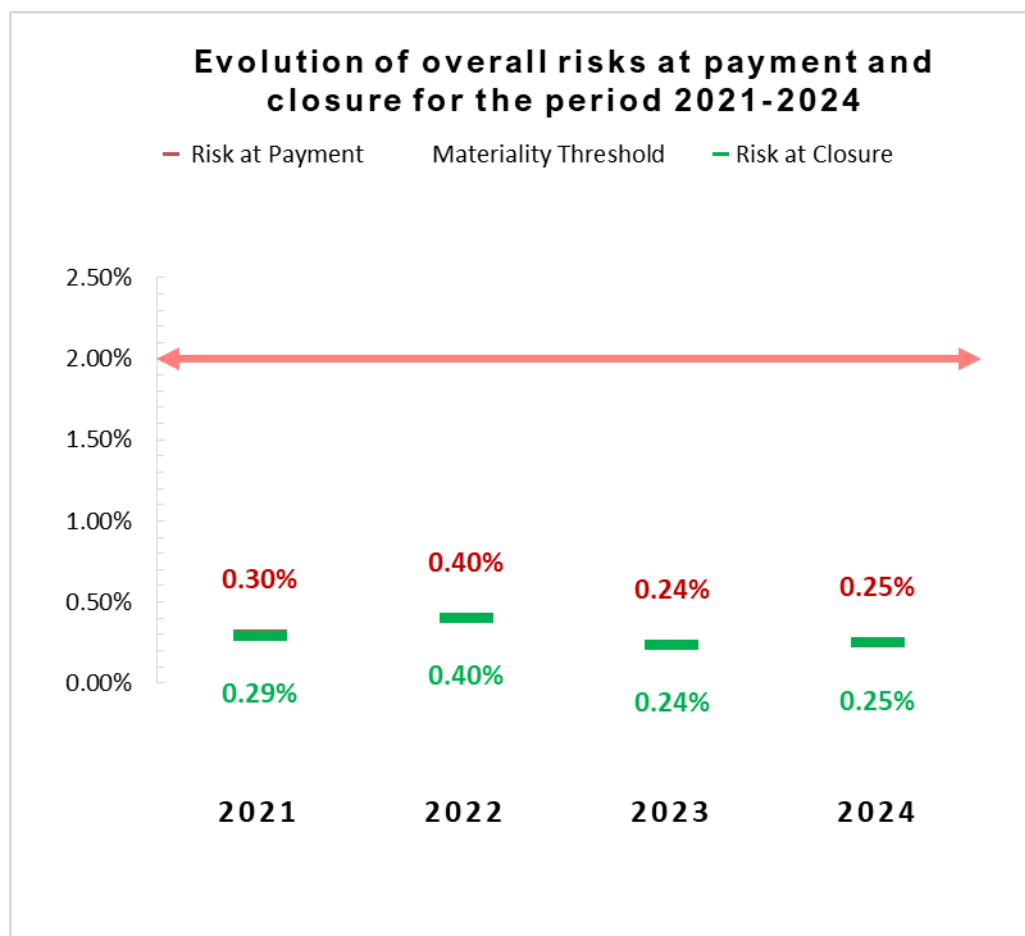
DG Environment is member of the Management Boards of these agencies. There are also regular meetings between DG Environment and the agencies at management and operational levels to ensure coordination of activities. More details about the supervision arrangements can be found in Annex 6 – RCS n°5.

Both for EEA and ECHA, the European Court of Auditors (ECA) gave a positive opinion on the legality and regularity of payments for the year 2023. The comments made by the Court do not call into question reasonable assurance on the operating budget managed by the EU agencies. From its own monitoring and supervision work as the responsible DG, DG Environment did not identify any issue that would indicate control weaknesses concerning the legality and regularity of budget spending.

European Climate, Infrastructure and Environment Executive Agency (CINEA)

DG Environment delegates the implementation of the bulk of the LIFE programme to CINEA. Supervision arrangements are in place, based on memoranda of understanding and/or reporting obligations. DG Environment is member of the Steering Committees of CINEA; daily contacts and monthly meetings between both entities ensure good implementation of the LIFE programme and allow feedback from projects to policies. During 2024, DG Environment, supported by DG Climate Action and DG Energy, has in particular provided direction to the executive agency as regards the implementation of the [guidance on funding entities for the development, implementation, and enforcement of Union legislation and policy](#) for running operating grants with non-governmental organisations active in the area of the environment, climate action and energy transition, and for the 2024 call launched to support these organisations. More details about the supervision arrangements can be found in annex 6 – RCS n°4. Further information on CINEA's activities under the LIFE programme is available in the executive agency's Annual Activity Report.

b) Estimation of the overall risk at payment and risk at closure



DG Environment carries out only ex ante controls, consequently for the risk at payment and risk at closure DG Environment is using:

- 0% error rate for the subsidies to the EU decentralised agencies EEA and ECHA, as these are considered error-free types of expenditure;
- the Commissions' flat rate of 0,5% as a conservative estimate for low-risk type of expenditure;
- for the very small number of legacy grants under the LIFE programme remaining under the responsibility of DG Environment (the rest being delegated to CINEA), a rate of 0.15% calculated on the basis of the average detected error rate (DER) observed in the last three audited years of ex-post controls (2020 to 2022).

c) Quantitative benefits of controls: Preventive and corrective measures

With its ex-ante controls, DG Environment has an effective mechanism in place for detecting and correcting errors, reaching in total EUR 0.5 million of corrections for 2024. Please see details in annex 3 table 8.

This is similar to last year with EUR 0.4 million (however the 2023 corrections were mostly stemming from ex post controls).

In addition, controls lead to a certain number of other benefits:

- savings during the procurement phase (where the full amount dedicated to a call not having been consumed, the balance becomes available for re-use);
- improved value for money and better achievement of the policy objectives, resulting from the thorough checks of deliverables from procurement contracts. In a few cases, the final payments have been reduced to account for partial delivery;
- avoidance of reputational costs, damages, complains and legal actions;
- the deterrent effect of supervisory checks.

d) Fraud: prevention, detection, and correction

DG Environment has developed and implemented its own anti-fraud strategy since 2013, based on the methodology provided by OLAF. It is updated every three years and was last updated in November 2024. Its implementation is being monitored and reported to the management on a yearly basis. For the Anti-Fraud Strategy covering the year 2019-2023, all necessary actions have been implemented.

In November 2024, the new Anti-Fraud-Strategy of the DG ENV was adopted with a new fraud risk assessment. It is expected to be implemented during the coming three years and supports the implementation of the action plan of the Commission Anti-Fraud Strategy (CAFS)¹⁰. It contains several actions to be implemented which are, in particular, increasing fraud awareness and trainings, use of IT tools to avoid plagiarism, reinforcement of cooperation with CINEA on anti-fraud matters, further cooperation with the European Public Prosecutor, inclusion on anti-fraud issues in the recruitment policy and reinforcement of anti-fraud in indirect management. A last but not least action concerns the mapping and development of a fully-fledged policy on conflict of interests.

¹⁰ Communication COM(2023)405 from the Commission to the European Parliament, the Council, the European Economic and Social Committee, the Committee of Regions and the Court of Auditors: Commission Anti-Fraud Strategy Action Plan - 2023 revision, and related Staff Working Document SWD(2023)245.

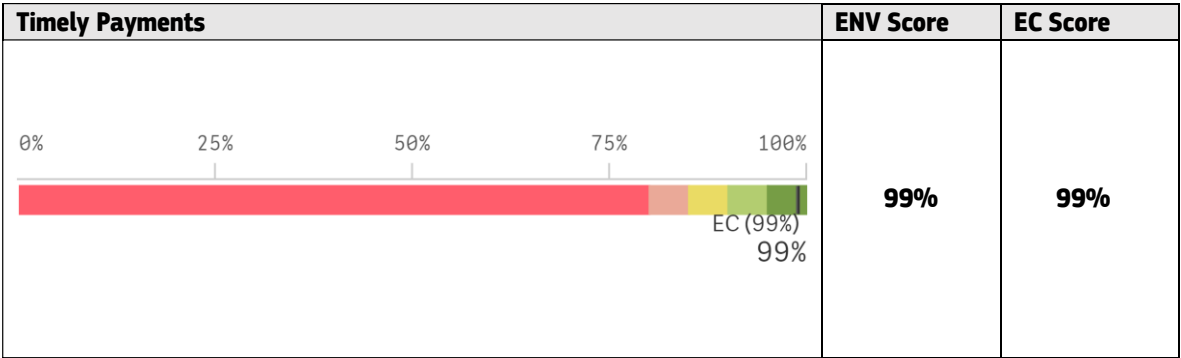
DG Environment received 5 (five) OLAF financial recommendations during the period 2020-2024. During the year 2024, DG Environment did not have to implement any recommendations, as all were already successfully implemented in the previous years.

Other results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: we answered to two EPPO requests and we collaborated with CINEA on the implementation of one additional case. We also drafted an internal analysis not to exclude an entity, for the purpose of implementing a recommendation from the EDES panel.

On the basis of the available information, DG Environment has reasonable assurance that the anti-fraud measures in place are effective overall.

2.1.3. Efficiency of controls

Time to pay: DG Environment paid on time 99% of the total amount paid in 2024, which is in line with the Commission global performance and with DG Environment’s score of last year. The reasons behind the late payments are sundry and not due to a systematic weakness but confirm the need to keep up with close monitoring of open invoices.



Time to inform the applicant and to grant: In 2024, DG Environment established a number of grants and agreements under direct and indirect management. The average time to inform the applicant and to grant was 2.4 months (from the final date of submission of the complete proposals to the signature of the grant or agreement). The calculated indicator concerns direct grants without a call for proposals (under Article 198 FR 2024/2509) and contribution agreements to international organisations under indirect management. It does not cover calls for proposals, as there were none during 2024.

Time to procure: In 2024, DG Environment procured contracts on average within 5 months for Open Calls, 6.5 months for the award of Framework contracts, whereas for the negotiated procedures the average time was 2 months and for the Very Low Value contracts around 1 month. Specific contracts under the various Framework Contracts of DG Environment or other DGs that DG Environment is using are procured normally within an

average of 2 months, depending on if there is a Single operator Framework contract or one with Re-opening of competition.

2.1.4. Economy of controls

The total cost of controls, for procurement and grants, stands at **EUR 2.4 million (1.59% of the funds managed)**¹¹. It varies according to the type of expenditure, as the intensity of checks and the amounts at stake vary considerably:

- the subsidies to the EU decentralised agencies have a cost of control ratio of 0.39% only. The subsidies are directly voted by the Budgetary Authority (for tasks directly entrusted by the legislator) and each agency follows a framework financial regulation similar to the Commission's, thus reducing the need for extensive supervision and control.
- The payments to multilateral environmental agreements also require limited checks as the budgets are voted in the assemblies of the bodies concerned, thus leading to a cost of control ratio of 1.7%.
- Conversely, procurement and grants display a higher cost of control mostly due to the controls in the selection phase and the checks on the deliverables (and on the costs eligibility in the case of grants), leading to a cost of controls ratio of respectively 2.4% and 3.2%.

2.1.5. Conclusion on the cost-effectiveness of controls

The control environment and control strategy remained stable during the reporting year compared to previous year. Based on the most relevant key indicators and control results reported above, DG Environment has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

2.2. Audit observations and recommendations

This section sets out briefly the state of play for all audit observations and recommendations reported by auditors related to internal control and financial management – including the limited conclusion of the Internal Auditor on the state of internal control..

⁽¹¹⁾ Cf. annex 7

Internal Audit Service

In its contribution to the 2024 Annual Activity Report process, the Internal Audit Service concluded that **the internal control systems in place for the audited processes in DG Environment** are effective. There are no critical or very important recommendations by IAS targeting DG Environment.

European Court of Auditors

There are no recommendations by ECA related to Internal Control and Financial Management in DG Environment.

In its [annual report on the implementation of the 2023 budget](#), the European Court of Auditors (ECA) mentions that it found three quantifiable errors in direct management transactions under the LIFE programme for the environment and climate action ⁽¹²⁾.

2.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on the highest international standards. ⁽¹³⁾

DG Environment has adapted the Internal Control Framework to their specific characteristics and organisational structure. The internal control systems are suited to achieving its policy and internal control objectives in accordance with the internal control principles, having due regard to the risks associated with the environment in which it operates.

DG Environment has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

Based on the internal control indicators set out for 2024 and other sources of information (e.g., the Commission staff survey), the assessment of the state of internal control in DG Environment did not identify any major deficiencies. DG Environment is confident of having the necessary procedures, staff skills and experience to identify and manage the main operational, financial and legal/regulatory risks and successfully address any shortcomings during 2024.

⁽¹²⁾ These transactions are related to LIFE projects managed by CINEA.

⁽¹³⁾ The Committee of Sponsoring Organizations of the Treadway Commission Internal Control Integrated Framework, the golden standard for internal control systems.

2.4. Conclusions on the assurance

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

2.5. Declaration of Assurance

I, the undersigned,

Director-General of Environment

In my capacity as authorising officer by delegation.

Declare that the information contained in this report gives a true and fair view ⁽¹⁴⁾.

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

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

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

e-Signed

Florika FINK-HOOIJER

⁽¹⁴⁾ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG/Executive Agency.

3. MODERNISING THE ADMINISTRATION

3.1. Human resource management

In 2024, DG Environment continued to deliver on a high number of legal obligations and political commitments, under the European Green Deal and the broader environmental *acquis*. Opportunities for staff reinforcement continued to be very limited, despite the continuous increase in workload. In this context, managing the **skills and motivation** of staff was a significant challenge. The 2-days-in-the-office policy was maintained, giving management and staff some flexibility to improve **work-life balance**. To help create stronger teams, DG Environment organised two ‘away days’ for Directorates, 11 **team building** events at unit level and a one-day seminar for senior managers.

Internal communication continued in parallel, with the DG hierarchy sharing policy news and relevant social and administrative information by email and on the DG’s intranet on a regular basis. Several “Breakfast with policy” events were organised, where teams had the occasion to present policy achievements to other colleagues, while sharing a cup of coffee. In addition, the DG organised two “movie nights” to present environment-related documentaries, followed by a debate.

DG Environment promoted external mobility and recruitments from outside the DG, while keeping the balance with internal **mobility** of staff. An internal mobility exercise took place in 2024 for Head of Units to maximise the benefits of crosscutting knowledge and experience of colleagues in the house. The exercise was on a voluntary basis and resulted in five heads of unit taking up new duties within the DG.

As regards **gender balance**, the DG works to achieve relevant targets, as shown by indicator 1 under the human resource management objective, in annex 10.

Concerning indicator 2 on staff engagement, according to the **2023 staff survey** DG Environment’s index is currently at 76%, above the Commission’s 73% average. Staff in DG Environment is very committed, love working with each other and finds in the job a strong sense of purpose that is above average. However, the survey also showed that further efforts are needed in four main areas: ‘inclusion and fairness’ (notably on the fight against harassment), ‘wellbeing and work-life balance’; ‘working arrangements’ (in particular related to the physical environment) and ‘Learning and personal development’. A local action plan was established to follow on these results.

3.2. Digital transformation and information management

Digital transformation is a constant undercurrent of the DG's effort to modernise its administration, with a special focus on improving the two main platforms used by the DG's data systems. **DSC/DECLARE**, which supports the collection and automatic validation of reporting data and other information exchanges, was enhanced with new features and advanced on its cloud migration, with several environments already completed. New products and work streams were unlocked in **ENV Data platform** (the native cloud platform for data processing, warehouse and visualisation), including innovative use of AI. A significant development was the **Zero Pollution Dashboard**. Pulling data from multiple sources, and with a large data processing investment, it facilitates analysis and visualisation of the evolution of zero pollution metrics on a wide range of indicators.

A key element of the DG's 2024 achievements was the delivery of the **information system of the EU Deforestation Regulation**, a dynamic registry that allows operators and traders to make electronic Due Diligence Statements and submit them to the relevant authorities (see Part 1, Specific Objective 2, of this report for more information). This is the first DG system fully deployed in the public cloud, as a technical prerequisite for auto-scaling its capacity.

Following the adoption of the **Waste Shipment Regulation** by the co-legislators, the first draft technical requirements for the interoperable digital solution to be used by authorities and the private sector in and outside the EU was shared with Member States. The DG also continued supporting the deployment and standardization of the **Digital Product Passport**, also exploring potential new services and applications for the benefit of businesses and citizens.

In the context of the **Green Deal Data Space (GDDS)**, in collaboration with DG Communication Networks, Content and Technology, a call for proposals (leveraging grant-funding mechanisms from the Digital Europe Programme) was launched to set-up the GDDS governance, its technical infrastructure and an initial delineation for high value datasets.

Information and IT security rules

Compliance with the corporate IT security rules and standards was monitored both at the level of the DG and its processes as well as for each information system. By the end of 2024, DG Environment had reached very high maturity and a reduced risk profile. Information security and cyberawareness campaigns were promoted, both corporate and local, including a physical full day workshop available in the DG's office building (see annex 10 for detail on the outputs).

Data, information and knowledge management

During 2024, DG Environment continued integrating **corporate requirements**¹⁵ within the existing DG data, information and knowledge governance.

Regular meetings of the internal group of Data, Information and Knowledge (DIKM) correspondents continued to take place to discuss **strategic aspects** and new initiatives, looking in particular at ensuring sound data governance, including how to handle new data flows and how to maximise the potential and reach of existing information assets. In 2024, the DG exceeded its 80% governance target, reaching 86% of key data assets for which corporate principles for data governance have been implemented¹⁶. A new **Knowledge Hub** was created, centralising and streamlining access to existing and new environmental knowledge. The role of **artificial** intelligence in the DG's work was another focus, in particular its usage for staff productivity and potential for policy use.

Adapting the DG's working methods and in particular moving to **collaborative platforms**, remains a continuous focus. The vast majority of collaborative work is now done using the M365 platform (either Teams or Sharepoint) – though email still remains the core information exchange medium. Some units have already replaced their use of the unit drive by SPO (behind Teams).

As regards **records management**, the objectives defined in the DG Strategic Plan will continue to be pursued, in line with user needs and taking account of the corporate eDomec, personal data protection and information security rules. Furthermore, the DG will continue raising awareness about the need to protect Sensitive-Non-Classified information with appropriate markings. In line with the Digital Preservation strategy's action plan DG Environment continued transferring remaining paper and electronic archives to the Commission's Historical Archives for permanent preservation in compliance with applicable rules.

The DG has setup a short monthly training session dubbed **Digital Pills**. It aims at providing targeted explanations on specific tools, features and processes that staff must be aware of and use to maximise their productivity and maintaining compliance with all applicable rules and guidelines (e.g., security or data protection). It's been a success, with sustained high levels of participation.

Data protection

In line with internal procedures, the DG Data Protection Coordinator was consulted for all new and potential data processes and the DG's Controllers were asked to document their processing operations.

¹⁵ Corporate requirements include, among others, the yearly update of the EC Data Catalogue of maintained by the Publications Office and the 'Reference Quality Frameworks' for statistical datasets set out by Eurostat)

¹⁶ See indicator 2 in annex 10, section Digital transformation and information management

Local training and coaching sessions on records management, personal data protection and information security continued to be organised, with particular attention to the use of the sensitive personal data flag in Ares.

3.3. Sound environmental management

DG Environment continued efforts to raise awareness and provide staff with adequate equipment to reduce their footprint at work, in line with the local **EMAS action plan** adopted in 2019.

To achieve a greener work place, action focused on three main working strands: 1) waste reduction and recycling, 2) a fully paperless office, and 3) promoting the use of tap water. With regards to missions, the DG encouraged opting for virtual meetings, wherever appropriate.

To help reduce the Commission's digital footprint, the number of documents exchanged internally by e-mail was further reduced, notably by promoting document sharing. Proactive support was provided regarding digital clean-up and electronic archiving.

Based on the updated Public Procurement Vademecum of 2022, the DG continued promoting green procurement by including sustainability aspects in its procedures, while also looking to increase the number of procedures using green award criteria.

In line with the EU Eco-Management and Audit Scheme (EMAS), event organisers and partners were encouraged to use environmentally friendly materials before and during the events, respecting the paperless and plastic-free guidance (see also the EMAS outputs defined in the performance tables in annex).

3.4. Examples of economy and efficiency

As a result of the European Green Deal, the number of new and updated environmental Directives and Regulations that member States need to transpose and implement is exceptionally high. This also requires an increased monitoring effort for DG Environment.

The **radar screen** put in place in 2023 was updated and helped monitor how key legal acts are transposed and implemented. It will allow to identify Member States in need of guidance, financial and technical support for the transposition of newly adopted Directives. After the expiration of the transposition period, the radar screen will help to prepare for targeted enforcement action.

The aim is to make enforcement action more targeted and even possibly reduce the future need for enforcement, the latter depending on Member States' implementation efforts. The efficiency gains of this initiative will need to be assessed over several years.