

ANNEXES

ANNEX 1: Statement of the Resources Director

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

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

Date

Agnieszka KAZMIERCZAK

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

ANNEX 2: Reporting – Human Resources, Better Regulation, Information Management and External Communication

This annex is the annex of section 2.2 'Other organisational management dimensions'.

Human resources

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 1 (mandatory): Percentage of female representation in middle management

Source of data: HR Analytics Platform (QlikView)

Baseline	Target	Latest known results
31.8% on 01/01/2017	<p>(new) Target: 40% overall target for female senior and middle management and new quota of three 1st time female middle management appointments by 01/11/2019</p> <p>Decision of July 2017 of new quantitative targets and 1st time appointments of female middle managers (cancelling specific target of 45% for female middle management in DG MOVE)</p>	<p>40% female Senior Management and 39.1% female Middle Management on 01/01/2018.</p> <p>Specific targets per DG for female representation in middle management under Strategic Plan Indicator 1 are no longer pursued, while the 40% overall target for female senior and middle management representation and new female middle management 1st appointment quota (of 3) must be achieved by 01/11/2019. When this Commission decision was issued (July 2017), DG MOVE had already made significant effort to appoint female Heads of Unit to reach its (now-obsolete) specific target of 45% by 2019. At the same time, DG MOVE had already recruited 2 female Heads of Unit as 1st time appointments and was about to reach its initial quota with last 1st time appointment on 16/09/2017. Within the new targets, by the end of 2017 DG MOVE already reached the 2019 overall 40% Commission target with 40% representation of female Senior Management and 39.1% female management reported on 1 January 2018. Out of new quota of three female middle management 1st appointments, DG MOVE has already filled one in September 2017 and is carefully assessing current and future management vacancies in the DG to advance towards the target. DG MOVE is actively opening the career path towards middle management occupation by appointing female Deputy Heads of Unit. In 2017 seven vacant Deputy Head of Unit functions were filled in DG MOVE and four (57%) female ADs were promoted as Deputy Head of Unit. DG MOVE is also regularly organising the training 'Unlock your hidden potential' dedicated to non-management colleagues who consider the option of applying for a management position. DG MOVE is supporting DG HR's Female Talent Development Programme by having identified DG MOVE's participants and mentors. Female members will continue to be part of all recruitment panels in DG MOVE.</p>

Main outputs in 2017:

Description	Indicator	Target	Latest known results 2017
Development of the talent management strategy (TMS)	Development of the strategy (identify staff training needs and career aspirations, raise the managers'	By December 2017	Developed (staff survey) Action Plan on 8 essential HR pillars – addressing most of HR areas, and gradual implementation as of September 2017. In addition to the Action Plan, discussion started to develop local coaching initiative with accredited internal coach to offer targeted staff the opportunity

	awareness with HR pills, fill in 6 vacant Deputy Head of Unit functions to promote talented staff, planning of transport competition)		to develop their skills and reach professional goals. Trainings needs within the DG were appropriately met and supported by 100% training budget execution. DG MOVE strengthened collaboration with AMC.2 career development team. Seven vacant Deputy Head of Unit functions were filled in DG MOVE (4 of which were women). First contact with JRC in June 2017, with JRC as coordinator of the planning of a joint specialised competition, involving several DGs).
Application of good practice in the recruitment process: gender-neutral vacancy notices, female members at panels; relevant statistics to senior management, etc.	1. Percentage of panels including female members	100%	100%
	2. Statistics on female representation provided to DG	Quarterly and when HoU positions become vacant	Frequent reporting: 31 January (included in the DG's mini-reorganisation request template), 8 March (coinciding with the organisation of local Lunchtime conference on International Women's Day), 16 March (date of implementation of mini-reorganisation), July 2017 when new Commission decision on female representation targets was issued, 16 September (new female HoU recruited), 1 October (nomination of 2 Directors and two HoU posts becoming vacant as a result), 1 November when one female HoU filled a vacant post, preparation of report and meeting HR BC - DG HR in November 2017 to discuss strategy to meet new equal opportunities targets.
Actions to attract and encourage potential female candidates on management functions	1. Event(s) organised 2. Fill in 6 vacant Deputy Head of Unit functions to promote talented staff as Deputy Heads of Unit to test their managerial skills (in case of equality of merits, priority given to female candidates)	1. 'International Women's Day' Lunchtime Conference, up to 40 participants, and 'Unlock your hidden potential', up to 15 participants 2. Launch of selection procedure for all 6 posts	Lunchtime Conference organised on the occasion of the International Women's Day on 08/03/2017. Three female senior managers from DG MOVE shared insights of their personal and professional lives. 38 participants (mainly women) were present. The event was highly appreciated. Training 'Unlock your hidden potential' organised on 10, 13, 16/11 and 01/12/2017, as a mixed course with 11 DG MOVE participants. Between October 2016 and October 2017, seven vacant Deputy Head of Unit functions were filled in DG MOVE and four (57%) talented female ADs were promoted as Deputy Head of Unit.

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 2 (mandatory): Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff satisfaction survey

Baseline 2016	Target by 2020	Latest known results 2017
34%	To improve above	Given the positioning (34%) slightly below the Commission

	<p>Commission average (35% in 2016) and constantly progress.</p> <p>Target agreed internally by the hierarchy on the basis of analysis of the 2016 state of play.</p>	<p>average (35%) in the 2016 Staff Survey, in 2017 well-being was placed high on DG MOVE's agenda. A Task Force representing all Directorates and all job categories within the DG, coordinated by the HR Business Correspondent (BC), was mandated by the Director-General to draw up an Action Plan on the basis of the results of the 2016 Staff Survey, addressing well-being actions among other areas. The outcome was endorsed by all managers, made public to all DG's staff and being gradually implemented as of September 2017. DG MOVE has already started improving in-house facilities by creating a dedicated room for yoga and sports. The internal 'Healthier, Happier Workplace' staff survey was launched in December 2017 in order to collect staff's views and expectations on new well-being proposals. At the same time, existing well-being activities have continued to be organised (e.g. yoga, jogging in the park, shoe-box campaign, free book exchange, volunteering offers). DG MOVE is also promoting family friendly hours and the consistent implementation of flexitime/telework schemes.</p>
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Main outputs in 2017:

Description	Indicator	Target	Latest known results 2017
Awareness raising sessions on well-being at work	Lunchtime conferences	At least 2	Given the particular HR context of 2017, only one Lunchtime conference 'Burnout – how to become more resilient' was organised on 30/11/2017. Many other sessions are already scheduled for 2018 (Nutrition, Sleeping disorders, Prevention of depression, Ergonomics).
Extended offer of well-being and volunteering activities	Volunteering presented as an option for Away Days and satisfaction indicator by number of participants		DG MOVE launched internal 'Healthier, Happier Workplace' staff survey in December 2017 in order to collect staff's views and expectations on a number of new well-being proposals to be organised locally in 2018. DG MOVE had an active participation in many corporate actions and volunteering events (Volunteering week, VeloMai/BikeToWork challenge and the organisation of MOVE cycling breakfast & demonstration of e-bikes at DG MOVE, participation in Brussels 20km for which DG MOVE was an official sponsor and created the slogan 'Burn Carbs, not Carbon!', participation in Commission European Mobility Week and organisation of Sustainable Mobility Breakfast for DG MOVE staff & test of electric bikes in front of DG MOVE. Publicity of various events in DG MOVE's internal Newsletter. Volunteering as an option for Away Days was tried out for a Directorate but eventually encountered many organisational difficulties and was suspended.
Targeted information to managers on issues connected with staff-well-being	Organisation of trainings for managers: 'HR pills' (e.g. prevention of psychosocial risks in the workplace.)	2 sessions by December 2017	The organisation of some complex trainings (such as HR pills) was planned before 16 February 2017, when the former HR Unit still had the staff and the practice of organising them. As a consequence, in the new BC-AMC setting, the effort needed to plan & deliver these trainings could not be sustained for a good part of 2017. In 2018, however, DG MOVE is planning (and already approached AMC2) to have at least 2 sessions of HR pills.

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 3 (mandatory): Staff engagement index

Source of data: Commission staff satisfaction survey

Baseline 2016	Target by 2020	Latest known results 2017
70%	To remain above Commission average (64% in 2016) and constantly progress. Target agreed internally by the hierarchy on the basis of analysis of the 2016 state of play.	DG MOVE has also been active as regards staff engagement, building on positive experiences of ranking among the top scoring DGs in previous staff surveys. In a time of diminishing resources, the 2016 and 2017 reorganisations of DG MOVE tried to identify better ways of working together and the best fit between staff competences and jobs. Internal mobility of staff pursuing a change in their careers was also supported in DG MOVE outside reorganisations. All these, together with the occupation of 7 Deputy Head of Unit functions in 2017 with staff pursuing a managerial career (of which 4 women), as well as a rotation of a number of Deputy Heads of Unit in 2017 have aimed at answering staff's career expectations, increasing staff's commitment to do quality work and boosting understanding of what is expected at work (as indicated in the staff engagement index). Furthermore, DG MOVE discussed the launch in 2018 of an internal survey to identify main areas where staff have difficulties to efficiently perform their assignments. The staff survey Action Plan developed in 2017 also brings forward actions and principles aimed at strengthening staff engagement in DG MOVE, amongst which: trainings for development needs are encouraged, two-way communication is being improved, talented staff are empowered and low performance is tackled, a newcomers' package is being developed. DG MOVE is also exploring the option and framework of developing a coaching initiative with in-house accredited coach to offer staff the opportunity to develop their skills and reach their professional goals. The 2017 annual DG Away Day contributed as always to strengthening the bonds among staff and further developing the motivation culture in the DG —as proved by the satisfaction survey filled by the participants.

Main outputs in 2017:

Description	Indicator	Target	Latest known results 2017
Information on issues connected to staff engagement	Organisation of trainings for general staff (e.g. 'Unlock your hidden potential')	1 session by December 2017	Training 'Unlock your hidden potential' organised on 10-13-16/11 and 01/12/2017, as a mixed course with 11 participants.
Lunchtime conference on Ethics	Number of events	At least 1	Given the planned adoption of the new Ethics framework early 2018, DG MOVE and DG HR agreed in 2017 to have a Lunchtime conference on the new rules in 2018 —the date has already been fixed for 6 June. DG MOVE's HR BC attended DG HR's IDOC conference in December 2017 as well as the Lunchtime conference presenting the new Decision on outside activities.

Annual DG Away Day	Timely organisation of the event	Q2 2017	DG MOVE Away-Day took place on 14/07/2017 registering a high participation rate of about 270 staff. A questionnaire was launched immediately after the event, pointing to 98% positive feedback. Many other team-events (Directorate breakfasts, specific trainings per Directorate, Away Days per Unit and Directorate) were supported and organised in DG MOVE in 2017.
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Better regulation

Note: For **Better Regulation**, the data for the indicators is collected by the DG².

Objective (mandatory): Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

Indicator 1 (mandatory – monitored by the DGs concerned): Percentage of Impact assessments submitted by DG MOVE to the Regulatory Scrutiny Board that received a favourable opinion on first submission.

Explanation: The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices.

Source of data: MOVE.A3 monitoring

Baseline 2015	Interim Milestone 2016	Target 2020	Latest known results (2017)
50%	Positive trend compared to baseline	75%	55%

Indicator 2 (mandatory – monitored by the DGs concerned): Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than five years.

Explanation: Better Regulation principles foresee that regulatory acquis is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the acquis to stay fit for purpose.

Relevance of Indicator 2: The application of better regulation practices would progressively lead to the stock of legislative acquis covered by regular evaluations to increase.

Source of data: MOVE.A3 monitoring

Baseline 2015	Interim Milestone 2016	Target 2020	Latest known results (2017)
Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than 5 years: 20% (In this figure all completed (Final report approved) evaluations of the	Positive trend compared to baseline	Positive trend compared to interim milestone	43% ³

² More guidance available: <https://myintracomm-collab.ec.europa.eu/networks/ECMngtPlan/ARCHIVES/Forms/AllItems.aspx?RootFolder=%2Fnetworks%2FECMngtPlan%2FARCHIVES%2FPLANNING%202016%2F2%5FFAQ&FolderCTID=0x012000DBC312C1CA95244831D1E92291AE456&View=%7B6039DD0C%2D9E2D%2D477A%2D8815%2D60B77FCE5DF2%7D>

³ Taking into account total acquis:101, completed evaluations (period 2013-2017): 26 and ongoing Evaluations (2017):17.

secondary legislation (i.e. regulations and directives were taken into account).			
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Information management

Objective (mandatory): Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable

Indicator 1 (mandatory): Percentage of registered documents that are not filed⁴ (ratio)
Source of data: Hermes-Ares-Nomcom (HAN)⁵ statistics

Baseline 2015		Latest known results 2017
8.32%	Target 2020 <1%	2.48%

Indicator 2 (mandatory): Percentage of HAN files readable/accessible by all units in the DG

Source of data: HAN statistics

Baseline 2015	Target	Latest known results 2017
96.74%	To be maintained above 95%	99.01%

Indicator 3 (mandatory): Percentage of HAN files shared with other DGs

Source of data: HAN statistics

Baseline 2015	Target	Latest known results 2017
0.11%	25% files registered as from 2016	0.27% ⁶

Main outputs in 2017:

Output	Indicator	Target	Latest known results 2017
Documents are retrievable in ARES and properly filed - staff has easier access to information	Percentage of registered documents that are not filed	To be maintained below 5%	2.48%
	Percentage of HAN files shared with other Services	At least 5% of files created in DG MOVE after 01/01/2016 opened to relevant services by the end of the year	0.27%
	Percentage of Han files to be readable / accessible by all units	To be maintained above 95%	99.01%
E-signatory – better use of electronic workflows, to	Section on information management included in the resource management reports to senior management awareness	Two reports including an IM section	The former section on information management is no longer included
	Launch an awareness and guidance campaign to increase the number of	Q2 2017	A Paperless Task Force has been created in April 2017.

⁴ Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁵ Suite of tools designed to implement the [e-Domec policy rules](#).

⁶ See narrative for justification

<p>reduce errors caused by the double circulation and to reduce paper storage in eligible cases.</p>	<p>registered documents with a fully approved e-signatory (no paper circulation in parallel).</p>		<p>The participants in the task Force have reviewed the existing workflows and defined new ones to promote paperless in DG MOVE.</p> <p>Paperless workflows are effectively used since April 2017.</p> <p>The results of the work of the Paperless Task Force are available at the specifically created Paperless collaborative space.</p>
<p>A centralised intermediate archive ensures physical security of information and a systematic control of files content at the end of their activity.</p>	<p>Creation of a DG centralised intermediate archives</p> <p>Implement a systematic procedure for closing files including :</p> <ul style="list-style-type: none"> - Quality control of electronic files to be closed including preservation requirements and accessibility - Physical transfer of paper files to the DG intermediate archives. 	<p>Q4 2017</p>	<p>Centralised intermediate archives have been created in DM28. The preservation procedure for DG MOVE has been reviewed and transmitted to senior and middle management Ares(2017)6352052</p> <p>The first annual exercise for closing files has been implemented by the CAD:</p> <ul style="list-style-type: none"> - Electronic files in ARES have been assessed and paper files have been identified. - Ongoing: identified paper files to be transferred during 2018 to the central intermediate archives according to their preservation and accessibility requirements.
<p>Consolidation of the E-Domec correspondents network – awareness and communication</p>	<p>Number of workshops/meetings with the correspondents network</p> <p>Launch of an E-Domec correspondents collaborative space for communication</p>	<p>At least two specific workshops to be carried out in 2017</p> <p>Q2 2017</p>	<p>Two specific meetings with the E-Domec correspondents of DG MOVE have taken place in 2017: 20 June and 5 December.</p> <p>The MOVE/ENER E-Domec network collaborative space has been launched.</p>

Communication

Objective (mandatory): Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.

Indicator 1: Percentage of EU citizens having a positive image of the EU

Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.

Source of data: Standard Eurobarometer [*monitored by DG COMM [here](#)*].

Baseline 2014	Target 2020	Latest known results 2017	
Total 'Positive': 39% Neutral: 37 % Total 'Negative': 22%	Positive image of the EU ≥ 50%	Total 'Positive': 40% Neutral: 37 % Total 'Negative': 21%	
Main outputs in 2017:			
Output	Indicator	Target	Latest known results 2017
Direct reach of communication actions via Twitter	Number of followers	32,000 followers on Twitter (increase of 8% compared to 2016)	34.002 followers on Twitter.
EU Transport Scoreboard 2017	Number of press clippings	27 (increase of 12% compared to 2016)	The Scoreboard has been updated online and can be consulted as usual, but it was not presented proactively to press for reasons detailed below.
New web portal for Road Transport Initiatives	Number of unique visitors	5,000	16,172 number of unique visitors.
Communication of annual road safety statistics	Number of press clippings	45 (increase of 12% compared to 2016)	Approximately 50 press clippings.
European Mobility Week public awareness campaign	Number of cities participating	2,400 (same level as 2016)	2,526 participating towns and cities.
A 'digital' passenger rights campaign	Number of downloads of passenger rights app	210,000 (increase of 5% compared to 2016)	230,000 compared to 2016 this represents an increase of 9.5%.

Objective: Timely and efficient distribution of information (news, events linked to Commission priorities) to stakeholders, Member States and citizens while engaging in dialogue.

Indicator: Number of DG MOVE twitter account followers.

Source of data: Twitter

Baseline: November 2015	Target: December 2016	Latest known results 2017
22 000 followers	25 000 followers	34.002 followers on Twitter.

563,500 EUR was spent from the annual communication budget and an additional sum of 1,500,000 EUR for communication related campaigns and more general communication related activities.

Annual communication spending (based on estimated commitments):

Baseline (Year n-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication
EUR 640,000 + an additional sum of EUR 1,020,180 for Communication campaigns.	EUR 515,000 + an additional sum of EUR 1,434,540 for Communication campaigns.	563,500 EUR + an additional sum of EUR 1,500,000 for Communication campaigns and communication related activities.	4 FTEs working on external communication but not 100 per cent of their time.

ANNEX 3: Draft annual accounts and financial reports

AAR 2017 Version 4

Annex 3 Financial Reports – DG MOVE – Financial Year 2017

Table 1: Commitments

Table 2: Payments

Table 3: Commitments to be settled

Table 4: Balance Sheet

Table 5: Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6: Average Payment Times

Table 7: Income

Table 8: Recovery of undue Payments

Table 9: Ageing Balance of Recovery Orders

Table 10: Waivers of Recovery Orders

Table 11: Negotiated Procedures (excluding Building Contracts)

Table 12: Summary of Procedures (excluding Building Contracts)

Table 13: Building Contracts

Table 14: Contracts declared Secret

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

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03//2018

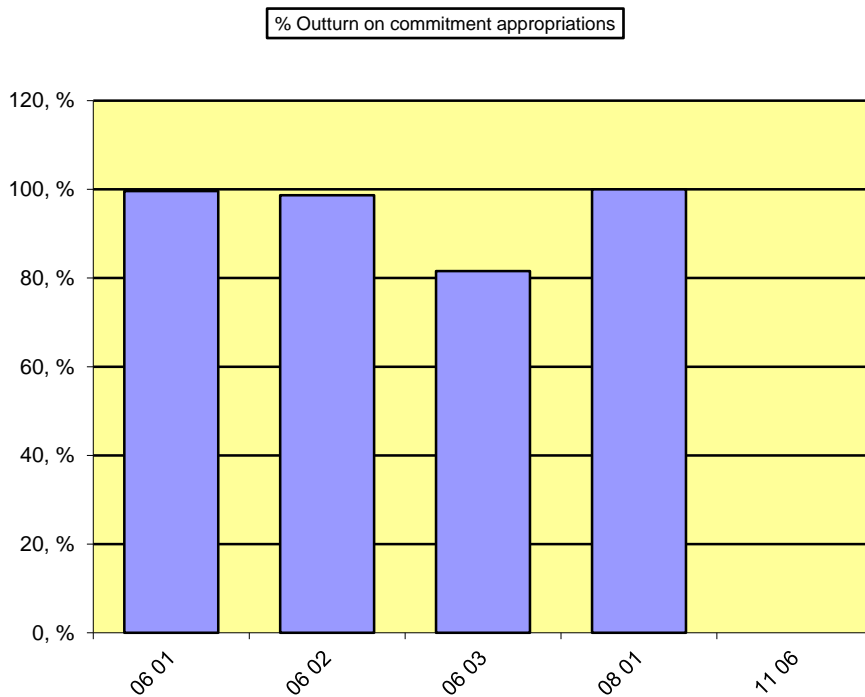
Additional comments

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

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03/2018

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	30.89	30.78	99.62 %
	06 02	European transport policy	194.39	191.81	98.67 %
	06 03	Horizon 2020 – Research and innovation related to transport	223.68	182.46	81.57 %
Total Title 06			448.96	405.04	90.22%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	5.34	5.34	100.00 %
Total Title 08			5.34	5.34	100.00%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.01	0	0.00 %
Total Title 11			0.01	0	0.00%
Total DG MOVE			454.31	410.38	90.33 %

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

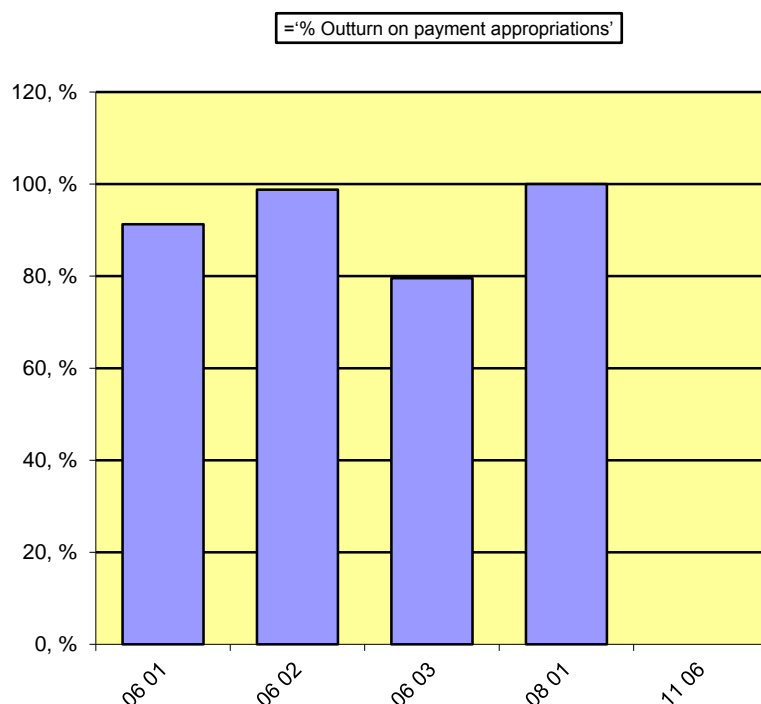


Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03/2018

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	22.88	20.89	91.29 %
	06 02	European transport policy	223.38	220.71	98.80 %
	06 03	Horizon 2020 – Research and innovation related to transport	210.04	167.11	79.56 %
Total Title 06			456.30	408.71	89.57%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	5.34	5.34	100.00 %
Total Title 08			5.34	5.34	100.00%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.01	0	0.00 %
Total Title 11			0.01	0	0.00%
Total DG MOVE			461.65	414.04	89.69 %

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



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

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03/2018

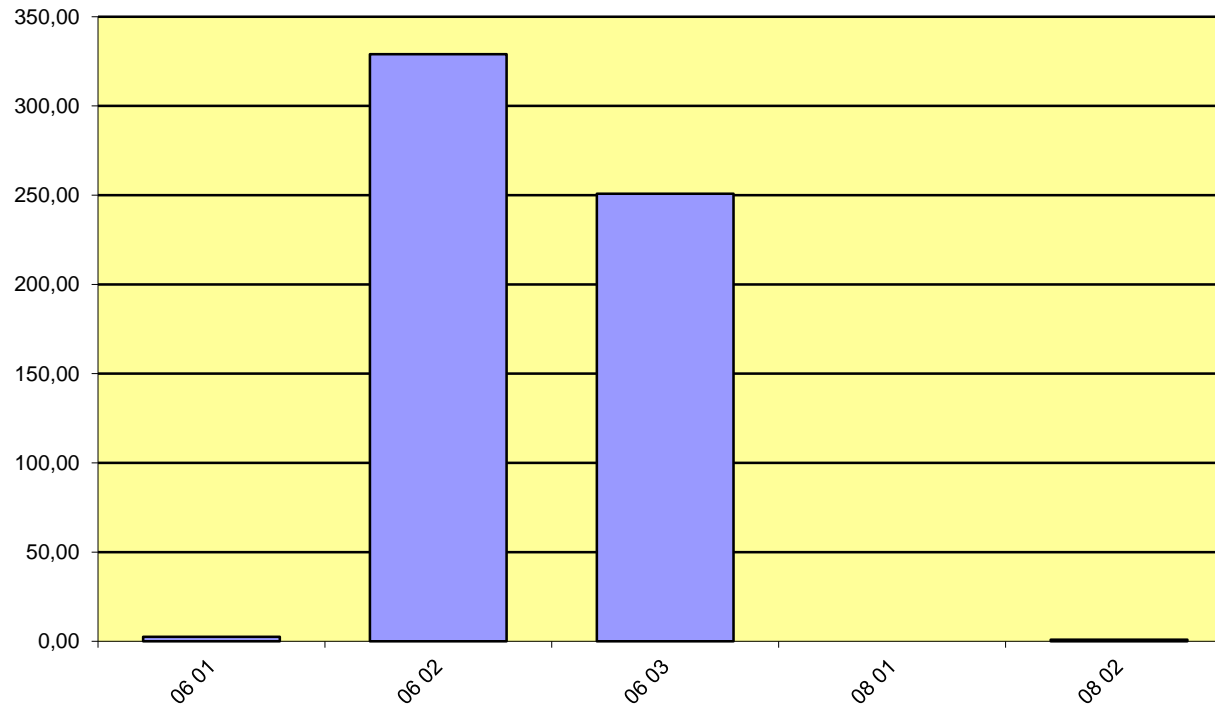
TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)

Chapter			2017 Commitments to be settled				Commitments to be settled from financial years previous to 2017	Total of commitments to be settled at end of financial year 2017	Total of commitments to be settled at end of financial year 2016
			Commitments 2017	Payments 2017	RAL 2017	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 06: Mobility and transport									
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	30.41	27.86	2.55	8.37 %	0.00	2.55	2.40
	06 02	European transport policy	191.81	107.23	84.58	44.10 %	244.39	328.97	361.20
	06 03	Horizon 2020 – Research and innovation related to transport	182.46	41.68	140.78	77.16 %	110.03	250.81	235.73
Total Title 06			404.67	176.77	227.91	56.32%	354.41	582.32	599.33
Title 08: Research and innovation									
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	5.34	5.34	0	0.00 %	0.00	0.00	0.00
	08 02	Horizon 2020 – Research	0	0.00	0	0.00 %	0.93	0.93	1.00
Total Title 08			5.34	5.34	0	0.00%	0.93	0.93	1.00
Total DG MOVE			410.01	182.10	227.91	55.59 %	355.34	583.25	600.33

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

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03/2018

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



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

Annex 3 Financial Reports - DG MOVE
Report printed on 19/03/2018

TABLE 4: BALANCE SHEET MOVE

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	419,647,795.70	400,907,238.56
A.I.1. Intangible Assets	0.00	0.00
A.I.3. Invstmnts Accntd For Using Equity Meth	0.00	0.00
A.I.4. Non-Current Financial Assets	417,371,864.67	395,918,445.67
A.I.5. Non-Current Pre-Financing	2,275,931.03	4,988,792.89
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab		0.00
A.II. CURRENT ASSETS	88,523,762.43	76,419,905.82
A.II.1. Current Financial Assets	37,409,975.72	57,768,292.72
A.II.2. Current Pre-Financing	9,469,060.72	6,496,593.13
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	18,040,168.77	12,148,346.75
A.II.6. Cash and Cash Equivalents	23,604,557.22	6,673.22
ASSETS	508,171,558.13	477,327,144.38
P.I. NON CURRENT LIABILITIES		0
P.I.3. Non-Current Financial Liabilities		0.00
P.III. NET ASSETS/LIABILITIES	(3,827,770.38)	(5,119,020.38)
P.III.1. Reserves	(3,827,770.38)	(5,119,020.38)
P.II. CURRENT LIABILITIES	(30,537,933.45)	(35,243,387.83)
P.II.4. Current Payables	(5,475,647.27)	(2,451,847.60)
P.II.5. Current Accrued Charges & Defrd Income	(25,062,286.18)	(32,791,540.23)
LIABILITIES	(34,365,703.83)	(40,362,408.21)
NET ASSETS (ASSETS less LIABILITIES)	473,805,854.30	436,964,736.17
P.III.2. Accumulated Surplus/Deficit	1,212,405,290.30	809,630,142.30
Non-allocated central (surplus)/deficit*	(1,686,211,144.60)	(1,246,594,878.47)
TOTAL	0.00	0.00

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

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

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

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TABLE 5: STATEMENT OF FINANCIAL PERFORMANCE MOVE

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	(8,215,807.28)	(11,125,166.58)
II.1.1. NON-EXCHANGE REVENUES	(3,957,879.63)	(2,406,947.22)
II.1.1.4. FINES	(3,000,000.00)	
II.1.1.5. RECOVERY OF EXPENSES	(959,591.58)	(3,167,901.40)
II.1.1.6. OTHER NON-EXCHANGE REVENUES	1,711.95	760,954.18
II.1.2. EXCHANGE REVENUES	(4,257,927.65)	(8,718,219.36)
II.1.2.1. FINANCIAL INCOME	(2,460,115.00)	(2,997,495.00)
II.1.2.2. OTHER EXCHANGE REVENUE	(1,797,812.65)	(5,720,724.36)
II.2. EXPENSES	359,006,509.48	413,900,314.58
II.2. EXPENSES	359,006,509.48	413,900,314.58
II.2.10. OTHER EXPENSES	30,251,108.61	53,493,942.45
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	61,716,394.38	71,935,642.07
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	267,043,407.17	288,568,070.01
II.2.6. STAFF AND PENSION COSTS	(44,275.00)	(146,322.00)
II.2.8. FINANCE COSTS	39,874.32	48,982.05
STATEMENT OF FINANCIAL PERFORMANCE	350,790,702.20	402,775,148.00

Explanatory Notes (facultative):

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TABLE 5bis: OFF BALANCE SHEET MOVE

OFF BALANCE	2017	2016
OB.1. Contingent Assets	873,403.14	253,977.68
GR for pre-financing	873,403.14	253,977.68
OB.2. Contingent Liabilities	(461,600,962.74)	(436,922,943.74)
OB.2.1. Guarantees given for EU FI	(461,600,962.74)	(436,922,943.74)
OB.3. Other Significant Disclosures	(531,682,954.28)	(529,391,398.70)
OB.3.2. Comm against app. not yet consumed	(531,682,954.28)	(529,391,398.70)
OB.4. Balancing Accounts	992,410,513.88	966,060,364.76
OB.4. Balancing Accounts	992,410,513.88	966,060,364.76
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use `ctrl+enter` to go to the next line and `enter` to validate your typing.

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

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

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TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG MOVE

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
20	2	2	100.00 %	14			
30	612	609	99.51 %	17.56	3	0.49 %	31.67
45	1	1	100.00 %	34			
60	139	138	99.28 %	33.11	1	0.72 %	62
75	3	3	100.00 %	55.67			
90	52	49	94.23 %	58.41	3	5.77 %	91.67

Total Number of Payments	809	802	99.13 %		7	0.87 %	
Average Net Payment Time	23.22			22.89			61.71
Average Gross Payment Time	27.44			26.99			80.14

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	30	114	14.09 %	809	29,871,914.73	12.26 %	243,664,732.59

Late Interest paid in 2017			
DG	GL Account	Description	Amount (EUR)
MOVE	65010100	Interest on late payment of charges New FR	690.32
			690.32

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

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TABLE 7: SITUATION ON REVENUE AND INCOME IN 2017

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
59	OTHER REVENUE ARISING FROM ADMINISTRATIVE MANAGEMENT	329,076.96	0	329,076.96	329,076.96	0	329,076.96	0
66	OTHER CONTRIBUTIONS AND REFUNDS	2,600,407.66	1,824,548.05	4,424,955.71	1,857,771.88	626,807.14	2,484,579.02	1,940,376.69
71	FINES AND PENALTIES	3,000,000.00	0	3,000,000.00	3,000,000.00	0	3,000,000.00	0
90	MISCELLANEOUS REVENUE	75,944.99	139,057.28	215,002.27	8,826.94	15,657.95	24,484.89	190,517.38
Total DG MOVE		6,005,429.61	1,963,605.33	7,969,034.94	5,195,675.78	642,465.09	5,838,140.87	2,130,894.07

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

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017	Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2008	5	698,863.97	5	698,863.97	8	768,045.51	62.50%	90.99%
2009	3	69,840.11	3	69,840.11	4	75,095.62	75.00%	93.00%
2010	3	67,926.68	3	67,926.68	3	67,926.68	100.00%	100.00%
2011	4	30,524.80	4	30,524.80	5	32,032.74	80.00%	95.29%
2012					1	4,260.51		
2013	2	26,710.23	2	26,710.23	3	53,503.50	66.67%	49.92%
2014					1	200.00		
2015	1	44,662.04	1	44,662.04	4	368,687.52	25.00%	12.11%
2016					8	1,579,370.87		
2017					1	17,850.22		
No Link					1	3,000,000.00		
Sub-Total	18	938,527.83	18	938,527.83	39	5,966,973.17	46.15%	15.73%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES			5	47,202.53			5	47,202.53	5	47,202.53	100.00%	100.00%
NON ELIGIBLE IN COST CLAIMS	2	2.47	38	1,130,169.32			40	1,130,171.79	50	1,444,285.15	80.00%	78.25%
CREDIT NOTES	15	60,046.35	22	383,054.51			37	443,100.86	37	443,100.86	100.00%	100.00%
Sub-Total	17	60,048.82	65	1,560,426.36			82	1,620,475.18	92	1,934,588.54	89.13%	83.76%
GRAND TOTAL	17	60,048.82	83	2,498,954.19			100	2,559,003.01	131	7,901,561.71	76.34%	32.39%

Note: The figures are those related to the provisional accounts and not yet audited by the Court of Auditors. The provisional closure will be based on the recovery context situation at 31/01/2017.

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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2017 FOR MOVE

	Number at 1/1/2017 1	Number at 12/31/2017	Evolution	Open Amount (EUR) at 1/1/2017 1	Open Amount (EUR) at 12/31/2017	Evolution
2002	1	1	0.00 %	42,709.92	42,709.92	0.00 %
2011	4	4	0.00 %	81,637.58	81,637.58	0.00 %
2014	1	1	0.00 %	53,589.60	53,589.60	0.00 %
2016	17	8	-52.94 %	1,785,668.23	1,143,203.14	-35.98 %
2017		6			809,753.83	
	23	20	-13.04 %	1,963,605.33	2,130,894.07	8.52 %

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TABLE 10: RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000

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

Total DG MOVE	
----------------------	--

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

Justifications:

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TABLE 11: CENSUS OF NEGOTIATED PROCEDURES - DG MOVE - 2017**Internal Procedures > € 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	3	9,643,425.28
Total	3	9,643,425.28

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

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	3	9,643,425.28
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	1	98,000.00
Open Procedure (Art. 104(1) (a) FR)	16	43,808,013.00
Total	20	53,549,438.28

Additional Comments:

TABLE 13: BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14: CONTRACTS DECLARED SECRET

Legal base	Contract Number	Contractor Name	Description	Amount (€)

ANNEX 4: Materiality criteria

Research Framework Programmes

↪ Common aspects

The assessment of the effectiveness of the different programmes' control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated on a representative sample.

• Assessment of the effectiveness of controls

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

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

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

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

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

where:

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

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each Framework Programme (FP) as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of FP7/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies⁷, the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

- **Multiannual approach**

The Commission's central services' guidance relating to the quantitative materiality threshold refers to a percentage of the authorised payments of the reporting year of the ABB expenditure. However, the Guidance on AARs also allows a multi-annual approach, especially for budget areas (e.g. programmes) for which a multi-annual control system is more effective. In such cases, the calculation of errors, corrections and materiality of the residual amount at risk should be done on a 'cumulative basis' on the basis of the totals over the entire programme lifecycle.

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

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

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

In view of the crucial role of ex-post audits defined in the respective common audit strategies, this assessment needs to check in particular whether the scope and results of the ex-post audits carried out until the end of the reporting period are sufficient and

⁷ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

adequate to meet the multiannual control strategy goals.

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

- **Adequacy of the audit scope**

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

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

↳ **Specific aspects**

The control system of each framework programme is designed in order to achieve the operational and financial control objectives set in their respective legislative base and legal framework. If the effectiveness of those control systems does not reach the expected level, a reservation must be issued in the annual activity report and corrective measures should be taken.

Each programme having a different control system, the following section details the considerations leading to the establishment of their respective materiality threshold and the conclusions to draw with regard to the declaration of assurance.

- **Seventh Framework programme**

For the Seventh Framework programme, the general control objective, following the standard quantitative materiality threshold proposed in the Instructions for AAR, is to ensure that the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the programmes' management cycle.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

- **Horizon 2020 Framework Programme**

The Commission's proposal for the Regulation establishing H2020 framework programme⁸ states that:

⁸ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102

It remains the ultimate objective of the Commission to achieve a residual error rate of less than 2% of total expenditure over the lifetime of the programme, and to that end, it has introduced a number of simplification measures. However, other objectives such as the attractiveness and the success of the EU research policy, international competitiveness, scientific excellence and in particular the costs of controls need to be considered.

Taking these elements in balance, it is proposed that the Directorates-General charged with the implementation of the research and innovation budget will establish a cost-effective internal control system that will give reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2 % at the closure of the multi-annual programmes, once the financial impact of all audits, correction and recovery measures have been taken into account.

Further, it explains also that:

Horizon 2020 introduces a significant number of important simplification measures that will lower the error rate in all the categories of error. However, [...] the continuation of a funding model based on the reimbursement of actual costs is the favoured option. A systematic resort to output based funding, flat rates or lump sums appears premature at this stage [...]. Retaining a system based on the reimbursement of actual costs does however mean that errors will continue to occur.

An analysis of errors identified during audits of FP7 suggests that around 25-35 % of them would be avoided by the simplification measures proposed. The error rate can then be expected to fall by 1.5 %, i.e. from close to 5 % to around 3.5 %, a figure that is referred to in the Commission Communication striking the right balance between the administrative costs of control and the risk of error.

The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5 % is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2 %.

In summary, the control system established for Horizon 2020 is designed to achieve a control result in a range of 2-5% detected error rate, which should be as close as possible to 2%, after corrections. Consequently, this range has been considered in the legislation as the control objective set for the framework programme.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

ANNEX 5: Internal Control Templates for budget implementation (ICTs)

A) Grant direct management (H2020 and FP7 legacy)

Stage 1 – Programming, evaluation and selection of proposals (only H2020)

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

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals submitted; Compliance; Prevention of fraud.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives and priorities; are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The annual work programmes are not consistent with the policy framework.</p> <p>The annual work programme for Horizon 2020 implementation is not consistent within the Research family and with the 7 years' framework.</p>	<p>1) Hierarchical validation within the authorising department 2) Inter-service consultation, including all relevant services 3) Adoption by the Commission 4) Explicit allocation of responsibility</p> <p>H2020 5) Harmonised procedures, guidance and IT tools, provided by the Common Support Centre of DG RTD 6) Centralised budget planning and the monitoring of the Horizon 2020's budget implementation by DG RTD</p>	<p>Coverage / Frequency: 100% annually</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>Depth All the underlying implementation tools are defined et developed at family level.</p>	<p>Costs: estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</p> <p>Benefits: Qualitative benefits, as a good Work Programme and calls should generate a large number of good quality projects, from which the most excellent can be chosen.</p> <p>Costs: costs of the staff involved in Research Family coordination activities</p> <p>Benefits: Qualitative benefits include optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme.⁹</p>	<p>Effectiveness % of budget 'over-subscription' from proposals received</p>

⁹ The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.	1) Selection and appointment of expert evaluators 2) Assessment by independent experts 3) Comprehensive IT systems supporting the evaluation and monitoring of the process 4) Validation by the AOSD of ranked list of proposals and, if applicable: - Opinion of advisory bodies; - comitology; - inter-service consultation; - adoption by the Commission; - publication 5) Redress procedure	Coverage / Frequency: - 100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) - 100% of proposals evaluated - 100% of contested decisions are analysed by redress committee.	Costs: estimation of cost of staff involved in the evaluation and selection of proposals. Cost of the appointment of experts and of the logistics of the evaluation. Benefits: Qualitative benefits, incl. independent, in-depth evaluation by external experts, selection of better planned projects with greater chance of success	Effectiveness: - % of number of (successful) redress challenges / total number of proposals received. - number of litigation cases Efficiency: - Average time to publication of selection results - % of Time-To-Inform on time

Stage 2 – Contracting (only H2020)

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of budget available); Compliance; Prevention of Fraud.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget	1) Project Officers implement evaluators' recommendations in discussion with selected applicants ¹⁰ 2) Hierarchical validation of proposed adjustments 3) Validation of beneficiaries	Coverage / Frequency: - 100% of the selected proposals and beneficiaries - 100% of draft grant agreements. Depth may be	Costs: estimation of cost of staff involved in the contracting process. Benefits: qualitative as verifications are intended to prevent later errors,	Efficiency: Average time to grant (FR 128.2) % of Time-to-grant on time

¹⁰ Given the constraints on the time to grant set out in the Horizon 2020 legislation, negotiation with applicants is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>A potentially fraudulent proposal/beneficiary was not detected in the evaluation phase.</p>	<p>before the signature of GA, including systematic checks on operational and legal aspects</p> <p>4) ad hoc anti-fraud checks for riskier beneficiaries</p> <p>5) Signature of the grant agreement by the AO</p> <p>H2020</p> <p>6) Establishment and operation of the Participant Guarantee Fund</p>	<p>differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p>	<p>thus contributing to a higher assurance on the achievement of the projects – and policy objectives.</p>	

Stage 3 – Monitoring the implementation (H2020, legacy FP7 projects)

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p>	<p>1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors</p> <p>2) Effective external communication / guidance to beneficiaries</p> <p>3) Anti-fraud awareness raising & training for project officers</p> <p>4) Operational and financial checks in accordance with the financial circuits</p> <p>5) Operation authorisation by the AO</p> <p>6) For riskier operations:</p> <ul style="list-style-type: none"> - Enhanced ex-ante controls - Selection and appointment of expert 	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - 100% of the payments (op. & fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls. <p>Depth: depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust</p>	<p>Costs: estimation of cost of staff involved in the actual management of running projects</p> <p>Benefits: combination of qualitative and quantitative such as:</p> <ul style="list-style-type: none"> - budget value of the costs claimed by the beneficiary, but rejected by staff - reduction in error rates identified by audit 	<p>Effectiveness:</p> <p>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed</p> <p>Efficiency:</p> <p>Average number & value of running projects managed 'per' staff FTE</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The cost claims are irregular or fraudulent.</p> <p>H2020 Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</p>	<p>for scientific reviews of intermediate and/or final reporting</p> <ul style="list-style-type: none"> - On-site verification visits 7) If needed, application of - Suspension/interruption of payments - Penalties or liquidated damages - Referring grant/beneficiary to OLAF <p>For H2020:</p> <ul style="list-style-type: none"> 8) Enhanced Research family approach including anti-fraud cooperation; common legal and audit service; comprehensive and common IT systems 9) Audit certificates required for any beneficiary claiming more than EUR 375000 (FP7)/EUR 325 000 (Horizon 2020). 	<p>and control, the level of control at this stage is reduced to a minimum</p> <ul style="list-style-type: none"> - Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or 'population' risk assessment 	<p>certificates.</p> <ul style="list-style-type: none"> - benefits due to operational review of projects and consequent corrective actions imposed on projects 	<p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Average nb. days</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p>

Stage 4 – Ex-post controls

A - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p>	<p>FP7 & H2020</p> <ul style="list-style-type: none"> 1) As of 01/01/2014, common ex-post control strategy for the entire Research family is implemented by a central service (CSC, DG RTD), including: <ul style="list-style-type: none"> - audits of a representative sample of 	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - projects selected as part of the Common Representative Sample (CRaS) - Risk-based selection of projects, determined in 	<p>Costs:</p> <ul style="list-style-type: none"> - no costs for audits performed by CSC <p>Benefits:</p> <ul style="list-style-type: none"> - budget value of the errors detected by the 	<p>Effectiveness¹¹:</p> <p>Audit coverage: number of audits finalised & value coverage</p> <p>Representative /</p>

¹¹ Only applicable to FP7 projects – H2020 has not yet reached the stage where ex-post audits started.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>Lack of consistency in the ex-post audit strategy</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk</p>	<p>operations</p> <ul style="list-style-type: none"> - centralized measurement of the level of error in the population after ex-ante controls have been performed; - Additional audit sample to address specific risks; - When relevant, joint audits with the Court of Auditors. - In case of systemic errors detected: extrapolation of corrections to all non-audited participations of the audited beneficiary <p>CEF</p> <ul style="list-style-type: none"> 2) Multi-annual ex-post audit planning in line with programme lifecycle and based on risk analysis 3) In case of fraud suspicion, referring the beneficiary or grant to OLAF. 	<p>accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error.</p> <p>Depth: common audit ex-post methodology</p>	<p>auditors</p> <ul style="list-style-type: none"> - Deterrent and Learning effect for beneficiaries - feedback to ex-ante controls and risk analysis approach - improvement / clarification in rules and guidance to beneficiaries 	<p>detected error rate.</p> <p>Residual error rate</p>

B - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.</p>	<ul style="list-style-type: none"> 1) Systematic registration of audit / control results to be implemented and actual implementation. 2) Validation of recovery in accordance with financial circuits. 3) Authorisation of recovery by AO. 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / 	<p>Coverage: 100% of final audit results with a financial impact</p> <p>Depth: All audit results are examined in-depth in making the final recoveries</p> <p>For H2020 and FP7: Systemic errors are extrapolated to all the non-audited participations of audited beneficiaries</p>	<p>Costs: Estimate of cost of staff involved in stage 4 overall (coordination and execution of the audit strategy as well as implementation of the audit results)</p> <p>Benefits: budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> % of adjustments recovered /offset Number/value/% of audit results pending implementation Number/value/% of audit results implemented Funding adjustments <p>Efficiency:</p> <ul style="list-style-type: none"> - total (average) annual cost of implementing audit audits

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	AO approval for waiving recoveries		Loss: budget value of such ROs which are 'waived'	compared with benefits

B) Indirect entrusted management DG MOVE

The ICT covers: (1) the operating (administrative) budget of the executive agency INEA¹², (2) the SESAR and S2R joint undertakings (3) the operating (administrative) budget of the decentralised agencies ERA, EASA and EMSA.

Stage 1 – Establishment (or prolongation) of the mandate to the entrusted entity ('delegation act', 'contribution agreement' or similar)

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The establishment (or prolongation) act of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>For PPPs: the evaluation method of the in-kind contributions provided by the industry partners is not clear.</p>	<p>1) Ex-ante evaluation of the entity 2) Widespread consultation, with internal and external stakeholders 3) Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting. 4) Inter-service consultation, including all relevant DGs 5) Mandate adopted by the Commission. 6) Allocation of supervision responsibility within the DG</p>	<p>Coverage/Frequency: 100%/once and partial for amendments or extensions.</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied</p>	<p>Costs: As this stage implies several DGs, doesn't happen regularly and can be very different for each entity, a systematic cost calculation wouldn't result in exploitable data</p> <p>Benefits: Only non-quantifiable benefits, including reputation of DG MOVE/Commission</p>	<p>Effectiveness: Nr. of IAS, ECA, OLAF or discharge criticism</p> <p>Efficiency: Overall supervision cost per (type of) entrusted entity / total budget entrusted (%) Ratio FTEs/funds entrusted.</p>

Stage 2 – Assessment and supervision of the entrusted entity's financial and control framework (towards 'budget autonomy'; 'financial rules')

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives (*legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy*).

¹² In fact only the operating (administrative) budget of the executive agency is actually paid by DG MOVE. The operational budget is directly allocated to the Agency —in this case DG MOVE does not strictly have a financial responsibility, but does still have a responsibility to supervise the agency in terms of the achievement of results.

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs	<ol style="list-style-type: none"> 1) DG internal or independent external ex-ante assessment before granting budget autonomy 2) Hierarchical validation within the authorising department; 3) Use of Model-or Framework-financial rules (MFF or FFF); 4) Requiring justification and prior consent for any deviating financial rules; 5) Standard business processes and IT tools; 6) Secondment and selection of key staff of entrusted entities 7) Review of audit reports (IAS, ECA). 	<p>Coverage/frequency: 100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.</p> <p>Depth: determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget concerned.</p>	<p>Costs: estimation of cost of staff involved in the ex-ante assessment process (may include missions)</p> <p>Benefits: The control framework covers the total budget amount entrusted to the entity (operating and operational)</p> <p>DG's reputation remains intact.</p>	<p>Effectiveness: Nr. of IAS, ECA, OLAF or discharge criticism Number of recommendations to EE as result of ex-ante or later assessment</p> <p>Efficiency Indicators: Included in the overall supervision costs</p>

Stage 3 – Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p>	<p>INEA</p> <p>1) DG MOVE's Monitoring Strategy is integrated into the Memorandum of Understanding The MoA specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including:</p> <ul style="list-style-type: none"> • DG MOVE representation in Steering Committee; 	<p>Coverage: as determined by the MoA</p> <p>Frequency: as determined in the MoA</p>	<p>Costs: Estimate of cost of staff involved in the governance and monitoring of the agency</p> <p>Benefits: The annual budget amount entrusted to the entity</p>	<p>Effectiveness: Nr. of critical / very important IAS and ECA recommendations issued to INEA / DG MOVE Nr. of discharge criticism issued to INEA</p> <p>Efficiency: Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>Inconsistent application of supervision/control arrangements within different EEs</p>	<ul style="list-style-type: none"> • Liaison meetings at hierarchical level; • Ad hoc meetings and regular contacts at working level; • Quarterly operational reports from the agency; • Regular updates on the achievements of the delegated programmes' objectives; • Budgetary control via commitment and payment appropriations process; • Formal opinion and consultation on key documents (annual work programme and the annual activity report) <p>2) Review of</p> <ul style="list-style-type: none"> • Annual Activity Report of INEA • Audit reports of the IAS and ECA 			
<p>As above</p>	<p>SESAR JU</p> <p>1) DG MOVE is a member of and chairs the SESAR JU Administrative Board; participates directly (in many cases with an effective veto right, particularly when acting in concert with Eurocontrol) in all the decisions affecting the budget, accounts, staff and progress of the JU</p> <p>2) All documents related to above issues are evaluated by DG MOVE in cooperation with several other services to establish Commission's position in the Board (line-to-take)</p> <p>3) Audit issues are coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR JU</p> <p>4) Regular financial and technical reporting and operational meetings</p>	<p>Coverage: As determined by the Statutes of the JU</p> <p>Frequency: As determined by the Statutes of the JU</p>	<p>Costs: Estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness: Nr. of critical / very important IAS and ECA recommendations issued to INEA / DG MOVE Nr. of discharge criticism issued to the JU</p> <p>Efficiency: Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	<p>to discuss the progress of the technical programme</p> <p>5) DG MOVE participates in the Programme Committee chaired by the JU's Executive Director</p> <p>6) DG MOVE officials regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR JU</p> <p>S2R JU</p> <p>1) Monitoring through participation in the Governing Board (in which the Commission holds 50% of voting rights)</p> <p>2) Regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission)</p> <p>3) Operational and financial reporting provisions set out in the Statutes of the S2R JU</p>			
As above	<p>Decentralized Agencies</p> <p>1) The governance and supervision approach determined by the 'Common approach to the decentralised agencies'. Measures in place include:</p> <ul style="list-style-type: none"> - DG MOVE membership in the Management/Administrative Board; - Budgetary control via the commitment and payment appropriations; - Quarterly indicators on budgetary and administrative performance of the Agency; - Regular contacts at all levels (Director-General, Director, Head of Unit, staff); 	<p>Coverage: all agencies / as determined by founding act</p> <p>Frequency:</p> <ul style="list-style-type: none"> - Annual Work Programme and Annual Activity Report - Quarterly operational reports - Regular contacts - at least biannual Board meetings 	<p>Costs: estimate of cost of staff involved in the actual monitoring of the entrusted entities.</p> <p>Benefits: The annual budget amount entrusted to the entity.</p>	<p>Effectiveness:</p> <p>Nr. of critical / very important IAS and ECA recommendations issued to INEA / DG MOVE</p> <p>Nr. of discharge criticism issued to the JU</p> <p>Efficiency:</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	<ul style="list-style-type: none"> - Formal opinion and formal consultation on key documents of the Agencies (annual work programme, multi-annual staff policy plan); - External and internal audits as well as procedures against fraud; - DG MOVE involvement in audit and discharge procedures. 			

Stage 4 – Commission contribution: payment or suspension/interruption

Main control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution. **This is very closely linked to stage 3 above.**

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The Commission has not received sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.</p>	<p>INEA 1) Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by the European Court of Auditors 2) DG MOVE analysis of audit reports as an element of the supervision of these bodies 3) Interim evaluations by independent experts of achievement of policy objectives Joint Undertakings 4) Statutes specifying audit rights by the IAS / ECA 5) DG MOVE analysis of audit reports as an element of the supervision of these bodies SESAR JU 6) Every three years Commission evaluation of the functioning and the results of the JU Decentralised Agencies 7) Subject to audit by IAS and ECA 8) DG MOVE analysis of audit reports as an element of the supervision of these bodies</p>	<p>Coverage: - Audits performed on sample as needed (e.g. random/representative, value targeted, risk based) - evaluation covers all programmes entrusted</p> <p>Frequency: - audits – determined by audit bodies - evaluations – determined in legal base - annual ECA report on JUs</p> <p>Depth depends on the type of entity and the level of risks assessed</p>	<p>Costs: none for DG MOVE</p>	<p>Effectiveness: Assurance being provided (via management /audit reporting) - residual error rate reported for programmes managed by entrusted entity - number of serious IAS and ECA findings of control failures.</p>

C) CEF Debt Instruments

This ICT covers: Financial Instruments (FIs) entrusted to International Financial Institutions (IFIs) under indirect management (2014-2020), i.e. the Delegation Agreement (DA) signed by DG MOVE with the **European Investment Bank (EIB)** for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI), including PBI and LGTT as from 2016. Stage 1 was completed as of end December 2015.

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

Main control objectives:

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>The IFI does not have the experience and financial capacities as well as the administrative & control capacities to ensure effective and sound implementation of the FI.</p> <p>The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).</p>	<p>1) The selection of the EIB as entrusted entity was:</p> <ul style="list-style-type: none"> • In line with Art. 58.1(c)(iii) FR. • Explicitly indicated in the CEF Regulation as a potential entrusted entity. (recitals 41 and 50 and annex I, part III only) <p>2) Ex-ante assessment of the EIB in accordance with articles 61(1) and 60(2) FR ('six pillar assessment') successfully carried out prior to the signature of the FAFA by DG ECFIN.</p> <p>3) Formal signature of Financial and Administrative Framework Agreement (responsibility of DG ECFIN)</p> <p>4) Periodic evaluations (see also</p>	<p>Coverage/Frequency for DA: once</p> <p>Depth: In-depth control, full engagement of operational and financial unit resources.</p>	<p>Costs: no longer applicable – done in 2015</p> <p>Benefits: The total value of the FI (this is the maximum risk exposure if the basic acts are inadequate).</p>	<p>Effectiveness: Where applicable, opinions by advisory or audit bodies (recommendations, actions taken).</p> <p>Efficiency: costs vs. funds delegated to EIB</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	Stage 3) of EIB operations Mid-term evaluation of CEF.			
The DA with the IFI is inadequate to cover operational and management risks	1) The main principles of the DA are based on the FAFA. 2) Draft DA was reviewed in inter-service consultation (including all relevant DGs, horizontal and operational). 3) Hierarchical validation (incl. at DG level) of the delegation agreement (DA), formal adoption by Commission decision 4) Detailed provisions in DA with regards to: <ul style="list-style-type: none"> • Operational and policy objectives; • Obligations and tasks of the Bank • Governance provisions • Operational and financial reporting obligations Control, monitoring and audit provisions	Coverage/Frequency: 100% / once	Costs: no longer applicable – done in 2015 Benefits: The total value of the FI (this is the maximum risk exposure if the basic acts are inadequate).	Effectiveness: - Findings in audit reports
The Commission's interests are not protected by the DA, including - the RSM (Risk-Sharing Mechanism) is too generous to the IFI (risk of unbalanced risks) - the fees paid to the IFI are not in line with the implementation of the FI	1) Alignment of interest is provided through: <ul style="list-style-type: none"> • Standardized risk-sharing model between EIB and Commission agreed in DA, in line with horizontal guidance from DG BUDG and ECFIN. • A fee structure designed to compensate the EIB for the implementation of the financial instruments linked to the achievement of the policy objectives. 2) Each agreement between EIB and beneficiaries covers control (e.g. audit	Coverage/Frequency: 100 % / once Depth: In-depth control, full engagement of operational and financial unit resources.	Costs: none for DG MOVE Benefits: - Commission liabilities are limited - fees are linked to performance	Effectiveness: Findings in audit reports

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
	rights of the EC) and reporting obligations			

Stage 2 – Implementation of the FI, incl. commitments and payments

Main control objectives:

- Ensuring that the funds allocation is optimal (best value for public money; effectiveness, economy, efficiency) to meet the policy objectives (effectiveness).
- Ensuring that the remuneration paid to the IFI is adequate (cost-effectiveness).
- Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view).

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Possible control indicators
Final Recipients / Projects selected may not be eligible	<p>1) Annual approval of CEF FI work programme by the CEF Coordination Committee.</p> <p>2) Policy guidance, review of proposed pipeline of projects by CEF Steering Committee (chair ECFIN, with MOVE, ENER and CNECT)</p> <p>3) EIB applies evaluation and selection criteria and process set out in Annex 1 of DA</p>	<p>Coverage/Frequency: 100% - all agreements signed by EIB</p> <p>Depth:</p>	<p>Costs: Estimate of the costs of staff involved in CEF Coordination Committee, CEF FI Steering Committee and Operational Unit.</p> <p>Benefits: - assuring the compliance of the implementation with the Legal Basis / FR, including with regard to the eligibility criteria of Final Beneficiaries</p>	<p>Effectiveness: - number of analysis check-lists/set of sample-check-lists/ monitoring reports/letter to the IFIs</p>
Undue or erroneous payments	1.a) Ex-ante by Commission: all payments	Ex-ante verification of commitments: 100%	Cost: estimate of staff involved	Effectiveness: - number of operations outside

<p>Undue or erroneous recoveries/re-payments</p>	<p>made to EIB are subject to the normal financial circuit of DG MOVE, including independent ex-ante verification.</p> <p>1.b) Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance.</p> <p>2) Due diligence: The EIB has to</p> <ul style="list-style-type: none"> - set up and operate an internal control system - apply effective and proportionate anti-fraud measures - carry out ex ante and ex post controls, including on-the-spot checks on representative and/or risk-based samples of transactions, in accordance with Annex 8 of DA - require the Final Recipients to repay any amount unduly paid 	<p>Ex-ante verification of payments: 100%</p> <p>Verification of EIB transactions on sample checks</p>	<p>Benefits:</p> <ul style="list-style-type: none"> - reduced or avoided errors in commitments / payments - sound financial management 	<p>official procedures</p> <ul style="list-style-type: none"> - number of erroneous operations - number of findings from external auditor
<p>The remuneration or the reimbursement of any exceptional costs or additional tasks are unjustifiably high</p>	<p>1) Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap.</p> <p>2) Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement.</p> <p>3) Review by DG MOVE of the statement of expenses together with evidence provided by the EIB.</p>	<p>Coverage: 100% of fees and eligible expenses are verified before payment against contractual conditions and supporting documentation required under the DA</p>		<p>Effectiveness:</p> <ul style="list-style-type: none"> - existence of documented checks - number of findings from external auditor

Stage 3 – Monitoring and assurance building

Main control objectives:

- Ensuring that assurance building information on the entrusted entity’s activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (Fraud prevention and detection).
- Ensuring that the (audit) results from the ex-post controls lead to assurance for the accountable AOD (5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
The actions supported do not reflect the policy objectives for the CEF DI	<p>1) Commission Services monitor the implementation of the FI on the basis of a documented approach.</p> <p>2) The Commission has several monitoring instruments that include:</p> <ul style="list-style-type: none"> • the CEF FI Steering Committee • review of the pipeline of projects • operational reports • financial statements • risk and performance reports • pipeline reports • summary of audits and controls carried out during the reporting year <p>3) Interim and ex-post evaluations are carried by EIB and Commission services.</p>	<p>Coverage/Frequency: as per documented control approach.</p> <p>Steering Committee: at least 2x/year.</p> <p>Operational reports 2x/year</p> <p>Financial statements: monthly.</p> <p>Risk and performance reports: quarterly.</p>	<p>Costs: estimate of staff costs involved in governance/monitoring.</p>	<p>Effectiveness: on the basis of success ratios and KPIs defined for CEF policy objectives:</p> <ul style="list-style-type: none"> - leverage - co-risk taking - number of FRs supported by the Financial Instrument - disbursement rate <p>Cost-Effectiveness:</p> <ul style="list-style-type: none"> - Total cost of monitoring and supervision by DG staff over value delegated - Management fees over value of budget delegated to EIB

Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
<p>Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not achieving the policy objectives and are in non-compliance with applicable regulations.</p>	<p>1) EIB maintains internal control system and applies anti-fraud measures.</p> <p>2) EIB annual report is audited by independent auditor, which covers the internal control system.</p> <p>3) The Commission carries out controls and monitoring by means of:</p> <ul style="list-style-type: none"> - participation in the Steering Committee; - the financial statements provided by the Bank; - representative and/or risk-based on-the-spot checks on the final recipients. 	<p>Coverage: 100% of the portfolio.</p> <p>Depth: depends on risk criteria such as past experience with the IFI, complexity or lack of experience on the area of financed actions or the management modalities.</p>	<p>Costs: estimation of the cost of staff involved or cost of contracted services, if any.</p> <p>Benefits:</p> <ul style="list-style-type: none"> - reasonable assurance in the implementation of the FI; - legality and regularity of the operations. 	<p>Effectiveness:</p> <ol style="list-style-type: none"> 1) - Existence of EIB policies to prevent and deter fraud 2) - absence of qualification on the grounds in the auditor's opinion 3) - Number of 'issues': Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings <ul style="list-style-type: none"> - Number of cases submitted to OLAF.

D) Directly Managed Procurement

This ICT covers, amongst others, the contracts with the SES advisory bodies (Eurocontrol, Network Manager, Performance Review Body)

Stage 1 – Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services provided due to contracting issues</p> <p>The required technical financial capability is not adequately planned</p>	<p>Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements</p> <p>Validation by AO(S)D of justification & planning</p> <p>Documented discussions / decisions</p>	<p>100% of the forecast procurements (open procedures with prior notification and use of framework contracts) are justified and validated through the Vigie system and the CEF Work Programme.</p> <p>All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.</p>	<p>Costs: estimation of cost of staff involved.</p> <p>Benefits: Amount of rejection of unjustified purchases. [Estimation of litigation avoided and eventual discontinuation of the service provided]</p>	<p>Effectiveness: Number of projected tenders cancelled.</p> <p>Efficiency: average cost per tender.</p>

Stage 2 – Needs assessment & definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The Commission does not receive good offers or cannot select good experts for the required specific expertise.	AOSD supervision & approval of tender specifications / terms of reference	100% of specifications drafted by technical experts. All specifications for open call for tenders validated by AOSD. Depth: 100% of tenders above financial threshold (>60k)	Costs: estimation of cost of staff involved Benefits: - limit the risk of litigation, limit the risk of cancellation of a tender - Amount of contracts for which the approval and supervisory control detected material error	Effectiveness - nr of open procedures or tenders where only one or no offers were received. - nr of requests for clarification regarding the tender. Efficiency: Estimated average cost of a procurement procedure

Stage 3 – Selection of the offer & evaluation

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
The most economically advantageous offer is not being selected, due to a biased, inaccurate or 'unfair' evaluation process. The offer retained does not present the required technical expertise or is financially not sustainable	Formal evaluation process, including Opening Committee and Evaluation Committee Opinion by consultative committee ('CCAM') Declaration of absence of conflicts of interest by members of Opening and Evaluation Committee Documented evaluation and	100% of offers analysed Depth: all documents submitted 100% of opening/evaluation committee members sign declaration 100% criteria checked	Costs: estimation of staff costs Benefits: - compliance with FR - potential irregularities detected/prevented	Effectiveness - nr of valid complaints or legal cases opened - Contract signed in time to implement the action Efficiency: successful tender offers the highest quality and expertise within the available budget Average cost/duration of a tendering procedure

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
	exclusion criteria			

Stage 4 – Receipt of services & financial transactions

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	How to estimate the costs and benefits of controls	Control indicators
<p>The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.</p> <p>Insufficient performance or timeliness of the contractor</p> <p>Invoices received do not correspond to the services delivered or to the actual performance of the contractor</p>	<p>Monitoring and assessment of deliverables. Regular implementation report on the fulfilment of the contracted tasks. Request of supporting documentation for claimed costs / link between deliverables and payments.</p> <p>Financial checks in accordance with the financial circuits</p> <p>Operational authorisation by AO(S)D.</p>	<p>100% of the contracts are controlled. Follow-up of all actions by the technical officer in charge</p>	<p>Cost: cost of staff involved</p> <p>Benefits: amounts of irregularities, errors or overpayments prevented. Quality of the result is guaranteed and in line with expectations.</p>	<p>Effectiveness:</p> <p>- nr. Of control failures</p> <p>Efficiency:</p> <p>- % cost over annual total procurement amount</p>

Stage 5 – Supervisory measures

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

Main risks	Mitigating controls	Coverage, and depth	frequency	Costs and benefits of controls	Control indicators
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Main risks	Mitigating controls	Coverage, frequency and depth	Costs and benefits of controls	Control indicators
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Desk review of procurement and financial transactions & their conformity with the FR and the Vade mecum Review of exceptions reported and/or lessons learned	100% of all procurements at least once/year 100% at least once/year	Cost: cost of staff involved Benefits: amounts detected associated with errors or fraud. Deterrents implemented and systemic weaknesses corrected.	Effectiveness: Amounts associated with errors detected (related to fraud, irregularities and error). In % over total checked. N° of system improvements made.

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

SESAR JU (Single European Sky air traffic management Research Joint Undertaking)

	Requirement	Information
1	Programmes concerned	FP7, TEN-T and Horizon 2020 multiannual Programmes
2	Annual budgetary amount entrusted to these bodies	<p>In 2017, DG MOVE committed EUR 102.440 million from the H2020 budget to the SESAR JU. In addition, EUR 10M have been committed from the CEF Multi-Annual Programme 2014-2020.</p> <p>DGMOVE paid the following amounts:</p> <p>FP7: EUR 33.011.045</p> <p>TENT: EUR 3.988.955</p> <p>H2020: EUR 72.176.652</p> <p>Administrative Contribution: EUR 3.320.600</p> <p>Total: EUR 112.497.252</p>
3	Duration of the delegation	<p>Following Council regulation 721/2014 of 16 June 2014, extending SESAR JU until 2024, the Commission signed a new general Agreement with SESAR JU on 19 December 2014, prolonging the activities until 31 December 2024.</p> <p>The other 3 delegations have shorter durations (maximum 36 months from signature, thus closing before 2020).</p>
4	Justification of recourse to indirect centralised management	<p>The aim of the SESAR JU is to rationalise, centralise and coordinate all air traffic Management related R&D, with the full involvement of the relevant stakeholders.</p> <p>The SESAR JU is an EU body in the form of a PPP. The tasks entrusted to the JU could not have been carried out by the Commission because of the complexity of the programme and number of projects.</p>
5	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	<p>The SESAR JU was established by the Council on the basis of Article 187 of the Treaty. There are two founding mentioned in the founding Regulation (the EU, represented by the Commission, and Eurocontrol (Reg. (EC) 219/2007). All other members of the SESAR JU are selected through open competitive calls based on the criteria established in the SESAR JU Statutes.</p>
6.	Synthetic description of the implementing tasks entrusted to these bodies	<p>The SESAR JU is entrusted with the task to carry out and monitor all the relevant air traffic management research, development and validation activities in accordance with the European ATM Master Plan. The SESAR JU is also in charge of the maintenance of the Master Plan. For this purpose, the SESAR JU manages the FP7 and TEN-T and H2020 funds it is allocated, in accordance with specific delegation agreements, its financial rules and under the supervision of its Administrative Board.</p>

S2R JU (Shift2Rail Joint Undertaking)

	Requirement	Information
1	Programme concerned	H2020 Framework programme
2	Annual budgetary amount entrusted	In 2017, the Commission committed EUR 62.97 million (incl. EFTA contributions) to cover both the administrative and operational budget of the Joint Undertaking. EUR 1.62 million were paid in 2017 to cover the administrative expenditures, incl. staff costs and the payments for operational expenditure were in the amount of EUR 31.08 million.
3.	Duration of the delegation	31.12.2024
4	Justification of recourse to indirect centralised management	The S2R JU was established as a new public-private partnership, in accordance with Article 187 of the Treaty on the Functioning of the European Union (TFEU), and with the Horizon 2020 Regulation, to provide a platform for coordination of research activities with a view to driving innovation in the rail sector in the years to come. The Horizon 2020 Regulation emphasises the achievement of a greater impact on research and innovation by combining H2020 and private-sector funds in public-private partnerships in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges.
5	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	The S2R JU was set up by Council Regulation (EU) No642/2014 of 16 June 2014 (S2R Regulation). The founding members of the S2R JU were listed in the S2R Regulation. They are the European Union plus eight major players from the rail industry having made a commitment of at least EUR 30 million to the S2R JU. Additional associated members are to be selected following an open call that was launched on 6 October 2014. The minimum conditions and key selection criteria for associated membership are laid down in the S2R Regulation. The results of the selection procedures have been confirmed by Commission Decision C(2015) 8674 final. In addition, the participation of the wider research community will be ensured by the JU via open calls reserved for non-members for a value of at least 30% of the EU contribution in the programme.
6.	Synthetic description of the implementing tasks entrusted	The S2R JU will manage the entire budget for rail research under Horizon 2020. The S2R JU is entrusted with the task of developing and ensuring the effective and efficient implementation of a strategic Master Plan, identifying the key R&I priorities to contribute to the achievement of the Single European Railway Area, to a faster and less costly transition to a more attractive, user-friendly, competitive, efficient and sustainable European rail system, and to the development of a strong and globally competitive European rail industry. The main bodies of the S2R JU are the Governing Board, in charge of strategic decision-making, and the Executive Director, responsible for day-to-day management. The European Commission and the industrial JU members have equal voting rights in the Governing Board.

ANNEX 7: EAMR of the Union Delegations

Not applicable

ANNEX 8: Decentralised agencies

Name	Acronym	Policy concerned	Subsidy paid in 2017 by DG MOVE
European Aviation Safety Agency	EASA	Mobility and Transport - Aviation	EUR 35 714 345
European Maritime Safety Agency	EMSA	Mobility and Transport - Maritime	EUR 56 282 35.85
European Railway Agency	ERA	Mobility and Transport - Rail	EUR 30 732 000

ANNEX 9: Evaluations and other studies finalised or cancelled during the year



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**ANNEX 10:
Management'**

Specific annexes related to 'Financial

Not applicable

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

Not applicable.

ANNEX 12: Performance tables

For each of the Commission General Objectives to which DG MOVE's activities contribute, DG MOVE presented in an annex to its Strategic Plan the mandatory Commission impact indicators considered to be the most relevant for illustrating the contribution of transport activities. The latest known results for these impact indicators presented in tables below show generally satisfactory progress, except for in a couple of cases for which the development has been influenced by outside events and the general economic and political situation.

For the DG MOVE Specific Objectives, tables with result indicators and main annual outputs are also presented below. They indicate generally good and sustained progress made in achieving the specific objectives. More detailed information on the latest known results and state of play is provided in the tables or in footnotes.

In addition, for the spending programmes it should be noted that more detailed reporting on objectives and indicators for these programmes is included in the relevant Programme Statements which accompany the Draft Budget for a given year.

Commission General Objectives to which DG MOVE contributes¹³

General objective 1: A New Boost for Jobs, Growth and Investment		
Impact indicator: Percentage of EU GDP invested in R&D (combined public and private investment)		
Source of the data: Eurostat		
Baseline (2012)	Target (2020) Europe 2020 target	Latest known results (2016)
2.01%	3%	2.03%
Impact indicator: Employment rate population aged 20-64		
Source of the data: Eurostat		
Baseline (2014)	Target (2020) Europe 2020 target	Latest known results (2016)
69.2%	At least 75%	71.1%
Impact indicator: GDP growth		
Source of the data: Eurostat		
Baseline (2014)	Target (2020)	Latest known results (2016)
1.8%	Increase	2.0%
Impact indicator: Gross Fixed Capital Formation (GFCF) investments to GDP ratio		
Source of the data: Eurostat		
Baseline (2014)	Target (2016-2020)	Latest known results (2016)
19.4%	21%-22% Mean GFCF for the period 2016-2020 having reached the range of 21%-22%	19.8 %

¹³ Eurostat and other data providers periodically revise published data to reflect new or improved information, also for previous years (including baseline figures). The 'latest known value' column reflects data available at the time of the preparation of the 2017 Annual Activity Reports (AARs) and it is the reference point for the AARs of the Commission services.

General objective 2: A Connected Digital Single Market		
Impact indicator: Aggregate score in Digital Economy and Society Index (DESI) EU-28		
Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. The closer the value is to 1, the better. The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%).		
Source of the data: DESI		
Baseline (2015)	Target (2020)	Latest known results (DESI-2017)
0.46	Increase	0.52

General objective 3: A Resilient Energy Union with a Forward-Looking Climate Change Policy				
Impact indicator: Greenhouse gas emissions (index 1990=100)				
Source of the data: European Environmental Agency				
Baseline (2013)	Target (2020)		Latest known results (2016 prox estimates by EEA)	
80.2	Europe 2020 target			
	At least 20% reduction (index ≤80)		77.4%	
Impact indicator: Share of renewable energy in gross final energy consumption				
Source of the data: Eurostat				
Baseline (2013)	Interim Milestone ¹⁴		Target (2020)	Latest known results (2015)
	(2015/2016)	(2017/2018)		
15%	13.6%	15.9%	Europe 2020 target	16.7%
			20%	
Impact indicator: Increase in energy efficiency – Primary energy consumption				
Source of the data: Eurostat				
Baseline (2013)	Target (2020)		Latest known results (2015)	
1 569.9 million tonnes of oil equivalent (Mtoe)	Europe 2020 target			
	20% increase in energy efficiency (No more than 1 483 Mtoe of primary energy consumption)		1529.6 million tonnes of oil equivalent (Mtoe)	

General objective 4: A Deeper and Fairer Internal Market with a Strengthened Industrial Base		
Impact indicator: Intra-EU trade in goods (% of GDP)		
Source of the data: Eurostat		
Baseline (2014)	Target (2020)	Latest known results (2015)
20.4%	Increase	20.3 %
Impact indicator: Intra-EU trade in services (% of GDP)		
Source of the data: Eurostat		
Baseline (2014)	Target (2020)	Latest known results (2015)
6.3%	Increase	6.6 %

¹⁴ In case of short- or medium-term objectives (all targets are set to be achieved in less than 3 years) the milestones column should be deleted from the table.

General objective 9: A Stronger Global Actor		
Impact indicator: GDP per capita (current prices-PPS) as % of EU level in countries that are candidates or potential candidates for EU accession		
Source of the data: Eurostat		
Baseline (2014)	Target (2020)	Latest known results (2016)
34% for Western Balkans (except Kosovo ¹⁵ : no 2014 data available for Kosovo) 64% for Turkey	Increase	35% for Western Balkans (excluding Kosovo ⁴) 64% for Turkey

Specific Objectives for DG MOVE

General objectives: 1, 2, 3, 4 and 9		
Specific objective 1: 'An efficient, sustainable, safe and secure Single European Transport Area: Improve regulation, ensure a high degree of implementation of EU legislation in the transport area and open and fair competition both in the EU and in relations with key partner countries.'		Related to spending programme(s):N/A
Result indicator: Transposition rate in transport legislation (%).		
Source of data: MOVE.A4 monitoring		
Baseline (2014)	Target (2016-2020 - annual target)	Latest known results (2017)
94.9% (11.11.2014)	99% of Directives to be transposed in any given year (target used by the Commission for the Single Market Scoreboard).	99% (31.12.2017)
Result indicator: Percentage of non-communication cases open and respecting the one-year benchmark (for closure or referral to Court).		
Source of data: MOVE.A4 monitoring		
Baseline (2014)	Target (2016-2020 - annual target)	Latest known results (2017)
97.5% (11.11.2014)	100% (target set in the Commission Communication 'A Europe of results - Applying Community law' (COM (2007) 502)	94.8%(31.12.2017)
Result indicator: Percentage of open infringement cases not open for more than 3 years		
Source of data: MOVE.A4 monitoring		
Baseline (2014)	Target (2016-2020 - annual target)	Latest known results (2017)
98.5% (11.11.2014)	100% (target set in line with internal Commission benchmark)	96.8% (31.12.2017)

¹⁵ This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

Result indicator: Comprehensive aviation agreements with neighbouring countries and key trading partners			
Source of data: MOVE.E2			
Baseline (2015)	Interim Milestone (2018)	Target (2020)	Latest known results (2017)
Number of agreements signed end 2015: 8 (Western Balkan countries, Morocco, Jordan, Georgia, Moldova, Israel, United States and Canada).	12 ¹⁶	16 agreements signed in total by end 2020. (Foreseen in the Aviation Strategy adopted in December 2015).	Agreement with Armenia initialled in November 2017 and agreement with Tunisia initialled in December 2017; four rounds of negotiations with ASEAN, three rounds of negotiations with Turkey, and two rounds of negotiations with Azerbaijan; EU-China horizontal agreement and EU-China Bilateral Air Safety Agreement initialled in December 2017.
Completed evaluations: (title of the evaluation; year of completion; spending programme/policy covered). See annex.			

Main outputs in 2017:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion)	Target date	Latest known results (situation on 31/12/2017)
Road initiatives as indicated in the Commission Work Programme 2017 Annex 1 and 2 (MOVE.C1)	Adoption of Commission Proposals revising current legislation on Access to the Market and to the Profession for Road Haulage, on Buses and Coaches and on Hired vehicles, on Driving/rest time, Working time and Enforcement rules, and on Road Charging – Eurovignette and European Electronic Tolling Service (EETS) (AP 2016/MOVE/029 et al.)	Q2 2017, except buses and coaches in Q4 2017	All proposals were adopted in line with the target dates (on 31/05/2017)

¹⁶ Interim milestone in SP is 16 (15 indicates in AAR providing for lack of commitment of the United Arab Emirates, justification will be provided in footnote).

<p>Implementation of the aviation strategy (see indicative plan annexed to aviation strategy communication (COM/2015/0598 final) (MOVE.E1&E2&E4).</p>	<p>Implementation of initiatives in indicative plan.</p>		<ul style="list-style-type: none"> - Agreement between the co-legislators on a Regulation of the European Parliament and of the Council on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency (EASA) in December 2017, including a framework to deal with civil drones; - Adoption of an 'Open and Connected Aviation package' including a proposal on revision of Regulation N° 868/2004 safeguarding competition in air transport (COM/2017/289 final) - Continuation/ completion of negotiations of comprehensive EU air transport agreements and bilateral aviation safety agreements: Agreement with Armenia initialled in November 2017 and agreement with Tunisia initialled in December 2017; four rounds of negotiations with ASEAN, three rounds of negotiations with Turkey, and two rounds of negotiations with Azerbaijan; EU-China horizontal agreement and EU-China Bilateral Air Safety Agreement initialled in December 2017.
<p>Revision of Directive 2009/33/EC on the promotion of clean and energy efficient vehicles (MOVE.B4).</p>	<p>Adoption of a Commission Proposal for Revision of Directive 2009/33/EC (incl. impact assessment) (AP 2017/MOVE/002).</p>	<p>Q4 2017</p>	<p>Adopted by the Commission on 08 November 2017 as part of the 2nd Mobility Package (COM (2017) 653).</p>
<p>Adoption under the REFIT exercise of a proposal for a Directive 2008/96/EC on road infrastructure safety</p>	<p>Adoption of Commission Proposals (AP 2016/MOVE/007).</p>	<p>Q4 2017</p>	<p>The Impact Assessment has been submitted to Regulatory Scrutiny Board in December 2017. The proposals</p>

management and Directive amending Directive 2004/54/EC on minimum safety requirements for tunnels in the trans-European road network (MOVE.C2).			have been included in CWP for 2018 and should be adopted during May 2018 Mobility package III.
Proposal for a Revision of the Port Reception Facilities Directive (MOVE.D2).	Adoption of Commission proposal (AP 2017/MOVE/001 - CWP 2016).	Q2 2017	Adopted on 16/1/2018 as part of the Commission's Circular Economy Package (COM(2018)033).
Fitness Check report of maritime transport legislation (MOVE.D1+D2).	Adoption of Fitness Check and individual evaluation reports (AP 2016/MOVE/76, 2016/MOVE/57, 2016/MOVE/58, 2016/MOVE/59, 2016/MOVE/44 - CWP 2016).	Q2 2017	Fitness Check and individual evaluation reports finalised and submitted to the RSB on 15/12 for a hearing on 17/1/2018. Adoption Q1 2018 For 2016/MOVE/44 (evaluation of RFD): SWD validated by ISG in December and submitted to RSB on 15 December 2017 as part of the Fitness Check package.
Evaluation of Directive 2005/45/EC on the mutual recognition of seafarers' certificates issued by the Member States and of Directive 2008/106/EC on the minimum level of training of seafarers (MOVE D2).	Adoption of REFIT evaluation report (AP 2016/MOVE/57 - CWP 2016).	Q2 2017	Inter-service consultation has been finalised and the SWD has been published on 10.1.2018 SWD(2017) 19 final.
Adoption of the proposal for amendment of Directive 92/106/EC (Combined Transport Directive) (MOVE.D1).	Adoption of the proposal by the Commission (AP 2017/MOVE/006).	Q4 2017	Proposal adopted on 8 November 2017 as COM(2017) 648 final.
Finalisation of the necessary rules and procedures in order to ensure that the Global Market-Based Mechanism (GMBM) can be implemented in time. Revision of the EU Emissions Trading Scheme (ETS) for aviation (MOVE.E1).	Contribute to the development of the necessary rules and procedures in order to ensure that the GMBM is implemented in time. Revision of the EU Emissions Trading Scheme (ETS) for aviation.	2017	Proposal to the ICAO Council and its Member States of a draft Standard containing the necessary rules and procedures.

Other important outputs in 2017:			
Output	Indicator	Target date	Latest known results (situation on 31/12/2017)
Revision of the ITS Directive, to extend the period of delegation conferred to the Commission beyond the current deadline of 27 August 2017 (MOVE.B4)	Adoption of Commission proposal (AP 2016/MOVE/047)	Q4 2017	Decision (EU) 2017/2380 amending Directive 2010/40/EU as regards the period for adopting delegated acts has been adopted on 12 December 2017 and published in the OJEU on 20 December 2017
Proposal for a revision of Regulation 1371/2007 on rail passenger rights (MOVE.B5)	Adoption of Commission Proposal (AP 2016/MOVE/006), subject to the outcome of the Impact Assessment	Q2 2017	Proposal for a Regulation of the EP and Council on rail passengers' rights and obligations adopted. COM(2017)548 final of 27 September 2017.
Adoption of a proposal for a Directive amending Directive 2003/59/EC on the initial qualification and periodic training of drivers of certain road vehicles for the carriage of goods or passengers (MOVE.C2)	Adoption of Commission Proposal (AP 2013/MOVE/013)	Q1 2017	The Commission proposal was tabled on 1 February 2017. The negotiations in Council and Parliament concluded successfully in December. The final text will be formally adopted in the first quarter of 2018.
Evaluation of Regulation 392/2009/EC on the liability of carriers of passengers by sea in the event of accidents (MOVE.D2)	Adoption of evaluation report (AP 2017/MOVE/015)	Q2 2017	Adopted on 28 September 2017 as SWD(2017)329
REFIT of maritime safety legislation	Review of Directives 2009/45/EC, 98/41/EC and 1999/35/EC negotiated and completed		Directives (EU) 2017/2108, 2017/2109 and 2017/2110 Enters into force on 20/12/2017, published in OJ on 30/11/2017. Adopted by the Council on 23/10/2017 and by the European Parliament on 4/10/2017.
Adoption of the Ports	Legislative process completed		Regulation (EU) 2017/352 adopted on

Services Regulation (MOVE.D3)			15 February 2017
Adoption of the Directive on Professional Qualifications in inland navigation (MOVE.D3)	Legislative process completed		Directive (EU) 2017/2397 adopted on 12 December 2017
Adoption of the Commission Decision for the use of the Reserve Fund in inland navigation (MOVE.D3)	Adoption of Commission Decision		Decision C(2017) 6663 final, adopted on 5 October 2017
Proposal for a Small Passenger Craft Code (MOVE.D2)	Adoption of Commission proposal (AP 2017/MOVE/014)	Q4 2017	Moved to Q2 2018 (on request of stakeholders, additional round of targeted consultation organised and the period of online consultation extended)
Mid-term evaluation of anti-pollution measures and Progress report on the implementation of the EMSA mandate (MOVE.D2)	Adoption of the mid-term evaluation and the progress reports (AP 2017/MOVE/29 & 2017/MOVE/30)	Q4 2017	Both reports are under preparation and adoption is planned Q1 2018.

General objectives: 1, 2, 3, 4 and 9			
Specific objective 2: 'A modern European transport infrastructure: Ensure the effective implementation of the Trans-European Transport Network with the help of the Connecting Europe Facility and the innovative financial instruments (EFSI)'¹⁷		Related to spending programme(s): Connecting Europe Facility	
Result indicator: Total amount of Connecting Europe Facility grants, delegations, contributions signed for transport projects and programmes. (MOVE.B2)			
Source of data: Financial programming established by the Commission, Annual and Multi Annual Work Programmes for the Connecting Europe Facility and Financing Decisions.			
Baseline (2013)	Interim Milestone		Target (2021) Target date set to 2021 as the grant agreements for the last calls can only be signed in 2021 after evaluation and
	2016	2018/2019	

¹⁷ As recommended by the Internal Audit Service, the formulation of the specific objective related to the implementation of financing for transport infrastructure (under CEF and EFSA) has in DG MOVE's revised Strategic Plan for 2016-2020 been broadened with an explicit reference to the effective implementation of the Trans-European Transport Network (TEN-T) and two additional indicators on the completion of bottlenecks on the TEN-T corridors and the number of alternative fuel stations financed have been added, to illustrate the results of the spending.

			selection. Target levels are defined in the CEF Transport Budget of the current MFF.	
0	78% of the budget: EUR 18.9 Billion committed	Multi-annual commitments	100% of the budget: EUR 24 Billion	21.3 Billion EUR of CEF grants committed by end 2017 ¹⁸

Result indicator: Total amount of investment in EFSI transport projects (based on approved projects by the EIB Board) (MOVE.B2)

Explanation: The indicator shows the progress of EFSI transport investment, based on the value of investment, up to the deadline of July 2019. Further reporting on signed projects will continue until July 2020, which is the deadline for signature of projects.

DG Mobility and Transport is monitoring the progress of EFSI but it is not in charge of managing this Fund.

Source of data: EIB reporting to the Commission.

Baseline (2015)	Interim Milestone		Target (July 2019) Target date set to July 2019 as that is the last date for project approval under the EFSI Regulation. The target is based on the total investment value of transport projects approved by the EFSI Investment Committee and EIB Board. The target value is based on transport being 20% of the overall Infrastructure and Innovation Window under EFSI, the value of which totals EUR 240 billion (both equity and debt), therefore making a transport total of EUR 48 billion.	Latest known results
	July 2016	July 2018		
0	EUR 12 Billion	EUR 36 Billion	EUR 48 Billion ¹⁹	Results as of December 2017:

0	EUR 12 Billion	EUR 36 Billion	EUR 48 Billion ¹⁹	53 operations contributing to transport objectives triggering a total €22.3 billion in related investment.
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Result indicator: Number of bottlenecks along the TEN-T corridors addressed by projects funded from the CEF

¹⁸ The total support under the 2014 and 2015 calls reported as EUR 19.4 billion in AAR 2016 was reduced by EUR 653 million in 2017 through amendments to re-inject the credit into the 2016 call. In 2017, grant agreements for a total EU contribution of EUR 2.54 billion under the 2016 call were signed, bringing the total amount for all calls to EUR 21.3 billion. This amount does not include the result of the first blending call, which will only be signed in 2018.

¹⁹ EIB lending to EFSI transport projects is expected to have the following profile: July 2016 EUR 3.2 billion; July 2018 9.6 billion; July 2019 12.8 billion.

Source of data: INEA				
Baseline (2013)	Interim Milestone		Target	Latest known results (2017)
	2016-2017	2018		
0	10	27	239 at the time of completion of the projects	10 in 2017
Result indicator: Number of supply points for alternative fuels addressed by projects funded from the CEF.				
Source of data: INEA				
Baseline (2014)	Interim Milestone		Target	Latest known results (2017)
	2016-2017	2018		
Number of supply points set up by CEF grants(2014): 0	361	284	2,853 supply points to be set-up at the time of completion of the projects	361
Completed evaluations: (title of the evaluation; year of completion; spending programme/policy covered).				
Title of the evaluation (unit responsible)	Expected year of completion	Spending programme covered	Latest known results (2017)	
Ex-post evaluation of TEN-T programme (MOVE.B).	Q3 2018	TEN-T (previous period)	The Inter-Service Steering Group for the kick-off of the ex-post evaluation has been set up in January 2018. The road-map has been prepared for the evaluation of the Steering Group. The final report of the ex-post evaluation is expected in Q3 2018.	
Mid-term review of the Connecting Europe Facility – evaluation of the implementation of the CEF horizontal and transport sectorial objectives (MOVE.B2).	Q1 2018	CEF	The Evaluation Report – Staff Working Document on the Mid Term Evaluation of the CEF Programme was transmitted to the Parliament and the Council in February 2018.	

Note: The expected number of supply points for alternative fuels and bottlenecks is assumed to be operational in the year in which the CEF funded action has been completed. The final results will only be available once the action is fully closed. Following the results of the first Blending Call, the total number of bottlenecks and the total number of supply points for alternative fuels addressed by actions under 2014-2017 calls are now expected to exceed the targets set in the Strategic Plan 2016-2020. The more detailed monitoring and reporting on objectives and indicators for the spending programmes is included in the Programme Statements in the Draft Budget.

Main outputs in 2016:			
Policy-related outputs			
Description	Indicator (e.g. adoption by the Commission; completion).	Target date	Latest known results (situation on 31/12/2017)
CEF 'blending call' under the Multi-Annual Work	Adoption of the work programme and publication	January 2017	The Selection Decision

Programme 2014-2020	of the calls for proposals. Selection decision for the projects submitted in the first cut-off date 14 July 2017.	November 2017	(1st deadline) has been adopted by the Commission on 5 January 2018.
CEF calls 2016 under the Multi-Annual Work Programme 2014-2020	Evaluation and selection of the proposals Selection decision	Q2 2017 July 2017	Selection Decision C(2017)5078 of 25 July 2017 Selection Decision C(2017)5080 of 25 July 2017
CEF Blending Call under the Multi Annual Work Programme, first cut-off date of 14 July 2017.	Evaluation and selection of the proposals Selection decision	Q3 2017	Selection Decision presented and approved by the CEF Transport Committee on 12 December 2017
CEF Multi Annual Work Programme.	Presentation of the amendment to the CEF Transport Committee	12 December 2017	Adoption of the amendment to the CEF Multi Annual Work Programme in early 2018
Bi-annual Commission progress report on the implementation of Regulation (EU) No 1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport (MOVE.B1).	Publication of the progress report and submission for information to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.	1 st bi-annual Commission progress report to be issued by early 2017	Adopted on 19.06.2017 COM (2017)327
Trans-Mediterranean Transport Network (TMN-T) and its connection with the Trans-European Transport Network.	Adoption of maps of Trans-Mediterranean Transport Network (TMN-T) through the delegated act provided for by Article 49, paragraph 4 and Article 49, paragraph 6 of Regulation (EU) n°1315/2013 on the trans-European transport network	Q4 2017	Delayed. The maps were presented and discussed at the ad hoc Senior Official Meeting on Transport in Barcelona, late January 2018.

General objectives: 1, 2 and 3			
Specific objective 3: 'An innovative transport sector: Ensure the effective implementation of funding for research and innovation activities in the transport area under Horizon 2020'			Related to spending programme: Horizon 2020
Result indicator: Total amount of Horizon 2020 grants, delegations, contributions signed for transport projects and programmes. (MOVE.B3)			
Source of data: Financial programming established by the Commission, Horizon 2020 Work Programmes and Financing Decisions.			
Baseline (2013)	Interim Milestone		Target (2021) Target date set to 2021 as the grant agreements for
	(2016)	(2018)	
			Latest known results (2017)

			the last H2020 two stage calls can only be signed in 2021 after external evaluation. Target levels are defined in the H2020 Transport Budget of the current MFF, under the responsibility of DG MOVE.	
0	42% of the budget: EUR 750 million for all calls up to WP 2014/15.	69% of the budget: EUR 1,246 million for all calls up to WP 2016/17.	100% of the budget: EUR 1 802 million for all calls of H2020.	56% of the budget: EUR 1,001 million for all calls up to WP 2016.

Completed evaluations: Interim evaluation of Horizon 2020; 2017; Horizon 2020 Spending Programme

Title of the evaluation (unit responsible)	Expected year of completion	Spending programme covered	Latest known results (2017)
Assess impact of Horizon 2020 at mid-term ²⁰ (MOVE.B3)	2017	Horizon 2020	Completed ²¹
1 st Interim evaluation of the SESAR 2020 Joint Undertaking under Horizon 2020 (MOVE.E3)	2017	Horizon 2020	Completed ²²
1 st Interim evaluation of the SHIFT2RAIL Joint Undertaking under Horizon 2020 (MOVE.C4)	2017	Horizon 2020	Completed ²³
3 rd Interim evaluation of the SESAR Joint Undertaking Activities (2013-2016) (MOVE.E3)	2017	Previous framework programme	Completed ²⁴

Note: The more detailed monitoring and reporting on objectives and indicators for the spending programmes is included in the Programme Statements in the Draft Budget.

Main outputs in 2017:

Main expenditure outputs

Description	Indicator	Target date	Latest known results (situation on 31/12/2017)
Evaluation and award decisions to the transport projects	Horizon 2020 grants, delegations, contributions signed for	Completion of selection of projects in 2017 (for a total	Completion of selection of projects in 2017 (for a total

²⁰ This is a requirement of the Horizon 2020 Basic Regulation to be carried out under the general leadership of DG RTD, using independent experts etc. Joint responsibility of DG MOVE and DG RTD regarding the transport work programme. Various criteria are set out in the Regulation. See Art 32(3) of Regulation 1291/2013.

²¹ [https://ec.europa.eu/research/evaluations/pdf/archive/h2020_evaluations/swd\(2017\)221-annex-2-interim_evaluation-h2020.pdf#view=fit&pagemode=none](https://ec.europa.eu/research/evaluations/pdf/archive/h2020_evaluations/swd(2017)221-annex-2-interim_evaluation-h2020.pdf#view=fit&pagemode=none)

²² <https://ec.europa.eu/research/evaluations/pdf/sesar2020.pdf>

²³ [https://ec.europa.eu/research/evaluations/pdf/archive/h2020_evaluations/swd\(2017\)220-in-depth-interim_evaluation-h2020.pdf#view=fit&pagemode=none](https://ec.europa.eu/research/evaluations/pdf/archive/h2020_evaluations/swd(2017)220-in-depth-interim_evaluation-h2020.pdf#view=fit&pagemode=none)

²⁴ <https://ec.europa.eu/research/evaluations/pdf/sesar1.pdf>

selected under the Horizon 2020 Work Programme 2016 (MOVE.B3)	transport projects and programmes.	amount approximately 250 million)	of EUR	amount of approximately EUR 250 million)
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Note: No main policy related outputs were included in Management Plan 2017 for Specific Objective 3.