

# Annual Activity Report 2023 annexes

DIRECTORATE GENERAL FOR MOBILITY AND TRANSPORT (DG MOVE)

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## ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control

#### For the director in charge of risk management and internal control:

I declare that in accordance with the Commission's communication on the internal control framework (1), I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.

I hereby certify that the information provided in section 2 of the present Annual activity report and in its annexes is, to the best of my knowledge, accurate and complete."

Brussels, 27 March 2024

#### Anne MONTAGNON

e-signed

### For the director taking responsibility for the completeness and reliability of management reporting on results and on the achievement of objectives:

I hereby certify (2) that the information provided in section 1 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 27 March 2024

#### Mona BJÖRKLUND

e-signed

<sup>(1)</sup> C(2017)2373 of 19.04.2017.

<sup>(2)</sup> On the basis of the AOSD reports submitted by the Directors in DG MOVE.

#### **ANNEX 2: Performance tables**

#### General objective 1: A European Green Deal

**Impact indicator:** Greenhouse gas emissions

**Source of the data:** European Environmental Agency (Eurostat online data code:

sdq 13 10)

Baseline	Interim Milestone	Target (2030) [The target is set by the EU 2030 Climate Plan (3)]	Latest known results
(2018)	(2020)		(2022)
-25% ( <sup>4</sup> )	-20%	-55%	-32.5% (provisional estimate) (5)

**Impact indicator:** Greenhouse gas emissions

Source of the data: European Environmental Agency (Eurostat online data code:

sdq\_13\_10)

Baseline	Target	Latest known results
(2014-2020, previous MFF) ( <sup>6</sup> )	(2021-2027)	(2023) (7)
21%	30%	32.6%

**Impact indicator:** Rail and inland waterways as a percentage of total freight transport **Source of the data:** Eurostat (Eurostat online source code: sdg\_09\_60)

Baseline	Interim Milestone	Target	Latest known
(2018)	(2022)	(2024)	results
		[The European Green Deal calls for a	(2021)
		substantial part of the 75% of inland freight	
		today carried by road to shift to rail and	
		inland waterways. One of the flagship	
		initiatives of the Sustainable and Smart	
		Mobility Strategy aims at greening the	
		freight transport by boosting freight	
		transport by rail and inland waterways. The	
		most used indicator for comparing the	
		transport activity across modes is the modal	
		split indicator]	
24.4%	Increase	Increase	22.7% (8)

<sup>(3)</sup> Art.4: In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2030 climate target shall be a domestic reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55 % compared to 1990 levels by 2030.

<sup>(4)</sup> Baseline value has been updated in order to express it in terms of net greenhouse gas emissions, including LULUCF and excluding international aviation.

<sup>(5)</sup> The Governance Regulation ((EU) 2018/1999) requires Member States to annually report approximated greenhouse gas inventories by 31 July. A Union approximated greenhouse gas inventory is annually compiled on the basis of the Member States' approximated greenhouse gas inventories or, if a Member State has not communicated its approximated inventories by that date, on the basis of own estimates. In 2021, the final estimate of net GHG emissions was -30%, including LULUCF and international aviation (Eurostat online data code **sdq\_13\_10**).

<sup>(6)</sup> Change from yearly basis to duration basis since 2022 AAR

<sup>(7)</sup> Estimate in 2023 for the whole period 2021-2027

<sup>(8)</sup> The aggregated indicator hides considerable differences at country level. In 2020 there were several countries with freight transport shares for rail and inland waterways close or above 50%: Bulgaria, Latvia,

**Specific objective 1.1:** A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable and alternative transport fuels for land, waterborne and air

Related to spending programme(s): Connecting Europe Facility

**Result indicator:** Share of CEF Transport invested into sustainable modes of transport **Source of the data:** CINEA

<b>Baseline</b> (2014-2020)	Interim Milestone	<b>Target</b> (2024)	Latest known results (31/12/2023)
		[The target has been defined taking into consideration the performance of the CEF 2014-2020 programme (around 70%) and considering an increased contribution due to the focus of the new CEF 2021-2027 programme on sustainable transport modes]	
0	on path	80% of CEF II Transport committed expenditures	77% ( <sup>9</sup> )

**Result indicator:** Number of alternative fuel supply points built or upgraded with the support of CEF

**Source of data: CINEA** 

Baseline	Interim Milestone	Target	Latest known results (31/12/2023)
(2014-2020)		(2024)	
		[The target has been defined considering the budget allocated to the Alternative Fuels Infrastructure Facility (AFIF) and the Unit contribution identified in the Decision on Unit Contributions (10)]	
13 000 alternative fuel supply points built or upgraded	N/A	Support provided for building at least 50 000 additional alternative fuel supply points	26 639 supply points are in operation by the end of 2023 (11)

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

Lithuania, the Netherlands, and Romania. A look at the absolute transport performance of goods reveals that in the EU road freight transport (in tonne-kilometres) is strongly linked to economic growth. Neither sea nor air freight transport are currently represented in the indicator. The performance of inland waterways transport mode is strongly linked to environmental and hydraulic conditions, such as water levels and the impact of droughts.

<sup>(9)</sup> For CEF 2021-2028, cut-off date end of 2023. [explanation if needed].

<sup>(10)</sup> Decision authorising the use of Unit contributions to support the deployment of ERTMS, electric vehicles recharging infrastructure and the retrofitting of noisy wagons under the Connecting Europe Facility (CEF) – transport sector.

<sup>(11)</sup> There is a time lag between the moment the supply points are operational and the moment they are reported to CINEA. Data are usually updated at the moment of interim or final payments. For AFIF, there is no interim payment. So, the actual number of supply points in operation will be know only at the end of the grant agreements, meaning +/-40 months after it started (end 2025 to early 2027).

Source of data: DG MOVE							
Baseline	Interim Milestone	Latest known results					
(year)	(2022)	(2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	(2023)				
N/A	Positive trend	Positive trend	4/5				

Main outputs in 202			
New policy initiativ	es		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
CountEmissions EU - EU framework for harmonised measurement of transport and logistics emissions	Adoption (12)	Q2 2023	Adopted Q3 2023
EU regulatory framework for hyperloop	Adoption	Q3 2023	Preparation ongoing
Proposal for a European cycling declaration	Adoption		Adopted Q4 2023
Initiatives linked to	regulatory simp	lification and burder	reduction
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Measures to better manage and coordinate international rail traffic, including a revision of Regulation (EU) 913/2010 concerning a European rail network for competitive freight and through new rules for capacity allocation in the rail sector	Adoption	Q2 2023	Adopted Q3 as part of the Greening Freight package
Revision of Directive 96/53/EC on weights and dimensions of road commercial Heavy-Duty Vehicles	Adoption	Q2 2023	Adopted Q3 as part of the Greening Freight package
Revision of the Combined Transport Directive (legislative proposal)	Adoption	Q2 2023	Adopted Q4 as part of the Greening Freight package
Revision of the Train Drivers Directive 2007/59/EC	Adoption	Q2 2023	Preparation ongoing

 $<sup>(^{12})</sup>$  Unless specified otherwise, 'adoption' indicates adoption by the Commission.

Output	Indicator		Target		Latest known results	
Adoption of Commission decisions revising the entire technical specifications for rail interoperability (TSI revision package)	Adoption of a Commission decision on draft implementing acts		Q1 2023		(situation on 31/12/2023)  Adopted Q 3 2023	
Revision of Ship-source Pollution Directive	Adoption		Q2 2023		Adopte	ed Q2 2023
Greening corporate fleets	Adoption		Q3 2023		Prepar	ation ongoing
Evaluations and fitr	ness checks					
Output  Evaluation of the functioning of Safety Agency (EASA) and of Re(EASA Basic Regulation)		the Cor	on of a Report from nmission and a ssion Staff Working	<b>Target</b> Q3 2023		Latest known results (situation on 31/12/2023) Q3 2023
Public consultations		Paper				
			<b>-</b>			
Output	Indicator		Target		<b>Latest known results</b> (situation on 31/12/2023)	
Hyperloop	Launch		Q1 2023 De		Delayed	
Enforcement action	S					
Output	Indicator		Target			nown results on 31/12/2023)
Monitoring of implementation of Port Services Regulation	Report		Before the end of 2	l	inked to s State auth	nainly due to delays survey of Member norities and port er; to be finalised
External communica	ation actions					
Output	Indicator		Target		Latest known results (situation on 31/12/2023)	
Communication on European Mobility Week <sup>(13)</sup>	ean Events: Number of cities participating		3 200 cities		3 351 (record breaking) 13 169 media hits	
	Number of media items mentioning the event during main campaign week (16-22 September)		8 000			
Urban Mobility Days			1 000	t		e; 900 online; more 0 play of the
	Number of hashtag me	Number of hashtag mentions			590	

<sup>(13)</sup> TBC if it takes place in 2023

Output	Indicator	Target	Latest known results					
			(situation on 31/12/2023)					
Communication on Greening Freight Package	Social Media: Number of impressions per post	3 000	5 900					
Other important out	Other important outputs							
Output	Indicator	Target	Latest known results (situation on 31/12/2023)					
Connecting Europe Facility evaluation and award decisions relating to the 2022 calls (including Alternative Fuels Infrastructure Facility 4 <sup>th</sup> and 5th cut-off date)	Signature of Grant Agreements following the calls launched in 2022	Q4 2023	Signature for AFIF Grant Agreements: 2nd cut-off: March 2023 3rd cut-off: August 2023 4th cut-off: December 2023 5th cut-off: finalisation of selection in Q1 2024					
Horizon Europe Calls from Work Programme 2023- 2024– evaluation and award decisions to the selected transport projects	Signature of Horizon Europe grants, delegations, contributions for transport projects and programmes	Throughout 2023	Selection of transport projects under the 2023 Calls (Cluster 5 and Cities Mission), for a total EU contribution of approx. EUR 440 million.					
Recommendation on Sustainable Urban Mobility Plans	Adoption	2023	The Recommendation on national support programmes for sustainable urban mobility planning C(2023)1524 was adopted on 10/03/2023					
Improved set of Sustainable Urban Mobility Indicators	Publication on Europa	2023	Not published.  Work to be continued, in particular in light of the revised TEN-T Regulation.  Adoption of the act under the revised TEN-T regulation expected in 2025					
FuelEU Maritime (legislative proposal)	Adoption by the Legislator	Q1 2023	Adopted Q3 2023					
Delegated and Implementing Regulations under the FuelEU Maritime Regulation	Adoption	Q4 2023-Q4 2024	On track					
ReFuelEU Aviation (legislative proposal)	Adoption by the Legislator	Q1-Q2 2023	File enacted by the colegislators in Q4 2023. It came into force on 20.11.2023.					
Alternative Fuels Infrastructure Regulation	Adoption by the Legislator	Q1-Q2 2023	Adopted by co-legislator. Entry into force Oct 2023					
Delegated act on alternative fuels data and data governance	Proposal	Q1 2024	On track					
Delegated act on communication protocols and standards for electric vehicles	Proposal	Q1 2024	On track					

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Delegated act on wireless power recharging of electric vehicles	Proposal	01 2024	On track
Implementing acts referring to CO2 emissions for the sub-groups of heavy-duty vehicles not covered by Article 2(1), points (a) to (d), of Regulation (EU) 2019/1242.	Adoption of Implementing Acts	Q4 2023	Adopted Q4 2023

#### General objective 2: A Europe fit for the digital age

**Impact indicator:** Aggregate score in the Digital Economy and Society Index (DESI) **Source of the data:** DESI

Baseline	Interim Milestone		Target	Latest known
(2019)	(2022)	(2022)		results
	(year)	(year)		(2023)
52.45	Increase	Increase	increase	N/A (15)

**Impact indicator:** Enterprises selling online (transport and storage sector) **Source of the data**: Eurostat (Eurostat online data code: <u>isoc\_ec\_eseln2</u>)

Baseline	Interim Milestone	Target	Latest known
(2019)	(2022)	(2024)	results (2023)
17%	Increase	Increase	20%

**Impact indicator:** The share of companies adopting artificial intelligence **Source of the data**: European Commission Study on AI

Baseline	Interim Milestone	Target	Latest known
(2021)	(2022)	(2024)	results
			(2023)
7.6%	Increase	Increase	8%

<sup>(14)</sup> Digital Economy and Society Index is calculated as the equally weighted average of the four main DESI dimensions - Human Capital, Connectivity, Integration of Digital Technology and Digital Public Services.

<sup>(15)</sup> As of 2023, with the publication of the first State of the Digital Decade Report, DESI as composite index does not exist any longer. It is replaced by a dashboard of digital indicators including most of the key performance indicators of the 2030 Digital Decade Policy Programme plus some other relevant indicators. No update is available for this part of the table. Additional information in the DESI 2023 methodological note: <a href="https://digital-strategy.ec.europa.eu/en/library/desi-methodological-note-digital-decade-report-2023">https://digital-strategy.ec.europa.eu/en/library/desi-methodological-note-digital-decade-report-2023</a>)

**Specific objective 2.1:** A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding

Related to spending programme(s): Connecting Europe Facility and Horizon 2020, Horizon Europe

**Result indicator:** Creating a European mobility data space **Source of the data:** Relevant Commission initiatives

Baseline (2020)	Interim Milestone (2022)	Target (2024) [The target is derived from the specific objective of the Sustainable and Smart Mobility Strategy]	Latest known results (2023)
Deliver initiatives listed in the EU data strategy for 2020	Data sets established as foreseen in the Regulation on Maritime Single Window and in the Regulation on electronic freight transport Regulatory framework for interoperable data-sharing in rail transport reviewed	Operational All activities mentioned in the EU data strategy are completed Several projects are co-funded by EU programmes such as Digital Europe Programme	Common European mobility data space - adopted

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

Source of data: DG MOVE

Baseline	Interim Milestone	Target	Latest known
(2020)	(2022)	(2024)	results
		[The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	(2023)
N/A	Positive trend	Positive trend	N/A ( <sup>16</sup> )

Main outputs in 2023: New policy initiatives				
Output	Indicator	Target	Latest known results (situation on 31/12/2023)	
Common European Mobility data space	Adoption and implementation of the European Mobility Data Space access node	Q2 2023	Adopted Q4 2023	
Regulation on Multimodal Digital Mobility Services	Adoption	Q2 2023	Preparation ongoing	

/1

<sup>(16)</sup> In 2023 there was one major initiative - Communication on European Mobility Data Space

Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
Revision of Delegated Regulation (EU) 2017/1926 on the provision of EU-wide multimodal travel information services	Adoption	Q2 2023	Adopted Q4 2023
Possible revision of the Regulation on a Computer Reservation System Code of Conduct (EC) No 80/2009 ( <sup>17</sup> )	Adoption	Q2 2023	Initiative linked to MDMS initiative. Preparation ongoing.
Implementing act on recording and controlling drivers' activities away from a vehicle	Adoption of implementing act	Q4 2023	Not yet adopted but drafted and submitted to the enforcement group of experts. To be adopted soon in early 2024.
ERTMS/Control-Command and Signalling (CCS), part of the Technical Specification for Interoperabilty TSI 2023 revision package, deployment plans for automatic train operation, automated traffic management and advanced CCS and new radio, as well as interoperable data sharing in rail transport	Adoption of Commission decision implementing acts	Q2 2023	Adopted Q3
Initiatives linked to	regulatory simplificat	tion and burden redu	iction
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Revision of EU rules on harmonised river information services	Adoption	Q3 2023	Adopted Q1 2024
Revision of the roadworthiness Package (Directive 2014/45/EC), Directive 2014/47/EC and Directive 1999/37/EC as amended by Directive 2014/46/EC)	Adoption	Q1 2024	Preparation ongoing
Implementing act on the content of initial and continuous training of control officers in the road sector to	Adoption of implementing act	Q3 2023	Not yet adopted but drafted and submitted to the enforcement group of experts. Should be adopted as a point 2024.

facilitate the implementation

of Mobility Package 1 (road transport legislation)

soon in 2024.

 $<sup>(^{17})</sup>$  To be decided if to be integrated with the Multimodal Digital Mobility Services.

Enforcement actio	ns		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Pilot project on smart enforcement of EU road transport legislation	Launch of the pilot project	Q2 2023	Launched on Q4 2023
External communi	cation actions		
Output	Indicator	Target	Latest known results
•			(situation on 31/12/2023)
Participation in 'Airspace World', Geneva	Total number of stand visitors	1 000	1 050-1 400
Other important o	utputs		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Delegated and Implementing Regulations defining the specifications of the European Maritime Single Window environment (EMSWe)	Adoption	Q3 2023	Implementing Act adopted in Q4 2023 Delegated act will be adopted in 2024.
Delegated and Implementing Regulations defining the specifications for electronic freight transport information (eFTI)	Adoption	Q1 and Q3 2023	Q1 and Q3 2024  The delay is due to the very high complexity of requiring the analysis of feasibility of specific technical solutions and of a very large number of national legal provisions across all transport modes covered by the Regulation
Horizon Europe Calls from Work Programme 2023- 2024– evaluation and award decisions to the selected transport projects	Signature of Horizon Europe grants, delegations, contributions for transport projects and programmes	Throughout 2023	Selection of transport projects under the 2023 Calls (Cluster 5 and Cities Mission), for a total EU contribution of approx. EUR 440 million.
Rollout of the Drone Strategy 2.0	Launch the development phase of rules addressing the initial and continued airworthiness of drones subject to certification (passenger and cargo) Launch of the development phase for the creation of an online platform to support a sustainable Urban Air Mobility implementation by authorities, cities, industry and stakeholders	Q1 2023 to Q1 2024	Two delegated and two implementing act proposals have been drafted and discussed twice in the EASA Committee and the associated (MS) Expert Group on Aviation Safety. The work on the rules are proceeding as planned. The first prototype of the online platform was made available to public for testing in December. The work is proceeding as planned.

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Connecting Europe Facility- Smart and Interoperable Mobility call 2022	Signature of Grant Agreements	Q4 2023	Signed Q4 2023
Connecting Europe Facility- Smart and Interoperable Mobility calls 2023	Launch of the calls for proposals	Q3 2023	Launched Q3 2023

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

Impact indicator: Real GDP growth rate

**Source of the data:** Eurostat (Eurostat online data code: <u>TEC00115</u>)

Baseline	Interim Milestone (18)	Target	Latest known results
(2019)	(2020)	(2024)	(2023)
1.8%	Increase	Increase	3.4%

**Impact indicator:** Investment share of GDP

**Source of the data**: Eurostat (Eurostat online data code: <u>sdq\_08\_11</u>)

Baseline	Interim Milestone	Target	Latest known results
(2018)	(2022)	(2024)	(2022)
21.5%	Increase	Increase	22.9%

**Impact indicator:** European Union trade openness

Baseline	Interim Milestone	Target	Latest known results
(2019)	(2022)	(2024)	(2022)
42.6%	Increase	Increase	49.8%

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<sup>(18)</sup> 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.

**Specific objective 3.1:** A fully integrated and connected Trans-European Transport network with appropriate funding for a robust and modern European transport infrastructure with fully restored connectivity

Related to spending programme(s): Connecting Europe Facility

**Result indicator:** Number of cross-border and missing links addressed with the support of CEF

Source of the data: CINEA

Baseline	Interim Milestone (2024)	<b>Target</b> (2030)	Latest known results (2023)
0	10	117 There is a total of 117 cross-border and missing links in the annex to the CEF regulation	57 ( <sup>19</sup> )

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

**Source of the data:** DG MOVE

Baseline	Interim Milestone	Target	Latest known results
	(2024)	(2030)	(2023)
N/A	Positive trend	Positive trend	2/2

Main outputs in 202	3:		
New policy initiative			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
Revision of slots regulation & airport charges guidance (tbc)	Adoption	Q3 2023	Preparation ongoing
Evaluations and fitr	iess checks		
Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
CEF 2014-2020 Ex post evaluation	Progress in its completion	2025/2026	Will come later since the end date for grant agreements is end of 2024.
Mid-term CEF evaluation	Completion	2024	On track
External communica	tion actions		
Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
Communication on Revised	Social Media: Number of	3 000	274 900
TEN-T Regulation	impressions per post		

<sup>(19)</sup> Number of cross-border and missing links addressed with the support of CEF

Other important outputs						
Output	Indicator	Target	Latest known results			
			(situation on 31/12/2023)			
Revised TEN-T Regulation	Adoption by the Legislator	Q4 2023	Political agreement reached on 18 December 2023. Entry into force expected for Q2 2024.			
Connecting Europe Facility calls-2022	Signature of Grant Agreements	Q4 2023	Signed Q4 2023			
Connecting Europe Facility calls- 2023	Launch of the calls	Q3 2023	Calls launched Q3 2023			
Revision of the CEF Transport Multi-Annual work programme	Adoption	Q2 2023	Adopted Q3 2023			

**Specific objective 3.2:** An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently

Related to spending programme(s): N/A

**Result indicator:** Transposition rate in transport legislation (%)

Source of the data: DG MOVE.A4

Baseline	Interim Milestone	Target	Latest known results
(2019)	(2022)	(2024)	(2023)
99.8%	N/A	99% of Directives to be transposed	99.33%
		in any given year	
		(target used by the Commission for	
		the Single Market Scoreboard)	

**Result indicator:** Number/share of women in the transport sector **Source of the data:** Eurostat, Labour Force Survey

Baseline	Interim Milestone	Target	Latest known results
(2017)	(2022)	(2030)	(2021)
22%	Maintain or increase percentage	Maintain or increase percentage	22%

**Result indicator:** Passengers' awareness of their rights and passengers' complaints to enforcement authorities

**Source of the data:** Eurobarometer surveys and National Enforcement Bodies' (NEB) activity reports as far as available (20) Europe Direct Contact Centre (EDCC) 2019 Annual Activity Report, DG GROW (Figures for the Your Europe passenger rights website)

Baseline	Interim Milestone	Target	Latest known results
(2019)		(2024)	(2023)
6,615 questions to EDCC (7th most popular subject)	Increase	Increase	In 2023, 11 251 questions were received by EDCC (of which 95% dealing with air passenger rights). (Passenger rights in the top 5 of the most popular subjects)
Visits of the Your Europe passenger rights website: 2.9 million	Increase	Increase	1.3 million direct visits of the Your Europe passenger rights landing page in 2023. The communication campaign for 2022-2023 also generated 5.7 million clicks across the different platforms
43% of Europeans citizens who travelled long-distance know the EU has established passenger rights (outcome of the next Special Eurobarometer on passenger Rights planned for 2023 with field work in 2024)	+1.5%/year	50%	Data available Q2 2024

	Main outputs in 2023:						
New policy initiative	25						
Output	Indicator	Target	Latest known results				
			(situation on 31/12/2023)				
Revision of Air Services Regulation (tbc)	Adoption	Q3 2023	Preparation ongoing				
Initiatives linked to	regulatory simplifica	tion and burden reduc	tion				
Output	Indicator	Target	Latest known results				
			(situation on 31/12/2023)				
Revision of Passenger rights regulatory framework	Adoption	Q3 2023	Adopted Q4 2023				
Revision of Regulation on Driving and rest time rules for drivers involved in the occasional carriage of passengers by bus and coach	Adoption	Q1 2023	Adopted Q2 2023				

<sup>(20)</sup> Eurobarometer Standard No 91, Spring 2019, and Eurobarometer Special No 485 on passenger rights, January 2020.

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Evaluations and fitn		<u> </u>		
Output	Indicator	Target	Latest known results	
			(situation on 31/12/2023)	
Evaluation of European Union Agency for Railways	Completion	Q1 2023	Q3 2024	
Enforcement actions				
Output	Indicator	Target	Latest known results	
			(situation on 31/12/2023)	
Update of the National Enforcement Bodies (NEB) websites regarding complementing the information provided by Your Europe by means of country- specific details on (i) complaint procedures and (ii) assistance and problem-solving services in that Member State	Websites of the NEBs in line with the SDG Regulation	Q4 2023	Significant improvement has taken place in 2023 (nevertheless it is too early to provide any quantification).	
The Commission has planned visits to some Member States to ensure that they comply with the requirements established in the passenger rights Regulations.  Implementing Act revising Regulation 2016/480 following	All visits performed  Adoption	6 visits Q1-Q4/2023 Q1 2023	1 mission performed (priority was given to the IA and the adoption of the new legislative proposals adopted Q4 2023)	
adoption of the proposed revision of Regulation (EC) No 1071/2009 on access to	Adoption	Q4 2023	Adopted Q3 2024	
national electronic registers.	A:			
External communica				
Output	Indicator	Target	Latest known results	
Communication campaign on passenger rights and update of the passenger rights application.	Visits to passenger rights pages on Your Europe	4 million visits	(situation on 31/12/2023)  More than 5.7 million clicks	
Communication on Eurobarometer survey on passenger rights	Social Media: Number of impressions per post	3 000	Postponed to 2024	
Communication on Passenger Mobility Package	Social Media: Number of impressions per post	3 000	5 560	
Other important out	puts			
Output	Indicator	Target	Latest known results	
			(situation on 31/12/2023)	
Group of experts on passenger rights addressing enforcement issues in all four modes of transport including multimodal issues	Number of Member States represented	4 meetings (1 per mode)	3 meetings held with high participation of Member States (rail postponed to 2024)	

Output	Indicator	Target	Latest known results	
Commission Recommendation on means to address the impact of automation and digitalisation on the transport workforce (Action 69 SSMS)	Adoption	Q3 2023	(situation on 31/12/2023)  Adopted Q4 2023 as a part of the Passenger Mobility package.	
Group of experts on horizontal social issues in transport (E03732): addressing labour shortages in transport	Number of Member States represented	2 meetings	Meetings on 26/04 and 30/11. All Member States but Greece and Slovenia have appointed members to the group.	
Conference on labour market developments and labour shortages in the transport sector (Action 70 SSMS)	Sign specific contract under FWC	Q3 2023	Specific contract signed on 23.11.2023. The kick-off meeting took place on 27.11.2023.	
Contribute to promoting gender equality in transport in the context of the "Platform for Change - Women in Transport"	Actions and activities under the Platform, signatures of the Declaration, increase members of the Platform	Increase 10 %	3 meetings of the platform, 3 new members and proposed actions	
Promote diversity in transport by supporting a network of Diversity Ambassadors in transport	First gathering of Diversity Ambassadors	Q1 2023	85 Ambassadors signed up in Q1 2023	
Conference of Diversity Ambassadors in Transport in 2024 (Action 70 SSMS)	Prepare and sign specific contract under FWC	Q3 2023	Specific contract signed Q4 2023	
Carry out a screening of transport policies, actions, and relevant initiatives, identify and analyse equality gaps and develop practical tools and training material for DG MOVE staff to apply equality mainstreaming in their daily work.  Development of equality tools and learning material		Q4 2022 – Q2 2024	Screening has been carried out, interim report approved on Q3 2023.	
Commission expert group Reflection paper on the issue of posting of workers in the aviation sector	Publication of consultative document for Member States to assist with effective implementation at national level	Q3/Q4 2023	Paper on the posting of workers in commercial air transport endorsed by Sub-group Plenary Q2 2023	

#### **General objective 4:** A Stronger Europe in the world

**Impact indicator:** Readiness of enlargement countries on economic criteria **Source of the data:** European Commission

Baseline	Interim Milestone	Target	Latest known
(2019)	(2022)	(2024)	results
			(2023)
1.99	Increase	Increase	2.1

**Impact indicator:** European Union preferential trade and investment agreements **Source of the data**: DG TRADE based on Eurostat data (datasets:

ext\_lt\_intertrd,bop\_its6\_tot, bop\_fdi6\_geo) [for the raw indicators (<u>goods</u>, <u>services</u> and <u>FDI stocks</u>); <u>DG Trade</u> for the list of countries covered by trade and investment agreements

Baseline Goods averag	e 2017-2019		Latest known value Goods (2020 – 2022)		Interim milestone (2022)	Target (2024)	
	age 2016-2018 average 2016-2018	3	Services (2020 – 2022) Investments average (2020 – 2022)		The objective is to maintain the EU share in global trade	The objective is to maintain the EU share in global trade	
Goods			Goods			Goods	Goods
Imp.	Exp.	Total	Imp.	Exp.	Total	Maintain	Maintain
13.9%	15.7%	14.8%	14,2% 14,4% 14,3%				
Services			Services	Services		Services	Services
Imp.	Exp.	Total	Imp.	Exp.	Total	Maintain	Maintain
21.4%	23.4%	22.4%	24,1% 24,5% 24,3%				
FDI stock			FDI stoo	FDI stock		FDI stock	FDI stock
Inward	Outward	Total	Inward	Outward	Total Maintain		Maintain
26.1%	31.2%	28.6%	20,7%	24,8%	22,6%		

**Specific objective 4.1:** A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards
Related to spending programme(s): N/A

**Result indicator:** Number of international comprehensive air transport agreements signed with partner countries

**Source of the data:** DG MOVE.E2

Baseline	Interim Milestone	Target	Latest known results
(2019)	(2022)	(2024)	(2023)
8 (21) (Western Balkan countries, Morocco, Jordan, Georgia, Moldova, Israel, United States and Canada)	13 (End-2019 + United Kingdom, Ukraine, Qatar, Armenia, ASEAN = end-2022)	17 (End-2022 + Azerbaijan, Colombia, Tunisia and Oman = end-2024)	At the end of 2023, the EU had signed 13 air transport agreements with partner countries/regions.

<sup>(21)</sup> Does not include agreement with Switzerland (1999).

<b>Result indicator:</b> Proportion of proposed legislative revisions that include burden reduction measures <b>Source of the data:</b> DG MOVE					
Baseline	aseline Interim Milestone Target Latest known results (2024) (2030) (2023)				
N/A	Positive trend	Positive trend	N/A ( <sup>22</sup> )		

Main outputs in 2023:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
The Interbus Protocol on regular and special regular carriage of passenger services by coach and bus signed and ratified by a majority of Contracting Parties of the Interbus Agreement.	Number of signatures / ratifications.	7	7
Initiatives linked to Enforce	ement actions		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Alignment of AETR with provisions of Regulation 561/2006 and of Tachograph Regulation 165/2014, as amended by Mobility Package 1	provisional agreement of AETR countries to align AETR	Q4 2023	Not achieved. No progress of the negotiations in AETR following the war in Ukraine (Russia and Belarus are contracting parties to the AETR and block any progress for alignment).
Alignment of Directive 2008/68/EC with Commission Delegated Directive C (2022) 6601 to integrate the edition 2023 of the International Agreements RID/ADR/ADN on transport of dangerous goods	Transposition of the new Delegated Directive	Q4 2022	Commission Delegated Directive (EU) 2022/2407 adopted on 20 September 2022
External communication ac	tions		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Communication campaign on Solidarity Lanes	Unique page views of the Solidarity Lanes page on EUROPA	2 500 unique page views	66 884 unique page views
Aviation Summit	Number of hashtag mentions per event	50	43 (23)
Other important outputs			

<sup>(&</sup>lt;sup>22</sup>) In 2023 there were about 5 major initiatives relevant for this Headline Ambition, however none of them meeting criteria for an impact assessment.

<sup>(23)</sup> There was only one Aviation Summit (India) and due to unforeseen events, several high-level EC speakers could not join the event, which might have led to a lower visibility than originally planned

Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
Well-functioning Solidarity Lanes	Trade volume	Not lower than 2022	Between March 2022 and January 2024, over 61 million tonnes of grain, oilseeds, and related products have left Ukraine through the Solidarity Lanes. They enabled the export of around 60% of Ukraine's grain since the start of the war The Solidarity Lanes have also allowed Ukraine to import around 40 million tonnes of goods it needs: from military and humanitarian aid, to fuel and other products. The total value of trade via the Solidarity Lanes till January 2024 was estimated at around EUR 120 billion, with more than EUR 40 billion for Ukrainian exports and over EUR 80 billion for Ukrainian imports.
Revised TEN-T maps for Western Balkans, Ukraine and Moldova	Adoption	Q4 2023	High-level agreement signed for revised maps for Ukraine and Moldova Q4 2023.  A delegated act for revised TEN-T maps for the Western Balkans adopted Q4 2023.
Position papers and proposals for Council decisions to establish EU positions for IMO meetings. Union submissions to bring forward detailed and concrete proposals on environment and safety-related topics.	Council agrees or adopts these documents	Position papers and Union submissions in all quarters of 2023. Proposals for Council decisions in Q1/2 2023 (timing subject to IMO meeting schedule	- 17 coordination papers - 19 submissions as EU and 7 as Commission - 2 proposals for Council decisions

General objective 5: Promoting our European way of life					
Impact indicator: Avoidable mortality  Source of the data: Eurostat (Eurostat data code: sdg 03 42)					
Baseline (2016)	Interim Milestone (2022)	<b>Target</b> (2024)	Latest known results (2020)		
Preventable deaths: 162.48 per 100 000 inhabitants	Decrease	Decrease	Preventable deaths: 179.96 per 100 000 inhabitants		
Treatable deaths: 93.16 per	Decrease	Decrease	Treatable deaths: 91.74 per 100 000 inhabitants		

Baseline	Interim Milestone	Target	Latest known results
(2016)	(2022)	(2024)	(2020)
100 000 inhabitants			

Impact indicator: Investment share of GDP

**Source of the data**: Eurostat (Eurostat online data code: <u>sdg\_08\_11</u>)

Baseline	Interim Milestone	Target	Latest known results
(2018)	(2022)	(2024)	(2022)
21.52%	Increase	Increase	22.92%

**Specific objective 5.1:** High levels of transport safety and security are ensured, and new security and safety challenges are addressed Related to spending programme(s): ...

Result indicator: Total number of road fatalities in the EU

**Source of the data:** CARE database <u>European Road Safety Observatory - European</u>

Commission (europa.eu)

Baseline	Interim Milestone	Target	Latest known results
(2019 (24))	(2024)	(2030)	(2022)
		[The target is set out in the EU policy framework for road safety 2021-2030 and in line with the UN General Assembly Resolution on road safety of August 2020]	20 600 in 2022
N/A	Reduction by 24% (proportionate to 10- year target)	Reduction by 50%	-9% between 2019 and 2022 so downward trend but not at a sufficient pace to meet the target

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

**Source of the data**: DG MOVE

Baseline	Interim Milestone (2022)	Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2023)
N/A	Positive trend	Positive trend	4/4

<sup>(24)</sup> The fatality reduction target for 2030 was set in the EU Road Safety Policy Framework 2021-2030 (COM(2018) 293 final). Due to containment measures during the COVID-19 crisis, leading to extreme decreases in road traffic, it is clear that 2020 will be an outlier year. In 2019, there were 22 800 road fatalities in the EU. And indeed 2019 has been agreed as the baseline year for the decade.

M : 4 : 202	_		
Main outputs in 202			
New policy initiative	25		·
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Review of EMSA Founding Regulation	Adoption	Q2 2023	Adopted Q2 2023
Proposals on Maritime Accident Investigation, port state control and flag state responsibilities	Adoption	Q2 2023	Adopted Q2 2023
Initiatives linked to	regulatory simplificat	tion and burden reduc	tion
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Revision of Directive 2006/126/EC of the European Parliament and of the Council of 20 December 2006 on driving licences	Adoption	Q1 2023	Adopted Q1 2023. Inter-institutional negotiations ongoing
Revision of Directive (EU) 2015/413 facilitating cross- border exchange of information on road-safety- related traffic offences	Adoption	Q1 2023	Adopted Q1 2023. Inter-institutional negotiations ongoing
<b>Evaluations and fitr</b>	ess checks		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Evaluation of Fishing Vessel Safety Directive	Staff Working Document	Q2 2023	Delayed to Q2 2024 due to high workload linked to the maritime safety package
Evaluation of the EU Aviation Safety Agency (EASA) as per Article 124 of Regulation 2018/1139	Staff Working Document Report to the European Parliament and Council	Q3 2023	Q3 2023
Enforcement actions	5		
Output	Indicator	Target	Latest known results
			(situation on 31/12/2023)
Updates to the EU Air Safety List	Two amendments to Regulation 474/2006 establishing the EU Air Safety List	June and November 2023	(situation on 31/12/2023)  Adopted as planned
	Regulation 474/2006 establishing the EU Air Safety List	June and November 2023	( )
List	Regulation 474/2006 establishing the EU Air Safety List	June and November 2023  Target	( )
External communica	Regulation 474/2006 establishing the EU Air Safety List ation actions		Adopted as planned  Latest known results

Output	Indicator	Target	Latest known results (situation on 31/12/2023)
EU Air Safety List (press release two times per year)	Unique page views of the EU Air Safety List	100 000 unique page views and unique 50 000 downloads of the EU Air Safety List.	156 654 page views and 82 845.000 downloads of the list
Communication on Maritime Package	Social Media: Number of impressions per post	3 000	7 735
Other important out	tputs		
Output	Indicator	Target	Latest known results (situation on 31/12/2023)
Marine Equipment, Implementing Regulation	Adoption	Q3 2023	Adopted Q3 2023
Implementing and delegated acts on aviation safety (airworthiness and maintenance, air operations (including drones), air traffic management, flight crew licensing)	Adoption	2023	Adopted as planned
CEF Military Mobility calls 2023	Launch of the call	Q2 2023	Launched Q2 2023
SWD Working towards an enhanced and more resilient aviation security policy: a stocktaking	Finalisation	Q1 2023	Q1 2023

#### ANNEX 3: Draft annual accounts and financial reports

AAR 2023 Version 1

Annex 3 Financial Reports - DG MOVE- Financial Year 2023

Table 1: Commitments

Table 2: Payments

Table 3: Commitments to be settled

**Table 4: Balance Sheet** 

**Table 5: Statement of Financial Performance** 

**Table 5 Bis: Off Balance Sheet** 

**Table 6: Average Payment Times** 

Table 7: Income

Table 8: Recovery of undue Payments

**Table 9: Ageing Balance of Recovery Orders** 

**Table 10: Waivers of Recovery Orders** 

**Table 11: Negotiated Procedures** 

**Table 12: Summary of Procedures** 

**Table 13: Building Contracts** 

**Table 14: Contracts declared Secret** 

Table 15: FPA duration exceeds 4 years

Table 16: Commitments co-delegation type 3 in 2023

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

DG MOVE\_aar\_2023\_annexes

Additional comments			

DG MOVE\_aar\_2023\_annexes

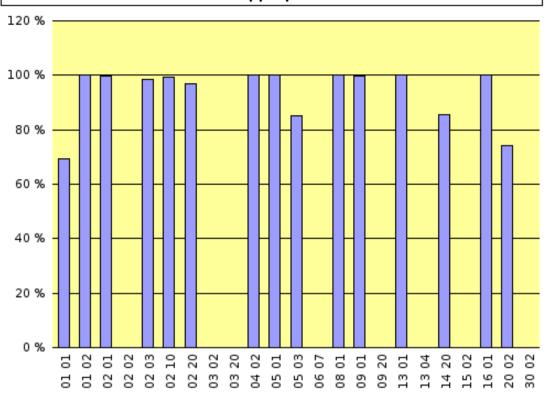
	TABLE 1	: OUTTURN ON COMMITMENT APPROPRIATIO	ONS IN 2023 (in I	Mio €) for DG M	OVE
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
		Title 01 Research and In	novation		
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	18.89	15.98	84.59 %
	01 02 Horizon Europe		184.56	184.52	99.98 %
Tota	al Title 01		203.45	200.50	98.55 %
		Title 02 European Strategic	Investments		
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.66	10.65	99.90 %
	02 02	InvestEU Fund	0.00	0.00	0.00 %
	02 03	Connecting Europe Facility (CEF)	20.52	20.20	98.46 %
	02 10	Decentralised agencies	164.37	163.29	99.35 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	15.73	15.26	97.02 %
Tota	al Title 02		211.27	209.40	99.11 %
		Title 03 Single Mar	ket		
03	03 02	Single Market Programme	0.00	0.00	0.00 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Tota	al Title 03		0.00	0.00	0.00 %
		Title 04 Space			
04	04 02	Union Space Programme	0.55	0.55	100.00 %
Tota	al Title 04		0.55	0.55	100.00 %
		Title 05 Regional Development	and Cohesion		
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.29	6.29	100.00 %
	05 03	Cohesion Fund (CF)	0.52	0.44	85.09 %
Tota	al Title 05		6.81	6.73	98.86 %
		Title 06 Recovery and Re	esilience		
06	06 07	Emergency support within the Union	0.00	0.00	0.00 %
Tota	al Title 06		0.00	0.00	0.00 %
		Title 08 Agriculture and Mar	itime Policy		
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.34	4.34	100.00 %
Tota	al Title 08		4.34	4.34	100.00 %
		Title 09 Environment and Cli	imate Action		
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	15.87	15.83	99.79 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Tota	al Title 09		15.87	15.83	99.79 %

DG MOVE\_aar\_2023\_annexes

	TABLE	1: OUTTURN ON COMMITMENT APPROPRIA	TIONS IN 2023	(in Mio €) for D	G MOVE
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
		Title 13 Defen	ce		
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.95	100.00 %	
	13 04	Military mobility	0.00	0.00	0.00 %
Tota	al Title 13		0.95	0.95	100.00 %
		Title 14 External A	Action		
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.86	2.45	85.66 %
Tota	al Title 14		2.86	2.45	85.66 %
		Title 15 Pre-accession	Assistance		
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %
Tota	al Title 15		0.00	0.00	0.00 %
	Title 16	Expenditure outside the annual ceilings set o	ut in the Multia	nnual Financial	Framework
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	6.25	6.25	100.00 %
Tota	al Title 16		6.25	6.25	100.00 %
		Title 20 Administrative expenditure of	the European C	Commission	
20	20 02	Other staff and expenditure relating to persons	0.09	0.07	74.10 %
Tota	al Title 20		0.09	0.07	74.10 %
		Title 30 Reserv	res		
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %
Tota	al Title 30		0.00	0.00	0.00 %
Tot	al Excluding N	GEU	452.45	447.08	98.81 %

Title 01 Research and Innovation								
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	8.25	2.84	34.47 %			
Tota	al Title 01		8.25	2.84	34.47 %			
Tot	tal NGEU Only		8.25	2.84	34.47 %			
	Total DG MOVE 460.70 449.93 97.66 %							

#### % Outturn on Commitment Appropriations in 2023 for DG MOVE



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

		TABLE 2: OUTTURN ON PAYMENT APPROPR	RIATIONS in 2023 (i	n Mio €) for DG I	MOVE
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
		Title 01 Research	and Innovation		
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	19.09	15.84	82.98 %
	01 02	Horizon Europe	188.43	187.25	99.38 %
Tota	al Title 0	i	207.52	Payments made	
		Title 02 European Stra	ategic Investments		
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.96	10.93	99.73 %
02	02 02	InvestEU Fund	4.05	0.00	0.00 %
	02 02	Connecting Europe Facility (CEF)	17.51	16.44	93.91 %
	02 03	Decentralised agencies	164.37	163.29	99.35 %
		Pilot projects, preparatory actions, prerogatives and	20.79	19.59	94.26 %
Tota	02 20 al Title 02	other actions	217.66	210.25	96.60%
			le Market		
		Single Market Programme	0.00	0.00	100.00 %
03	03 02	Pilot projects, preparatory actions, prerogatives and	0.26		0.00 %
Tot	03 20 al Title 0:	other actions	0.26		0.22%
100	ai iitie o.		Space	0.00	0.22 /6
		Union Space Programme	0.00	0.00	0.00 %
04	04 02 al Title 04				
100	ai Title 04		0.00	0.00	0.00%
		Support administrative expenditure of the 'Regional	pment and Cohesion	0.00	400.00.0/
05	05 01	Development and Cohesion' cluster	6.29		
	05 03	Cohesion Fund (CF)	0.47	-	87.83 %
Tota	al Title 0	-	6.76	6.70	99.15%
		,	and Resilience		
06	06 07	Emergency support within the Union	0.75	0.68	90.58 %
Tota	al Title 00	5	0.75	0.68	90.58%
	T		nd Maritime Policy		
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.34	4.34	100.00 %
Tota	al Title 0	3	4.34	4.34	100.00%
			and Climate Action		
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	15.87	15.83	99.79 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.72	0.00	0.00 %
Tota	al Title 09	9	16.59	15.83	95.46%

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (in Mio €) for DG MOVE								
			Payment appropriations authorised *	Payments made	%			
			1	2	3=2/1			
		Title 13 De	efence					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.12	1.12	99.32 %			
	13 04	Military mobility	0.00	0.00	0.00 %			
Tota	l Title 13	3	1.12	1.12	99.32%			
		Title 14 Extern	nal Action					
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.86	2.45	85.66 %			
	l Title 14	1	2.86	2.45	85.66%			
		Title 15 Pre-access	ion Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %			
	l Title 15	5	0.00	0.00	0.00%			
		Title 16 Expenditure outside the annual ceilings so	et out in the Multiann	nual Financial Fran	nework			
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	6.25	6.25	100.00 %			
Tota	l Title 16	5	6.25	6.25	100.00%			
		Title 20 Administrative expenditure	of the European Co	mmission				
20	20 02	Other staff and expenditure relating to persons	0.11	0.04	32.90 %			
Tota	l Title 20	)	0.11	0.04	32.90%			
		Title 30 Re:	serves					
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00 %			
	l Title 30	0	0.00	0.00	0.00%			
Tota	al Exclud	ding NGEU	464.21	450.75	97.10%			

	Title 01 Research and Innovation							
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	5.50	2.84	51.53 %			
Tota	al Title 01	ı	5.50	2.84	51.53%			
Tot	al NGEU	Only	5.50	2.84	51.53%			
		Total DG MOVE	469.72	453.58	96.57 %			

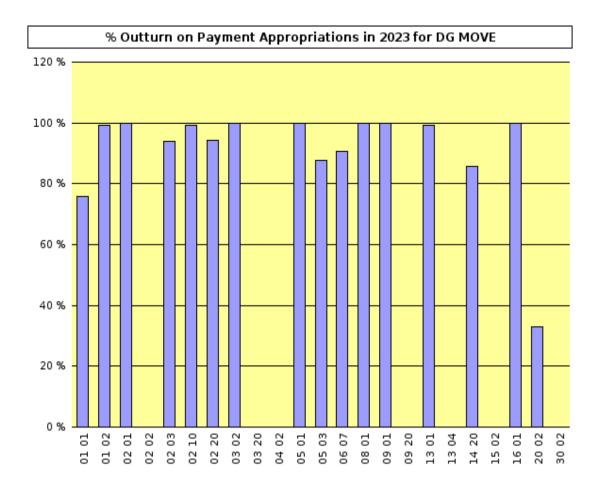


		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/2	023 (in Mio €) for	DG MOVE			
						Total of commitments to be settled at end	Total of commitments to be settled			
	Chapter		Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	at end of financial year 2022	
			1	2	3=1-2	4=1-2/1	5	6=3+5	7	
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	15.98	15.65	0.34	2.11%	0.00	0.34	0.22	
	01 02	Horizon Europe	184.52	103.33	81.19	44.00%	77.04	158.24	160.97	
То	tal Title 0	1	200.50	118.97	81.53	40.66%	77.04	158.57	161.19	

#### TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG MOVE

				Commitments t	o be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled	
	Chapter		Commitments	Payments	RAL	% to be settled	years previous to 2022 of financial year 2023		at end of financial year 2022	
			1	2	3=1-2	4=1-2/1	5	6=3+5	7	
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.65	10.64	0.01	0.09%	0.00	0.01	0.29	
	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	
	02 03	Connecting Europe Facility (CEF)	20.20	3.01	17.19	85.10%	45.13	62.32	60.13	
	02 10	Decentralised agencies	163.29	127.56	35.73	21.88%	0.00	35.73	35.73	
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	15.26	4.50	10.76	70.48%	17.21	27.97	34.22	
То	tal Title 02	2	209.40	145.72	63.68	30.41%	62.34	126.02	130.37	

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

		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/2	023 (in Mio €) for	DG MOVE		
				Commitments	to be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	at end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.00	0.00	0.00	0.00%	0.02	0.02	0.03
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.99	0.99	0.99
To	otal Title 0	3	0.00	0.00	0.00	0.00%	1.01	1.01	1.02
		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/20	023 (in Mio €) for	DG MOVE		
				Commitments	to be settled		Commitments to be settled from financial	to be settled commitments to	
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	at end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04 02	Union Space Programme	0.55	0.00	0.55	100.00%	0.00	0.55	0.00
To	otal Title 0	4	0.55	0.00	0.55	100.00%	0.00	0.55	0.00
		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/20	023 (in Mio €) for	DG MOVE		
				Commitments	to be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	at end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.29	6.29	0.00	0.00%	0.00	0.00	0.00
	05 03	Cohesion Fund (CF)	0.44	0.03	0.41	93.17%	1.93	2.35	2.68

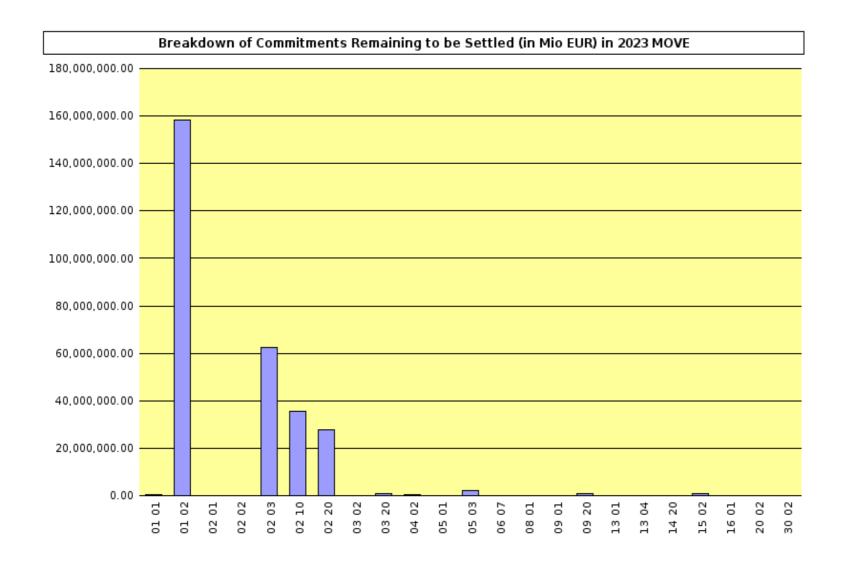
		TABLE 3: BREAK	DOWN OF COMMITM	ENTS TO BE SET	TLED AT 31/12/2023	3 (in Mio €) for Do	G MOVE		
				Commitments	to be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	at end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 07	Emergency support within the Union	0.00	0.00	0.00	0.00%	0.08	0.08	0.75
То	tal Title 06		0.00	0.00	0.00	0.00%	0.08	0.08	0.75
		TABLE 3: BREAK	DOWN OF COMMITM	ENTS TO BE SET	TLED AT 31/12/2023	3 (in Mio €) for Do	G MOVE		
				Commitments	to be settled		Commitments to be settled from financial years	Total of commitments to be settled at end of	
		Chapter	Commitments	Payments	RAL	% to be settled	previous to 2022	of financial year 2023	financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Support administrative expenditure of the "Agriculture and Maritime Policy" cluster	4.34	4.34	0.00	0.00%	0.00	0.00	0.00
То	tal Title 08		4.34	4.34	0.00	0.00%	0.00	0.00	0.00
		TABLE 3: BREAK	DOWN OF COMMITM	ENTS TO BE SET	TLED AT 31/12/2023	3 (in Mio €) for Do	G MOVE		
				Commitments	to be settled		Commitments to be settled from financial years	Total of commitments to be settled at end	Total of commitments to be settled at end of
		Chapter	Commitments	Payments	RAL	% to be settled	previous to 2022	of financial year 2023	financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	15.83	15.83	0.00	0.00%	0.00	0.00	0.00
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	1.00	1.00	1.00
То	tal Title 09		15.83	15.83	0.00	0.00%	1.00	1.00	1.00

		TABLE 3: BREAK	DOWN OF COMMITM	ENTS TO BE SETT	LED AT 31/12/20	23 (in Mio €) for I	OG MOVE		
				Commitments to	o be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled at
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.95	0.95	0.00	0.00%	0.00	0.00	0.17
	13 04	Military mobility	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
То	tal Title 13		0.95	0.95	0.00	0.00%	0.00	0.00	0.17
		TABLE 3: BREAK	DOWN OF COMMITM	ENTS TO BE SETT	LED AT 31/12/20	23 (in Mio €) for I	OG MOVE		
				Commitments to	o be settled		Commitments to be settled from financial be settled at end		
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 20	Pilot projects, preparatory actions, prerogatives and other actions	2.45	2.45	0.00	0.00%	0.00	0.00	0.00
То	tal Title 14		2.45	2.45	0.00	0.00%	0.00	0.00	0.00
		TABLE 3: BREAK	DOWN OF COMMITM	IENTS TO BE SETT	LED AT 31/12/20	23 (in Mio €) for I	OG MOVE		
				Commitments to	o be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled at end of
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00	0.00%	0.85	0.85	2.17
То	tal Title 15		0.00	0.00	0.00	0.00%	0.85	0.85	2.17

	TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG MOVE								
				Commitments		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled at	
		Chapter	Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	6.25	6.25	0.00	0.00%	0.00	0.00	0.00
То	tal Title 16		6.25	6.25	0.00	0.00%	0.00	0.00	0.00
		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/20	23 (in Mio €) for I	DG MOVE		
				Commitments	Commitments to be settled from financial years	Total of commitments to be settled at end	Total of commitments to be settled at end of		
		Chapter	Commitments	Payments	RAL	% to be settled	previous to 2022	of financial year 2023	financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.07	0.03	0.04	51.67%	0.00	0.04	0.01
То	tal Title 20		0.07	0.03	0.04	51.67%	0.00	0.04	0.01
		TABLE 3: BREA	KDOWN OF COMMIT	MENTS TO BE SE	TTLED AT 31/12/20	23 (in Mio €) for I	DG MOVE		
				Commitments	to be settled		Commitments to be settled from financial	Total of commitments to be settled at end	Total of commitments to be settled at
	Chapter		Commitments	Payments	RAL	% to be settled	years previous to 2022	of financial year 2023	end of financial year 2022
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
30	30 02	Reserves for operational expenditure	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
То	tal Title 30		0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Tot	al Excludi	ng NGEU	447.08	300.87	146.21	32.70%	144.26	290.46	299.36

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

	TABLE 3: BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG MOVE										
				Commitments	Commitments to be settled from financial years previous to 2022	Total of commitments to be settled at end of financial year 2023	Total of commitments to be settled				
Chapter		Commitments Payments RAL %		% to be settled			at end of financial year 2022				
			1	2	3=1-2	4=1-2/1	5	6=3+5	7		
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	2.84	2.76	0.08	2.94%	0.00	0.08	0.08		
To	otal Title 0	01	2.84	2.76	0.08	2.94%	0.00	0.08	0.08		
Total NGEU Only		2.84	2.76	0.08	2.94%	0.00	0.08	0.08			
			1				T	T			
Total for DG MOVE			449.93	303.64	146.29	32.51 %	144.26	290.55	299.43		



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

### **TABLE 4: BALANCE SHEET for DG MOVE**

BALANCE SHEET	2023	2022
A.I. NON CURRENT ASSETS	617,481,839.15	591,040,407.27
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	599,279,866.77	570,708,313.77
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	18,201,972.38	20,332,093.50
A.II. CURRENT ASSETS	88,023,103.86	167,865,347.42
A.II.2. Current Pre-Financing	78,137,563.55	161,246,204.42
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	9,885,540.31	6,619,143.00
A.II.6. Cash and Cash Equivalents	0.00	0.00
ASSETS	705,504,943.01	758,905,754.69
P.III. NET ASSETS/LIABILITIES	0.00	0.00
P.III.1. Reserves	0.00	0.00
P.II. CURRENT LIABILITIES	-27,751,665.61	-35,952,863.31
P.II.3. Current Financial Liabilities	-27,137,770.25	-30,925,569.64
P.II.4. Current Payables	-613,895.36	-5,027,293.67
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
LIABILITIES	-27,751,665.61	-35,952,863.31
NET ASSETS (ASSETS less LIABILITIES)	677,753,277.40	722,952,891.38
P.III.2. Accumulated Surplus/Deficit	4,104,382,976.54	2,982,724,798.67
	1	
Non-allocated central (surplus)/deficit*	-4,782,136,253.94	-3,705,677,690.05
	-	3
TOTAL DG MOVE	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

#### TABLE 5: STATEMENT OF FINANCIAL PERFORMANCE for DG MOVE

STATEMENT OF FINANCIAL PERFORMANCE	2023	2022
II.1 REVENUES	-35,743,364.17	-2,396,250.28
II.1.1. NON-EXCHANGE REVENUES	-541,482.57	-840,849.47
II.1.1.6. RECOVERY OF EXPENSES	-521,482.57	-535,955.37
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-20,000.00	-304,894.10
II.1.2. EXCHANGE REVENUES	-35,201,881.60	-1,555,400.81
II.1.2.1. FINANCIAL INCOME	-37,229,295.00	-2,816,527.13
II.1.2.2. OTHER EXCHANGE REVENUE	2,027,413.40	1,261,126.32
II.2. EXPENSES	530,854,836.48	522,054,212.15
II.2. EXPENSES	530,854,836.48	522,054,212.15
II.2.11.OTHER EXPENSES	66,782,393.82	63,577,067.25
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	37,001,088.57	40,039,616.65
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	426,919,735.24	361,435,661.06
II.2.6. STAFF AND PENSION COSTS	-33,040.00	-145,470.00
II.2.8. FINANCE COSTS	184,658.85	57,147,337.19
STATEMENT OF FINANCIAL PERFORMANCE	495,111,472.31	519,657,961.87

The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

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

### **TABLE 5bis: OFF BALANCE SHEET for DG MOVE**

OFF BALANCE	2023	2022
OB.1. Contingent Assets	0.00	519,589.65
GR for pre-financing	0.00	519,589.65
OB.2. Contingent Liabilities	-603,330,216.00	-602,000,216.00
OB.2.1. Guarantees given for EU FI	-603,330,216.00	-602,000,216.00
OB.2.6. CL Other		0.00
OB.4. Balancing Accounts	603,330,216.00	601,480,626.35
OB.4. Balancing Accounts	603,330,216.00	601,480,626.35
OFF BALANCE	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

### TABLE 6: AVERAGE PAYMENT TIMES for DG MOVE

Legal Times							_		
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	471	469	99.58 %	14.91	2	0.42 %	37.00	185,655.69	0. %
60	112	111	99.11 %	31.95	1	0.89 %	64.00	259,584.00	1. %
90	34	23	67.65 %	43.57	11	32.35 %	91.00	920,330.22	20. %

Total Number of Payments	617	603	97.73 %		14	2.27 %		1,365,569.91	0. %
Average Net Payment Time	20.55			19.14			81.36		
Average Gross Payment Time	28.41			26.09			128.64		

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	37	131	21.23 %	617	14,197,249.19	3.14 %	452,719,375.15

Late Interest paid in 2023							
DG	GL Account	Description	Amount (Eur)				
MOVE	65010100	Interest on late payment of charges New FR	327.15				
			327.15				

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

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

TABLE 7: SITUATION ON REVENUE AND INCOME in 2023 for DG MOVE Revenue and income cashed from Revenue and income recognized Outstanding **Current year RO Carried over RO Carried over RO** Chapter Total **Current Year RO** Total balance 5 1 2 3=1+2 6=4+5 7=3-6 33 Other administrative revenue 3,199,311.29 101,611.50 3,300,922.79 3,199,311.29 9,002.02 3,208,313.31 92,609.48 Single market, innovation and digital 239.911.33 140,724.17 380.635.50 180.600.56 140.724.17 59,310.77 60 321,324.73 Cohesion, resilience and values 51.826.25 0.00 51.826.25 51.826.25 0.00 51.826.25 0.00 61 Neighbourhood and the world 65 409,971.15 0.00 409,971.15 409,971.15 0.00 409,971.15 0.00 Other contributions and refunds 1,172,080.06 1,172,080.06 20,416.00 1,192,496.06 0.00 66 20,416.00 1,192,496.06 Completion for outstanding recovery 1,081,509.89 67 -26,793.27 1,108,303.16 -26,793.27 28,914.01 2,120.74 1,079,389.15 orders prior to 2021 **Total DG MOVE** 5,046,306.81 1,371,054.83 6,417,361.64 4,986,996.04 199,056.20 5,186,052.24 1,231,309.40

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

### TABLE 8: FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2023 for DG MOVE

EX-ANTE CONTROLS BY TRANSACTION	Irregularity	Total ex-ante amounts
NON ELIGIBLE IN COST CLAIMS	1,088,369.17	1,088,369.17
CREDIT NOTES	57,621.61	57,621.61
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	1,145,990.78	1,145,990.78

EX-POST CONTROLS BY TRANSACTION	Irregularity	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	63,226.42	63,226.42
INCOME LINES IN INVOICES		
Sub-Total Sub-Total	63,226.42	63,226.42
GRAND TOTAL (EX-ANTE + EX-POST)	1,209,217.20	1,209,217.20

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

DG MOVE\_aar\_2023\_annexes

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2023 for DG MOVE

	Number at 01/01/2023	Number at 31/12/2023	Evolution	Open Amount (Eur) at 01/01/2023	Open Amount (Eur) at 31/12/2023	Evolution
2011	4	4	0.00 %	81,637.58	81,637.58	0.00 %
2016	4	4	0.00 %	387,333.09	387,333.09	0.00 %
2017	5	2	-60.00 %	765,091.79	599,401.75	-21.66 %
2018	1	1	0.00 %	64,758.75	64,758.75	0.00 %
2021	4	4	0.00 %	389,968.12	389,968.12	0.00 %
2022	8		-100.00 %	161,140.17		-100.00 %
2023		3			59,310.77	
	26	18	-30.77 %	1,849,929.50	1,582,410.06	-14.46 %

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

# TABLE 10: Recovery Order Waivers >= 60 000 € in 2023 for DG MOVE

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
		<b>,</b>			
Total DG MOVE					
Number of RO w	aivers				

There are 1 waivers below 60 000 € for a total amount of -26,793.27

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

# TABLE 11 : Negotiated Procedures in 2023 for DG MOVE

# Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	3	242,312.76
Total	3	242,312.76

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

# TABLE 12 : Summary of Procedures in 2023 for DG MOVE

# Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	3	401,932.50
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	242,312.76
Open procedure (FR 164 (1)(a))	10	20,820,741.90
Total	16	21,464,987.16

Additional Comments:						

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

# **TABLE 13: BUILDING CONTRACTS in 2023 for DG MOVE**

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

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

# TABLE 14: CONTRACTS DECLARED SECRET in 2023 for DG MOVE

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

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

# TABLE 15 : FPA duration exceeds 4 years - DG MOVE

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

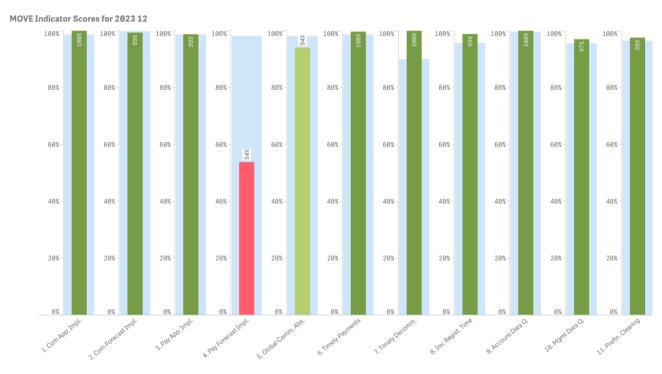
	TABLE 16 : Commitments co-delegation type 3 in	2023 for DG MOVE
Noto: The figure	ree are those related to the provisional	Refresh date: 12/03/2024
accounts and r	res are those related to the provisional not yet audited by the Court of Auditors	renesti date: 12/03/2024

# **ANNEX 4: Financial scorecard**

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2023, 11 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes).

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

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



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment	MOVE Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		99%	100%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		99%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	Following the Global Transfer reinforcement of CEF of circa EUR 400 million, the payment was forecasted at DG MOVE level but implemented by CINEA.	54%	98%
5. Global Commitment Absorption <sup>25</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		94%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	DG MOVE deployed the necessary controls to ensure timely payment as well as to monitor elements that could impact it such as invoice registration.	100%	99%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		100%	90%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		97%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit		98%	100%

<sup>(25)</sup> Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

# **ANNEX 5: Materiality criteria**

This annex provides a detailed explanation on how the AOD defined the materiality threshold as a basis for determining whether significant weaknesses should be subject to a formal reservation to her declaration.

### Introduction

Deciding whether a weakness is significant is a **matter of judgement** by the Authorising Officer by Delegation (AOD), who remains responsible for the declaration of assurance, including any reservations to it. In doing so, the AOD should **identify the overall impact of a weakness** and **judge whether it is material** enough so that the non-disclosure of the weakness is likely to have an influence on the decisions or conclusions of the users of the declaration. The benchmark for this judgement is the materiality criteria which the AOD sets at the moment of designing the internal control system under her responsibility. For DG MOVE, the materiality of residual weaknesses identified (i.e., after mitigating and corrective measures) is assessed on the basis of qualitative and/or quantitative criteria, in line with the instructions for the preparation of the Annual Activity Report.

The **qualitative assessment** includes an analysis of the causes and the types of error (including whether they are repetitive) to conclude on the nature, context and/or scope of the weaknesses identified. This may refer to significant control system weaknesses or critical issues reported by the Directors, the Authorising Officers by Sub-Delegation, the European Court of Auditors (ECA), the Internal Audit Service (IAS), DG BUDG or OLAF. In addition, the duration and any mitigating controls or corrective actions are taken into consideration.

The **quantitative assessment** aims at estimating any financial impact ("amount at risk") resulting from the errors detected. DG MOVE's expenditure is composed of (in order of importance), directly managed grants, indirectly managed grants and financial instruments and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact). This analysis and the conclusions are presented concisely in the body of the Annual Activity report.

### Qualitative criteria for defining significant weaknesses

For all methods of implementation under the operational budget, the relevant parameters are:

### Consideration of significant control system weaknesses

Control system weaknesses (whether this is in a system operated by the Commission or by a third party) may be identified by management itself (for example through ex-post audits or through the assessment of the effectiveness of internal control systems), by internal or external auditors or by third party control instances. They may relate to the design or operational effectiveness of a control or of an entire system.

### Critical issues outlined by ECA, the IAS, DG BUDG and OLAF

Any critical recommendations made by ECA, the IAS, DG BUDG or OLAF, which have not been effectively addressed should be assessed in terms of their significance. Here, the term "critical recommendation" is used in a wider sense; it includes those recommendations labelled by the auditor as "critical" as well as those not labelled at all which is assessed as having a critical impact on the assurance. The impact on assurance of recommendations labelled "very important" for which there is a significant delay in the implementation of the action plan will also be taken into account.

### Significant reputational events

Events or weaknesses which have a significant reputational impact on DG MOVE, or indirectly on the Commission, will be reported irrespective of the amount of damage to DG MOVE administrative and operational budget and will be considered for issuing a reservation on a reputational basis.

When assessing the significance of any weaknesses, the following factors are taken into account:

- the nature and scope of the weakness
- the duration of the weakness
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness)
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.
- When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible.

### Quantitative criteria for defining reservations

This section provides the methodology for measuring the residual amount at risk and determining its materiality.

DG MOVE's expenditure is composed of indirectly managed grants, directly managed grants, financial instruments, contribution to administrative expenditure of executive agencies, JUs and decentralised agencies and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure.

Considering that the fact that the research framework programmes' implementing bodies (26) are sharing a common ex-post audit approach, the following section focusses on this specific management system.

# Research framework programmes - common aspects

<sup>(26)</sup> Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the Research Framework Programmes.

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 (RER), calculated on a representative sample on a multi-annual basis.

### 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 adjusted by subtracting:

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

This results in a residual error rate – used for H2020 and Horizon Europe - which is calculated as follows:

$$\operatorname{Re} sER\% = \frac{(\operatorname{Re} pER\% * (P - A)) - (\operatorname{Re} pERsys\% * E)}{P}$$

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. The RepER% is composed of complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possible individual detected error rates.

**RepERsys%** portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERsys% is the same for all entities and it is calculated from the same set of results as the RepER%.

- P Total requested EC contribution (€) in the auditable population (i.e., all paid financial statements).
- A Total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.
- **E** Total non-audited requested EC contribution (€) of all audited beneficiaries.

The Common Representative Sample (CRS) 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 Horizon 2020/Horizon Europe. This information 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 CRS 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.

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies (<sup>27</sup>), 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 then be 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 Activity Based Budgeting (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 and Innovation family 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 signature of the contract.

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of the Executive Agencies implementing Research and Innovation Framework Programmes) 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

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<sup>(27)</sup> 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.

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 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 thus, 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 expost 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 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 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 a case, the Director General would be expected to qualify her annual statement of assurance with a reservation.

# 2020 Revised Methodology for the calculation of the error rate for Horizon 2020

### **European Court of Auditors' observations**

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated due to the fact that the "ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant".

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 01 January 2020. The main change in the methodology is that the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

In this respect, an additional 0.38% (calculated on 1 937 H2020 audit participations by difference with the previous methodology) has been used to top up the detected error rate for 2022. From January 2023, the Representative Error Rate is calculated by dividing the adjustment of the initial sample by the sampled amounts.

### IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in the year 2020. The findings of this limited review confirmed that there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The three recommendations issued were closed by IAS with the Note on audit conclusions in January 2024.

# Research Framework programmes - specific aspects

The control system of each framework programme is designed 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.

As each programme has 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.

### Horizon 2020 Framework Programme

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.

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme (28) which states that:

"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

<sup>(28)</sup> 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.

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.

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 the Seventh Framework Programme (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 %."

### Horizon Europe Framework Programme

For the Horizon Europe Framework Programme (<sup>29</sup>), the general control objective (<sup>30</sup>), following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative representative error rate and the cumulative residual error rate, i.e., the level of errors which remain undetected and uncorrected, does not exceed 2% (<sup>31</sup>) on an annual basis. An AAR reservation will be issued in the AAR if the cumulative residual error rate is above the 2% materiality threshold.

### Other directly managed expenditure

The assessment of the effectiveness of the different programmes' control system is based on ex-ante and, when available, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated from the best available estimates.

<sup>(29)</sup> Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe.

<sup>(30)</sup> This general control objective described for Horizon Europe is also applicable to FP7 framework programme legacy.

<sup>(31)</sup> No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme will start at the earliest end of 2023.

The type of controls deployed is aligned with the risk profile of the expenditure component. Service contracts, reimbursement of experts and administrative expenditure are considered as low risk regarding legality and regularity. Moreover, the individual amounts are relatively limited. Therefore, there might be no available ex-post audit results available as the costs of such controls would exceed the potential benefits. However, this expenditure remains subject to extensive ex-ante controls.

For other operational programmes (i.e., <u>CEF Programme support actions</u> or other <u>Transport and Mobility grants</u>), the audit coverage is determined in function of the risk associated with the expenditure. Given the limited size of these programmes, the calculation of the residual error rate based on a representative sample is not possible. The consequences are therefore assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information, including the detected error rate. 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.

As regards the <u>SESAR Deployment Manager</u>, a framework partnership agreement under CEF, an estimate of the residual error rate was calculated until 2022 on the base of the audits carried out according to the yearly audit work plans.

$$RER = \frac{(DER \ x \ (P - A)) + NI}{P}$$

RER Residual error rate, expressed in percentage

DER Detected error rate for the same period, expressed in percentage

P Auditable requested EC contributions

A Actual, audited amounts

NIA Audit results not implemented

From 2023, the mechanism was fully revised. No payment request was received to date for this revised mechanism. Due to this revision the reference error rate in the future be the detected error rate based on audits to be carried out.

### De minimis threshold for financial reservation

Since 2019 (32), a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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<sup>(32)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

# RCS 1) Grants under direct management (FP7, Horizon 2020 and Horizon Europe)

DG MOVE uses one Relevant Control System (RCS) per ongoing research programme for the management of grants (FP7, Horizon 2020, Horizon Europe).

For FP7 RCS, Ex-ante control stages A, B, C do not apply anymore since the corresponding tasks are no longer carried out. These stages can be consulted in previous Annual Activity Reports of DG R&I. The last FP7 grant agreements are under the monitoring phase which is very similar to H2020 but have different materiality criteria.

The RCS for Horizon Europe is similar to that of H2020. The main improvements for Horizon Europe are the co-creation of the work programme by the Directors' Groups according to the work of the various instances, and the simplification introduced with the single daily rate for personnel costs and the rollout of simplified cost forms, in particular lump sum funding and unit costs for personnel costs.

The Control Strategy for Horizon Europe grant management is under preparation and will be finalised by the first quarter of 2023. The ex-ante control guidance is already available, and the ex-post audit strategy is expected to be adopted by the HE steering board in January. However, the new controls already in place are reported in section 1 "Ex-ante controls" (sub-sections A, C and D) and highlighted in grey.

The error rates per programme are presented in Table X of Annex 9.

### Stage 1: Ex-ante controls

For H2020, DG R&I centralises the majority of the ex-ante controls performed. DG MOVE participates in the different committees and working groups that contribute to the governance of the programmes, and reports on the relevant indicators. DG MOVE monitors and reports on the indicators that remain within its remit, in particular as regards financial and budgetary performance.

Effectiveness, efficiency, and qualitative benefits are detailed per stages A to D.

Economy and quantitative benefits are calculated overall for the ex-ante controls and detailed at the end of Stage 1.

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

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

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The work programme and 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.	<ul> <li>For Horizon 2020 and Horizon Europe, hierarchical validation within the authorising department Inter-service consultation, including all relevant services.</li> <li>Adoption by the Commission</li> <li>Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various entities and with the processes established in this decision.</li> <li>In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon 2020 and Horizon Europe research with harmonised procedures, guidance and IT tools.</li> <li>The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation.</li> <li>The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design.</li> </ul>	Coverage/Frequency: 100%  Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules.  Under Horizon Europe, all business processes follow a governance system under the due supervision of entities such as the Steering Board, the Executive Committee, the Directors Groups and key user	Effectiveness:  The work programmes are adopted by the Commission.  Success rates in terms of "oversubscription": number of proposals retained for funding compared to number of eligible proposals received.  Qualitative Benefits:  A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the best can be chosen. There will therefore be real competition for funds.  Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting); better reporting on the whole programme – better management of the programme (33)

<sup>(33)</sup> 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 internal control objectives:** Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance with legal base; Prevention of fraud.

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
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, selection and award criteria.	<ul> <li>Procedure for selecting and appointing expert evaluators.</li> <li>Conflict of interest checks.</li> <li>Assessment by independent experts.</li> <li>Appropriate briefing of experts, including on the evaluation of cost estimations in lump sum proposals.</li> <li>Comprehensive IT system supporting the evaluation of proposals and allowing better monitoring of the process. Involvement of external observers in the evaluation process.</li> </ul>	100% vetting (including selection) of experts for technical expertise and independence (e.g., conflicts of interests, nationality bias, ex-employer bias, collusion).	Effectiveness: Number of proposals evaluated. Efficiency Indicators: % of Time-To-Inform on time. % of number of (successful) redress challenges upheld / total number of proposals evaluated.  Qualitative benefits:
Conflict of interest regarding the expert evaluators.	<ul> <li>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication.</li> <li>Systematic checks on operational and legal aspects performed before signature of the Grant Agreement.</li> <li>Redress procedure.</li> </ul>	100% of proposals are evaluated.  Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.  100% of contested decisions are analysed by redress committee.	Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle: better planned, better implemented projects.

# **C** - Contracting

**Main internal control objectives:** Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of the budget available); Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
The beneficiary lacks operational and/or financial capacity to carry out the actions.  Procedures do not comply with regulatory framework.  The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.	<ol> <li>Validation of beneficiaries (financial capacity checks on demand).</li> <li>Systematic checks on operational and legal aspects performed before signature of the GA*.</li> <li>Risk assessment and risk-based checks before the grant agreement signature and reinforced monitoring flagging if necessary.</li> <li>Ad hoc anti-fraud checks for riskier beneficiaries.</li> <li>Signature of the GA by the AO.</li> <li>Financial Verification when necessary.</li> <li>Mutual Insurance Mechanism (MIM) (ex H2O2O Participants Guarantee Fund).</li> <li>An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary.</li> <li>As hoc security checks and screenings. Security review carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny.</li> </ol>	Coverage:  - 100% of the selected proposals and beneficiaries are scrutinised.  - 100% of draft grant agreements.  Depth Differentiated following the conclusion of the risk assessment. Controls implemented when justified by the call/proposal content.	Effectiveness: Number of grants signed.  Efficiency Indicators: % of Time-to-grant on time. Average Time-to-grant.

# **D** - Monitoring the implementation

**Main internal 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	Effectiveness, efficiency, economy indicators
The actions foreseen are not carried out in accordance with the grant agreement (for example deliverables, open access to results and publications).  The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.  The cost claims are irregular or fraudulent.  Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries.  Ethics requirements are not fulfilled.	1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors.  Guidance on reporting for lump sum grants (notion of work package completion).  2) Specialised aid with web-based tools to inform most errorprone beneficiaries (i.e., SMEs who participate for the first time) about cost calculation practices.  3) Effective external communication about guidance to the beneficiaries (e.g., Funding and Tender portal, info days for the calls, coordinators' days on grant preparation and grant management).  4) Anti-fraud awareness raising training for the project officers IT Plagiarism detection tool for deliverables.  5) Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family).  6) Operational and financial checks in accordance with the financial circuits.  7) Operation authorisation by the AO.  8) For riskier operations, reinforced monitoring.  9) Selection and appointment of experts for scientific reviews. of intermediate and/or final reporting.  10) If needed: application of Suspension/interruption of payments.  11) Referral of grant/beneficiary to OLAF/EPPO.	Coverage / Frequency: 100% of the projects are controlled, including only value- adding checks. Riskier operations subject to more in-depth controls.  Depth: Depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum.  High risk operations identified by risk criteria. Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment.  Audit certificates required for any beneficiary claiming more than: EUR 325 000 (Horizon 2020). EUR 430 000 (Horizon Europe) except lump sum grants	Effectiveness: Number of payments (interim and final).  Efficiency: Time-to-pay: % of payments (in value) made on time.  Time-to pay: Average number days net/gross + suspension days.  Qualitative Benefits: Projects are executed and produce benefits for the community.

# Overall economy for ex-ante control

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)	
			Economy	
			(The estimation is established for the grant process, which includes both Horizon 2020 and Horizon Europe).	
			a. <u>Estimation of cost of staff involved in the ex-ante checks</u>	
			- Programme management and monitoring	
			- Financial management	
			- Budget and accounting	
			- General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management	
			- Anti-fraud	
			- Development and support of IT systems linked to managing funding programmes.	
			b. Estimation of other costs linked to ex-ante checks	
			- Cost of experts and costs of experts' management	
			- Costs of IT external contracts of CIC.	
			Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by	
			DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are	
			reported in the Annual activity reports of REA and R&I.	

Stage 2: Ex post controls

# E - Reviews, audits and monitoring

**Main internal 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 exante controls, or weaknesses in the rules.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The ex-post controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.  Lack of consistency in the audit strategy within the family.  Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.	Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020 and Horizon Europe), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):  - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed.  - Calculate the representative error rate for the R&I programme.  - Additional sample to address specific risks.  - When relevant, joint audits with the Court of Auditors.  Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned.  Validate audit results with beneficiary.  In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).	Coverage / Frequency: - Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population.  Depth: - Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error.	Representative and residual error rate identified.  Number of audits finalised % of beneficiaries & value coverage.  Economy/Efficiency: Percentage of implementation of CAS audit plan.

# F - Implementing results from ex-post audits/controls

**Main internal control objectives:** Ensuring that the results from the ex-post controls, including corrections from financial audits, lead to effective recoveries; ensuring appropriate accounting of the recoveries made.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	Systematic registration of audit / control results to be implemented and actual implementation.	<b>Coverage</b> : 100% of final audit results with a financial impact.	Effectiveness:

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The financial recommendations stemming from the ex-post audit are not implemented.	Guidance on monitoring and reporting on implementation of ex-post audit results.  Validation of recovery in accordance with financial circuits.  Authorisation by AOSD.  Depth: All audit results are examined in-depth in making the final recoveries. Systemic errors are extended to all the	Amounts being recovered and offset.	
Cases of potential fraud detected are not addressed in a timely manner or not addressed at all.	Coordination at the level of the R&I family: FAIR committee.  If needed:  -Notification to OLAF and regular follow up of detected potential fraud  -Reinforced monitoring implemented on ongoing projects.	ongoing non-audited projects of the same beneficiary (or closed within two years).	Efficiency: Number/value/% of audit results pending implementation, Number/value/% of audit results implemented.

# Overall economy for ex-post control

Main risks	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			Economy
			(The estimation is established for the grant process which includes both Horizon 2020 and Horizon Europe).
			Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits.
			Costs of the appointment of audit firms and missions.
			Details of the estimated cost of controls related to shared/pooled control activities hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of DG R&I.

# RCS 2) Grants under direct management (CEF programme support actions and other specific grants)

Stage 1 – Ex-ante

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

**Main internal 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	Cost-effectiveness indicators (three E's)
The annual work programme and the subsequent procedures to grant to or contract with specifically designated beneficiaries 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.  The annual work programmes are not consistent with the policy framework.	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	Coverage / Frequency: 100% annually  Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.  Depth All the underlying implementation tools are defined and developed at family level.	Effectiveness Success ratios in terms of budget implementation: commitments implemented / commitments allocated.

### 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. In most cases, however CEF support action will be implemented with specifically designated beneficiaries or contractors

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The selection of beneficiaries /contractors 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.	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  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.	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

# C - Contracting (new grant agreements, contracts and amendments)

**Main internal 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	Cost-effectiveness indicators (three E's)
The description of the action in the grant agreement/contract 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 (34) 2) Hierarchical validation of proposed adjustments	Coverage / Frequency: - 100% of the selected proposals and beneficiaries	Efficiency: Average time to grant % of Time-to-grant on time

<sup>(34)</sup> 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	Cost-effectiveness indicators (three E's)
foreseen overestimates the costs	3) Validation of beneficiaries before the signature of GA,	- 100% of draft grant	
necessary to carry out the action.	including systematic checks on operational and legal	agreements.	
The beneficiary lacks operational and/or financial capacity to carry out the actions.  Procedures do not comply with regulatory framework.  A potentially fraudulent proposal/beneficiary was not detected in the evaluation phase.	aspects 4) ad hoc anti-fraud checks for riskier beneficiaries 5) Signature of the grant agreement by the AO	<b>Depth</b> may be 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.	

## D - Monitoring the implementation and Financial Management

**Main internal control objectives:** ensuring that the operational and policy objectives are met; 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	Cost-effectiveness indicators (three E's)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.  The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.	1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors  2) Effective external communication / guidance to beneficiaries  3) Anti-fraud awareness raising and training for project officers  4) Operational and financial checks in accordance with the financial circuits  5) Operation authorisation by the AO  6) For riskier operations:	Coverage / Frequency: - 100% of the payments (op. and fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls.  Depth: depending on risk criteria. However, as a deliberate policy to reduce	## Section Sec

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The cost claims are irregular or fraudulent.	<ul> <li>Enhanced ex-ante controls</li> <li>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</li> <li>On-site verification visits</li> <li>If needed, application of</li> <li>Suspension/interruption of payments</li> <li>Penalties or liquidated damages</li> <li>Referring grant/beneficiary to OLAF</li> </ul>	administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum  - Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or 'population' risk assessment	Time-to pay: Average number of days  Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)

Stage 2 – Ex-post

## E - Reviews, audits and monitoring

**Main internal 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 exante controls, or weaknesses in the rules.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
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.  Lack of consistency in the ex-post audit strategy.	1) ex-post audit planning in line with programme lifecycle and based on risk analysis 2) In case of fraud suspicion, referring the beneficiary or grant to OLAF.	Coverage / Frequency: - Risk-based selection of projects, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error.	Effectiveness: Audit coverage: number of audits finalised and value coverage Representative / detected error rate. Residual error rate

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
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.		<b>Depth</b> : common audit ex-post methodology	

## F - Implementing results from ex-post audits/controls

**Main internal 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	Cost-effectiveness indicators (three E's)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.	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 / AO approval for waiving recoveries	Coverage: 100% of final audit results with a financial impact  Depth: All audit results are examined in-depth in making the final recoveries	## Effectiveness:  % of adjustments recovered /offset  Number/value/% of audit results pending implementation  Number/value/% of audit results implemented  Funding adjustments  Efficiency:  - total (average) annual cost of implementing audit audits compared with benefits

# RCS 3) Directly managed procurement

This RCS covers, amongst others, the contracts with the Single European Sky advisory bodies (Eurocontrol, Network Manager and the Performance Review Body) and the contracts implemented under the heading "other operational expenditure". Administrative arrangements with the Joint Research Centre are also covered, except as regards stage 1C and stage 2, for which the specific provisions of these arrangements apply.

Stage 1 – Ex-ante controls

### A - Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives	Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements  Validation by AO(S)D of justification and planning  Documented discussions / decisions	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.	<b>Effectiveness</b> : Number of projected tenders cancelled. <b>Economy</b> : average cost per tender.
Discontinuation of the services provided due to contracting issues  The required technical financial capability is not adequately planned		All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.	

#### B - Needs assessment and definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
The Commission does not receive good offers or cannot select good experts for the required specific expertise.	AOSD supervision and approval of tender specifications / terms of reference	100% of specifications drafted by technical experts. All specifications for open call for tenders validated by AOSD. <b>Depth</b> : 100% of tenders above financial threshold (>60k)	Effectiveness  - Number of open procedures or tenders where only one or no offers were received.  - Number of requests for clarification regarding the tender.

#### C - Selection of the offer and evaluation

Main internal 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	Cost-effectiveness indicators (three E's)
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  Declaration of absence of conflicts of interest by members of Opening and Evaluation Committee  Documented evaluation and exclusion criteria	100% of offers analysed  Depth: all documents submitted  100% of opening/evaluation committee members sign declaration  100% criteria checked	Effectiveness - Number of valid complaints or legal cases opened - Contract signed in time to implement the action Economy - Cost of control vs amount paid

## D - Receipt of services and financial transactions

Main internal 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	Cost-effectiveness indicators (three E's)
The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.  Insufficient performance or timeliness of the contractor  Invoices received do not correspond to the services delivered or to the actual performance of the contractor	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.  Financial checks in accordance with the financial circuits Operational authorisation by AO(S)D.	100% of the contracts are controlled. Follow-up of all actions by the technical officer in charge	Effectiveness: - number and amount of payment made - issues regarding legality and regularity Efficiency: - Timely payment Economy - Cost of control vs amount paid

## Stage 2 – Ex-post controls

## E - Supervisory measures

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
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 and their conformity with the FR and the Vade mecum  Review of exceptions reported and/or lessons learned	Risk-based	<b>Effectiveness</b> : Amounts associated with errors detected

# RCS 4+5+6) Indirect entrusted management

This combined RCS covers: (1) the operating (administrative) budget of the executive agency INEA / CINEA (35), (2) the SESAR 3 and EU-RAIL joint undertakings (3) the operating (administrative) budget of the decentralised agencies ERA, EASA and EMSA.

#### Stage 1: Ex-ante controls

#### A - Establishment (or prolongation) of the mandate to the entrusted entity ('delegation act' or 'contribution agreement')

**Main internal control objectives:** Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality and 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	Cost-effectiveness indicators (three E's)
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).  For PPPs: the evaluation method of the in-kind contributions provided by the industry partners is not clear.	<ol> <li>Ex-ante evaluation of the entity</li> <li>Widespread consultation, with internal and external stakeholders</li> <li>Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting.</li> <li>Inter-service consultation, including all relevant DGs</li> <li>Mandate adopted by the Commission.</li> <li>Allocation of supervision responsibility within the DG</li> </ol>	Coverage/Frequency: 100%/once and partial for amendments or extensions.  Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied	Effectiveness: Timely establishment of the delegation or contribution agreements Number of IAS, ECA, OLAF or discharge criticism Economy: Overall supervision cost per (type of) entrusted entity / total budget entrusted (%) Ratio FTEs/funds entrusted.

<sup>(35)</sup> 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.

#### B - Assessment and supervision of the entrusted entity's financial and control framework

**Main internal 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, safequarding assets and information, anti-fraud strategy*).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 Internal Control Objectives (ICOs)	<ol> <li>DG internal or independent external ex-ante assessment before granting budget autonomy</li> <li>Hierarchical validation within the authorising department;</li> <li>Use of Model-or Framework- financial rules (MFF or FFF);</li> <li>Requiring justification and prior consent for any deviating financial rules;</li> <li>Standard business processes and IT tools;</li> <li>Secondment and selection of key staff of entrusted entities</li> <li>Review of audit reports (IAS, ECA).</li> </ol>	Coverage/frequency: 100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.  Depth: determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget concerned.	Effectiveness:  Number of IAS, ECA, OLAF or discharge criticism  Number of recommendations to EE as result of ex-ante or later assessment  Establishment of risk fiches for the EE (Decentralised Agencies and Jus)  Economy: Included in the overall supervision costs

## C - Operations: monitoring, supervision, reporting

**Main internal 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 and regularity, achievement of objectives, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.  The Commission does not react upon and mitigate notified issues in a timely manner.  Inconsistent application of supervision/control arrangements within different EEs	CINEA  1) DG MOVE's Monitoring Strategy is integrated into the Memorandum of Understanding. The MoU specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including:  DG MOVE representation in Steering Committee;  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)  2) Review of  Annual Activity Report of CINEA  Audit reports of the IAS and ECA	Coverage: as determined by the MoU  Frequency: as determined in the MoU	Effectiveness: Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE Regularity of meetings and reporting flows between CINEA and the parent DGs (CINEA only)  Economy  Overall supervision cost per (type of) entrusted entity (%)
As above	1) DG MOVE is a member of and chairs the SESAR 3 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 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)	Coverage: As determined by the Statutes of the JU Frequency: As determined by the Statutes of the JU	Effectiveness:  Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE  Number of discharge criticism issued to the JU  Regularity of the Governing Boards meetings and of the reporting flows between the

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	3) Audit issues are coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR 3 JU  4) Regular financial and technical reporting and operational meetings to discuss the progress of the technical programme  5) DG MOVE participates in the Programme Committee chaired by the JU's Executive Director  6) DG MOVE officials regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR 3 JU.  EU-RAIL JU  1) Monitoring through participation in the Governing Board (in which the Commission holds 50% of voting rights)  2) Regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission)  3) Operational and financial reporting provisions set out in the Statutes of the EU-RAIL JU		Agencies and Jus and the Commission  Economy:  Overall supervision cost per (type of) entrusted entity (%)
As above	Decentralised Agencies  1) The governance and supervision approach determined by the 'Common approach to the decentralised agencies. Measures in place include:  - DG MOVE membership in the Management/Administrative Board;  - Budgetary control via the commitment and payment appropriations;	Coverage: all agencies / as determined by founding act Frequency: - Annual Work Programme and Annual Activity Report - Quarterly operational reports - Regular contacts - at least biannual Board meetings	Effectiveness:  Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE  Number of discharge criticism issued to the JU  Economy:

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	- Quarterly indicators on budgetary and administrative performance of the Agency;		Overall supervision cost per (type of) entrusted entity (%)
	- Regular contacts at all levels (Director-General, Director, Head of Unit, staff);		
	- 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.		

## D - Commission contribution: payment or suspension/interruption

**Main internal 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	Cost-effectiveness indicators (three E's)
Bad cash forecast leading to the Commission paying too much compared to the EE's needs.	1) Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting 2) Management review of the supervision results. 3) Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy 4) Good internal communication to ensure that issues are known and dealt with (see stage 3).	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments	effectiveness: existence or not of legality and regularity issues, effective payment of the Commission contribution  Economy: cost of control vs budgetary support

## Stage 2 – Ex-post

## E - Audit and evaluation, Discharge for Joint Undertakings and Decentralised Agencies

**Main internal 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	Cost-effectiveness indicators (three E's)
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.	1) Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by ECA 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 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	Coverage:  - Audits performed on sample as needed (e.g., random/representative, value targeted, risk based)  - evaluation covers all programmes entrusted Frequency:  - audits – determined by audit bodies  - evaluations – determined in legal base  - annual ECA report on JUs Depth depends on the type of entity and the level of risks assessed	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.

## **RCS 7) CEF Debt Instruments**

<u>This ICT covers</u>: 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 and is no longer applicable – it is listed here for completeness.

#### Stage 1 – Ex-ante controls

#### A - Set-up/design of the Financial Instrument (FI) and designation of International Financial Institution (IFI)

#### Main internal control objectives:

- Ensuring that the FI is adequate for meeting the policy or programme objectives (effectiveness); Compliance (legality and 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	Cost-effectiveness indicators (three E's)
The IFI does not have the experience and financial capacities as well as the administrative and control capacities to ensure effective and sound implementation of the FI.  The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).	<ol> <li>The selection of the EIB as entrusted entity was:</li> <li>In line with Art. 58.1(c) (iii) FR.</li> <li>Explicitly indicated in the CEF Regulation as a potential entrusted entity. (Recitals 41 and 50 and annex I, part III only)</li> <li>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.</li> <li>Formal signature of Financial and Administrative Framework Agreement (responsibility of DG ECFIN).</li> </ol>	Coverage/Frequency for DA: once  Depth: In-depth control, full engagement of operational and financial unit resources.	Where applicable, opinions by advisory or audit bodies (recommendations, actions taken).  Economy: costs vs. net assets managed

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	4) Periodic evaluations (see also 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:  • Operational and policy objectives;  • Obligations and tasks of the Bank  • Governance provisions  • Operational and financial reporting obligations	Coverage/Frequency: 100% / once	Effectiveness: - Findings in audit reports - Observations in the audit certificate supporting the financial statements and management representations
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	<ul> <li>Control, monitoring and audit provisions</li> <li>1) Alignment of interest is provided through: <ul> <li>Standardised risk-sharing model between EIB and Commission agreed in DA, in line with horizontal guidance from DG BUDG and ECFIN.</li> <li>A fee structure designed to compensate the EIB for the implementation of the financial instruments linked to the achievement of the policy objectives.</li> </ul> </li> <li>2) Each agreement between EIB and beneficiaries covers control (e.g., audit rights of the EC) and reporting obligations</li> </ul>	Coverage/Frequency: 100 % / once  Depth: In-depth control, full engagement of operational and financial unit resources.	Effectiveness: Findings in audit reports Observations in the audit certificate supporting the financial statements and management representations

# $\mbox{\bf B}-\mbox{\bf Implementation}$ of the FI, incl. commitments and payments

## Main internal 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 and regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view).

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
Final Recipients / Projects selected may not be eligible	1) Annual approval of CEF FI work programme by the CEF Coordination Committee. 2) Policy guidance, review of proposed pipeline of projects by CEF Steering Committee (chair ECFIN, with MOVE, ENER and CNECT) 3) EIB applies evaluation and selection criteria and process set out in Annex 1 of DA	Coverage/Frequency: 100% - all agreements signed by EIB	Effectiveness: - number of monitoring reports
Undue or erroneous payments Undue or erroneous recoveries/re- payments	<ul> <li>1.a) Ex-ante controls by Commission: all payments made to EIB are subject to the normal financial circuit of DG ENER, including independent ex-ante verification.</li> <li>1.b) Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance.</li> <li>2) Due diligence: The EIB has to: <ul> <li>set up and operate an internal control system</li> <li>apply effective and proportionate anti-fraud measures</li> <li>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</li> </ul> </li> </ul>	Coverage/Frequency: Ex-ante verification of commitments: 100%  Ex-ante verification of payments: 100%  Verification of EIB transactions on sample checks	Effectiveness: - number of erroneous operations - number of findings from external auditor Efficiency: Rate of recovery / % of corrections of errors

The remuneration or the reimbursement of any exceptional costs or additional tasks are unjustifiably high	- require the Final Recipients to repay any amount unduly paid  1) Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap.  2) Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement.	Coverage: 100% of fees and eligible expenses are verified before payment against contractual conditions and supporting documentation required under the DA	Effectiveness: - existence of documented checks - number of findings from external auditor
	3) Review of the statement of expenses together with evidence provided by the EIB.		

Stage 2: Ex-post controls

## C - Monitoring and assurance building

# Main internal 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	Cost-effectiveness indicators (three E's)
The actions supported do not reflect the policy objectives for the CEF DI.	1) Commission Services monitor the implementation of the FI on the basis of a documented approach.	Coverage/Frequency: as per documented control approach.	Effectiveness: on the basis of success ratios and KPIs defined for CEF policy objectives: - leverage - co-risk taking
	<ul> <li>2) The Commission has several monitoring instruments that include:</li> <li>the CEF FI Steering Committee</li> <li>review of the pipeline of projects</li> </ul>	Steering Committee: at least 2x/year.  Operational reports 2x/year	

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul> <li>operational reports</li> <li>financial statements</li> <li>risk and performance reports</li> <li>pipeline reports</li> <li>summary of audits and controls carried out during the reporting year</li> <li>Interim and ex-post evaluations are carried by EIB and Commission services.</li> </ul>	Financial statements: monthly. Risk and performance reports: quarterly.	- number of FRs supported by the Financial Instrument - disbursement rate  Economy: - Total cost of monitoring and supervision by DG staff over value delegated - Management fees over value of budget delegated to EIB
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.	1) EIB maintains internal control system and applies anti-fraud measures.  2) EIB annual report is audited by independent auditor, which covers the internal control system.  3) The Commission carries out controls and monitoring by means of:  - 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.	Coverage: 100% of the portfolio.  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.	Effectiveness:  1) - Existence of EIB policies to prevent and deter fraud  2) - absence of qualification on the grounds in the auditor's opinion  3) Assurance being provided If any, analysis of 'issues' reported in management declarations: Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings  4) Number of cases submitted to OLAF.

# For All RCS:

# **Overall economy indicators**

Estimation of cost of staff involved in the ex-ante checks	Estimation of other costs linked to ex-ar	te checks
Programme management and monitoring	Cost of experts	
Financial management		
Budget and accounting		
<ul> <li>General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management</li> </ul>		
<ul> <li>Staff performing supervisory tasks as regards entrusted entities and other partner organisations</li> </ul>		
Anti-fraud		
<ul> <li>Development and support of IT systems linked to managing funding programmes</li> </ul>		
Estimation of cost of staff involved in the ex-post checks	Estimation of other costs linked to ex-	post checks
Audit staff	Costs of services procured for audit a	nd other
Financial staff involved in the implementation	assurance	

# ANNEX 7: Specific annexes related to "financial management"

## 2.1. Control results

## 2.1.1. Effectiveness of Controls

### a) Legality and regularity of the transactions

The present section distinguishes, on one side, the controls exerted over the main programmes directly managed by DG MOVE and on the other the controls exerted over the budget entrusted to other entities.

## **Direct management**

This section provides details on the control effectiveness for some of the expenditures made under direct management (Research and CEF Transport grants and procurements, SES Advisory Bodies, Administrative Agreements, Agreements with EU bodies and other operational procurements).

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

#### The Horizon 2020 Programme (H2020) and Horizon Europe

During 2023 there were no payments related to H2020 grants and no cleared pre-financing from previous years. Due to that, this program will not be covered in detail in this AAR. Since 2018 the management of a large number of actions, formerly under the responsibility of DG MOVE, were delegated to CINEA. As a result, the number of audited actions managed by DG MOVE has decreased significantly, which does not allow a complete analysis of the coverage. Therefore, this AAR focuses on the final stages of the project management, which include the ex-post audits as well as the recovery of any amounts found to have been paid in excess of the amount due.

#### Common ex-post audit strategy of the Research Directorates General

The R&I Family operates on a common audit strategy intended to contribute to the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systemic and systemic errors.

For Horizon 2020, the Common Audit Service (CAS) of the Common Implementation Centre (CIC) carries out all audits, including those concerning grants managed by the Executive

Agencies and the Joint Undertakings. This is a major step towards ensuring efficiency gains, a harmonised approach, legal certainty, equality of treatment of beneficiaries and the least audit burden on beneficiaries.

The Horizon Europe Audit Strategy is risk-based and draws on the achievements of lessons learnt from Horizon 2020.

The **main indicators** on legality and regularity <sup>(36)</sup> of EU Framework Programmes for Research and Innovation are:

- Cumulative representative detected error rate, based on errors detected by ex-post audits on a Common Representative Sample (CRS) of cost claims across the R&I Family.
- **Cumulative residual error rate**, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

The targets set for this control system are respectively:

- For H2020, to ensure that the cumulative residual error rate remains within a range of 2-5 % aiming to be as close as possible to 2%. Progress against Horizon 2020 targets is assessed annually based on the results of the implementation of the expost audit strategy and taking into account the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors.
- For Horizon Europe, to ensure that the cumulative residual error rate does not exceed 2% (37).

It should be noted, however, that due to its multi-annual nature, the effectiveness of the control strategy of the R&I Family can be measured and assessed fully only in the final stages of the EU Framework Programme, once the ex-post control strategy has been fully implemented, and errors, including those of a systematic nature, have been detected and corrected.

#### Results of the Horizon 2020 ex-post audits

The CAS managed to finalise audits on 648 participations corresponding to 100.9% of the 2023 target for H2020.

The Commission methodology for calculating the Horizon 2020 error rates is in line with the European Court of Auditors' (ECA) observations in their 2018 and 2019 Annual Reports, and

<sup>(36)</sup> These indicators are described in point 1.1 of Annex 5.

<sup>(37)</sup> No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

is described in Annex 5 'Materiality criteria'. Use of the methodology yielded the following error rates for Horizon 2020 (38) on 31 December 2023:

- Cumulative representative detected error rate for the Framework Programme: 2.57% (<sup>39</sup>)
- Cumulative residual error rate for the Framework Programme: 1.55% (1.63% for DG MOVE (40).

In 2023, the cumulative residual error rate for Horizon 2020 for the grants managed directly by DG MOVE is calculated at 1.63%, which is below the materiality threshold.

Since R&I Framework Programmes are multi-annual, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the implementation of the audit results over time will tend to lower the cumulative residual error rate thus increasing its difference with the representative detected error rate.

These error rates are calculated on the basis of the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results.

Given the results of the audit campaign, and the observations made by the European Court of Auditors in its Annual Reports, the CIC, in close cooperation with central Commission services, defined actions aimed at significantly simplifying the rules, and paving the way for an important reduction of the error rate in Horizon Europe such as the use of a Corporate Model Grant Agreement and a Corporate Annotated Grant Agreement for all Programmes directly managed by the Commission. Other actions under implementation also targeting Horizon 2020 grants and beneficiaries, include further simplification (such as the increased use of simplified forms of funding, including lump sums and unit costs), focused communication campaigns to more "error-prone" types of beneficiaries with higher than average error rates (such as SMEs and newcomers), and enhanced training to external audit firms performing audits on behalf of the Commission. Focusing on the most common errors, these actions will be straightforward and achieve higher impact (41).

#### Horizon Europe

2023 was the third year of implementation of the Horizon Europe Framework Programme. No representative error rate for Horizon Europe is available in 2023 as the ex-post audit

<sup>(38)</sup> The Horizon 2020 audit campaign started in 2016. At this stage, five Common Representative Samples with a total of 788 expected results have been selected. By the end of 2023, cost claims amounting to EUR 49.2 billion have been submitted by the beneficiaries to the services. The audit coverage for Horizon 2020 is presented in Annex 7. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 4 707 participations were finalised by 31/12/2023 (of which 648 in 2023).

<sup>(39)</sup> Based on the 581 representative results out of the 788 expected in the five Common Representative Samples

<sup>(40)</sup> It should be noted that in 2021 most of Horizon 2020 grants managed by DG Research and Innovation were delegated to CINEA. Hence, this figure is based only on the actions that remained with the DG.

<sup>(41)</sup> The CAS continues to analyse the root causes of errors that have been identified and targeted actions are taken to address any identified weaknesses. Further information on the implementation of the action plans established to reduce the error rates of Horizon 2020 and Horizon Europe can be found in Annex 7.

campaign for the Programme is planned for launch in 2024, once a meaningful number of payments is available for audit. Consequently, without elements allowing an assessment of the level of errors and taking into account the simplifications introduced for Horizon Europe that aim to reduce the error rate, a 2% ( $^{42}$ ) detected and residual error rate will be considered for DG MOVE

#### Implementation of audit results

For H2020 grants in total, over the period 2014-2022, the results of the H2020 audits relate to 16 participations with funding adjustments of EUR 0.27 million. They were all implemented but one, under contradictory procedure with the beneficiary.

#### Implementation of extrapolated audit results

The extrapolation process allows correcting systemic errors of a beneficiary detected by an audit in all its ongoing participations. These corrections stem from audits made by DG MOVE or other DGs in the research family where systematic errors were found.

By the end of 2023, eight such participations for H2020 were found, and the beneficiaries were asked to rectify the errors in DG MOVE projects and submit revised cost statements. All participations were concerned by systematic errors and five of them were implemented (of which two in favour of the EC). Three participations that remain to be implemented (43).

The Commission closely monitors the implementation of extrapolation cases. It has to be noted that it is not unexpected to have open cases at this stage, as it might take 18 months before new declarations are received from beneficiaries.

#### Liquidated damages

Liquidated damages are due where a beneficiary has overstated expenses and has in consequence received unjustified EU contribution. Liquidated damages will only be applied where the unjustified contribution exceeds 2% of the total contribution claimed and accepted for the given period(s) ('de minimis' rule corresponding to the materiality level of the Court of Auditors). By the end of 2022 DG MOVE identified no liquidated damages under H2020.

#### **The CEF Transport Grants**

DG MOVE manages a limited number of other directly managed grants, like CEF Transport grants in the form of programme support actions or technical assistance, principally supporting infrastructure policies (Programme support actions for Railways Infrastructure managers and national ministries in cohesion member states) and capacity in key partners (EUROCAE, ICAO) for the implementation of transport policies.

<sup>(42)</sup> These rates correspond to the objective set for Horizon Europe.

<sup>(43)</sup> Cases to be implemented are those for which the Commission has written to the beneficiaries requesting them to submit revised cost statements to correct the systematic issues detected.

Payments made in this respect amounted to EUR 9.44 million.

One of the CEF support actions relates to the operations of the SESAR Deployment Manager (SDM). The SESAR project is part of an innovation cycle that brings innovative air traffic management (ATM) concepts from their definition, through their development and validation to their deployment into the operational environment. In this cycle, the essential SESAR solutions developed and validated by the SESAR 3 Joint Undertaking are then deployed as 'common projects' through the SESAR deployment framework.

The SDM (<sup>44</sup>), a body that pursues the synchronised and timely deployment of common projects, assists the Commission in translating common projects into a detailed deployment programme and ensuring its implementation and monitoring. The operating model of the SDM was deeply modified in 2023. The model based on the SESAR Deployment Alliance consortium (SDA) was phased out. In 2023, there were no payments made in respect of the revised SDM model.

Operational and financial controls for CEF support actions are carried out in accordance with the financial circuits and may include the requirement to provide audit certificates. DG MOVE assesses periodically, through its ex-post control planning or through specific screening exercises, the need for reinforced monitoring or for an increased ex-post audit coverage.

In 2023, DG MOVE carried out one ex-post audit and one preventative audit in relation to SDM operations, as well as four audits on other CEF actions, resulting in corrections of EUR 0.14 million, corresponding to a 1.7% detected error rate. Two audits were ongoing at year end. One SGA6 audit carried out in 2023 confirmed the sharp reduction of the number of errors.

All corrections pertaining to SGA1-SGA6 had been or were being implemented at year end.

The assurance drawn in this respect stems from the monitoring of activities, the implementation reports received and from the audit coverage. The comprehensive audit coverage of the SDM and the implementation of the adjustments limited over time the effective residual exposure as regards EU funds, and this translates into a limited contribution to DG MOVE's overall amount at risk at closure.

#### Single European Sky (SES) Advisory Bodies

The SES initiative establishes a regulatory framework that includes common binding rules on Air Traffic Management (ATM) safety, on ATM services, on airspace management and on interoperability. The framework includes a technological pillar, 'SESAR project' (Single European Sky ATM Research) that is managed through the eponymous Joint Undertaking. The 2009 revision created support bodies to the SES: the Network Manager (45) (NM) that performs the design of the European Route Network and the coordination of air traffic

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<sup>(44)</sup> Commission Implementing Regulation (EU) N°409/2013

<sup>(45)</sup> Commission Regulation (EU) No 677/2011

resources and the Performance Review Body (PRB) (46) that assists the Commission in the implementation of the SES performance and charging schemes.

Eurocontrol was appointed as the Network Manager for the SES until the end of 2019 and was re-appointed for the period 1 January 2020 - 31 December 2029 (<sup>47</sup>). Its overarching mission is to contribute to the delivery of the ATM's performance in the pan-European network in the areas of safety, capacity, environment/flight efficiency and cost-effectiveness

The PRB is an expert group of the Commission and made-up of nine members, including a chair. Eurocontrol and EASA collect performance data that is in a pre-analysed form used by the PRB. The PRB assists the Commission and national supervisory authorities in the implementation of the performance scheme for air navigation services. The PRB cooperates with EASA in the performance of its tasks when they relate to safety.

The current mandate of the PRB runs from 2021 until 2023. The Framework Contract related to the assistance to the implementation of the SES performance and charging schemes was signed with Eurocontrol on 16 November 2022.

In 2023, payments made in this respect totalled EUR 4.26 million.

These support actions are implemented through service contracts and are considered as low risk regarding legality and regularity. Moreover, the individual amounts are relatively limited. No ex-post audits are performed as the costs of such controls would exceed the potential benefits.

Assurance is drawn in this respect from the performance of the ex-ante controls, from the absence of issues at this level, from a positive assessment of the performance of the support bodies and from the effective delivery of the services and their compliance with the regulatory framework and with the contractual provisions.

#### **Other Operational Expenditure**

This segment represents an array of diverse initiatives, including directly managed procurements servicing the activities (studies, specific contracts, etc.) as well as Agreements with other EU institutions and administrative agreements with JRC. These activities are considered as low-risk, due to the nature of the transactions (procurements) or of the beneficiaries (other EU Institutions).

#### Cross sub-delegations

DG MOVE has the possibility to cross sub-delegate some activities to different services within the Commission, in order to arrange the provision of certain operations more efficiently. Being a Commission service itself, the AOD of the cross sub-delegated service is

<sup>(46)</sup> Commission Implementing Regulation (EU) No 390/2013

<sup>(47)</sup> Commission Implementing Decision (EU) 2019/709

bound to implement the appropriations subject to the same rules, responsibilities and accountability arrangements as DG MOVE.

In 2023, DG MOVE did not create or use any cross sub-delegation.

## Indirect management and direct management by other services

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG's supervisory controls on the budget implementation tasks carried out by other Commission DGs and entrusted entities distinct from the Commission, i.e.:

- The CINEA Executive Agency;
- Joint Undertakings (SESAR 3 JU and EU-Rail JU);
- Decentralised Agencies (EASA, EMSA, ERA);
- The European Investment Bank (EIB) (for financial instruments).

For all these cases, DG MOVE's supervision arrangements are based on the principle of controlling 'with' the relevant entity.

#### **CINEA Executive Agency**

Under the new Multi-annual Financial Framework 2021-2027 and as of the 1 April 2021, the Innovation & Networks Executive Agency (INEA) became the European Climate, Infrastructure and Environment Executive Agency (CINEA). DG MOVE is the leading DG working with six other parent DGs (ENER, R&I, CLIMA, ENV, MARE and REGIO).

The Commission has delegated to CINEA the task of executing the operational budget and performing tasks linked to the implementation of its delegated Union programmes in the following fields/programmes:

- Sustainable transport and Energy infrastructure Connecting Europe Facility (CEF);
- Research and innovation against climate change and for sustainable energy and transport – Horizon Europe (HE);
- Climate change, nature and biodiversity, clean energy transition, circular economy, quality of life – LIFE;
- Innovative low-carbon technologies for emissions reduction –Innovation Fund (IF);
- Support transition towards a climate-neutral economy Just Transition Mechanism (JTM);
- Increase investment in renewable energy production capacity Renewable Energy Financing Mechanism (RENEWFM);
- Support for the fisheries and maritime policies and ocean governance European Maritime, Fisheries and Aquaculture Fund (EMFAF).

As to DG MOVE, the Agency mandate covers the transport part of the CEF programme and the transport part under the Horizon Europe programme (including the H2020 legacy). The Agency implements, in the framework of CEF, the SESAR related trans-European air traffic

management (ATM) network projects. DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and gives key feedback to DG MOVE. The implementation by CINEA of delegated budgets on Research, CEF Transport, CEF Cohesion and CEF Defence, was 100% both in commitments and payments.

DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and gives key feedback to DG ENER. DG MOVE is responsible for implementing the supervision and monitoring arrangements towards CINEA regarding DG MOVE delegated programmes.

In 2023, DG MOVE contributed EUR 62.35 million to the Agency's running costs in payments. CINEA has duly justified the use of the subsidy and any unused appropriations will be recovered by the parent DGs.

#### Supervision arrangements

All relevant decisions on the operation of the Agency (organisation, budget, staffing etc.) are discussed and approved by the Steering Committee (SC), which meets four times per year. CINEA's SC is formed by members from each of the five Parent DGs with the highest delegated budget (DG MOVE, DG ENER, DG ENV and DG CLIMA), and observers from the other Parent DGs (DG MARE and DG REGIO), as well as from DG HR in representation of the central services. It is chaired by the Director-General of DG MOVE.

The working relations between the Parent DGs and CINEA for all delegated programmes are defined through Memorandums of Understanding (MoUs). A general MoU including the General provisions, common to all Agencies and Parent DGs, and sectorial provisions specific to each delegated programme are also applicable. In their supervision of CINEA, the Parent DGs review in particular the objectives and performance indicators in the Annual Work Programme in accordance with the Delegation decision and the MoU.

DG MOVE's Director-General held monthly meetings with CINEA's Director on the Agency's governance and programme management. These meetings ensure a timely exchange of information on the assurance and supervision matters and reinforce the coordination on common issues. In addition, the CINEA Budget and Finance Network, including representatives both from parent DGs and DG BUDGET discussed finance and budget matters with CINEA during meetings in 2023. Finally, in 2023 regular meetings took place between the other Parent DGs and CINEA on the implementation of the respective programmes.

CINEA produces monthly overview reporting on all KPIs, execution of administrative and operational budget and multi-annual error rates as well as respect of deadlines (e.g., time-to-grant).

#### Additional sources of assurance

CINEA reports on the implementation of budget in its own Annual Activity report. According to the draft 2023 report, most of the KPIs have met their target. CINEA's Management considers that suitable controls are in place and working as intended. In addition, the residual error rate for the CEF Transport is 1.39%, while for Horizon 2020, the residual error rate is calculated at 1.86%. As regards the implementation of the operating budget, the residual error rate is estimated at 0.5%, significantly below the target of 2%.

Consequently, CINEA's Director, in her capacity as AOD, has signed the declaration of assurance without reservations.

The IAS and ECA audits provide additional elements of assurance. DG MOVE follows closely the proceedings and conclusions of their audits concerning CINEA primarily. During the year, the IAS issued four final reports, which included seven recommendations for CINEA (of which four very important, partly) implemented in 2023. ECA found the 2022 annual accounts presented fairly, in all material respects, the financial position of the Agency, the results of its operations, its cash flows, and the changes in net assets. In 2023, CINEA piloted the implementation of the new budget and accounting system, SUMMA, owned by DG BUDG. ECA noted that there were shortcomings in the management of users' rights and that workflows were not fully documented. CINEA replied that DG BUDG has been alerted on the need to improve the management of users' rights and committed to finalise documentation of workflows

#### Conclusion

The regular supervision of CINEA did not identify any particular events, issues or problems that could have a material impact on assurance or that would need to be included in this report. Overall, DG MOVE considers that its supervision of CINEA is effective and appropriate.

# Joint Undertakings (JU) (<sup>48</sup>): Single European Sky ATM Research 3 (SESAR 3) JU and Europe's Rail (EU-Rail) JU

DG MOVE is responsible for the SESAR 3 JU, a public-private partnership developing operational and technical improvements for the modernisation of the European and global air traffic management system.

DG MOVE is also responsible for the EU-Rail JU, established under Horizon 2020, whose objective is to provide a platform for pooling together and better coordinating research and innovation efforts in the rail sector.

For both JUs, the duration of the delegation was foreseen until 31 December 2024.

<sup>(48)</sup> Ex-Article 185 initiatives – Article 71 of the Financial Regulation

Following adoption on 19 November 2021 of the Single Basic Act (<sup>49</sup>) (SBA) establishing the new generation JUs under Horizon Europe, SESAR 3 JU and EU-Rail JU became the legal successors of SESAR JU and Shift2Rail JU (S2R JU). The new JUs are set up as Union bodies for the period ending on 31 December 2031 and financed under the new Multiannual Financial Framework until 2027.

A Financial framework partnership agreement (FFPA) under Horizon Europe sets up the framework for the SESAR 3 JU to receive EU funds for the duration of the entire partnership (2021-2031).

DG MOVE plays a key role in the monitoring of the JUs and relies on the JUs to achieve their policy objectives. DG MOVE is a member of the Administrative Board (SESAR 3 JU) and Governing Board (EU-Rail JU).

Arrangements in place ensure that all key proposals to the Boards are properly assessed and that the Commission position is agreed beforehand between all concerned services. Each JU is required to produce an Annual Activity Report and the JU Director signs a declaration of assurance in line with the one used in the Commission. The regular reporting and extensive formal and informal contacts facilitate interaction. The JUs are bound to inform the Commission, without delay, of any significant development in the area of risk management, internal control and audit.

In December 2017, DG MOVE adopted a strategy on the DG's relations with decentralised agencies and JUs. It encompasses governance, core businesses, management and financial issues to ensure that the necessary processes are in place. It clarifies roles and responsibilities, internal coordination and aligns JUs with key EU political priorities.

The supervision strategy is implemented through a regular follow-up of the JUs' businesses, management and financial issues. A risk profile is established for each entity. These elements have been regularly updated in 2023 and are closely followed by Senior Management with regard to the higher-level risks.

#### SESAR JU and its legal successor SESAR 3 JU

In 2022, the Single Programming Document of the SESAR JU for the 2022-2024 period was adopted by the Administrative Board. It provides multi-annual (2022 to 2024) and annual (2023) programming components and forms the multi-annual and annual work programmes of the SESAR JU.

While SESAR JU was set up under Article 70 of the Financial Regulation, its legal and universal successor, SESAR 3 JU, is set up under Article 71 of the Financial Regulation. The new JU does not require the adoption of a Single Programming Document but of an Annual Work Programme. In 2023, DG MOVE provided in total EUR 94.17 million in terms of commitment appropriations under Horizon Europe Programme, of which EUR 5.16 million

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<sup>(49)</sup> Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 569/2014, (EU) No 561/2014 and (EU) No 642/2014.

were carried over from 2022 in accordance with Articles 12(2)(b) and (c) of the Financial Regulations. In addition, the amount paid to the JU in 2023 amounted to EUR 99.62 million, from both H2020 and Horizon Europe programme lines. From the latter, an amount of EUR 24.87 million was carried over from 2022. The SESAR 3 JU execution rates were 94 % for commitment appropriations and 84% for payment appropriations. The vacancy rate was 5.4%.

#### ♥ Supervision

The SESAR JU Founding Regulation (50) and General Agreement define the governance and supervision requirements.

The Commission, represented by DG MOVE, supervises the SESAR 3 JU through its participation in the Administrative Board (the main governance body, chaired by DG MOVE) and through specific arrangements. DG MOVE participates directly in all the decisions affecting the budget, accounts, staff and performance of the JU. The overall governance and supervision arrangements of SESAR 3 JU remain identical to the provisions of its predecessor SESAR JU.

DG MOVE participates in the Programme Committee chaired by the JU's Executive Director. Staff from the unit in charge of the SES regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the JU.

The SESAR 3 JU is audited (like other EU bodies) by the IAS and by ECA. Audit issues are further coordinated through regular meetings with the Internal Audit Capability. At the end of 2023, there were no open critical or very important recommendations stemming from audits performed by ECA, the IAS, evaluations or the Internal Audit Capability.

The SESAR 3 JU is subject to an annual ECA audit to ensure the adequacy of its control arrangements. ECA found that the 2022 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

One of ECA's observations related to insufficient information on members' contributions at programme level, as in-kind contributions are only recognised after assessment of costs incurred and no information on the status of legal commitments by members is provided. Concerning Horizon Europe, although commitment appropriations for 2022 were implemented, cash contributions could only be used in the first half of 2023. On the first observation, the JU agreed to provide additional information on legal commitments from members in subsequent reports of annual accounts; concerning the second one they explained that this was due to the late publication of calls in 2022 as a result of protracted governance setting up of the new JU.

By the end of 2023, there were no outstanding critical or very important recommendations stemming from reports by the IAS and/or the IAC.

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<sup>(50)</sup> Reg. (EC)219/2007

#### ♥ Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems which could have a material impact on assurance.

#### S2R JU and its legal successor EU-Rail JU

The core objective of the EU-Rail JU is to enable a faster and cheaper transition to a more attractive, competitive, efficient, integrated and sustainable European rail system, thereby supporting the achievement of the Single European Railway Area and the competitiveness of the rail sector as a whole. It brings together the coordination, programming and execution of rail-related research and innovation activities under the responsibility of a single, dedicated structure.

The initial Joint undertaking (S2R JU) aimed at ensuring a significantly higher leverage effect of EU funds by making EU funding (of up to EUR 450 million between 2014-2020) conditional to firm financial commitments from the rail industry. Its legal successor EU-Rail JU started its in November 2021

In 2023, DG MOVE provided EUR 94.40 million in terms of commitment appropriations and paid EUR 86.06 million under both H2020 and Horizon Europe programmes. As regards Horizon Europe programme, the 2022 commitment appropriations (EUR 2 million) and payment appropriations (EUR 3.9 million) were carried over to 2023, in accordance with Articles 12(2)(b) and (c) of the Financial Regulations.

#### Supervision

As an EU body under Article 71 of the Financial Regulation (<sup>51</sup>), EU-Rail JU functions under strict monitoring rules. The main JU's bodies are the Governing Board (in charge of strategic decision-making) and the Executive Director (responsible for day-to-day management). Monitoring is performed through the supervision of the Governing Board (in which the Commission holds 50% of voting rights, corresponding to a blocking vote).

The Commission chairs the EU-Rail JU Governing Board. The supervision of the EU-Rail JU is ensured through a regular involvement of the Commission in the usual planning and reporting of the JU (budget request, calls' definition, financial planning, Annual Work Plans). Any decision taken by the Governing Board (incl. on budget, staff, etc.) is subject to the consultation of an inter-service group within the Commission.

DG MOVE maintains a regular coordination with the Joint Undertaking and its Executive Director. Quarterly coordination meetings between DG MOVE, the European Railway Agency (ERA) and EU-Rail JU are organised. Updates on administrative issues (incl. staff and budget) and the progress on the pipeline of projects are regularly presented to the

<sup>(51)</sup> Official Journal of the European Union, L 193, 30 July 2018.

Governing Board. All EU-Rail JU reports and decisions are scrutinised. The performance of the JU is monitored through a set of key performance indicators.

The EU-Rail JU is audited (like other EU bodies) by the IAS and by ECA to ensure the adequacy of its control arrangements. ECA found the 2022 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

ECA noted insufficient information on members' contributions at programme level, as inkind contributions are only recognised after assessment of costs incurred and no information on the status of legal commitments by members is provided. The JU agreed to provide additional information on legal commitments from members in subsequent reports of annual accounts.

In addition, as regards Horizon Europe, ECA observed the low execution rate for payments in 2022 (47% vs 61% in 2021) due to rising costs and delivery problems faced by beneficiaries, leading to the prolongation of projects. The JU informed that the Governing Board agreed on a payment implementation plan to mitigate potential delays in technical activities.

Regarding IAS audits, no critical or very important recommendations are outstanding. All audit recommendations from previous years have been properly addressed and implemented.

#### ♥ Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems which could have a material impact on assurance.

#### **Decentralised Agencies: EASA, EMSA, ERA**

DG MOVE is a parent DG for three decentralised agencies:

- The European Aviation Safety Agency (EASA) is based in Cologne (DG MOVE paid in 2023 a subsidy of EUR 44 million). The main objective of EASA is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper functioning and development of civil aviation safety. This is achieved through opinions and recommendations to the Commission, certification specifications and guidance material, decisions regarding airworthiness and certifications of aviation products and the oversight of approved organisations and EU Member States. In addition to the subsidy, DG MOVE awarded several grants to the Agency in support of its actions in key policy fields. These grants are considered as low risk given the nature of the actions and of the beneficiary.
- The European Maritime Safety Agency (EMSA) is based in Lisbon (DG MOVE paid in 2023 a subsidy of EUR 86.97 million). EMSA provides technical assistance and support to the European Commission and Member States to ensure maritime

safety, maritime security, efficiency of maritime traffic and transport, prevention and response to pollution from ships, response to marine pollution from oil and gas installations. It has also been given operational tasks in the field of oil pollution response, vessel monitoring and in long-range identification and tracking of vessels. In addition, EMSA cooperates with Frontex and the European Fisheries Control Agency (EFCA) on coast guard functions. EMSA is a key actor when it comes to the implementation of the Fit-for-55 package.

• The European Agency for Railways (ERA), based in Valenciennes (DG MOVE paid in 2023 a subsidy of EUR 28.22 million), provides technical assistance to the Commission and Member States in the area of railway safety and interoperability. It involves the development and implementation of Technical Specifications for Interoperability and a common approach to questions concerning railway safety. The Regulation (EU) 2016/796 of the European parliament and of the Council (into force since June 2016), provides ERA with new authorisation and certification tasks. Since June 2019, ERA acts as an EU body for rail vehicle authorisation and single safety certification.

These Agencies are autonomous bodies and have full responsibility regarding the management of their resources and of their assurance processes. No event is known to have occurred that would have an impact on DG MOVE.

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EASA, EMSA and ERA are European regulatory agencies with a clearly established governance set-up, documentation and procedures (in line with the 'Common approach to the decentralised agencies'). DG MOVE is a member of the Administrative Board (EMSA)/Management Board (EASA/ERA) and relies on these Decentralised Agencies to achieve the policy objectives entrusted to them. Arrangements in place ensure that all key proposals to the Boards are properly assessed by DG MOVE, and the Commission position is agreed through formal opinions and formal consultations.

In 2017, DG MOVE adopted the supervision strategy on the DG's relations with decentralised agencies and JUs. This mechanism covers the relation between DG MOVE and its partner agencies and joint undertakings. The supervision strategy is updated annually at the first DG MOVE Control Board of the year, in order to take into account the latest developments relevant for supervision and provide the latest factual data. DG MOVE is involved in coordination meetings, providing opinions on annual/multiannual work programmes, draft budget, staff policy plan and reporting. It is involved in the audit and discharge procedures of the three agencies. DG MOVE is informed by other DGs of extra budget (contributions agreements, SLAs, grants, etc.) provided to the agencies.

The agencies have full responsibility for the implementation of their budget, while DG MOVE is responsible for the regular payment of the contributions established by the Budgetary Authority. The working arrangements with the agencies have been defined by either Memoranda of Understanding or working methods of the committees set up for this purpose. DG MOVE is represented in the meetings of these committees, which take place

prior to the Administrative/Management Board meetings.

Performance indicators were set up for the monitoring and follow-up of the implementation of the budget, the audit recommendations and administrative matters. A report (on budget implementation, vacancy rate and audit recommendations) is provided by the Agencies on a bi-annual basis to DG MOVE, to help detect any weakness. After the closure of the financial year, DG MOVE claims any surplus paid to the Agency based on the budget outturn calculations provided to the Commission.

Finally, the Commission provides assistance to the agencies with regard to the application of the financial regulations, and through the use of different Commission tools and services (ABAC, Medical Service, recruitment via EPSO, training, PMO, DG HR).

DG MOVE closely monitors the risks identified in the framework of its supervision of ERA, EASA, and EMSA. In 2023, the key risks related to budgetary matters, to the implementation of the interagency agreements and to the fees and charges schemes were identified. Appropriate actions were identified to mitigate these risks.

#### ♦ Audits by the IAS

By the end of 2023, EASA had two very important recommendations ongoing from an audit on Standardisation by the IAS. The IAS concluded that all followed-up recommendations were properly implemented by the agency.

At the end of 2023, no critical or very important recommendations from the IAS addressed to EMSA were still open or subject to the auditor's review. As for ERA, there remain three very important recommendations from the 2021 IAS audit report on data management and IT security and the time for implementation is in line with the revised action plan.

#### Audits by the European Court of Auditors (ECA)

In the Declaration of Assurance 2022, ECA found the annual accounts of EASA, EMSA, and ERA legal and regular in all material aspects and that they present fairly in all material respects the financial position of the Agencies.

ECA addressed one observation to EASA concerning a negotiated procedure for which the urgency was not proved (total funds EUR 2.2 million). EASA stressed that there was an operational need beyond the urgency and committed to better assess legal bases for future procurement procedures. In addition, the Court noted another procedure where the price of the tender was corrected, and a tenderer was excluded from a second evaluation without justification (value EUR 2.5 million). The Agency will take action to avoid similar issues in the future. Concerning past observations, there is one related to the financial surplus that the Agency has accumulated over the years and another concerning the procedure to assess conflicts of interest for post employment activities of senior staff. The status is ongoing for both recommendations.

As regards EMSA, ECA made no new observations on implementation of the 2022 budget. There is an observation from 2021, concerning the amendment of 14 specific contracts

where the value was increased 76 % over their initial value, thus exceeding the limit of 10% allowed by the Financial Regulation. However, the amounts paid in 2021 were within the original framework contract ceiling. EMSA took measures to amend future tender specifications and contract templates accordingly.

ECA addressed to ERA observations linked to the implementation of SUMMA, a system owned by DG BUDG, at the request of whom, ERA piloted in 2022. These observations concern notably the monitoring of internal users of ABAC, the time to invoice fee revenues, and the time to pay invoices on expenses. The Agency explained that they are in regular contact with DG BUDG regarding improvements to the management of access rights; the invoicing of fees is contingent on availability on statements of costs of NSAs, and a time limit for these is being introduced in the fees and charges regulation; documentation of intervention of financial actors has been updated and improvements needed on payment management are being discussed with DG BUDG. Finally, the outstanding observation on the inclusion of SME criteria in Fees and Charges is also being addressed by ERA.

Overall, the Decentralised Agencies take ECA's observations into account in their continuous development of systems and procedures for controls and governance processes to achieve their objectives.

#### Audits by EASA Internal Audit Capability

The very important recommendations from EASA Internal Audit Capability service are still open. These actions are part of the ongoing Contract Management follow up audit.

#### ♥ Conclusion

In conclusion, the regular supervision of the decentralised agencies did not identify particular issues that would need to be included in this report or that could have a material impact on the assurance. Overall, DG MOVE considers that its supervision of the Decentralised Agencies is effective and appropriate.

## The EIB for CEF Debt instruments

The CEF debt instrument (CEF DI) aims to facilitate greater private sector involvement in the long-term financing of transport, energy and telecommunication projects. The objective is to contribute to Trans-European Network (TEN) goals by addressing market failures. DG MOVE uses innovative financial instruments for leveraging (52) EU investment.

The CEF DI implementation has been running since July 2015, when the Delegation Agreement (DA) with the European Investment Bank (EIB) was signed (53) and they become

<sup>(52)</sup> The EC contribution contributes to cover present or future first losses on a portfolio of operations. The amount of the contribution is invested in an asset portfolio and serves as a collateral for the loans supporting the investments.

<sup>(53)</sup> According to the latest DA for CEF DI, the EIB shall be responsible for managing the financial instruments in accordance with the Legal Basis, the Financial and Administrative Framework Agreement (FAFA) and the DA, in particular supporting projects aligned with the TEN-T policy eligible under the CEF regulation.

the entrusted entity for the implementing tasks of this financial instrument (debt) under the Connecting Europe Facility Regulation (EU) 1316/2013.

All operations under the CEF DI are supported by a risk sharing mechanism with the EIB where the EU takes 95% to 100% of the first loss piece (FLP) of the portfolio of such operations (100% only in the case of non-securitised financing).

The CEF DI (both the products and budget) has been used effectively to deliver projects of EU added value. At the end of 2023, all new projects are underwritten by EU Invest as a result the CEF DI portfolio remains stable (27 active projects). There were no new contributions.

#### Sovernance and supervision arrangements

The bi-annual Steering Committee between the Commission (DG MOVE, DG ENER, DG CNECT, DG CLIMA and DG ECFIN) ended in 2020 with the end of the commitment period. Regular contacts take place with the EIB on the pipeline of projects for the financial instrument (including through to the formal pipeline report submitted twice a year) on the objectives in terms of policy prioritisation use of NER 300 funds, and on state of advancement of specific projects or leads. It includes the policy check of the new operations proposed by the EIB (based on checklist) in coordination with DG CLIMA for the assessment of eligibility to NER300 fund contributions.

As part of the supervision and monitoring activities, DG MOVE is involved in regular contacts at working level, coordination meetings and additional exchange of information on the pipeline and the implementation of projects and management of assets entrusted to the EIB.

#### Managing risk exposure

The facility's treasury portfolio is exposed to credit, liquidity and market risks. The mandate of the EIB includes the management of these risks. Asset management guidelines define the eligibility criteria, the maximum maturity, and the interest rate risk and credit risk exposure rules. A quarterly reporting on performance provides the necessary information to the Commission.

#### ♥ Financial Data

The Asset portfolio generated a positive economic result. DG MOVE's share in this economic result, as reported by the unaudited financial statements, amounted to EUR 36.9 million. This result is due to a catch up of the fair value of the treasury portfolio, in line with the market values and the duration of the underlying. In addition, the fair value of the quasiequity portfolio increased by EUR 5.3 million. There were no guarantee calls for distressed operations at yearend.

**Economic result of the CEF Debt Instrument** (Share attributable to DG MOVE in EUR thousands)

DG MOVE share of results in portfolio	2023	2022
Remuneration received for guarantee given	3 211	2 817
Fair value change of financial asset		
Other operational and financial revenue	5 325	-8 705
Fees paid to EIB	-335	-4 457
Net fair value adjustment of the portfolio	28 692	-48 442
Realised losses	0	0
Economic result	36 893	-58 787

Source: Unaudited financial statements. Amounts rounded to the closest thousand

DG MOVE's share in the net assets of the funds at year-end was EUR 598.38 million (EUR 561.43 million in 2022).

The underlying debt portfolio is, by nature, exposed to creditor risk that is covered by the FLP mechanism. As at 31 December 2023, the EU First Loss Piece for the Debt Portfolio protects the underlying operations. The overall expected loss of the underlying operations remains under control.

The EIB deploys specific fraud prevention and detection processes and reports directly to OLAF. In 2023, the EIB's Inspectorate General reported no fraud case related to CEF operations.

#### Assurance received

The EIB provided its financial statements and management declaration on 15 February 2024. The declaration covers the EU funds engaged in the current financial instruments and the unaudited statements for 2023. The EIB gave reasonable assurance that:

- the information set out in the Financial Statements was in accordance with the accounting principles and is complete and accurate.
- the funds contributed by or on behalf of the Commission had been used for the intended purposes.
- the EIB had applied a professional degree of care and diligence to the management of the Financial Instruments.
- the control systems and procedures put in place provided reasonable assurance as to the legality and regularity of the related financial operations.

The statutory audit performed on the financial statements concluded that these were prepared in all material aspects in accordance with the applicable rules.

As a result of the regular reporting provided by the EIB, the management declaration and financial statements and the regular contacts with the EIB, DG ECFIN and DG BUDG, DG MOVE has an appropriate overview of the state of implementation of TEN-T projects supported by the financial instruments.

#### ♥ Conclusion

DG MOVE's supervision of the financial instruments did not identify any particular issues that would need to be included in this report. Consequently, DG MOVE considers that their supervision is effective and appropriate.

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

The current DG MOVE anti-fraud strategy covers the definition of fraud, potential fraud risks in DG MOVE's activities and its environment; main objectives and measures for the period of 2021-2027; roles and responsibilities for antifraud actions; and finally, provisions for implementation, monitoring and updates.

DG MOVE also contributes to the Commission anti-fraud actions. In addition to the actions mentioned above, it monitored and followed up OLAF requests and recommendations, maintained a local anti-fraud correspondent function and participated in the peer reviews chaired by OLAF.

DG MOVE has not reported or contributed to any information to OLAF in 2023.

### State of implementation of the anti-fraud indicators mentioned in the Strategic Plan 2020-2024

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) (<sup>54</sup>) aimed at the prevention, detection and correction (<sup>55</sup>) of fraud

**Indicator 1:** Implementation of the actions included in DG MOVE Anti-Fraud strategy over the whole strategic plan lifecycle (2020-2024)

**Source of data:** DG MOVE annual activity report, DG MOVE anti-fraud strategy, OLAF reporting

Baseline (2020)	Target (2024)	Latest known results (2023)
95%	100% of actions implemented on time	~100% of the actions planned for 2023 were implemented (revision of the action plan, awareness raising, reporting and continuous actions)

**Indicator 2:** Update of DG ENER's Anti-Fraud strategy on the basis of the methodology elaborated by OLAF

Source of data: OLAF guidelines

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2023)
Date of the last update: 2017	AFS strategy revised in 2020	The Action Plan accompanying the Anti- Fraud Strategy will be updated every two years. The Anti-Fraud Strategy will be revised no later than 12 months after major changes in the Commission	The anti-fraud strategy was reviewed and found to remain valid. The action plan covering the period up to 2025 was updated based on a risk

<sup>(54)</sup> Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan.

<sup>(55)</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

approach or in the fraud environment of	assessment and submitted for OLAF
DG MOVE.	review in December 2023.

## State of implementation of the anti-fraud indicators mentioned in the Management Plan 2023

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) aimed at the prevention, detection and correction of fraud

Main outputs in 20	Main outputs in 2023:									
Output	Indicator	Latest known results								
Awareness raising campaign	% of staff reached through workshops, conferences or other direct methods	> 80%	~100% (newsletter, intranet and webinar training session were made available to all staff)							
Reporting to management	Number of reports on the implementation of the antifraud strategy	At least two times per year	3 x (Control Boards)							
Implementation of Anti- fraud Action Plan items, as planned for 2023	% of implementation of actions planned	100% of the 2023 actions by December 31, 2023	~100% (the update of the 2023/2025 action plan was prepared and is pending approval)							

#### c) Other control objectives

#### Safeguarding of assets and information

DG MOVE is a delegated service for the Management of the CEF Debt Instrument. The management of these financial instruments was, as discussed above, delegated to the EIB. The off-balance sheet postings include contingent liabilities that correspond to the guarantees given under the 'first loss piece mechanism' for the CEF financial instruments. The CEF facility receives an operational revenue to remunerate the underlying risks. As of 31 December 2023, these guarantees amounted to EUR 603.33 million. The increase is due to the application of accounting rules to the NSF portfolio, that now consider a forward-looking 'expected credit loss' model.

#### Reliability of reporting

DG MOVE implements a significant part of its budget through indirect management. It therefore relies on the reports and accounts provided by the relevant implementing bodies and considers that overall, the reporting received was considered reliable and adequate for drawing assurance conclusions.

The SESAR 3 Joint Undertaking for the implementation of the Single European Sky initiative

The statutory information received in 2023 from SESAR 3 JU included its AAR, the annual work programme and budget for 2023 as well as the single programming document for

2023 (including the multi-annual work programme, the budget, staff allocation and annual work programme).

This information was deemed adequate for drawing assurance conclusions and was also considered reliable. Assurance in this respect is drawn from an analysis of these reports as well as from ECA report on the 2022 accounts of SESAR 3 JU and from the relevant IAS reports.

The EU-Rail Joint Undertaking for the implementation of the H2020 Research and Innovation activities in the rail sector

Statutory information received from the implementing body included its AAR, the annual work programme and budget for 2022, in addition to the multi-annual work programme.

All EU-Rail JU reports and decisions are scrutinised by the Parent DGs and by DG MOVE in particular as lead-service. Updates on administrative issues and the progress on the pipeline of projects are regularly presented to the Governing Board. Moreover, a set of key performance indicators were identified and used in the JU's Annual Activity Report.

In conclusion, the statutory information was considered adequate for drawing assurance conclusions and was considered reliable

#### The European Investment Bank for the CEF DI instruments.

Statutory information received during the reporting period includes the annual reports and the financial statements for the financial year 2023. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies these documents and from the independent audit report that covers them.

DG MOVE received the EIB annual reports, declaration of assurance and the financial statements on 15 February 2024 for the financial year 2023 as defined in the CEF Debt Delegation Agreement. The audit report did not include any major observations.

#### **CINEA**

Statutory information received during the reporting period includes the work plan, budget planning, regular reporting and the AAR. CINEA has a close working relation with DG MOVE. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies the AAR and from audit results. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

#### **Decentralised Agencies**

EASA, EMSA and ERA have a clearly established governance set-up, and are autonomous from the Commission. DG MOVE is a member of the Administrative Board (ERA, EMSA) /

Management Board (EASA). Regular reporting and extensive informal and formal contacts are in place.

The agencies are responsible for the implementation of their budget and are subject to a separate Discharge process, while DG MOVE is responsible for the settlement of the EU contributions established by the Budgetary Authority.

Assurance in this respect is drawn from the declaration of assurance that accompanies the AAR of the Agencies, from the Discharge process and from the consideration, through the participation of DG MOVE representatives to the governance bodies, of audit results. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

#### 2.1.2. Efficiency

The main efficiency indicators are the timeliness of payments and the estimation of quantifiable benefits of ex-ante and ex-post controls.

Timely payment (Article 116.1 FR)

For 2023, 98% of DG MOVE's 617 payments, representing 100% of the total amount paid, were made on time, above the target of 95%.

Time-to-inform and time-to-grant

In 2023, DG MOVE concluded 21 grants to identified beneficiaries, including 12 grants of low value (EUR 1 500), for which these indicators are not relevant. One grant was signed following a call for proposals, with time to inform of 91 days and time to grant of 187 days.

Performance of ex-post audits

DG MOVE maintains a very limited ex-post audit function of three FTEs, shared with DG ENER and only a limited number of risk-based audits can be performed. The implementation of the 2023 audit plan was very satisfactory with an implementation rate of 98% including all except one pending audit from 2023 to be finalised in the first quarter of 2024.

#### 2.1.3. Economy

DG MOVE updated its assessment of the cost of control in 2022. The situation remains, overall, stable.

#### **Direct management**

The cost of control associated to the reported upon directly managed expenditure takes into account the Commission level costs to manage financially the expenditure and the relevant

programmes (covering the staff working time allocated to these tasks) and can be summarised as follows:

#### Cost of control - Direct management

Estimates based on the cost of FTEs, per relevant control system	Directly Managed grants — Research and Innovation	Directly manages grants - CEF Transport /Programme Support Actions	Directly Managed operational expenditure (procurements, administrative agreements)
Payments made in 2023	EUR 0.0 million	EUR 9.44 million	EUR 29.58 million
Cost of controls	EUR 1.03 million	EUR 1.37 million	EUR 3.06 million
Total cost/funds ratio	Not representative	14.6%	10.4%

The indicator related to the research grants is not representative due to lack of new payments. The cost of control covered more than the minimal amount of expenditure directly managed by DG MOVE in that field. These controls also contributed to the coverage of the H2020 and Horizon Europe transport projects managed in particular by CINEA as well as the more general programme management aspect.

The cost of controls of the CEF Transport grants (grants under direct management) are proportionate to the needs. The indicator is affected by the low amount of new payments.

The other operational expenditure represents an array of diverse initiatives, including directly managed procurements servicing the activities (Network manager and other advisory bodies, studies, specific contracts and administrative agreements with the Joint Research Centre). Despite the relatively large amount of expenditure concerned, these transactions are highly heterogeneous. The relatively high total cost of control is proportionate to the number of actors involved and commensurate with the diversity of the transactions.

#### **Indirect management**

The cost of control associated with the reported upon indirectly managed expenditure includes the costs exposed to manage the programmes and the financial flows as well as to supervise the different entities. These costs include the staff working time allocated to these tasks and the specific contracts directly related to supervisory tasks when relevant and can be summarised as follows:

#### Indirect management - Cost effectiveness ratio

Estimates based on the cost of FTEs, per relevant control system	Indirect Management  JUs (S3R and EU-Rail)	Budgetary Support ERA, EMSA and EASA
Payments made in 2022	EUR 188.92 million	EUR 163.29 million (subsidies)
Cost of Control	EUR 0.61 million	EUR 1.09 million
Total cost/funds ratio	0.32%	0.67%

The costs related to financial and supervisory controls for both the Joint Undertakings and Decentralised Agencies remain low, largely under 1%.

#### Cost of control at DG and at entrusted entities level

The cost of control for entrusted entities includes both the cost exposed by the Commission and the cost exposed by the entity itself for the management of the entrusted tasks. The cost at entity level is measured through the fees paid to the entities or, for the Joint Undertakings, through the calculation of the effective cost of control resources, using a methodology similar to that used for Commission services. EU bodies and Executive agencies have a full responsibility for the operation of the control systems and report separately on their activities.

#### Indirect management - Cost of control at entity level

Entity	Cost of control in EUR million	Comment
SESAR 3 JU	EUR 1.4 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls remained stable, at EUR 1.4 (1.37 in 2022) million of which EUR 1.19 million for ex-ante controls.
EU-Rail JU	EUR 0.74 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls performed remained stable at EUR 0.74 million (0.74 in 2022), of which 0.68 million for ex-ante controls.
EIB	EUR 0.34 million	Aggregated amount of the fees paid for the management of the Transport segment of the CEF debt instruments.

Sources: Draft AARs for EU entities, Financial Statements for non-EU entities, Cost of Control assessments performed by the JUs.

As to the EIB, the cost effectiveness of the CEF Transport debt instruments is measured by comparing the cost of supervision at Commission level, and the fees paid to the entrusted entity against total assets under management as of 31 December of the reporting year.

The level of fees returned to normal in the absence of any credit received for one-off operation.

#### Control Cost indicator - CEF Debt Instrument

Control cost indicator — supervision of the CEF DI (EIB) (in EUR million)	2021	2022	2023
Sum of all fees paid to the bank (treasury, administrative, audit and performance fees) (*)	0.92	4.96	0.34
Cost of control by DG MOVE services	0.12	0.13	0.14
Total Supervision costs by DG MOVE	1.04	5.09	0.58
Amount delegated in the course of the year	0	0	0
Amount under management (*)	626.06	561.42	598.38
Cost effectiveness Ratio	0.1%	1%	0.1%

Source: (\*) Unaudited Financial Statements for the CEF Debt Instrument, EIB.

#### Cost of ex-post audits

In 2023, DG MOVE devoted 1.5 FTE (equivalent to a cost of EUR 0.24 million) to the performance and follow-up of ex-post audits. The main focus was the audit of the CEF Transport grants.

The CIC in DG R&I is responsible since January 2014 to carry out the ex-post audits for the Research Framework Programmes. The costs of these controls are mutualised, resulting in significant synergies for the R&I family of DGs.

#### Cost of organisational controls

The assessment of the cost of controls also covered organisational controls, that correspond broadly to the non-expenditure related internal controls operated by DG MOVE.

#### Overview of the estimated cost of control - non-expenditure related

	FTE	Cost equivalent
Budget and Accounting	3.5	EUR 0.57 million
Coordination	6	EUR 0.98 million
Fraud prevention	0.3	EUR 0.82 million
ICT and Information Security	2	EUR 0.33 million

DG MOVE devotes limited resources to Budget and Accounting, Antifraud and ICT controls. The cost of coordination controls is affected by different factors, in particular by the high number of audits performed by the European Court of Auditors in the area of transport and mobility policy. The associated cost of control remains however proportionate.

#### 2.2. Audit observations and recommendations

#### 2.2.1. Internal Audit Service (IAS)

#### **Audit reports issued in 2023**

The IAS did not issue any recommendation directly addressed to DG MOVE.

#### Follow-up of recommendations resulting from previous IAS audit reports:

#### Audit on Studies that are input into policy making in DG MOVE

In its final audit report published in June 2022, the IAS concluded that DG MOVE has put in place an adequate internal control system to ensure that all the stages of the studies life cycle are effectively and efficiently managed, and in accordance with the applicable legislation and corporate guidance. Two important recommendations were issued and DG MOVE designed an action plan to mitigate the identified risks. Both recommendation were implemented (in January and in June) and closed by the IAS.

#### 2.2.2. European Court of Auditors (ECA)

#### **Audit work 2022 - Declaration of assurance (DAS)**

Regarding the 2022 Discharge, the process started with the publication of the Commission's Integrated Financial and Accountability Package published over the summer. Then in September the European Parliament Committee on Budgetary Control (CONT) held hearings with several Directorates General and Commissioners. In November, ECA published and presented in CONT its 2022 Annual Report focusing on traditional compliance aspects, including the annual statement of assurance and also covering the performance of the EU budget. The European Parliament plans to vote on the 2022 Discharge in plenary in April 2024.

As regards the 2022 DAS exercise: DG MOVE was mainly involved in Chapter V of ECA's Annual Report – "Competitiveness for Growth and Jobs", with no specific observations directed to DG MOVE in the chapter. ECA reported 2.7% error level for Chapter V stating that the research and innovation expenditure remains higher-risk area and the main source of error in the chapter.

The declaration of assurance audits covered 14 CEF Transport transactions from 2022, of which only two contained quantifiable error (<sup>56</sup>).

<sup>(56)</sup> The two CEF transactions contained errors regarding an irregularity in procurement procedure and ineligible advance payment, for both of which DG MOVE/CINEA disagreed.

In relation to recommendations issued for the previous DAS exercises, all actions related to DG MOVE have been considered by the Court as fully implemented or implemented in most respects.

#### Special Reports published in 2023

#### Special Report 24/2023 "Smart Cities" (published in October 2023).

The audit assessed whether the Lighthouse programme achieved its goals and helped EU cities in their efforts to become smarter. ECA also looked at whether the Commission applied the lessons learned to the Mission on Climate-Neutral and Smart Cities which aims to deliver 100 climate-neutral cities by 2030 and ensure that all EU cities follow suit by 2050. The audit concluded that the Lighthouse programme has helped cities in their efforts to deploy smart-city solutions and become smarter. Still, the lack of coordination between EU initiatives and public and private funding may hinder the wider adoption of these solutions beyond the participating cities.

#### Special Report 08/2023 "Intermodal freight transport" (published in March 2023)

The audit assessed whether the EU's regulatory and financial support to intermodal freight transport has so far been effective. The Special Report contained eight recommendations such as to prepare regulatory changes to improve the competitiveness of intermodal transport. The Commission will address most of the conclusions and recommendations. However, it did not agree to set targets regarding the modal share along the Core Network Corridors and assess the modal shift potential in cost-benefit analyses for EU-funded projects.

Special Report 01/2023 "Tools facilitating travel within the EU during the COVID-19 pandemic" (published in January 2023)

The objective of the audit was to assess whether the Commission had developed effective tools to facilitate travel within the EU during the COVID-19 pandemic. The Court's recommendations focus on the need to analyse and address the reasons for the low uptake of certain tools, streamline communication on incidents relating to the EU Digital COVID Certificate and prepare relevant EU tools for future crises.

#### Follow-up work in 2023

In 2023, ECA carried out three follow up audits on the Special Reports published in 2020, for which ECA had satisfactory conclusions on the level of implementation.

At the end of 2023, DG MOVE was chef de file for 15 open recommendations from ECA with due dates by the end of 2023. All recommendations were successfully closed. In addition, there are 11 open recommendations with due dates in 2024 and beyond. The necessary updates to the status of the followed-up recommendations are reflected in Commission monitoring system (RAD).

DG MOVE fosters an active and positive working relationship with ECA. Commissioner Vălean took part in the annual College to College meetings with ECA in November 2023 and met with several Reporting Members. This fruitful meeting offered a good opportunity to strengthen this partnership, to exchange on main policy orientations and on the way the Commission takes ECA recommendations into account.

#### Table Y on the estimated "cost of controls" at Commission level

Table Y - Overview of DG MOVE estimated cost of controls at Commission (EC) level:

MOVE	Ex ante controls***				Ex post controls		Total			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)		
RCS 1 - Grants under direct management - Research	1,031,302.00€	- €	0.00%	- €	- € 0.00%		1,031,302.00€	0.00%		
RCS 2 - Grants under direct management - CEF Transport	1,129,521.00€	9,440,055.00€	11.97%	245,548.00€	6,601,002.00€	3.72%	1,375,069.00€	14.57%		
RCS 3 - Directly managed procurements and other operational expenditure	3,061,166.00€	29,584,312.00€	10.35%	- €	- €	0.00%	3,061,166.00€	10.35%		
RCS 4 - Contribution to Joint Undertakings (EU-Rail, SESAR 3)	605,685.00€	188,922,332.00€	0.32%	- €	- €	0.00%	605,685.00€	0.32%		
RCS 5 - Subsidy to Decentralised Agencies (ERA, EMSA, EASA)	1,088,596.00€	163,292,254.00€	0.67%	- €	- €	0.00%	1,088,596.00€	0.67%		
RCS 6 - Supervision of Executive Agencies (CINEA)	458,356.00€	62,345,000.00€	0.74%	- €	- €	- € 0.00%		0.74%		
RCS 7 - CEF DI Financial Instruments	- €	- €		0.02%	139,144.00€	0.00%				
Other organisational costs	1,931,645.00€	- €	0.00%	- €	- €	0.00%	1,931,645.00€	0.00%		
OVERALL total estimated cost of control at EC level for expenditure	9,306,271.00 €	453,583,953.00 €	2.05%	384,692.00 €	604,985,406.93 €	0.06%	9,690,963.00 €	2.14%		
SHARED/POOLED CONTROL ACTIVITIES (RTD	0 & REA)							•		
Common Implementation Center - Common Audit Service excluded (only DG RTD)	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%		
Common Audit Service (only DG RTD)	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%		
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%		
Validation services (only REA)	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%		
Expert management (only REA)	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%		
NON-EXPENDITURE ITEMS ****										
MOVE		Ex ante controls***			Ex post controls		Total			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)		
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related amounts	Ratio (%)** (a)/(b)	EC total costs	total value verified Ratio and/or audited (d)/(		EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)		
		Only applicable f	or DGs with non-expe	nditure items						
Non-expenditure items (included in RCS7): off-balance sheet	- €	603,330,216.00 €	0.00%	- €	- €	N/A	- €	0.00%		

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

# 2.3. Assessment of the effectiveness of internal control systems

In 2023, DG MOVE continued to improve the effectiveness and efficiency of its controls while ensuring compliance with the Internal Control Framework (ICF), the Financial Regulation and other requirements.

#### 1. Source and methodology for the internal control self-assessment

The self-assessment of internal controls verified the presence and effective functioning of ICF components and principles as a system throughout 2023 and focused on three objectives:

- Demonstrate the sound functioning of the internal control system
- Provide to the Director-General and to the Director in charge of Risk Management and Internal Control a sound basis for signing their declarations of assurance, and
- Identify any improvement areas in the internal control systems.

The 2023 self-assessment was based on four main building blocks:

- evaluation of monitoring indicators
- evaluation of audit results and the impact of new or outstanding recommendations
- analysis of available reports, including DG BUDG's validation of local systems, accounting quality AOSD reports from the Directors of DG MOVE
- analysis of control incidents registered during the reporting year.

Finally, the assessment also looked at the state of play of deficiencies identified in 2022.

#### 2. Internal Control Self-assessment results for 2023

The 2023 internal control self-assessment concluded that none of the Commission Internal Control Framework components or principles were affected by a critical or serious weakness

One moderate and two minor control deficiencies were identified:

- one moderate internal control deficiency as regards ICF Principle 10 (noncompliance cases registered demonstrate that the risks related to continuity of contract management and the adequate monitoring of contracts were not fully mitigated)
- one minor internal control deficiency as regards ICF Principle 12 (number of exception cases exceeded the target; business continuity was not appropriately

- ensured and controls applied in the units were not mitigating the risks related to contract management)
- one minor internal control deficiency as regards ICF Principle 13 (an inventory of measures ensuring the control over reliability, against the requirements set by the October 2023 guidelines on reliability of information would be helpful to support the assurance. The potential gap does not affect the key programs and activities).

Considering that the weakness in respect of principle 10 is assessed as 'moderate' and that two principles of the Internal control Framework component III (Control activities) (<sup>57</sup>) are affected by weaknesses, the entire component is assessed as partially functional.

Previously identified deficiencies related to the significant increase in invoice registration delays, the share of DG MOVE IT systems having an up-to-date IT Security Policy/Plan (95% of DG MOVE local IT systems have an up-to-date IT Security Policy/Plan) and shortcomings in collaboration and communication were addressed and are now considered as closed.

The identified deficiencies and the implementation of corrective actions will be closely monitored during 2024. The focus for the internal control system will also be set on the improvement of contract management and monitoring, to ensure that the activities are carried out correctly. This will include awareness raining actions towards Authorising Officers and staff (addressing weaknesses regarding Principles 10 and 12) as well as drawing an inventory of measures to be reported as contributing to the assurance on the reliability of information addressing the weakness regarding the Principle 13.

Moreover, we will monitor the implementation of established action plans for identified risks. We aim at ensuring that the right actions are carried out in a timely manner.

In parallel, the action plans designed for the mitigation of risk identified in ECA audit reports will be monitored to ensure that accepted recommendations are effectively implemented.

The use of CENTRICS for the registration of internal control related information (risks, internal control monitoring criteria and non-compliance and exception cases registers) will allow us to collect information in a well-structured and standardised format and keep it in a secure way. Unit SRD.1 will ensure a smooth transition to the new tool and share best practices.

Overall, the assessment established that the internal control system of DG MOVE provides reasonable assurance concerning the achievement of operational objectives, the legality and regularity of the underlying transactions and that the resources have been used for their intended purpose and in accordance with the principles of sound financial management.

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<sup>(57)</sup> Control activities ensure the mitigation of risks related to the achievement of policy, operational and internal control objectives. They are performed at all levels of the organisation, at various stages of business processes, and across the technology environment. They may be preventive or detective and encompass a range of manual and automated activities as well as segregation of duties.

#### 3. Risk Management

The 2023 risk management resulted in eight risks assessed as 'significant' that were included in the DG MOVE Risk Register and followed up through the Control Board meetings throughout the year.

Due to the coordinated risk mitigation efforts both within DG MOVE and in cooperation with its entrusted entities, none of the key risks materialised during the year:

- risk associated with the delay of deployment of Smart tachograph version was addressed
- risk of delay in the development of Common Methodology for Carbon accounting was addressed.
- risk of negative impact internationally related to revision of the aviation Emissions
  Trading System (ETS) not aligned to Carbon Offsetting and Reduction Scheme for
  International Aviation (CORSIA) became obsolete following the political agreement
  on EU ETS for aviation in December 2022.
- risk of reduction of important European Union Aviation Safety Agency (EASA)
   activities due to budgetary constraints (such as from inflationary pressure on costs)
   was partially addressed.

Four other significant risk have been carried over to 2024 (58).

#### 4. Internal Control incidents

The functioning of the internal control systems was closely monitored and followed up throughout the year by the systematic registration of non-compliance events and exceptions. In 2023, DG MOVE registered 8 exceptions and 18 non-compliance cases. This result shows a significant increase in number of cases and is higher than the 2022 result.

The registered exception cases related to:

- the extension of (2 cases) duration of a contract without the launch of a prior
  procurement procedure to ensure the continuity of services for the maintenance of
  the EU Ukraine Solidarity Lanes Business Matchmaking Platform, necessary as a
  transitory measure until a new service contract is signed following the launch of an
  exceptional negotiated procurement procedure.
- a booking of hotel rooms exceeding the accommodation allowance ceilings grid (for the Airspace World event in Geneva).
- the extension of duration of the specific contract and addition of services (first exception in April and then another one in September), and despite the FWC expired,

<sup>(58)</sup> Risks related to: implementation of Resilience Plans (RRPs), transport actions for Ukrainian export; Agreement Concerning Work of Crews of Vehicles Engaged in International Road Transport (AETR) alignment with the revised provisions of Regulation (EC) 561/2006Risk; difficulty to lead on decarbonisation efforts at IMO

- to finalise the Impact Assessment study to support the new initiative on Multimodal Digital Mobility Services (MDMS).
- an amendment of a service contract to add additional services to finalise the impact assessment for the revision of Directive 92/106/EEC (Combined Transport Directive), because of new Commission requirements issued after the adoption of the proposal on CO2 standards for new Heavy-Duty Vehicles.
- the retroactivity to cover the costs incurred by the contractor before the signature of the specific contract (external service providers).
- the extension of duration of the specific contract and addition of services, despite
  the FWC expired, to finalise the impact assessment support study for the revision
  of the train drivers' directive.

The registered non-compliance cases revealed that most cases related to management of contracts.

The assessment of exceptions and non-compliances for 2023 indicates (compared to previous years) a deterioration in management of contracts and internal control weaknesses in relation to the ICF Principles 10 (the Commission selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels) and ICF Principle 12 (the Commission deploys control activities through corporate policies that establish what is expected and in procedures that put policies into action). Considering that the weakness in respect of principle 10 is assessed as "moderate" and that two principles of the Internal control Framework component III (Control activities) (59) are affected by weaknesses, the entire component is assessed as partially functional. Corrective actions will be undertaken to mitigate the issues, which include the organisation of awareness raising activities to make staff conscious about contract management, in particular on use of framework contracts and renewal of contract.

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<sup>(59)</sup> Control activities ensure the mitigation of risks related to the achievement of policy, operational and internal control objectives. They are performed at all levels of the organisation, at various stages of business processes, and across the technology environment. They may be preventive or detective and encompass a range of manual and automated activities as well as segregation of duties.

#### ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

#### 1. Annex related to "Control results" - Table X: Estimated risk at payment and at closure

#### Table X: Estimated risk at payment and at closure

Table X: Estimated risk at payment and at closure (amounts in EUR mios) - for parent DGs

DG MOVE	Payments made (2023;MEUR)	minus new prefinancing [plus retentions made] (in 2023;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2023;MEUR)	Relevant expenditure (for 2023;MEUR)	Detected error rate or equivalent estimates	Estin	nated risk at pa (2023;MEUR)		Adjusted Average Recoveries and Corrections ( <i>adjusted</i> ARC; %)		and Corrections correction (adjusted ARC; %) [and deduction		Estimated future corrections [and deductions] (for 2023;MEUR)		corrections (2023;MEUR) [and deductions]		
-1	-2	-3	-4	-5	-6		-7			-8			-9			-10	
CEF Transport grants (RCS 2)	9.44	- 5.20	10.36	14.60	1.70% - 1.70%	0.25	-	0.25	0.13%	-	0.13%	0.02	-	0.02	0.23	-	0.23
Procurements, studies and other OP (RCS 3)	23.55	- 0.07	0.28	23.76	0.50% - 0.50%	0.12	-	0.12	0.13%	-	0.13%	0.03	-	0.03	0.09	-	0.09
SES Advisory Bodies (RCS 3)	4.26	- 0.12	0.00	4.14	0.50% - 0.50%	0.02	-	0.02	0.13%	-	0.13%	0.01	-	0.01	0.02	-	0.02
Administrative agreements (RCS 3)	1.95	0.00	0.00	1.95	0.50% - 0.50%	0.01	-	0.01	0.13%	-	0.13%	0.00	-	0.00	0.01	-	0.01
Contribution agreements with EU bodies (RCS 5)	3.06	- 2.88	0.10	0.27	1.62% - 1.62%	0.00	-	0.00	0.23%	-	0.23%	0.00	-	0.00	0.00	-	0.00
Subsidy to EASA (RCS 6)	45.60	- 45.60	40.37	40.37	0.00% - 0.00%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00
Subsidy to EMSA (RCS 6)	89.48	- 89.48	85.60	85.60	0.00% - 0.00%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00
Subsidy to ERA (RCS 6)	28.22	- 28.22	26.85	26.85	0.00% - 0.00%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00
Contribution to EU Rail JU (RCS 5) under H2020	11.83	0.00	0.00	11.83	2.57% - 2.57%	0.30	-	0.30	1.02%	-	1.02%	0.12	-	0.12	0.18	-	0.18
Contribution to EU Rail JU (RCS 5) under HE	74.23	- 74.23	0.00	0.00	2.00% - 2.00%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00
Total without contribution to EA's operating budget	391.24	- 319.74	163.55	235.05		1.37	-	1.37	0.19%		0.19%	0.44	-	0.44	0.92	-	0.92
					Overall risk at	0.58%	-	0.58%				Ove	rall ris	k at	0.39%	-	0.39%
		payment in %		(7) / (5)					clo	sure ir	1 %	(10) / (5)					
CINEA (RCS 4)	62.35	- 62.35	52.85	52.85	0.00% - 0.00%	0.00	-	0.00	0.00%	-	0.00%	0.00 - 0.00		0.00	0.00	-	0.00
Sub-total contributions (if more than one)	62.35	- 62.35	52.85	52.85		0.00		0.00				0.00		0.00	0.00		0.00
Total DG (with contributions to EAs)	453.58	- 382.09	216.41	287.90													

#### Notes to the table X

- (1) Relevant Control Systems (RCS) differentiated per relevant portfolio segments and at a level which is lower than the total.
- (2) Payments made or equivalent, e.g., expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.
- In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.
- (3) New pre-financing actually paid by out by the department itself during the financial year (i.e., excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations.

  Retentions: in Cohesion, the 10% retention applied during the year.
- (4) Pre-financing actually cleared during the financial year (i.e., their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

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- (5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out, and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.
- (6) In this column, we disclose the detected error rates or equivalent estimates.

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (*e.g., administrative expenditure,*), the rate of 0.5% was used as a conservative estimate. Similarly, the subsidy given by DG MOVE to its decentralised agencies as part of their establishment and core tasks are considered error-free and a rate of 0% was applied. For the contribution agreements paid to decentralised agencies from the CEF programme, DG MOVE applied the detected and residual error rates calculated by CINEA on the CEF Transport programme (1.62% and 1.39% respectively). For the contributions to the Joint Undertakings, DG MOVE applied the cumulative representative detected and residual error rates calculated by the research family for H2020 and HE.

(8) The adjusted average recovery and corrections percentage is mostly based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. This percentage does not apply to pre-financing, administrative expenditure or payments made to EASA, EMSA, ERA, which are generally not subject to ex-post recoveries. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate. For H2020 payments, the correction rate used in this column corresponds to the difference between the R&I family detected error rate (2.57%) and DG MOVE's residual error rate including draft audit reports (1.63%).

The average amount of the implemented corrections over the past three years (2021-2023) is EUR 0.36 million euros (0.17% of the average amount of relevant expenditure of that period), which is in the same range as the average amount of estimated future corrections during the same period of EUR 0.39 million euros (0.18% of the average amount of relevant expenditure of that period).

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# ANNEX 10: Reporting — Human resources, digital transformation and information management and sound environmental management

#### **Human resource management**

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

**Indicator 1:** Number and percentage of first female appointments to middle management positions **Source of data:** Commission communication on gender targets, SEC(2020)146; and SEC (2023) 200; HR Dashboard for DG MOVE

Baseline (2019)	<b>Target</b> (2023)	Latest known results (31/12/2023)
9 female middle managers (36%)	For the period 2023-2024 DG MOVE has a specific target of two (60) new female middle managers first appointments to be achieved.	By end 2023, the number of female middle managers in DG MOVE is 9 (39% of female representation).  No Head of Unit vacancy published in 2023 (no first appointments)

**Indicator 2:** DG MOVE staff engagement index

**Source of data:** Commission staff surveys

Baseline (2018)	Target (2024)	Latest known results (31/12/2023)
75%	Equal or above 70% Commission average registered in the 2018 Staff survey	76% in the 2023 Staff Survey, higher that the Commission average of 73%.

#### Main outputs in 2023:

Description	Indicator	Target	Latest known results
Review Local HR Strategy	Local HR Strategy updated	By Q2 2023	Due to the changes in the DG's management team, the timing for reviewing the Local HR Strategy was not right.
Internal mobility framework for permanent staff	Framework launched	By Q2 2023	Due to the changes in the DG's management team, the timing was not right for the introduction of an internal mobility framework in 2023. The modalities of the framework will be discussed by the senior management team in 2024.

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 $<sup>(^{60})</sup>$  The gender targets were revised in the Commission's Gender targets proposal 2023-2024, SEC(2023) 200

Description	Indicator	Target	Latest known results
Statistics on female representation provided to the DG; identifying possibilities and talented female ADs to increase female first-time appointments on middle management posts	Frequency of the statistics provided to the DG	Quarterly and when Head of Unit positions become vacant	The DG received regular reporting on female representation. Two female ADs were nominated to participate in the corporate Female Talent Development Programme.
Promote female talent by organising courses targeted at female staff	Number of trainings	At least one training by December 2023	Due to the new corporate policy on Learning and Development and the budgetary constraints, no training could be organised in 2023. Instead, DG MOVE promoted the LinkedIn learning offer.
Organise internal training courses and lunchtime conferences (online/physical/hybrid) on job-specific and transport & mobility topics	Number of courses and lunch-time conferences	At least four courses by December 2023	11 courses were organised in 2023.
Conference on diversity topics	Number of conferences organised	At least one conference by end of 2023	Two conferences organised
Continue the bi-annual new- comers welcoming sessions	Number of sessions	Two sessions by December 2023	1 session was organised in March. The new Director-General who took office on 1 August 2023 met the newcomers in the framework of her visits to all Units in the DG.
Internal communication of events	Creating and disseminating internal communication Newsletters (including sections such as message from the Director-General, events in the DG, welcoming newcomers, etc.).	Four newsletters by December 2023	Increased use of direct mailing in 2023 as means of internal communication. The News section on My MOVEnet was kept up to date throughout the year.
Organise DG/Senior management meetings with or send messages to all staff around key moments (e.g., implementation of Mobility Strategy actions, adoption of major EC initiatives)	Number of meetings/ messages	Throughout the year	"MOVE Debrief" was introduced as of September 2023: a member of the DG MOVE senior management summarised key discussion points during the weekly senior management meeting in a video debrief for all staff.  In addition, a monthly interactive debrief session was organised after each monthly extended monthly management meeting.

#### Digital transformation and information management

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

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

Source of data: Solutions Owners & Suppliers and IT Investment Team

	seline 019)	Target (2024)	Latest known results (31/12/2023)
1.	TENtec 64%	1. 100%	With the implementation of the
2.	MOVEHUB 79%	2. 100%	automatic data exchange for TENtec,
3.	KSDA 38%	3. 100%	all the 3 systems have now reached 100%.

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

Source of data: DG MOVE data asset inventory

Baseline	Target (2024)	Latest known results
(2018)		(31/12/2023)
45%	80%	70%

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

**Source of data:** HR statistics

Baseline (2018)	Target (2024)	Latest known results (31/12/2023)
0%	100% of staff	85%

Indicator 4: Percentage of registered documents that are not filed

Source of data: Hermes-Ares-Nomcom (HAN) statistics

Baseline (2018)	Target (2024)	Latest known results (31/12/2023)
2.6%	<2%	1.23%

#### Main outputs in 2023:

Description	Indicator	Target	Latest known results (31/12/2023)
Use of corporate data management tools in alignment with DIGIT.D1 recommendations	Number of use cases	2 new cases by December 2023	The CARE and ICARE data platforms have been migrated to new tools. A new dashboard solution has been implemented on EU Survey data.

Description	Indicator	Target	Latest known results (31/12/2023)
Enhancing staff skills in QlikSence	Number of information sessions	1 lunchtime conference	Advice on the use and implementation of Qliksense has been provided to business units on a bilateral basis.
			Material for a Qliksense lunchtime conference has been prepared. The conference will take place in 2024.
MOVE IT systems with a security plan below 2 years	Percentage of IT systems with a security plan	85% IT systems with a security plan	95% of IT systems with a security plan
MOVE IT systems using EU Login	Percentage of IT systems using EU Login	85% IT systems using EU Login	85% of IT systems are using EU Login
MOVE IT SNC systems using Multiple Factors Authentication (MFA)	Percentage of IT SNC systems using MFA	75% IT systems using MFA	100% of SNC systems are using MFA
MOVE IT systems onboard in the Governance Risk and Compliance tool (GRC)	Percentage of IT systems onboarded on GRC	100% IT systems onboarded on GRC	100% IT systems onboarded
Raising cybersecurity awareness	Number of local awareness initiatives	At least three	1 general training provided to all the staff (DIGIT.S and HR-DS) 4 newsletters/emails sent to all staff regarding cybersecurity and information security matters. 3 articles published on Intranet about cybersecurity topics
Implementing the new SharePoint Online technology	Number of old SharePoint sites and Connected sites still in production	0%, all old SharePoint sites and Connected sites have been migrated or decommissioned	<ul> <li>100% old Sharepoint sites migrated</li> <li>100% Connected sites migrated</li> </ul>
Training staff in the new SharePoint Online technology	Number of staff who have followed a training on the new SharePoint Online technology	At least 50 staff members have followed a training on the new SharePoint Online technology	Trainings at unit level were organised and contact points were nominated in units
Migration to Welcome	Number of staff members who have migrated to Welcome	100% of staff members, not having software or technical constraints, migrated to Welcome	99.81% of staff members migrated to Welcome (584 out of 591)
Promoting the knowledge sharing	Number of new SharePoint Online sites in the DG	50 new SharePoint sites in the DG, corresponding on average to 1 site per unit	80 new Sharepoint sites in DG MOVE

Description	Indicator	Target	Latest known results (31/12/2023)
Documents are retrievable in ARES and properly filed – staff with easier access to information	a. Percentage of registered documents that are not filed b. Integration of IT systems with the corporate records management system HAN (HermesAresNomcom)	a. Below 2%  b. Assessment of systems identified in the inventory of preservation needs	a. 1.23%  b. IT systems assessed and prioritised. E-Platform integration in test phase.
Increase the efficient use of electronic workflows	a. Promoting the use of Qualified Electronic Signature (QES) single workflow     b. Percentage of electronic signatories with a paper circulation in parallel     c. Workshops/trainings	<ul> <li>a. Updated guide on QES workflow</li> <li>b. Below 5%</li> <li>c. At least two ARES workshops</li> </ul>	a. Local Paperless SPO site containing information on QES workflows under construction     b. 3.20%     c. Workshops on document management for IT project officers and trainings at unit level on archiving
Reduce paper and electronic storage	<ul> <li>a. Transfer/elimination of closed paper files</li> <li>b. Transfer/elimination of closed electronic files</li> <li>c. Percentage of digitalised documents from local archives (Adonis) to be preserved</li> </ul>	a. Clean-up operation of local archives in DM24 and DM28 and transfer of closed paper files to the Historical Archives b. First review action to electronic files with Administrative Retention Period expired in HPS c. 100% of Adonis documents identified during the clean-up operation	<ul> <li>a. Clean-up of archives in DM24 [destruction of 489 DG MOVE files]</li> <li>b. Elimination and transfer of electronic postponed to early 2024</li> <li>c. 100% of documents identified transferred to the Historical Archives for digitalisation</li> </ul>
Increase awareness of DG MOVE staff on personal data protection rules	<ul> <li>a. Information session on data protection</li> <li>b. Percentage of updated corporate instructions/ guidelines published on the Data Protections         Corner     </li> <li>c. Percentage of staff that will attend the awareness training in 2023</li> </ul>	a. At least 2 information sessions per year b. 100% c. 15%	a. One info session to all staff: on data protection obligations (privacy statements, records); one info session on data controller protection obligations to DG MOVE senior and middle management b. 100% c. 23%
Establish records for new processing operations;	Percentage of records for new identified processing operations	100% records of new identified processing operations	This is an ongoing process. All new identified processing operations have been notified (as a "record")

#### **Sound Environmental Management**

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

Main outputs in 2023:  I. More efficient use of resou	rces (energy water	paper)	
Description	Indicator	Target	Latest known results (31/12/2023)
Priority action to support the Greening	ng the Commission Comm	nunication and action	plan
Participation in corporate energy saving actions, by closing down DG/service's buildings during the Christmas and New Year's / summer holiday period, and/or optimisation of the temperature in EC buildings	Number of DG/service's buildings participating in:  end of year energy saving action  optimisation of comfort hours and/or comfort temperature	2 buildings: DM24 and DM28 (100 % of DG buildings)	Adjusting of temperature in summer and winter in all EC buildings affecting all staff.  Total closure of DM24 during the end of the year energy saving action.
Other recommended actions			
Staff awareness actions to <b>reduce energy use</b> in the framework of EMAS corporate campaigns and/or awareness actions about DG/service's total energy consumption in collaboration with OIB/OIL ( <sup>61</sup> ) where appropriate.  Staff awareness actions to <b>reduce water use</b> (for example ensuring that staff use the technical services hotline ( <sup>62</sup> ) to report leaks) in the framework of EMAS corporate	Number of actions related to:  • Energy consumption  • Water consumption	• 2 • 2	<ul> <li>Local EMAS site containing information on how to reduce energy and water site under construction.</li> <li>Interinstitutional EMAS days – 28th-30th November on Energy Saving Measures</li> <li>Actions announced in the EC EMAS meetings are distributed through Teams and by intranet articles.</li> </ul>
campaigns and/or awareness raising actions about DG's water consumption in collaboration with OIB/OIL where appropriate.  Paperless working methods at DG level (such as paperless working: esignatories, financial circuits, collaborative working tools) and staff	Number of new actions introduced in relation to paperless working methods	2	Actions on paperless:  • "Less waste, More action TOGETHER (20-24/11)"  • Annual campaign - "Suppressing paper subscriptions" Promo campaign.

<sup>(61)</sup> See OIB – Environmental Building Performances for Brussels

<sup>(62)</sup> For example, for Brussels: Email: OIB-55555@ec.europa.eu and Tel: 55555 and for Luxembourg: Email: OIL-DISPATCHING-CENTRAL@ec.europa.eu and Tel: 32220.

Number or % of staff 100% informed awareness actions to reduce office 100% informed paper use in the framework of EMAS informed related to: corporate campaigns and/or raise Energy awareness about DG/service's office consumption paper use in collaboration with OIB/OIL Water where appropriate. consumption Paperless working • methods

See also section 1.2 (digital transformation and information management)

#### II. Reducing CO2, equivalent CO2 and other atmospheric emissions

Description	Indicator	Target	Latest known results (31/12/2023)
Description	illuicator	raryet	

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

Analysis of DG/service's missions' trends / patterns (based on corporate EC-staff's and experts' professional trips (missions (63)), optimise and gradually reduce CO2 emissions (e.g., by reducing the number of participants in the same mission, promoting more sustainable travelling options, promoting videoconferencing/ virtual events as an alternative).

- Signed the EC DG/service Travel Pledge
- CO2 (t) emissions from DG/service's missions
- CO2 (t) emissions from DG/service's expert meetings
- Yes
- Reduction of DG MOVE CO2 emissions from missions
- Reduction of emissions from expert participating in meetings for which DG MOVE is in the lead
- MOVE signed pledge to reduce travel emissions
- Carbon footprint 850.823,94 (0.6% decrease from 2022)
- AGM tool used for expert meetings does not provide CO2 emissions data

#### Other recommended actions

Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or rise awareness on sustainable commuting in collaboration with OIB/OIL (e.g., availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).

Number or % of staff informed

% of sustainable commuters (<sup>64</sup>) at DG/service

100 % of staff informed

Increased % of sustainable commuters at DG/service (%) (<sup>65</sup>) 100% informed

Staff using:

- Public transports: 22%
- Cycling: 28%
- Walking: 27%
- 75 colleagues participated in the VeloMai action (10% decrease from 2022).
- Additional bike parking facilities were installed in both DM24 and DM28.
- There are 4 showers in DM24 and 2 in DM28.

<sup>(63)</sup> Data provided by PMO/MiPs.

<sup>(64)</sup> Sustainable commuting usually refers to environmentally friendly travel modes, such as. Public transport (bus, tram, subway, light rail), walking, cycling, and carpooling. mob

<sup>(65)</sup> Based on the results of the corporate staff mobility survey conducted by HR.A.4 during 2022. The next survey will be conducted in 2024.

Staff awareness actions on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.  Increased use of Videoconferencing (VC) meeting rooms for meetings with stakeholders in the DG, in collaboration with DG SCIC, OIB.	Number of events organised  Number of VC equipment for hybrid meetings  Equipment of all senior managers' offices with VC equipment for hybrid meeting.		Clean-up following migration new SharePoint online.	
III. Reducing and management of	waste			
Description	Indicator	Target	Latest known results (31/12/2023)	
Priority action to support the Greenin	g the Commission Comm	unication and action p	olan	
Implementation of the EC Guidelines for sustainable meetings and events, e.g., sustainable catering, reduce/eliminate single-use plastics, gadgets/gifts.	Number of green events	1 event	DG MOVE follow corporate guidelines and participate in corporate events	
Other recommended actions				
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG/service's waste generation in collaboration with OIB/OIL where appropriate (for example, promote and label the waste sorting schemes in place).	% of staff informed	100% of staff informed	100%	
IV. Promoting green public pro	ocurement (GPP)			
Description	Indicator	Target	Latest known results (31/12/2023)	
Priority action in line with the Greeni	ng the Commission Comm	unication and action	plan	
Gradual introduction of GPP criteria in contracts and monitoring of the process ( <sup>66</sup> ).	% of contracts falling within the GPP domain including the GPP criteria	100%	All contracts > EUR 60 000 concerned by one of the GPP domain contained clauses/GPP criteria (in the tender specifications) when it was allowed in the context of the call (67).	

<sup>(&</sup>lt;sup>66</sup>) For information, technical support is provided by the Interinstitutional GPP Helpdesk. See also GPP webpage on MY IC for EU reference/guidelines by DG ENV and the Vade-mecum on Public Procurement by DG BUDG

<sup>(67)</sup> Not many contracts are directly linked to one of the domains as they mainly relate to intellectual services, but DG MOVE had some calls related to the organisation of an event including catering services. In these cases, GPP linked prescriptions were requested. There are some exceptions related to the organisation of events /conferences where there is an exclusive sole provider, and in this case, Commission requirements could not be added.

# ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

#### 1. SESAR 3 Joint Undertaking (SESAR 3 JU)

	SESAR S Joint Olider taking (SESAR S JO)			
	REQUIREMENT	INFORMATION		
1.	Programme concerned	Horizon 2020, Horizon Europe Programme, CEF2		
2.	Annual budgetary amount entrusted	Under Horizon 2020: Budgetary allocation of SESAR JU (the predecessor of SESAR 3 JU) was carried over to SESAR 3 JU. DG MOVE did not commit any new amount from the Horizon 2020 budget in 2023. The payments to the SESAR 3 JU were EUR 25 668 571.  Under Horizon Europe: DG MOVE committed EUR 89 011 347 million from the Horizon Europe budget (2023 contribution agreement). The payment to the SESAR 3 JU was EUR 73 949 865.  Under CEF2: Nothing – all committed and paid in 2022.		
3.	Duration of the delegation	Under Horizon 2020: The delegation agreement for SESAR JU (predecessor of SESAR 3 JU) was carried over to SESAR 3 JU (duration 2014-2024).  Under Horizon Europe: The Single Basic Act establishing the JUs under Horizon Europe (COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014), Article 3, stipulates that the JUs (including the SESAR 3 JU) are set up as Union bodies for a period ending on 31 December 2031. Following the adoption of the Single Basic Act, a Financial Framework Partnership Agreement (FFPA) has been signed between the Union (represented by the Commission) and the SESAR 3 JU for the same duration. The starting date and duration of the tasks to be carried out each year are set out every year in an annual Contribution Agreement (CA) (under the umbrella of the FFPA).  Under CEF2: An ad hoc CA has been signed between the Union and the SESAR 3 JU for a duration of 72 months as of May 2022.		
4.	Justification of recourse to indirect centralised management	SESAR 3 JU has the following general objectives:  (a) strengthen and integrate the Union's research and innovation capacity in the ATM sector, making it more resilient and scalable to fluctuations in traffic while enabling the seamless operation of all aircraft.  (b) strengthen, through innovation, the competitiveness of manned and unmanned air transport in the Union, and ATM services' markets to support economic growth in the Union.  (c) develop and accelerate the market uptake of innovative solutions to establish the Single European Sky airspace as the most efficient and environmentally friendly sky to fly in the world.  The SESAR 3 JU is a Union body in the form of a public-private partnership, bringing together the Union, Eurocontrol and 53 private partners. The tasks entrusted to the SESAR JU could not have been carried out by the Commission because of the technical complexity of the program and the number of projects.		

5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	The SESAR 3 JU was not selected but established by the Council on the basis of Article 187 of the Treaty (see above reference to the Single Basic Act, here are three founding members: the Union, represented by the Commission, the European Organisation for the Safety of Air Navigation (Eurocontrol), represented by its Agency, and the private members listed in Annex III to this single Basic Act, upon notification of their decision to accede to the Single European Sky ATM Research 3 Joint Undertaking by means of a letter of commitment.
6. Synthetic description of the implementing tasks entrusted		The SESAR 3 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, with the view of modernising the ATM sector. It shall also facilitate an accelerated market uptake of resulting solutions The SESAR 3 JU is also in charge of the maintenance of the Master Plan. For this purpose, the SESAR 3 JU manages the H2O2O (2014-2024) and Horizon Europe (2021-2031), in accordance with specific delegation/contribution agreements, its financial rules and under the supervision of its Governing Board. It has also been allocated funds from the CEF2 in view of providing technical assistance to CINEA for the Digital Sky Demonstrators' calls and grants. The SESAR 3 JU has launched a first set of Horizon Europe calls for proposals (exploratory and industrial research).

#### 2. EUROPE's RAIL Joint Undertaking (EU-Rail JU)

	REQUIREMENT	INFORMATION	
1.	Programme concerned	Horizon Europe Framework programme	
2.	Annual budgetary amount entrusted	In 2023, the Commission committed EUR 94 398 109 (incl. EFTA contributions) to cover both the administrative and operational budget of the Joint Undertaking.  The payments to EU-Rail JU for 2023 were in the amount of EUR 86 064 433.	
		The payments to Lo Kait 30 for 2023 were in the amount of Lok 60 004 453.	
3.	Duration of the delegation	Under Horizon Europe: The Single Basic Act establishing the JUs under Horizon Europe (COUNCIL REGULATION (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014) Article 3, stipulates that the JUs (including the EU-Rail JU) are set up as Union bodies for a period ending on 31 December 2031. Following the adoption of the Single Basic Act, a Financial Framework Partnership Agreement (FFPA) has been signed between the Union (represented by the Commission) and the EU-Rail JU for the same duration. The starting date and duration of the tasks to be carried out each year are set out every year in an annual Contribution Agreement (CA) (under the umbrella of the FFPA).	
4.	Justification of recourse to indirect centralised management	The general objectives of EU-Rail are to: (a) contribute towards the achievement of the Single European Railway Area; (b) ensure a fast transition to more attractive, user-friendly, competitive, affordable, easy to maintain, efficient and sustainable European rail system, integrated into the wider mobility system; (c) support the development of a strong and globally competitive European rail industry. The main task of EU-Rail is to deliver a high-capacity integrated European railway network by eliminating barriers to interoperability and providing solutions for full integration, covering traffic management, vehicles, infrastructure and services, aiming to achieve faster uptake and deployment of projects and innovations.  The EU-Rail JU is a Union body in the form of a public-private partnership, bringing together the Union and 25 private partners. The tasks entrusted to the EU-Rail JU could not have been carried out by the Commission because of the technical complexity of the program and the number of projects.	

5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	The EU-Rail JU was not selected but established by the Council on the basis of Article 187 of the Treaty (see above reference to the Single Basic Act). As per this Single Basic Act, there are two founding members: the Union, represented by the Commission, and the private members listed in Annex II, upon notification of their decision to accede to the Joint Undertaking by means of a letter of commitment.
6.	Synthetic description of the implementing tasks entrusted	Activities of the EU-Rail Programme are structured around two Pillars, the System Pillar which is structured in two main tasks and the Innovation Pillar that is organised in seven Flagship Areas (FA) and the Transversal Topic (TT).  The System Pillar contributes defining the concept of Operations for Rail, through a System of Systems service-oriented approach, providing the overall framework for delivery of R&I, taking into account interfaces within different rail segments and other modes.  The R&I activities to deliver the Concept of Operations, addressing the specific segments' interfaces, are structured within the Innovation Pillar and established around the full lifecycle of research and innovation, from exploratory research, via applied research to large scale demonstrations.

#### ANNEX 12: EAMR of the Union Delegations (if applicable)

NOT APPLICABLE

#### ANNEX 13: Decentralised agencies and/or EU Trust Funds

		the Policy area concerned	Amount paid in 2023 in €			
Name of the	e Role of the DG		Contribution to			
entity			Operating (admin) budget	Operational budget	Total in €	Contribution agreement
European Aviation Safety Agency	Lead DG	Mobility and Transport - Aviation	45 595 627		45 595 627	2 375 357
European Railway Agency	Lead DG	Mobility and Transport - Rail	28 219 589		28 219 589	680 600
European Maritime Safety Agency	Lead DG	Mobility and Transport – Maritime	89 477 038		89 477 038	0
		Total	163 292 254		163 292 254	3 055 957

# ANNEX 14: Reporting on the Recovery and Resilience Facility NOT APPLICABLE