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European Commission

Annual Activity Report 2023

annexes

DG Climate Action

Contents

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

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

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

Brussels, 31 March 2024

(e-signed)

Yvon SLINGENBERG

Director in charge of Risk Management and Internal Control

([1]) C(2017)2373 of 19.04.2017

ANNEX 2: Performance tables

General objective: an EU Green Deal			
Impact indicator: Greenhouse gas emissions **Explanation:** This indicator measures man-made emissions of the so-called 'Kyoto basket' of greenhouse gases, which are integrated into a single indicator expressed in units of CO2 equivalents using each gas' global warming potential. It shows changes in percent of the emissions compared to 1990 levels. It includes LULUCF and excludes international aviation([2]) **Source of the data:** European Environmental Agency: Approximated GHG inventory (provisional estimates) and Climate Action Progress report ([3])			
Baseline (2018)	**Interim Milestone** (2020)	**Target** (2030)	**Latest known value** (2022)
-25% ([4])	-20%	-55% of net GHG emissions	-32.5% (provisional estimate) ([5])
Impact indicator: Greenhouse gas emissions intensity of energy consumption **Explanation:** The greenhouse gas emissions intensity of energy consumption is the ratio between greenhouse gas emissions of energy sector and the total gross inland consumption of energy. It expresses how many tonnes of CO2 equivalent of greenhouse gases are emitted during energy production per unit of energy consumed. A decrease signifies either burning relatively less fossil fuels or switching to fossil fuels with lower carbon intensity (for example from coal to natural gas). Index: 2000 = 100 **Source of the data:** Eurostat (computed from online data code datasets: ENV_AIR_GGE and NRG_BAL_C .			

([2]) In order to integrate current work on alignment with the scope of the climate targets as set out in the European Climate Law (Regulation (EU) 2021/1119), which covers emissions and removals of greenhouse gases regulated in Union law.
([3]) COM(2023)653
([4]) Baseline value has been updated in order to express it in terms of net greenhouse gas emissions, including LULUCF and excluding international aviation.
([5]) 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 sdg_13_10)

Baseline (2017) (6)	**Interim Milestone (2021)**	**Target (2022)**	**Latest known results (2024)**
86.9	81.2	Decrease	Decrease

Impact indicator: Climate-related economic losses

Explanation: The indicator measures economic losses from weather and climate-related disasters expressed in economic losses per year (in current values) and in euros per inhabitant. Types of disasters considered are hydrological, meteorological and climatological events. Data is presented as smoothed time-series based on 30-year moving averages instead of annual figures

Source of the data: Eurostat (Eurostat online code: sdg_13_40)

Baseline (2017) (7)	**Interim Milestone (2022)**	**Target (2024)**	**Latest known results (2022)**
Total losses: EUR 13 492 million. Average losses over 30 years in euro pro capita: EUR 30.26	Decrease	Decrease	EUR 17 657 million Average losses over 30 years in euro per capita: EUR 39.5

Impact indicator: Climate mainstreaming in the European Union budget

Explanation: Proportion of climate related spending (mainstreaming) in the EU budget

Source of the data: European Commission Draft Budget Reports

Baseline (2014-2020, previous MFF)	**Interim Milestone (2022)**	**Target (2021-2027, current MFF)**	**Latest known results (2023, estimate based on commitment appropriations)**
21%	N/A - there are no annual targets: between 2021-2027 expenditure is expected to fluctuate over the years	30%	32.6%

Specific objective 1.1: Climate neutrality to be achieved by 2050 through a well-functioning EU carbon market and a fair regulatory framework for the EU and its Member States to reduce emissions.

Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Result indicator: Level of greenhouse gas emissions captured in the EU Emission Trading System (ETS)

(6) Slightly differs from the data presented in DG CLIMA Strategic plan 2020-2024 because Eurostat periodically revises its published data (including corrections of baselines retrospectively) to reflect new or improved information, also for previous years.

(7) Slightly differs from the data presented in DG CLIMA Strategic plan 2020-2024 because Eurostat periodically revises its published data (including corrections of baselines retrospectively) to reflect new or improved information, also for previous years.

Explanation: Level of greenhouse gas emissions captured by the EU Emission Trading System (ETS) Directive 2003/87/EC (revised by Directive 2023/959)
Source of the data: Energy Union Governance and climate action progress report (European Commission and European Environment Agency).

Baseline (2005)	Interim Milestone (2020)	Target (2030)	Latest known results (2022)
Index = 100	81 (-21%)	Revised target: 38 (- 62%) compared to 2005	62.7 (-37.3%)

Result indicator: Level of greenhouse gas emissions (non EU ETS sectors)
Explanation: Level of greenhouse gas emissions captured by the EU Effort Sharing Legislation
Source of the data: Energy Union Governance and climate progress report (European Commission and European Environment Agency).

Baseline (2005) (8)	Interim Milestone (2020)	Target (2030)	Latest known results (2021)
2,517.050064 Mt Index=100	90 (-10%)	Revised target: 60 (-40%) compared to 2005	86 (-14%)

Result indicator: Level of net GHG removals
Explanation: The LULUCF Regulation sets a “no debit rule” to ensure that accounted emissions from land use are entirely compensated by an equivalent accounted removal of CO_2 from the atmosphere through action in the sector.
Source of the data: Energy Union Governance and climate progress report (European Commission and European Environment Agency).

Baseline	Target (2027)	Latest known results (2022)
EU27 not in debit	EU27 not in debit for first compliance period up to 2025 The 2030 EU target is - 42 Mt CO2-eq additional net removals compared to average net removals from 2016 to 2018 (in total - 310 MT CO2-eq net removals for 2030)	EU27 not in debit (Approximated data : -244 Mt CO2e)

Result indicator: Level of average CO2 emissions from new cars
Explanation: The average specific CO2 emissions of new light commercial vehicles need to decrease below the level set in Regulation (EU) 2019/631. Every year, the Commission confirms the calculation of the average specific emissions and specific emission targets of manufacturers in the previous calendar year, on the basis of the information on new van

(8) Slightly differs from the data presented in DG CLIMA Strategic plan 2020-2024 because Eurostat periodically revises its published data (including corrections of baselines retrospectively) to reflect new or improved information, also for previous years

registrations submitted by Member States.
Source of the data: Data published by the European Commission and European Environment Agency https://www.eea.europa.eu/data-and-maps/data/vans-16

Baseline (2018)	**Interim Milestone (2020)**	**Target (2024)**	**Latest known results (2022)**
120.4 gCO2/km (NEDC)	95 gCO2/km (9) (NEDC) or 115.14 g CO2/km (WLTP)	95 g CO2/km (10) (NEDC) or 115.14 g CO2/km (WLTP)	108.1 g CO2/km (11)

Result indicator: Level of average CO2 emissions from new vans
Explanation: The average specific CO2 emissions of new light commercial vehicles need to decrease below the level set in Regulation (EU) 2019/631. Every year, the Commission confirms the calculation of the average specific emissions and specific emission targets of manufacturers in the previous calendar year, on the basis of the information on new van registrations submitted by Member States.
Source of the data: Data published by the European Commission and European Environment Agency https://www.eea.europa.eu/data-and-maps/data/vans-16

Baseline (2018)	**Interim Milestone (2020)**	**Target (2024)**	**Latest known results (2022)**
158.1 gCO2/km (NEDC)	147 gCO2/km (12)(NEDC) or 189.92 g CO2/km (WLTP)	147 gCO2/km (NEDC) (13)or 189.92 g CO2/km (WLTP)	183.8 gCO2/km (14)

Result indicator: Level of average CO2 emissions from heavy-duty vehicles (HDV)
Explanation: The average specific CO2 emissions of new heavy-duty vehicles need to decrease below the level set in Regulation (EU) 2019/1242. Every year, the Commission confirms the calculation of the average specific emissions and specific emission targets of manufacturers for the previous reporting period, on the basis of the information on new vehicle registrations submitted by Member States and manufacturers.
Source of the data: Data published by the European Commission and European Environment Agency.

(9) For the purpose of this indicator, the interim milestone is the 2020 EU-fleet wide target set in Regulation (EU) 2019/631
(10) Yearly specific emission targets based on this EU fleet-wide target are set for each manufacturer according to the average mass of their vehicles, using a limit value curve. From 2025, new EU fleet-wide CO2 emission targets will apply.
(11) Using Worldwide harmonised Light Vehicles Test Procedure - WLTP
(12) For the purpose of this indicator, the interim milestone is the 2020 EU-fleet wide target set in Regulation (EU) 2019/631
(13) Yearly specific emission targets based on this EU fleet-wide target are set for each manufacturer according to the average mass of their vehicles, using a limit value curve. From 2025, new EU fleet-wide CO2 emission targets will apply.
(14) Provisional data using Worldwide harmonised Light Vehicles Test Procedure - WLTP

Baseline	Target (2025)	Latest known results (2020)
CO2 emissions between 01 July 2019 and 30 June 2020 (i.e. 52.75 g/tkm)	15% lower than baseline (Index=85)	52.46

Result indicator: Life-cycle GHG emissions from fuels
Explanation: Member States shall require fuel suppliers to reduce the greenhouse gas emission intensity of fuel supplied by 6% by 31 December 2020 as compared to a 2010 baseline (Article 7a (2) of Directive 98/70, Fuel Quality Directive)
Source of the data: Data published by the European Commission and European Environment Agency. https://www.eea.europa.eu/data-and-maps/data/fuel-quality-directive-2 we suggest to use this dashboard: https://climate-energy.eea.europa.eu/topics/transport/fuel-quality/data

Baseline (2010)	Interim Milestone (2020)	Target (2024)	Latest known results (2021)
94.1 gCO_{2eq}/MJ (Index=100)	6% lower than baseline (Index=94)	6% lower than baseline (Index=94) (15)	5.5% lower than baseline

Result indicator: CO2 storage capacity enabled.
Source of the data: Draft storage permits

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
0 Mt CO2/y	2Mt CO2/y	3 Mt CO2/y	One non-binding opinion issued by the Commission in 2022, with expected storage of 2.3 Mt/y as of 2024 (16)

Result indicator: Level of F-gas emissions (mainly hydrofluorocarbons (HFCs)
Explanation: F-gases are produced to be used in products and equipment, from which they leak into the atmosphere. The F-gas Regulation (EU) No 517/2014 currently in place seeks to reduce these emissions by 2/3 by 2030, based on a 2014 baseline.
Source of the data: EEA greenhouse gas viewer, based on Member States submissions under the EU greenhouse gas monitoring mechanism https://www.eionet.europa.eu/etcs/etc-cm/products/etc-cm-report-2023-05-approximated-eu-greenhouse-gas-inventory; https://www.eea.europa.eu/en/datahub/datahubitem-view/f6e68f73-b494-4f8c-8c73-8a153a53f64a

(15) The amendment of the Renewable Energy Directive (EU) 2023/2413 repealed the 6% GHG intensity of transport fuels target from the Fuel Quality Directive as of the 20 November 2023.
(16) The actual permit approval is in the remit of Member States.

Baseline (2014)	Interim Milestone (2024)	Target (2030)	Latest known results (2022)
123.9 Mt CO2 eq. emitted	86.7 Mt CO2 eq. emitted	40.9 Mt CO2 eq. emitted	72.6 Mt CO2 eq emitted (-41 %)

Result indicator: Ozone depleting substances: maintain zero consumption.
Explanation: Consumption of ozone-depleting substances is an aggregated parameter calculated for data reported under the Montreal Protocol. It is calculated as: production + import – export – destruction. It excludes non-virgin imports and exports and amounts that are produced for feedstock and process agent use.
Source of the data: Annual report on ozone-depleting substances in the EU submitted to the United Nations Environment Programme, based on data that EU undertakings report to the Commission under the Ozone Regulation (EC) 1005/2009.
https://ozone.unep.org/taxonomy/term/881

Baseline	Target (2024)	Latest known results (2022)
Zero consumption		*- 3 900 ODP tonnes

Result indicator: Proportion of proposed legislative revisions that include burden reduction measures
Explanation: The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.
Source of the data: DG CLIMA

Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
(N/A)	Positive trend	Positive trend	100% [17]

Result indicator: Percentage of impact assessments submitted by DG CLIMA to the Regulatory Scrutiny Board that received a favourable opinion on first submission
Explanation: The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices.
Source of the data: DG CLIMA

(17) Burden reduction measures included in the two legislative proposals adopted in 2023, i.e. the review of the CO2 emission standards for heavy-duty vehicles and the monitoring framework for resilient European forests

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
50%	50%	75%	50% [18]

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results
Review of the CO_2 emission standards for HDVs	Adoption by the Commission, including publication of the impact assessment	Q1 2023	Adopted in Q1 2023
New EU framework for forest monitoring and strategic plans	Adoption by the Commission	Q2 2023	Adopted in Q4 2023 [19]
Communication on carbon capture utilisation and storage deployment	Adoption by the Commission	Q4 2023	Postponed to Q1 2024 [20]

Public consultations

Output	Indicator	Target	Latest known results
Public consultation on the 2040 climate target	Public consultation launched	Q1 2023	Launched in Q1 2023

Other important outputs

Output	Indicator	Target	Latest known results
Revision of the F-gas regulation (COM(2022) 150 final [21]	Agreement by co-legislators	Q3 2023	Provisional political agreement reached in Q3 2023
Revision of the ozone regulation (COM(2022) 151 final [22]	Agreement by co-legislators	Q3 2023	Provisional political agreement reached in Q3 2023
Regulation establishing an EU regulatory framework for the certification of	Agreement by co-legislators	Q4 2023	Interinstitutional negotiations still on-going. DG CLIMA will continue to support the co-

(18) DG CLIMA presented two initiatives to the Regulatory Scrutiny Board in 2023. The DG received, on first submission, one positive opinion on the monitoring framework for resilient European forests (together with DG ENV) and one negative opinion on the EU climate target for 2040 (together with DG ENER) followed by a positive opinion after second submission.

(19) The Regulation was adopted on 22 November 2023 following comprehensive stakeholder consultations.

(20) Timing of adoption was aligned with adoption of the Communication on the climate target for 2040 because of interlinkages between both initiatives.

(21) Proposal for a regulation of the European Parliament and of the Council on fluorinated greenhouse gases, amending Directive (EU) 2019/1937 and repealing Regulation (EU) No 517/2014, COM(2022) 150 final

(22) Proposal for a regulation of the European Parliament and of the Council on substances that deplete the ozone layer and repealing Regulation (EC) No 1005/2009, COM(2022) 151 final.

carbon removals (COM(2022) 672 final [23])			legislators with the aim of reaching an agreement before the end of the European Parliament's term
Procurement contracts	Contracts signed	14 contracts signed by 31 December 2023	More than 14 contracts signed by 31/12/2023

Specific objective 1.2: EU climate legislation is monitored through the Energy Union Governance, is properly applied and enforced and is mainstreamed in the European Semester process

Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Result indicator: Level of uptake of (new) post 2020-EU GHG emission reduction target in national energy and climate plans

Explanation: The Governance Regulation (Regulation (EU) 2018/1999) requires Member States (MS) to submit to the Commission their integrated national energy and climate plan (NECP) to meet the EU's energy and climate targets for 2030.

Source of the data: State of the Energy Union report

Baseline (2019)	**Interim Milestone (2020)**	**Target (2024)**	**Latest known results (2023)**
Member States submitted their draft NECPs	Member States' final NECPs reflecting the at least 40% GHG emission reduction target at EU level by 2030.	Member States' final updated NECPs reflecting the updated EU post-2020 goals.	The Commission published its EU-wide assessment of the draft updated NECPs, together with individual assessments and country-specific recommendations for the 21 Member States that submitted their draft plans before mid-November 2023. Taking into account the information provided in the draft updated NECPs, eight Member States reach their ESR targets.

Result indicator: Timeliness of transposition and conformity checks conducted by DG CLIMA

Explanation: DG CLIMA monitors the transposition of Directives through transposition checks and conformity checks of national measures

Source of the data: DG CLIMA

(23) European Commission, Proposal for a regulation of the European Parliament and of the Council establishing a Union certification framework for carbon removals, COM(2022) 672 final.

Baseline (2019)	Interim Milestone (2020)	Target (2024)	Latest known results (2023)
All transposition checks and conformity checks are performed on time	Conformity check of national measures transposing Directive 2015/652 (calculation methods and reporting requirements under the Fuel Quality Directive) Completeness check of national measures transposing the revised EU Emission Trading System (EU ETS) Directive for the phase 4	Transposition and conformity checks of revised Directives (to be confirmed, depending on the 2030 increased targets)	Remaining conformity checks for Directive (EU) 2018/410 completed. In the broader context of enforcement of EU law, continuation of infringement proceedings regarding delayed submission of long-term strategies, and launch of EU Pilot dialogues regarding delayed submission of updated National Energy and Climate Plans.

Main outputs in 2023:

Other important outputs

Output	Indicator	Target	Latest known results
Commission assessment and possible recommendations on the Member States' draft updated national energy and climate plans for 2021–2023	Adoption by the Commission	Q4 2023	Adoption in Q4 2023
Contribution to reflection of climate priorities in the implementation of the recovery and resilience plans and in the assessment of the Member States' REPowerEU chapters	Delivery	2023	Delivered throughout 2023
Integration of climate transitions into the European semester (annual sustainable growth strategy, country reports and country-specific recommendations)	Delivery	2023	Delivered in Q2 2023
State of the energy union report, including climate action progress report for 2023	Adoption by the Commission	Q3 2023	Adoption in Q3 2023
Procurement contracts	Contracts signed	Three contracts signed by 31 December 2023	More than 3 contracts signed by 31/12/2023

Specific objective 1.3: Climate-related spending mainstreamed in the EU budget and in private funds to finance the green and just transition and invest in particular in low carbon and other climate innovations.

Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Result indicator: GHG emissions reduction or avoidance triggered by projects financed under the Innovation Fund and the Private Finance for Energy Efficiency (PF4EE)
Explanation: The three instruments mentioned above finance concrete low-carbon projects
Source of the data: Annual operational report from the European Investment Bank (for PF4EE), annual reports from the Innovation and Networks Executive Agency (for the Innovation Fund)
Methodology for calculating the indicator: In general, data reported will correspond to the achieved reduction (or avoidance) of GHG emissions triggered by the projects. However, for the Innovation Fund during the first years of implementation, data reported will correspond to the expected GHG emissions avoided or reduced, until first projects enter into operation. This is due to the time lag between contract signature and entry of projects into operation.

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
For the Innovation Fund: Not applicable because it is a new instrument	N/A before award of financing to first projects	N/A before award of financing to first projects	Planned GHG emission avoidance: 442 million tonnes CO2eq [24] Achieved GHG emission avoidance: 39,9 tonnes CO2eq [25]
For PF4EE: 57 190 tons of CO2	152 000 tCO2	247 000 tCO2	114 367,09 tCO2

Result indicator: Investment mobilised through the Innovation Fund and the Private Finance for Energy Efficiency (PF4EE) and NER300.
Explanation: The level of investment mobilised corresponds to the volume of clean-tech investments mobilised by the NER300, PF4EE and the Innovation Fund.
Source of the data: Respective programme annual reports.
Methodology for calculating the indicator: Total volume of investments triggered by the financing provided by the respective programme.
The Private Finance for Energy Efficiency (PF4EE)

Baseline	Interim Milestone	Target	Latest known results (2023)
EUR 150 million	EUR 400 million	EUR 700 million	EUR 691 million

(24) For all projects under implementation on 31 December 2023. This figure does not include an outlier project from the first call for small scale projects which accounts for 26,9 million tonnes CO2eq.
(25) For the projects that entered into operation and reported by 31 December 2023 (i.e. only 1 project).

Innovation Fund			
Baseline	**Interim Milestone**	**Target**	**Latest known results (2023)**
N/A because new instrument	N/A before award of financing to first projects	N/A before award of financing to first projects	EUR 35,332 million [26]

Result indicator: Expected reduction of GHG emissions triggered by LIFE projects
Explanation: Results from projects financed by the LIFE programme
Source of the data: Programme Statement LIFE programme, based on the LIFE Key Performance Indicators (KPI) database managed by CINEA

Methodology for calculating the indicator: This indicator catches the additional GHG reductions of CO2 and other GHGs emissions, reported in tonnes of CO2 equivalent per year (CO2e/year). Considering the project life cycle and the delays in the start-up of the programme implementation, data on 2021 projects are available starting from 2024. Data are cumulative and will be progressively updated. Milestones and targets are purely indicative and based on historical trends and projections on the average size and the estimated budget allocations for these projects. The actual result will depend on these variables and on the intervention area of projects retained for funding after the evaluation process.

Baseline (2020)	**Interim Milestone (2022)**	**Target (2030)**	**Latest known results (2021)**
12 000 000 tCO2eq/year	12 000 000 tCO2eq/year	16 466 390 tCO2eq/year	12 792 282 tCO2eq/year

Result indicator: Population in vulnerable areas/cities benefitting from further protection against the adverse effects of climate change
Explanation: Results from projects financed by the LIFE programme that aim to strengthen resilience and adaptive capacity to climate-related hazards and natural disasters
Source of the data: Programme Statement LIFE programme, based on the LIFE Key Performance Indicators (KPI) database managed by the Executive Agency for Small and Medium-sized Enterprises (EASME)
Methodology for calculating the indicator: number of people whose climate sensitivities are reduced and adaptive capacities are increased as a result of LIFE projects. Considering the project life cycle and the delays in the start-up of the programme implementation, data on 2021 projects are available starting from 2024. Data are cumulative and will be progressively updated. Milestones and targets are purely indicative and based on historical trends and projections on the average size and the estimated budget allocations for these projects. The actual result will depend on these variables and on the intervention area of projects retained for funding after the evaluation process.

(26) Expected volume of investments triggered, calculated as total CAPEX including the Innovation Fund grant, for the projects that signed a grant agreement by the end of 2023

Baseline (2020)	Interim Milestone (2022)	Target (2030)	Latest known results (2021)
1 700 000	1 700 000	3 140 408	3 427 190 [27]

Main outputs in 2023:

New policy initiatives

Output	Indicator	Target	Latest known results
Commission delegated regulation on competitive bidding under the Innovation Fund and implementation of other changes stemming from the revision of the ETS directive	Adoption	Q3 2023	Adopted in Q3 2023
Amendment of the Modernisation Fund implementing regulation following the changes stemming from the revision of the ETS directive	Adoption	Q3 2023	Adopted in Q4 2023 [28]

Evaluations and fitness checks

Output	Indicator	Target	Latest known results
Evaluation of the LIFE programme 2014–2020	Publication of the evaluation staff working document	Q4 2023	Q1 2024 [29]

External communication actions

Output	Indicator	Target	Latest known results
Innovation Fund information day hybrid events to promote the launched calls	Number of participants per event (two events)	300 participants per event	2 events organised in Q4 2024 with around 1100 participant per event [30]
Innovation Fund hybrid stakeholder workshops for the preparation of the	Number of participants per event (four events)	50 participants per event	5 workshops organised with, on average, around 60 participants

(27) The value for this indicator exceeds the initial planning. The scope of the projects on climate adaptation is wider than expected. Milestones and target will need to be revised as soon as more data will become available to confirm the trend.

(28) The adoption of the implementing regulation was intentionally postponed. This had no practical consequences insofar as the new rules of the Modernisation Fund came into application on 1 January 2024.

(29) Considering that most of the LIFE 2024-2020 projects are still ongoing, the time allocated to data analysis has been extended in order to make best use of all available information.

(30) Infoday for the IF23Call with 1250 peak viewers (participants) online and Infoday for he IF23Auctions with 970 peak viewers (participants) online

large- and small-scale calls			in person and 175 participants online ([31])
Knowledge-sharing hybrid events for Innovation Fund projects	Number of participants per event (two events)	50 participants per event	3 events organised with more than 60 participants per event ([32])

Other important outputs

Output	**Indicator**	**Target**	**Latest known results**
Innovation Fund award decisions third call for large-scale projects	Decision adopted	Q4 2023	Adopted in Q4 2023
Innovation Fund award decisions second call for small scale projects	Decision adopted	Q1 2023	Adoption in Q2 2023 ([33])
Innovation Fund progress report for 2023	Adoption	Q3 2023	Adopted in Q3 2023
Grant award decisions under the 2022 LIFE climate mitigation and adaptation calls for proposals on standard action projects and strategic integrated projects	Adoption	Q2 for proposals on standard action projects Q4 2023 for proposals on strategic integrated projects	Adopted in Q2 for proposals on standard action projects and Q4 2023 for proposals on strategic integrated projects
Two disbursement decisions under the Modernisation Fund	Decisions adopted	One disbursement decision in Q2 2023 and one disbursement decision in Q4 2023	One disbursement decision adopted in Q2 2023 and one in Q4 2023
Procurement contracts	Contract signed	Four contracts signed by 31 December 2023	More than 4 contracts signed by 31/12/2023

([31]) General workshop: 139 participants in person and 372 online. Sectoral workshop A aviation: 23 participants in person and around 150 online; Sectoral workshop B Industry: 24 participants in person and around 150 online; Sectoral workshop C Maritime: 36 participants in person and around 100 online; Sectoral workshop D Clean tech manufacturing: 81 participants in person and around 100 online.

([32]) Event on cabon capture and storage: 105 participants, on Hydrogen : 70 participants, on Energy storage : 60 participants

([33]) The process took longer than initially planned but the overall grant signature did take place within CINEA's KPI of time to grant: 9 months from the call deadline. The decision was adopted as soon as CINEA has finalised the grant agreement preparations with the projects selected.

Specific objective 1.4: A voice and a space is given to citizens, cities, regions and all stakeholders to design and implement climate actions, share information, launch grassroots activities and showcase solutions that others can follow through the Climate Pact and the EU Covenant of Mayors

Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Result indicator: % of respondents that have personally taken action to fight climate change

Explanation: Result of face-to-face interviews carried out in all Member States of the EU with respondents from different social and demographic groups. The following question is asked: “Have you personally taken any action to fight climate change over the past six months?”

Source of the data: EU barometer survey (conducted every two years)

Baseline (2018)	Interim Milestone (2020)	Target (2024)	Latest known results (2023)
60%	Further increase	As high as possible, further increase	63%

Result indicator: Population covered by the EU Covenant of Mayors for Climate and Energy

Explanation: Population covered by the EU Covenant of Mayors for Climate and Energy, representing the size of population living in jurisdiction that have voluntarily committed to achieving and exceeding the EU climate and energy targets

Source of the data: Sustainable development goals indicators, (Eurostat online data code: sdg_13_60)

Baseline (2019) (34)	Target (2024)	Latest known results (2022)
188.5 million people	Steady increase	195.950 million people

Main outputs in 2023

External communication actions

Output	Indicator	Target	Latest known results
Climate Pact: stocktaking event	Number of attendees	500 attendees (in person and/or online)	436 in person and 6202 online attendees

Other important outputs

(34) Slightly differs from the data presented in DG CLIMA Strategic plan 2020-2024 because Eurostat periodically revises its published data (including corrections of baselines retrospectively) to reflect new or improved information, also for previous years

Output	Indicator	Target	Latest known results
Climate Pact pledges recorded (individuals and organisations)	Number of pledges recorded (since its launch)	125 000	114,169 registered EU users on the 'Count Us In' platform for individual pledges and 3,615 pledges [35] from 350 organisations and groups during the Pact's first implementation phase (until May 2023) [36]
Climate Pact ambassadors	Number of ambassadors nominated (since its launch)	1 000	Over 1,000 ambassadors onboarded during the Pact's first implementation phase (until May 2023); 758 Ambassadors on 31/12/2023 [37]
Major contract to support the Climate Pact	Contract signed	Q2 2023	Contract signed in May 2023
Procurement contracts	Contracts signed	Two contracts signed by 31/12/2023	More than 2 contracts signed by 31/12/2023

Specific objective 1.5: *EU society (people, nature and welfare) is increasingly climate-resilient, adapted and equipped, protected and insured against the adverse impacts of* climate change
Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Result indicator: Number of Member States with adaptation plans
Explanation: Number of EU Member States that have communicated the establishment or operationalisation of an integrated plan which increases their ability to adapt to the adverse impacts of climate change and foster climate resilience. National Adaptation Plans usually aim to implement National Adaptation Strategies and to organise activities for achieving their objectives. **Source of the data:** Climate-ADAPT, https://climate-adapt.eea.europa.eu/countries-regions/countries

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
20	23	All Member States	27

Main outputs in 2023:

External communication actions

Output	Indicator	Target	Latest known results
Climate adaptation mission – launch of the community of practice	Number of attendees	300 (in person and online)	300 in person and 300 attendees online attendees

[35] And a total of 4,379,976 climate action steps registered
[36] The pledging programme was replaced by a new partnership approach in the second implementation phase (from May 2023)
[37] The Ambassador programme was reviewed in the second implementation phase (from May 2023)

Climate adaptation mission – annual mission forum	Number of attendees	400 in-person attendees and up to 1 000 online attendees	239 in person and 264 attendees online attendees

Other important outputs

Output	Indicator	Target	Latest known results
Implementation of the actions as planned in the adaptation strategy	All actions planned for 2023 implemented on time	2023	All actions planned for 2023 were implemented.
Horizon Europe – award decisions on the second call for proposals under the mission on adaptation	Decisions adopted	Q2 2023	Work Programme 2022 award decision adopted in Q2 2023 ([38])
Organise climate resilience dialogue	Two meetings organised	Q2 and Q3 2023	One in-person meeting organised in Q2, the second one postponed to January 2024 ([39])
Procurement contracts	Contracts signed	One contract signed by 31/12/ 2023	More than 1 contract signed by 31/12/2023

Specific objective 6: INTERNATIONAL NEGOTIATIONS: The level of ambition of other GHG emitters is increased thanks to the EU's leading role in climate diplomacy in line with the Paris Agreement and SDG 13

Related spending programme(s): LIFE programme 2021–2027 (Regulation 2021/783)

Main outputs in 2023:

External communication actions

Output	Indicator	Target	Latest known results
Side events hosted under the EU pavilion at COP28	Number of attendees (around 90 events)	An average of 40 participants per event (in person and/or online)	48 participants per event organised on site (49 events) 96 viewers per virtual or hybrid event (37 events)

Other important outputs

Output	Indicator	Target	Latest known results
Lead the EU negotiations at COP28	Completion	Q4 2023	Completed in Q4 2023
Preparation of Environment Council conclusions on COP28	Adoption	Q4 2023	Completed in Q4 2023
Preparation, organisation, delivery and follow-up of the annual Florence meeting	Completion	Q2 2023	Completed in Q2 2023
Ministerial on Climate Action (MoCA) process	Completion	Q3 2023	Completed in Q3 2023
Number of green	Number of	Two	Two green alliance and

([38]) Grants have been signed in May 2023

([39]) The Dialogue held monthly remote meetings.

alliances and green partnerships	partnerships established		partnerships launched in 2023 (with Norway and the Republic of Korea)
Procurement contracts	Contracts signed	Two contracts signed by 31 December 2023	More than 2 contracts signed by 31/12/2023

ANNEX 3: Draft annual accounts and financial reports

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2023 (in Mio €) for DG CLIMA					
			Commitment appropriations authorised*	**Commitments made**	**%**
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.05	0.01	29.77 %
	01 02	Horizon Europe	1.50	1.50	100.00 %
Total Title 01			**1.55**	**1.51**	**97.84 %**
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
Total Title 02			**0.00**	**0.00**	**0.00 %**
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the `Environment and Climate Action¿ Cluster	3.04	3.04	99.96 %
	09 02	Programme for the Environment and Climate Action (LIFE)	26.65	24.65	92.53 %
Total Title 09			**29.69**	**27.70**	**93.29 %**
Title 14 External Action					
14	14 02	Neighbourhood, Development and International Cooperation Instrument ¿ Global Europe (NDICI ¿ Global Europe)	18.00	15.00	83.33 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.86	0.86	100.00 %
Total Title 14			**18.86**	**15.86**	**84.10 %**
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %
Total Title 15			**0.00**	**0.00**	**0.00 %**
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	12.00	0.00	0.00 %
	16 03	Support innovation in low-carbon technologies and processes under the Emission Trading System (ETS)	1,701.38	7.93	0.47 %
Total Title 16			**1,713.38**	**7.93**	**0.46 %**
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.23	0.23	99.74 %
Total Title 20			**0.23**	**0.23**	**99.74 %**
Total Excluding NGEU			**1,763.71**	**53.23**	**3.02 %**

Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.12	0.00	0.00 %
Total Title 01			**0.12**	**0.00**	**0.00 %**
Total NGEU Only			**0.12**	**0.00**	**0.00 %**

Total DG CLIMA	**1,763.83**	**53.23**	**3.02 %**

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

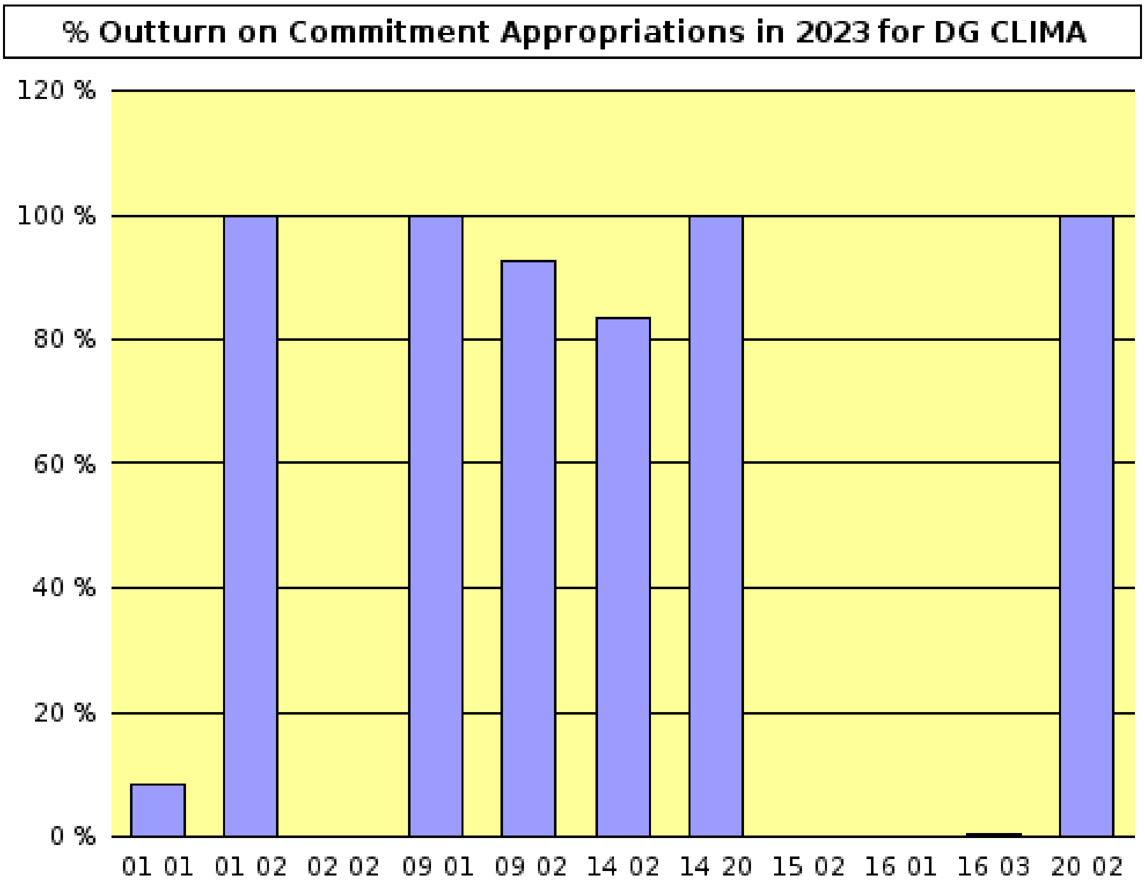


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2023 (in Mio €) for DG CLIMA					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.05	0.00	0.00 %
	01 02	Horizon Europe	0.92	0.92	100.00 %
Total Title 01			**0.96**	**0.92**	**95.07%**
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
Total Title 02			**0.00**	**0.00**	**0.00%**
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the `Environment and Climate Action¿ Cluster	5.04	2.58	51.33 %
	09 02	Programme for the Environment and Climate Action (LIFE)	24.85	24.75	99.59 %
Total Title 09			**29.89**	**27.34**	**91.46%**
Title 14 External Action					
14	14 02	Neighbourhood, Development and International Cooperation Instrument ¿ Global Europe (NDICI ¿ Global Europe)	11.22	11.22	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.86	0.86	100.00 %
Total Title 14			**12.09**	**12.09**	**100.00%**
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.38	0.38	100.00 %
Total Title 15			**0.38**	**0.38**	**100.00%**
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	12.00	0.00	0.00 %
	16 03	Support innovation in low-carbon technologies and processes under the Emission Trading System (ETS)	8,150.97	14.52	0.18 %
Total Title 16			**8,162.97**	**14.52**	**0.18%**
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.33	0.30	92.36 %
Total Title 20			**0.33**	**0.30**	**92.36%**
Total Excluding NGEU			**8,206.62**	**55.54**	**0.68%**

Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.21	0.00	0.00 %
Total Title 01			**0.21**	**0.00**	**0.00%**
Total NGEU Only			**0.21**	**0.00**	**0.00%**

Total DG CLIMA	**8,206.84**	**55.54**	**0.68 %**

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

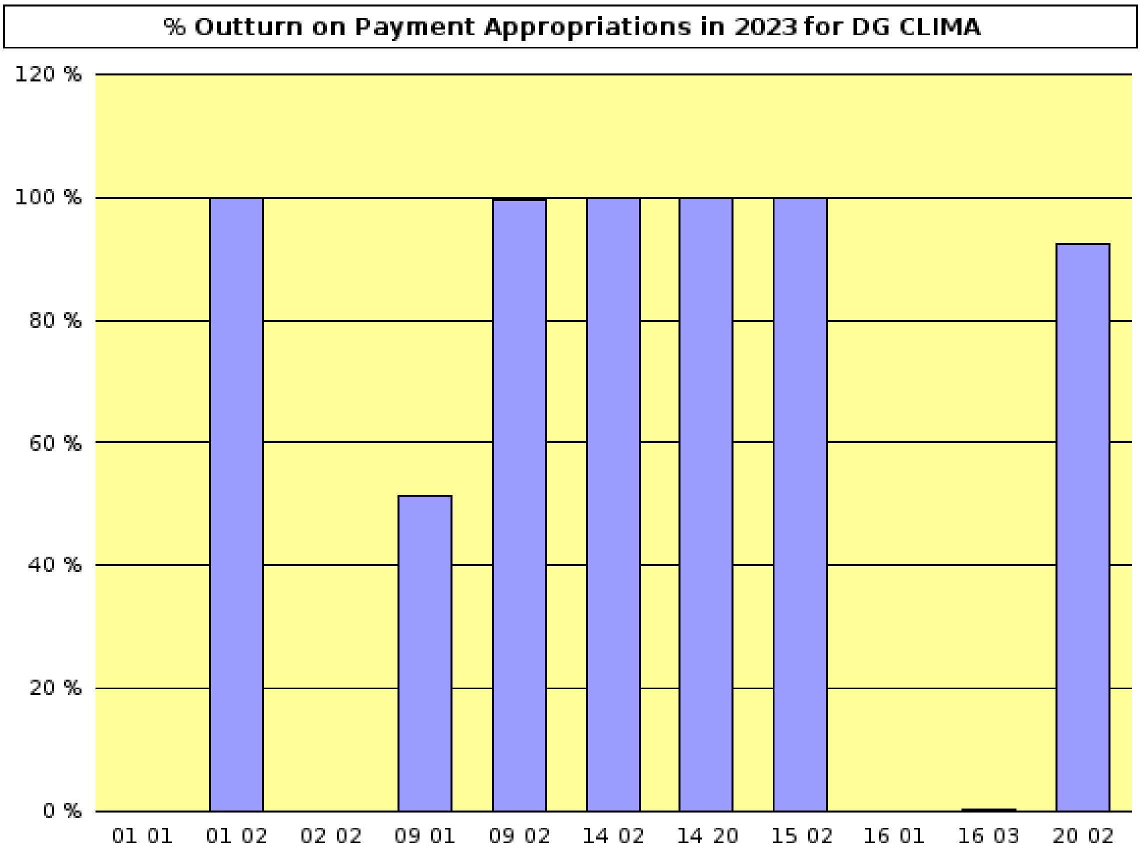

% Outturn on Payment Appropriations in 2023 for DG CLIMA
120 %
100 %
80 %
60 %
40 %
20 %
0 %
01 01
01 02
02 02
09 01
09 02
14 02
14 20
15 02
16 01
16 03
20 02

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG CLIMA									
			Commitments to be settled				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 at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			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	0.01	0.00	0.01	100.00%	0.00	0.01	0.00
	01 02	Horizon Europe	1.50	0.00	1.50	100.00%	2.25	3.75	3.41
Total Title 01			**1.51**	**0.00**	**1.51**	**100.00%**	**2.25**	**3.76**	**3.41**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG CLIMA									
			Commitments to be settled				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 at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	24.16	24.16	44.87
Total Title 02			**0.00**	**0.00**	**0.00**	**0.00%**	**24.16**	**24.16**	**44.87**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG CLIMA									
			Commitments to be settled				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 at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			

			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	3.04	0.63	2.41	79.21%	0.00	2.41	1.99
	09 02	Programme for the Environment and Climate Action (LIFE)	24.65	6.15	18.51	75.07%	23.39	41.90	42.50
Total Title 09			**27.70**	**6.78**	**20.92**	**75.52%**	**23.39**	**44.30**	**44.49**

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2023 (in Mio €) for DG CLIMA									
			Commitments to be settled				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 at end of financial year 2022
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 02	Neighbourhood, Development and International Cooperation Instrument ¿ Global Europe (NDICI ¿ Global Europe)	15.00	0.00	15.00	100.00%	17.62	32.62	31.87
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	0.86	0.86	0.00	0.00%	0.00	0.00	0.00
Total Title 14			**15.86**	**0.86**	**15.00**	**94.55%**	**17.62**	**32.62**	**31.87**

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

Chapter			Commitments to be settled				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 at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			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%	0.80	0.80	1.18
Total Title 15			**0.00**	**0.00**	**0.00**	**0.00%**	**0.80**	**0.80**	**1.18**

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

Chapter			Commitments to be settled				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 at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			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	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
	16 03	Support innovation in low-carbon technologies and processes under the Emission Trading System (ETS)	7.93	6.97	0.96	12.16%	15.83	16.80	23.38
Total Title 16			**7.93**	**6.97**	**0.96**	**12.16%**	**15.83**	**16.80**	**23.38**

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

Chapter			Commitments to be settled				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 at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.23	0.22	0.01	2.33%	0.00	0.01	0.10
Total Title 20			**0.23**	**0.22**	**0.01**	**2.33%**	**0.00**	**0.01**	**0.10**
Total Excluding NGEU			**53.23**	**14.83**	**38.40**	**72.13%**	**84.05**	**122.45**	**149.30**

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

Chapter			Commitments to be settled				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 at end of financial year 2022
			Commitments	Payments	RAL	% to be settled			
			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	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 01			**0.00**	**0.00**	**0.00**	**0.00%**	**0.00**	**0.00**	**0.00**
Total NGEU Only			**0.00**	**0.00**	**0.00**	**0.00%**	**0.00**	**0.00**	**0.00**

Total for DG CLIMA	**53.23**	**14.83**	**38.40**	**72.13 %**	**84.05**	**122.45**	**149.30**

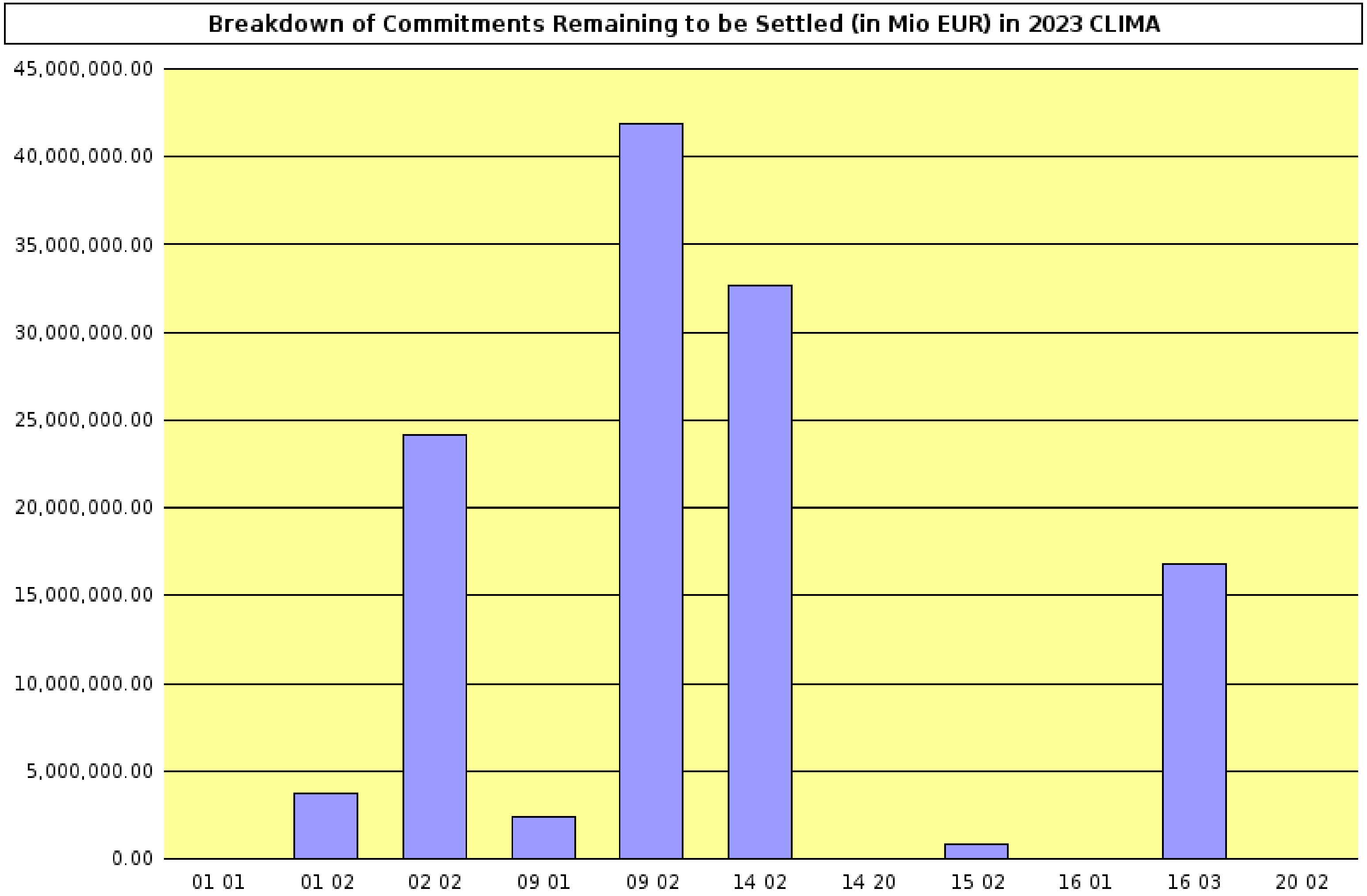

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2023 CLIMA
45,000,000.00
40,000,000.00
35,000,000.00
30,000,000.00
25,000,000.00
20,000,000.00
15,000,000.00
10,000,000.00
5,000,000.00
0.00
01 01
01 02
02 02
09 01
09 02
14 02
14 20
15 02
16 01
16 03
20 02

TABLE 4 : BALANCE SHEET for DG CLIMA

BALANCE SHEET	2023	2022
A.I. NON CURRENT ASSETS	7,770,525,755.24	5,642,510,448.73
A.I.1. Intangible Assets	837,776.84	1,675,553.68
A.I.4. Non-Current Financial Assets	7,768,355,231.40	5,639,842,328.05
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	1,332,747.00	992,567.00
A.II. CURRENT ASSETS	-2,970,979,639.77	-1,501,507,362.96
A.II.1. Current Financial Assets	985,555,210.65	835,796,249.06
A.II.2. Current Pre-Financing	28,339,764.91	21,942,576.06
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	-4,316,149,390.62	-2,849,217,608.93
A.II.6. Cash and Cash Equivalents	331,274,775.29	489,971,420.85
ASSETS	**4,799,546,115.47**	**4,141,003,085.77**
P.II. CURRENT LIABILITIES	-18,152,878.14	-10,695,815.08
P.II.3. Current Financial Liabilities	-14,156,646.00	-7,326,537.00
P.II.4. Current Payables	-3,996,232.14	-3,369,278.08
P.II.5. Current Accrued Charges &Defrd Income	0.00	0.00
LIABILITIES	**-18,152,878.14**	**-10,695,815.08**
NET ASSETS (ASSETS less LIABILITIES)	**4,781,393,237.33**	**4,130,307,270.69**

P.III.2. Accumulated Surplus/Deficit	-6,628,628,414.05	-4027632646

Non-allocated central (surplus)/deficit*	1,847,235,176.72	-102,674,624.50

TOTAL DG CLIMA	**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.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG CLIMA

STATEMENT OF FINANCIAL PERFORMANCE	**2023**	**2022**
II.1 REVENUES	-2,785,258,149.93	-3,195,012,489.64
II.1.1. NON-EXCHANGE REVENUES	-2,317,918,605.09	-3,194,991,604.53
II.1.1.5. FINES	-505,903,727.82	-2,635,774.62
II.1.1.6. RECOVERY OF EXPENSES	-186.98	
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-1,812,014,690.29	-3,192,355,829.91
II.1.2. EXCHANGE REVENUES	-467,339,544.84	-20,885.11
II.1.2.1. FINANCIAL INCOME	-478,765,659.25	-3,523,444.11
II.1.2.2. OTHER EXCHANGE REVENUE	11,426,114.41	3,502,559.00
II.2. EXPENSES	47,406,351.19	521,559,284.78
II.2. EXPENSES	47,406,351.19	521,559,284.78
II.2.11.OTHER EXPENSES	9,759,595.86	9,473,279.42
II.2.2. EXP IMPLEM BY COMMISS&EX.AGENC. (DM)	15,860,876.12	19,471,010.36
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	5,548,871.46	1,098,406.81
II.2.5. EXP IMPLEM BY OTHER ENTITIES (IM)	6,993,187.82	3,515,841.00
II.2.8. FINANCE COSTS	9,243,819.93	488,000,747.19
STATEMENT OF FINANCIAL PERFORMANCE	**-2,737,851,798.74**	**-2,673,453,204.86**

TABLE 5bis : OFF BALANCE SHEET for DG CLIMA

OFF BALANCE	**2023**	**2022**
OB.1. Contingent Assets	0.00	0.00
GR for pre-financing	0.00	0.00
OB.2. Contingent Liabilities	-67,784,855.00	-72,457,437.00
OB.2.1. Guarantees given for EU FI	-67,784,855.00	-72,457,437.00
OB.2.6. CL Other		0.00
OB.4. Balancing Accounts	67,784,855.00	72,457,437.00
OB.4. Balancing Accounts	67,784,855.00	72,457,437.00
OFF BALANCE	**0.00**	**0.00**

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	361	358	99.17 %	12.71	3	0.83 %	68.33	51,615.27	0. %
60	97	96	98.97 %	19.57	1	1.03 %	61.00	22,623.00	0. %
90	12	11	91.67 %	43.18	1	8.33 %	102.00	101,331.63	3. %

Total Number of Payments	**470**	**465**	**98.94 %**		**5**	**1.06 %**		**175569.9**	**0. %**
Average Net Payment Time	**15.47021277**			**14.85**			**73.60**		
Average Gross Payment Time	**19.66595745**			**18.7204301**			**107.6**		

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	26	76	16.17 %	470	5,137,235.66	9.50 %	54,069,311.60

Late Interest paid in 2023			
DG	**GL Account**	**Description**	**Amount (Eur)**
CLIMA	65010100	Interest on late payment of charges New FR	249.86
			249.86

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2023 for DG CLIMA								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
33	Other administrative revenue	24,000.00	0.00	24,000.00	24,000.00	0.00	24,000.00	0.00
42	Fines and penalties	505,903,727.82	8,023,037.19	513,926,765.01	495,968,462.98	8,023,037.19	503,991,500.17	9,935,264.84
62	Natural resources and environment	216.98	0.00	216.98	216.98	0.00	216.98	0.00
66	Other contributions and refunds	1,812,014,690.29	742,147,717.64	2,554,162,407.93	891,429,724.90	742,147,717.64	1,633,577,442.54	920,584,965.39
Total DG CLIMA		**2,317,942,635.09**	**750,170,754.83**	**3,068,113,389.92**	**1,387,422,404.86**	**750,170,754.83**	**2,137,593,159.69**	**930,520,230.23**

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in for DG CLIMA

EX-ANTE CONTROLS BY TRANSACTION	Irregularity	Total ex-ante amounts
NON ELIGIBLE IN COST CLAIMS		
CREDIT NOTES	19,426.17	**19,426.17**
RECOVERY ORDERS ON PRE-FINANCING		
Sub-Total	**19,426.17**	**19,426.17**

EX-POST CONTROLS BY TRANSACTION	Irregularity	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
INCOME LINES IN INVOICES		
Sub-Total		
GRAND TOTAL (EX-ANTE + EX-POST)	**19,426.17**	**19,426.17**

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

	Number at 12/31/2022	Number at 12/31/2023	Evolution	Open Amount (Eur) at 12/31/2022	Open Amount (Eur) at 12/31/2023	Evolution
2023		9			930,520,230.23	
		9			**930,520,230.23**	

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2023 for DG CLIMA					
Waiver Central Key	**Linked RO Central Key**	**RO Accepted Amount (Eur)**	**LE Account Group**	**Commission Decision**	**Comments**

Total DG CLIMA	

Number of RO waivers	

There are no waivers below 60 000 €

TABLE 11 : Negotiated Procedures in 2023 for DG CLIMA

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (a) - Follow-up of an open/restricted procedure where no (or no suitable) tenders/requests to participate have been submitted	1	459,710.00
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	1	1,225,900.00
Annex 1 - 11.1 (e) - New services/works consisting in the repetition of similar services/works	1	1,327,789.00
Total	**3**	**3,013,399.00**

TABLE 12 : Summary of Procedures in 2023 for DG CLIMA

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Restricted procedure - As provided for in FR 164(1)(b) - Services/Supplies as from EUR 300 000 - Works as from EUR 5 000 000 - publication (Annex 1 - 38.1 (a))	1	2,749,630.69
Total	**1**	**2,749,630.69**

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	2	234,768.00
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	3,013,399.00
Open procedure (FR 164 (1)(a))	11	24,768,131.40
Total	**16**	**28,016,298.40**

TABLE 13 : BUILDING CONTRACTS in 2023 for DG CLIMA

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

TABLE 14 : CONTRACTS DECLARED SECRET in 2023 for DG CLIMA

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

TABLE 15 : FPA duration exceeds 4 years - DG CLIMA

TABLE 16 : Commitments co-delegation type 3 in 2023 for DG CLIMA

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 2022, 10 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) :

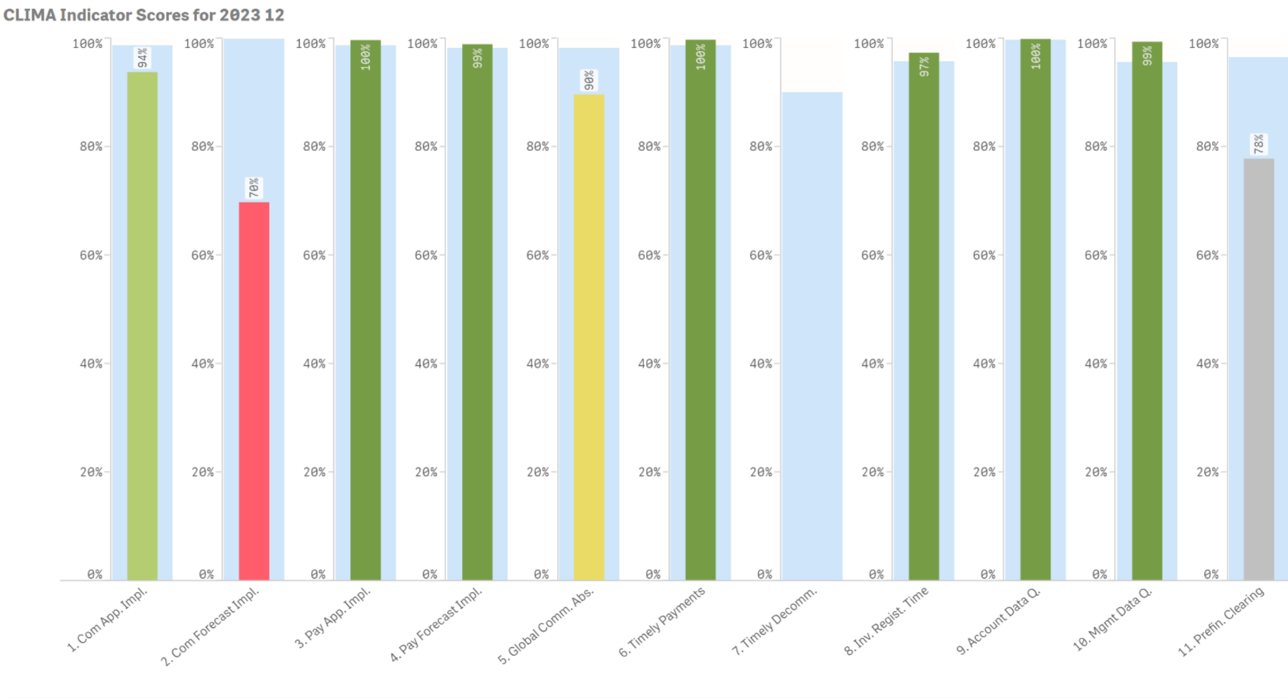
- Commitment Appropriations (CA) Implementation	***- Timely Payments***
- CA Forecast Implementation	***- Timely Decommitments***
- Payment Appropriations (PA) Implementation	***- Invoice Registration Time***
- PA Forecast Implementation	***- Accounting Data Quality***
- Global Commitment Absorption	***- Management Data Quality***

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

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

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

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.



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

Indicator	Objective	Comment (40)	CLIMA Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		94%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	The commitment implementation was higher by 30% than the forecast. The forecast did not take into account the future co-delegated credits of NDICI that arrived after the financing decision approval in November 2023. For similar case DG will either overforecast with a comment (as credits not available until November), either DG will ask DG BUDGET to adjust forecast where possible.	70%	100%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		99%	98%
5. Global Commitment Absorption (41)	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		90%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	DG Climate Action executed payments in timely manner over the European Commission.	100%	99%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		-	90%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of		97%	96%

(40) An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

(41) 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.

	invoices in the central accounting system ABAC			
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		99%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	One clearing was encoded late due to a clerical mistake. DG Climate Action takes a good note of the requirement that the cost claims not implying payments need to comply with the same legal time limits as the requests for payment.	78%	100%

ANNEX 5: Materiality criteria

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

1. Qualitative criteria

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

- the nature and scope of the weakness
- the duration of the weakness
- the existence of compensatory measures
- the existence of effective corrective actions to correct the weaknesses
- the residual reputational, financial, operational and legal/regulatory risk
- significant deficiencies in one of the control systems
- issues outlined by auditors or OLAF

2. Quantitative criteria

In the context of a transaction-based approach, DG Climate Action considers that identified erroneous transactions which expose DG Climate Action to an actual financial loss could lead to a reservation to Director's General declaration under the following conditions:

- A significant weakness described in the AAR has been identified, and
- The weakness affects at least one the areas of the declaration of assurance: (i)control systems, (ii)sound financial management, or (iii)legality and regularity of transactions, and
- An actual financial loss or reputational issue has already occurred or is very likely to materialise, and
- The amount has actually exceeded or is very likely to exceed the threshold of 2% of the relevant payment budget actually implemented, that means if the issue is not already corrected during the reporting period, for example by recovery orders or offsetting with future payments due.

Since 2019 ([42]), a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

([42]) Agreement of the Corporate Management Board of 30/4/2019.

3. Revenue criteria

DG Climate Action conservatively fixed the materiality criteria related to the management and processing of the revenues at 1%, which are stricter than the materiality level (of 2%) for expenditure.

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

Procurement – direct management (ex-ante controls*)

Stage 1 – Planning – Preparation phase

Main Internal Control Objectives: Effectiveness, efficiency and economy. Compliance, legality and regularity.

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
The needs are not well defined and the decision to procure was inappropriate to meet the operational objectives	Validation by AOSD of the justification for launching a procurement process	100% of the forecast procurements (open procedures with prior notification) are justified in a note addressed to the AOSD	**Effectiveness**: Number of projected tenders cancelled. Number of procedures where only one or no offers were received. Number of complaints received. Number of exceptions / non-compliance with FR registered. **Efficiency**: Average cost per tender **Economy**: Estimation of total cost of staff involved in the procurement process
	Decisions are discussed at management meeting	All procurement procedures having significant impact on the objectives of the DG are discussed at a resources management meeting	
The best offers are not submitted due to the pure definition of tender specifications	Agreement between operational unit and financial unit on the final version of tender specs	100% of tender specifications are reviewed by the financial unit. The depth of controls may be determined by the amount and/or the significance / complexity of the file	
	Upstream control: Additional verification and responsible AOSD supervision	100% of tender specification are submitted for the approval of the AOSD.	
Undisclosed conflict of interest that could lead to information leakages before tender	Opening and evaluation committee members sign a declaration of absence of conflict of interests	100% of evaluation committee members sign a declaration of conflict of interest	
	Additional checks by the financial unit	100% of procurement files are checked by the financial unit	

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
	Red flags checked for every file	For all public procurement files red flags are checked	

*No ex-post controls are carried out in DG CLIMA

Procurement – direct management (ex-ante controls*)

Stage 2 – Evaluation – Award phase

Main Internal Control Objectives: Effectiveness, efficiency and economy. Compliance, legality and regularity. Fraud prevention and detection.

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
The most economically advantageous offer not being selected due to a biased inaccurate or unfair evaluation process	Existence of formal evaluation process – Opening and evaluation committee for tenders	100% of tenders are analysed. Depth: Check of all submitted documents	**Effectiveness**: Number of tenders cancelled. Numbers of complaints received. Number of litigation cases. Number of tenders received non-favourable CPAC opinion. Number of tenders extended beyond the standstill period. **Efficiency**: Average cost per tender **Economy**: Estimation of total cost of staff involved in the procurement process
	The decision of the evaluation committee is documented	100% of tenders	
	Guidelines and templates to be used are accessible in the Intranet	Guidelines are constantly kept up to date and are easily accessible to all staff	

*No ex-post controls are carried out in DG CLIMA

Procurement – direct management (ex-ante controls*)

Stage 3 – Implementation phase

Main Internal Control Objectives: Ensure that the implementation of the contract is in compliance with the signed contract

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
The products/services/ works foreseen are not (totally or partially) provided in accordance with the accordance with the requirements of the signed contract The contractor fails to deliver The amounts paid exceeds the amounts due, (as those defined in the contract)	Reinforced monitoring on deliverables submission timing	100% of contracts	**Effectiveness**: Number of tenders cancelled. Numbers of complaints received. Number of litigation cases. Number of tenders received. Non-favourable CPAC opinion. Number of tenders extended beyond the standstill period. **Efficiency**: Average cost per tender **Economy**: Estimation of total cost of staff involved in the procurement process
	Operational and financial checks in accordance with the financial circuits ("certified correct")	100% of payments Depth: The depth of controls depends on risk criteria	
	AOSD authorization for transactions	100% of payments are authorized by AOSD	
	Request for a bank guarantee (to cover pre financing payments)	100% of "risky" contracts	
	Non-performance contractual clauses	100% of contracts	
	Check for plagiarism – double funding for the same study / service	In suspicious / risky cases using appropriate IT tools	

*No ex-post controls are carried out in DG CLIMA

Grants – direct management (ex-ante controls*)

Stage 1 – Evaluation ranking and selection of proposals

Main Internal Control Objectives: Ensure that the most promising projects for meeting the policy objectives are among the proposals selected. Compliance, legality and regularity. Fraud prevention and detection.

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
The evaluation, ranking and selection of proposals are not carried out in accordance with the established procedures, the policy objectives, and the eligibility, selection and award criteria.	Assignment of staff (operational officers) to evaluate proposals.	100% vetting of technical expertise and independence (conflicts of interest, nationality bias, ex-employer bias etc.).	**Effectiveness**: Number of proposals received over proposals expected. Number of proposals challenged. **Efficiency**: Average cost per proposal **Economy**: Estimation of total cost of staff involved in the grant management process
	Assessment of proposals by staff.	100% of proposals are evaluated.	
	Review by a mixed panel and hierarchical validation by the responsible AOSD of ranked list of proposals.	100% of ranked lists of proposals. Depth of review depends on risk factors.	
	Additional checks by the financial unit.	Prior to the evaluation of proposals, the financial unit is consulted.	
	Red flags checked.	For all proposals, red flags are checked.	

*No ex-post controls are carried out in DG CLIMA

Grants – direct management (ex-ante controls*)

Stage 2 – Grant awarding phase

Main Internal Control Objectives: Effectiveness, efficiency and economy. Compliance, legality and regularity. Fraud prevention and detection.

Main Risks:	Mitigating Controls:	Coverage Frequency and depth of Controls:	Possible cost effectiveness indicators
The description of the actions in the grant agreement includes tasks, which do not contribute to the objectives set. The budget foreseen overestimates the costs necessary to carry out the action. The beneficiary lacks operational and/or co-financing capacity to carry out the action. Procedures do not comply with the regulatory framework.	Assignment of staff (operational officers) to review and negotiate the grant agreements with Beneficiaries. Hierarchical validation of proposed adjustments.	100% of the selected proposals are scrutinized	**Effectiveness**: Amount of proposed costs rejected **Efficiency**: Time to grant **Economy**: Estimation of total cost of staff involved in the grant management process
	In depth financial verification, especially of the budget figures by the financial unit.	100% of the selected proposals are scrutinized by the financial unit	
	Signature of the grant agreement by the AOSD.	100% of grant agreements	

*No ex-post controls are carried out in DG CLIMA

Grants – direct management (ex-ante controls *)

Stage 3 – Implementation phase

Main Internal Control Objectives: Ensure that the operational results (deliverables) from the projects are of good value and are in accordance with the signed grant agreement. Ensure that the related financial operations comply with the regulatory and contractual provisions.

<table>
<tr><th>Main Risks:</th><th>Mitigating Controls:</th><th>Coverage Frequency and depth of Controls:</th><th>Possible cost effectiveness indicators</th></tr>
<tr><td rowspan="5">The products/services/ works foreseen are not (totally or partially) provided in accordance with the requirements of the signed grant agreement

The contractor fails to deliver

The amounts paid exceed the amounts due, (as those defined in the grant agreement)

Ineligible costs paid</td><td>Reinforced monitoring on deliverables and reports, submission timing</td><td>100% of grant agreements are controlled</td><td rowspan="5">Effectiveness:
Rejected costs as a percentage of total costs claimed

Efficiency: Time to pay

Economy: Estimation of total cost of staff involved in the grant management process</td></tr>
<tr><td>Operational and financial checks in accordance with the financial circuits</td><td>100% of payments. Operational and financial checks in accordance with financial circuits. Technical reports have to be approved by the operational unit before the payment. Depth: The depth of controls depends on risk criteria</td></tr>
<tr><td>AOSD authorization for transactions</td><td>100% of payments are authorized by AOSD</td></tr>
<tr><td>Non-performance contractual clauses</td><td>100% of grant agreements</td></tr>
<tr><td>Check for plagiarism – double funding for the same study / service</td><td>In suspicious / risky cases using appropriate IT tools</td></tr>
</table>

*No ex-post controls are carried out in DG CLIMA

Charge-back – direct management (ex-ante controls *)

Main Internal Control Objectives: Ensuring that administrative charges are correctly calculated and that the service against payment is delivered with the appropriate quality. Ensure that the related financial operations comply with the regulatory and contractual provisions.

<table>
<tr><th>Main Risks:</th><th>Mitigating Controls:</th><th>Coverage Frequency and depth of Controls:</th><th>Possible cost effectiveness indicators</th></tr>
<tr><td rowspan="3">Lack of transparency of the charge-back mechanism

Breach of the "no profit/ loss" principle

Non respect of the corporate reporting requirement

Lack of extensive documentation may lead to errors and business continuity of this aspect of the process</td><td>The process is fully managed by the egrant and eprocurment steering board (GPSB)</td><td>Interservice Consultation launched by DG BUDG on IT Implementation Plan 202X - Allocation of IT corporate resources</td><td rowspan="3">Effectiveness:
Meeting the demand for services, whilst ensuring costs are kept within the targets.

Efficiency: 100% coverage

Economy: Estimation of total cost</td></tr>
<tr><td>Operational and financial checks in accordance with the financial circuits</td><td>100% of payments. Operational and financial checks in accordance with financial circuits. The proposal have to be approved by the operational unit before the payment. Depth: The depth of controls depends on risk criteria</td></tr>
<tr><td>AOSD authorization for transactions</td><td>100% of payments are authorized by AOSD</td></tr>
</table>

*No ex-post controls are carried out in DG CLIMA

Indirect management (Ex-ante controls*)

Stage 1 Establishment or prolongation of the mandate to the entrusted entity

Main Internal Control Objectives: Ensure that the legal framework for the management of the relevant funds is fully compliant with the regulatory framework. Ensure that the management of the funds is delegated to an appropriate entity (best value for public money, economy, efficiency) and that there is no conflict of interest.

Main risks	Mitigating controls	Coverage frequency and depth of controls	Possible control indicators
The actions supported through the Financial Instrument do not adequately reflect the policy objectives (no compliance with Fin. Reg. art. 140 and instrument specific objectives) The entrusted International Financial Institution does not have the experience to ensure effective implementation of this type of Financial Instrument Financial Institutions are not selected based on an open, transparent, justified on objective grounds procedure, or there are conflicts of interests in the selection process.	Ex–ante evaluation of the International Financial Institution – Hierarchical validation by AOSD	100% of cases. Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied with.	**Effectiveness**: Number of litigation cases. Number of European Court of Auditors requirements. Number of control failures. **Economy** Estimation of the cost of staff involved in the management of the financial instruments.

Indirect management (Ex-ante controls*)

Stage 2 Ex-ante assessment of the entrusted entity's financial and control framework

Main Internal Control Objectives: Ensure that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously.

Main risks	Mitigating controls	Coverage frequency and depth of controls	Possible control indicators
The financial and control framework deployed by the entrusted entity is not fully mature to assure the management of funds in accordance with the regulatory provisions The design of the accounting and reporting arrangements of the entrusted entity does not ensure sufficient transparency The investment strategy and the risk profile of the financial institution or Final Recipient is not clearly defined	Ex–ante evaluation of the International Financial Institution or Final Recipient– Prior eligibility confirmation of the Designated Service involved, for every entrusted entity - Hierarchical validation by AOSD Ensure the provision of justification and prior consent of the Designated Service for any deviation from the signed agreement with the entrusted entity	100% of cases. Depth: May be determined after considering the type and nature of the entrusted entity and/or the value of the budget concerned 100% of cases. Depth: Study of reports by the entrusted entity, of the summary of audits and controls carried out, of independent audit opinions etc., all to be taken into account before the prolongation	**Economy** Estimation of the cost of staff involved in the management of the financial instruments

*No ex-post controls are carried out in DG CLIMA

Indirect management (Ex-ante controls*)

Stage 3 Operations – monitoring supervision reporting

Main Internal Control Objectives: Ensure 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 impact. Ensure that the Commission fully assesses the management situation of the entrusted entity before any payment or decision to suspend / interrupt the contribution.

Main risks	Mitigating controls	Coverage frequency and depth of controls	Possible control indicators
The Designated Service is not timely informed of relevant management issues encountered by the entrusted entity and does not timely react upon notified issues It may also pay the contribution to the entity without being informed on problematic issues This may reflect negatively on the Commission's governance reputation.	Delegation Act/Contribution agreement specifying the control, accounting, audit, publication etc. related requirements	100% of signed agreements	**Effectiveness:** Quality of reports. Relevance of the reported data. European Court of Auditors and Internal Audit Service findings. Amount of unused budget recovered/suspended.
	Monitoring/supervision of the entrusted entity, review of reporting control results and management audit reports	100% of entities involved are monitored/supervised on a regular basis. In case of operational/financial issues measures are reinforced. Depth: This depends on the mandate, and on the type of the entity. It also depends on risk criteria such as past experience with the entity, complexity or lack of experience in the area of financed actions or the management modalities.	

The Financial Institutions, fail to produce a number of operations significant to give conclusive results Internal controls weaknesses irregularities errors and fraud are not detected/corrected by the entrusted entities.	Management review of the supervision results. Ex-ante in depth operational and financial verification. Validation of any payment or recovery by the AOSD, and if deemed appropriate suspension or interruption of payments.	100% of payments. Depth: This depends on the mandate, and on the type of the entity. If needed suspension or interruption of payments or even application of an exit strategy.	**Efficiency:** Cost benefit ratios. Average cost per entrusted entity. Ratio of cost over amount delegated. Time to pay. **Economy** Estimation of the cost of staff involved in the management of the financial instruments. Asset management fees.

*No ex-post controls are carried out in DG Climate Action

ANNEX 7: Specific annexes related to "financial management"

Audit observations and recommendations (section 2.2)

- *IAS limited review of the security plan and associated security measures of the EU emissions trading system (ETS) information system managed by DG Climate Action*

The main objective was to assess whether DG Climate Action had designed adequate security measures in the IT security plan and established an effective framework for their implementation. The IAS reviewed the methodology used for the design of the 2022 IT security plan, the governance framework for the implementation of the security plan, the project management of the security measures to be implemented, and the management of service providers and contractors.

The IAS acknowledged that the EU ETS information system (Union Registry) is very different in terms of operations, architecture and security requirements from other information systems administered by the Commission since its needs and specificities are not supported by a specific compliance framework as it exists for other institutions managing similar financial instruments. As a result, DG Climate Action and DG DIGIT as its main IT service provider, are faced with the challenge of providing, in a resource constrained environment, an IT security control environment that meets the constantly evolving security needs. In particular, the IAS noted that some of the security requirements that DG Climate Action had originally identified for the EU ETS information system were too specific compared to the corporate standard IT services offered in the Commission and lengthy negotiations had been necessary with its main service provider to identify satisfactory solutions eventually approved by the EU ETS Steering Committee.

The IAS issued two very important recommendations related to the **IT security plan** and the **implementation of the IT security plan**:

The IAS found that the security risks and the IT security plan of the Union Registry are not reviewed annually. Minutes were not kept of the discussions and decisions taken at the workshops where the risks were analysed as well as subsequent changes and their validation by DG Climate Action business and IT security teams were not properly documented. Therefore, the IAS recommended that, for the next risk assessments, DG Climate Action ensures better documentation of decisions, more control over changes to the tools supporting the risk analysis, and involvement of all stakeholders, in particular DG DIGIT, in the validation of the results.

The IAS found that the security requirements initially set out in the 2018 security plan have not been met due to insufficient security measures developed and implemented since then. DG Climate Action, as risk owner, does not have sufficient relevant and reliable evidence to ensure that all the security controls managed by DG DIGIT are well aligned with the security measures identified as necessary during the risk analysis. DG Climate Action should improve the monitoring of the success criteria of each security measure defined in the IT security plan to ensure that their implementation is no longer delayed or weakened. It should also aim at improving the availability of relevant and reliable evidence to confirm the effectiveness of internal controls over the security of the EU ETS information system by updating the Memorandum of Understanding and Service Level Agreement with DG DIGIT.

DG Climate Action has developed an action plan, of which several actions were already taken by the end of 2023 with respect to the implementation of the two very important recommendations. Namely DG Climate Action (i) conducted a formal review of the IT Security Plan annually and followed-up on the status of implementation of the security measures, (ii) reviewed and updated the roles of the stakeholders in the risk assessment, and (iii) documented the decisions taken throughout the risk assessment and review process. These actions will be continued and become a common practice. DG Climate Action is on track to complete the implementation of all recommendations by the end of 2024 as foreseen.

- *IAS audit on the implementation of the Innovation Fund (IF) in DG Climate Change and the European Climate, Environment and Infrastructure Executive Agency (CINEA)*

The main objective was to assess the design, efficiency and effectiveness of the governance and control processes set up by DG Climate Action and CINEA for the implementation of the IF (up to the grant agreement signature) to ensure the achievement of the Innovation Fund's objectives, in compliance with applicable rules and in accordance with the principles of sound financial management. The audit covered the preparation, evaluation and the award of grants, as well as the preparation and signature of the grant agreements based for proposals launched in 2020 and 2021.

The IAS auditors recognised the expertise of the staff of CINEA and DG Climate Action involved in the management of the Innovation Fund, as well as their strong and continuous commitment, despite the high workload, in particular in light of the challenging context within which the audited calls were evaluated (e.g., COVID-19 pandemic, and political imperatives resulting from the Russian invasion of Ukraine).

The IAS found that the evaluation process, as established in the Commission Decision C(2020)3147 and the specific Memorandum of Understanding between CINEA and DG Climate Action, did not foresee the formal establishment of an Evaluation Committee and that the evaluation of grant proposals was essentially based on the external experts' scoring of the award criteria, although the use of external experts for evaluation was not provided for in the basic act. These practices are not in line with Article 150 of the Financial Regulation. Therefore, IAS recommended that DG Climate Action, in coordination with CINEA, revises the specific Memorandum of Understanding for the Innovation Fund to provide for the formal establishment of an Evaluation Committee for the ongoing and future calls.

As a result, there was one very important recommendation issued to DG Climate Action:

- Based on the Amending Delegated Regulation, DG Climate Action and CINEA should revise the specific memorandum of understanding for the Innovation Fund to provide for the formal establishment of an evaluation committee for the ongoing and future calls.

A joint action plan was prepared in cooperation with CINEA, and a number of actions were already taken in 2023 to implement the recommendations. For example, following the first communication of findings made by the IAS auditors, DG Climate Action and CINEA already implemented corrective measures in relation to the first very important recommendation. A proposal for amendment of the Delegated Regulation was prepared to allow the evaluation committee to be partly or fully composed of external experts. In addition an evaluation committee was appointed for the ongoing evaluations. DG Climate Action is on track to support CINEA in addressing all of the recommendations by Q3 2024 as foreseen.

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

CLIMA	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)*
Procurement/AA/SLA/Other	1,148,145.00 €	32,114,167.62 €	3.58%	- €	- €	0.00%	1,148,145.00 €	3.58%
Grant Management	44,653.00 €	2,601,331.63 €	1.72%	- €	- €	0.00%	44,653.00 €	1.72%
Indirect Management	246,191.00 €	15,294,446.63 €	1.61%	- €	- €	0.00%	246,191.00 €	1.61%
Charge back	9,686.00 €	5,528,269.00 €	0.18%	- €	- €	0.00%	9,686.00 €	0.18%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	**1,448,675.00 €**	**55,538,214.88 €**	**2.61%**	**- €**	**- €**	**0.00%**		**2.61%**

ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control systems" (not applicable)

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

DG CLIMA -1	Payments made (2023;MEUR) -2	minus new prefinancing [plus retentions made] (in 2023;MEUR) -3	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2023;MEUR) -4	Relevant expenditure (for 2023;MEUR) -5	Detected error rate or equivalent estimates -6	Estimated risk at payment (2023;MEUR) -7	Adjusted Average Recoveries and Corrections (*adjusted* ARC; %) -8	Estimated future corrections [and deductions] (for 2023;MEUR) -9	Estimated risk at Closure (2023;MEUR) -10
Procurement	22.25	- 2.18	1.00	21.07	0.50% - 0.50%	0.11 - 0.11	0.00% - 0.00%	0.00 - 0.00	0.11 - 0.11
Contribution Agreement	15.29	- 6.67	5.05	13.68	0.50% - 0.50%	0.07 - 0.07	0.00% - 0.00%	0.00 - 0.00	0.07 - 0.07
Administrative Agreement	7.08	0.00	0.00	7.08	0.50% - 0.50%	0.04 - 0.04	0.00% - 0.00%	0.00 - 0.00	0.04 - 0.04
Charge Back	5.53	0.00	0.00	5.53	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Grant	2.60	- 2.50	0.65	0.75	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Service Level Agreement	1.92	- 1.92	0.00	0.00	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Other	0.87	0.00	0.00	0.87	0.50% - 0.50%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
DG total	**55.54**	**- 13.26**	**6.70**	**48.98**		**0.22 - 0.22**	**0.00% - 0.00%**	**0.00 - 0.00**	**0.22 - 0.22**
					Overall risk at payment in %	**0.44% - 0.44%** *(7) / (5)*		**Overall risk at closure in %**	**0.44% - 0.44%** *(10) / (5)*

Notes to the table X

(1) Relevant Control Systems [if possible] 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'). Retentions: in Cohesion, the retentions released during the year by the Commission.
(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 [& adds the retentions made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] 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, operating contributions to agencies), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.
(8) The adjusted average recovery and corrections percentage is [*mostly / to some extent*] 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.
(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

2. Reservations

DG	DG Climate Action
Title of the reservation, including its scope	Security Weakness in the union Registry of the Emissions Trading System (EU ETS)
Domain	EU Emissions Trading System (EU ETS)
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	EU Emissions Trading System (EU ETS). This reservation has no financial impact. Financial risks are proportional to asset value. The carbon price has overall been rising since 2014 (from approximately €6 in 2014, peaking over €100 in early 2023 and remaining on previous year (2022) level of €85 for the rest of 2023., At current prices, the Union Registry again holds allowances in the value of over 200 billion Euro. This amount is expected to grow with the extension of the Emission Trading System to more sectors over the coming years.

Reason for the reservation	Since 2010, DG Climate Action has issued a reservation in all its AARs on reputational/legal/financial grounds related to **security weaknesses** identified in the **Union Registry for the EU ETS**. Operational since January 2005, the registries system ensures the accurate accounting of allowances issued under the EU ETS. In **2010/11 several successful cyber-attacks occurred against national registries** and theft of allowances was reported. Since the **migration of the national registries in June 2012 to a single Union Registry**, classified as a critical system and operated by the Commission, the Union Registry would have been exposed to a reputational risk and legal/financial liabilities if new cyber-attacks would have succeeded. The **2019 risk assessment** confirmed a number of vulnerabilities to be addressed in a 'security plan' involving **12 reinforcing security measures**. As the Director General could not accept the residual risks, in compliance with Commission Decision 2017/46 and its implementing rules (CD 2017/8841), the unusually high residual risk situation was **escalated** in September 2019 to the **IT and Cybersecurity Board (ITCB) for advice**. In addition, an independent **study** was commissioned in **2019 to benchmark the resources and operating model of the Union Registry** (the main information system underpinning the EU ETS) against other institutions with comparable systems. The results highlighted **significant weaknesses** in terms of economic and human resources, and suboptimal alignment with the kind of IT services observed in financial institutions. As the conclusions and identified risks levels in the study seem to point to structural issues, a **subsequent study** was launched in December **2020** on **potential alternative operating models** for the Union Registry. The evaluation of the options put forward by the consultant at the end of 2021 concluded that there was a pressing need to reduce the persistently high risks resulting from holding and handling high value assets that the current operating model fails to address. As part of the risk management cycle, a **risk assessment** was finalised in July 2022. It reconfirmed that the risk landscape had evolved in such a way that the 2019 measures even upon completion would not result in acceptable risk levels. A **security plan was proposed in 2022** that recommends finalising the implementation of the measures from the previous plan (2019) and suggested 10 additional measures. Following this, in 2023, an internal risk assessment review was conducted, which updated the business impact assessment, particularly increasing the emphasis on availability. However, no new security measures were introduced, as several from the previous assessment were still underway. A new external Risk Assessment is planned in 2024. But other challenges to operate the system in the Commission internal governance structure facing the budgetary and HR constraints, remain. Therefore, a new business operating model may be required to address thoroughly the remaining issues.. Should the risk landscape be similar (or higher) in the future (asset value, visibility of the system, etcetera), even if the security plan is completed, the Union Registry and the EU Transaction Log would **still be exposed to major security threats** that may possibly affect the confidentiality of the data, the integrity of the transactions and the availability of the system for the Member States and all account holders. This ultimately may result in legal disputes and reputational consequences for the Commission with potential financial losses. The trading of EU allowances (emissions rights) is regulated as trading of 'financial instruments' under the revised 'Markets in Financial Instruments Directive (MiFID)'. During 2022, an Interservice Group was tasked to analyse the issue. It presented its recommendations to the CMB on 8 March 2023. Following the ISG proposal, the CMB suggested that DG Climate Action launches **a cost/risk reduction assessment with an external consultancy firm to evaluate in detail the feasibility and costs of the retained models**. The study was contracted in August 2023 and is ongoing under the supervision of the ISG. The conclusions of the study will be presented to the CMB during the first quarter of 2024. In 2023 IAS also finalized the **limited review of ETS IT security audit**, with some very important findings. The action plan was established and is already partially implemented. However, the agreed actions will not allow to reduce **the residual risks to the acceptable level.** The **unmitigated residual risks** at the end of 2023 remain **too high to be acceptable**. No cyber-attacks have succeeded since 2010 and no security incident has been recorded so far; however, some minor reputational risks materialised in 2020. Under these conditions, no 'reasonable' assurance can currently be provided, that the existing security measures could successfully prevent future attacks to succeed.

Materiality criterion/criteria	The **significance of the events** of 2010/11 was assessed against the following 3 criteria, that still **remain valid**: - **nature of the impact on reputation of the Commission** vis-à-vis stakeholders to manage a market based instrument : medium-term negative stakeholder perception with limited impact on ability of the Commission (DG Climate Action) to meet key objectives, - **breadth of awareness of the events** : international and national press coverage, pro-active communication with the MS in full transparency by the Commission via the dedicated website 'EU Climate Action', via a webpage dedicated to ETS on the Europa server and in the Climate Change Committee. - **duration**: a series of incidents started in November 2010 continuing in January 2011 led to a suspension of trading of allowances on the 'spot' market that accounts for less than 20% of the ETS. Another incident occurred in a national registry in October 2011.
Quantification of the financial impact (amount at risk)	**Non-quantifiable** – impossible to assess the financial impact accurately. The financial risks are proportional to asset value. The carbon price has overall been rising since 2014 (from approximately €6 in 2014, peaking over €100 in early 2023 and remaining on previous year (2022) level of €85for the rest of 2023., At current prices, the Union Registry again holds allowances in the value of over 200 billion Euro. This amount is expected to grow with the extension of the Emission Trading System to more sectors over the coming years. More significant is the **reputational risk which is critical** and impossible to quantify. The EU ETS is a key element of the "European Green Deal", and a potential interest of certain groups to disrupt the system cannot be entirely discarded. Not with the intention to steal, but simply with the intention to damage the reputation of the Commission or the reliability of the ETS as an effective tool to combat climate change.
Impact on the assurance	The event falls within the scope of the declaration as it is a **core activity of EU climate policy**, managed by the Commission (DG Climate Action) with high visibility and media coverage and to which considerable human and financial resources are and will continue to be allocated in the future. The **EU ETS** is one of the **main instruments for achieving and implementing the 2030 target**: at least 55% net greenhouse gas emissions reduction compared to 1990 levels covering three quarters of the economy, around 80% after the extension to new sectors over the coming years. The critical IT system supporting EU ETS is managed in-house by the Commission. However, the weakness does not invalidate the declaration of reasonable assurance by the Director General
Responsibility for the weakness	The Commission (DG Climate Action), as central administrator, has a key role in the functioning of the EU ETS in managing the Union Registry and the Union Transaction Log.

Responsibility for the corrective action	**DG Climate Action** finalised a new risk assessment in July 2022. In conclusion, 10 additional security measures were proposed. The implementation of these measures will continue in 2024**, in full collaboration with the Directorate-General for Informatics (DIGIT).** However, it should be noted that upon completion of the security plan, including these new measures, the residual risk would still remain too high to be acceptable. In parallel, **an inter-service group led by DG Climate Action and comprising the Secretariat-General, DG Budget, DG Informatics, DG Financial Stability, Financial Services and Capital Markets Union, and DG Taxation and Customs Union** is exploring alternative operating models for the Union Registry. In 2023, an in-depth feasibility assessment and a cost–benefit analysis was contracted to inform a possible decision on the new modus operandi of the Union Registry (e.g. outsourcing through a delegation agreement). **Conclusion** The measures requested in the action plan that followed the IAS audit of 2014 were implemented in full. Despite fulfilling all the requirements, the measures did not lower the risks to business acceptable levels. Unfortunately, the increased risks and threats coupled with the growth in value (due to the rising carbon price in recent years) seem to outpace the implementation rate of the security measures that DG Climate Action and DIGIT can sustain. This may add to the structural issues that the studies in 2019 and 2020 referred. Namely, that the staff and financial strength is not proportionate to the total value of assets managed, and that the IT services of the Commission do not match those of the financial sector. Also, that there is a need to evaluate alternative operating models for the Union Registry and that it appears to be increasingly necessary to change to a new operating model for the ETS Registry. **The unmitigated residual risks at the end of 2023 remain too high to be acceptable. The ensuing financial and reputational risks are still material.**

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

Objective: DG CLIMA 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: SEC(2020)146 and SEC (2023)200

Baseline (2019)	**Interim milestone (2022)**	**Target (2024)**	**Latest known results (31/12/2023)**
33% of female in middle management positions (4 middle managers out of 12)	DG CLIMA needed to make 1 female appointment to middle management position by December 2022; the target was achieved	2023-2024 target: 2 first female appointments	3 first female appointments to middle management position out of 4 first heads of units appointments (75% of all appointments) 47% of women in middle management positions end of 2023

Indicator 2: DG CLIMA staff engagement index

Source of data: Commission staff survey

Baseline (2018)		**Target (2024)**	**Latest known results (2023)**
75%		76%-80% and maintain above the Commission average (73% in 2021)	77%

Main outputs in 2023:

Output	**Indicator**	**Target**	**Latest known results (31/12/2023)**
DG Climate Action HR strategy	Implementation of actions	Implementation of actions planned for 2023	Majority of the actions were implemented (43)
Newcomers' welcome sessions	Number of sessions	3	4

(43) HRC was allocated different priorities, this combined with turnover within the HRC team did not allow to implement 100% of the actions additionally some actions were put on stand by the Director General

Output	Indicator	Target	Latest known results (31/12/2023)
Programme of internal communication actions such as: - Lunchtime conferences - Debriefing breakfasts with Senior Management	Series of presentations organised and participation rate	On average, 50 participants for lunchtime conferences and 120 participants for debriefs with Senior Management	More than 25 internal events held, with the target average number of participants exceeded

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

Indicator: Estimated risk at closure

Source of data: DG CLIMA Annual Activity Report

Baseline (2019)	Target (2024)	Latest known results (31/12/2023)
Below 2% of relevant expenditure	< 2% of relevant expenditure	0.44%

Main outputs in 2023:

Output	Indicator	Target	Latest known results (31/12/2023)
Effective controls: Legal and regular transactions	Risk at payment	Remains < 2 % of relevant expenditure	0.44%
	Estimated risk at closure	remains < 2 % of relevant expenditure	0.44%
Effective controls: Safeguarded assets and information	Implementation of the 12 security measures in the Union Registry 10 additional security measures following the 2022 risk assessment	90% measures implemented Start of implementation	93,60% SNC 50% measures implemented
Efficient controls	Budget execution Timely payments (time- to-pay)	remains 100% of commitment and payment appropriations remains > 97% of payments (in value) made on time	94% on commitment 100% on payment Appropriations 100%
Economy of controls	Overall estimated cost of controls	Remains < 3.2% of funds managed	2.61%
Open recommendations for Internal Audit Service (IAS)	Number of recommendations overdue for more than 6 months	None	None

Output	Indicator	Target	Latest known results (31/12/2023)
Open recommendations for European Court of Auditors (ECA)	Number of recommendations overdue for more than 6 months	None	2[44]

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) ([45]) aimed at the prevention, detection and correction ([46]) of fraud.

Indicator : Implementation of the actions included in DG CLIMA anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)

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

Baseline	Target (2024)	Latest known results (31/12/2023)
100% of actions points of the 2021 anti-fraud strategy (AFS)[47]	100% of action points (of the revised AFS) implemented in time	Fully implemented

Main outputs in 2023:

Description	Indicator	Target	Latest known results
Targeted awareness raising on anti-fraud matters to ensure that Climate Action staff remains vigilant to fraud	Communication actions	3	Fully Implemented
Collaboration with OLAF and participation in anti-fraud networks	Meetings with OLAF	Throughout the year	Fully Implemented
Perform a (fraud) risk assessment exercise and include assessment of fraud vulnerability. Ensure that this analysis is taken into account in the general risk assessment exercise of the DG.	1 documented fraud risk assessment	Integrated in the general risk assessment Q3/4 2023	Fully Implemented

([44]) 2 overdue recommendation from a special report ‘Floods Directive progress in assessing risks while planning and implementation need to improve – the revised expected completion date is 31/12/2024, by which the Commission will finalise the evaluation of the Member States 2nd Flood Risk Management Plans.
([45]) Communication from the Commission ‘Commission Anti-Fraud Strategy: enhanced action to protect the EU budget’, COM(2019) 196 of 29 April 2019 – ‘the CAFS Communication’ – and the accompanying action plan, SWD(2023) 245 – ‘the CAFS Action Plan’.
([46]) Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.
([47]) DG CLIMA revised its 2016 anti-fraud strategy in July 2021

Objective: DG CLIMA 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[48]

Indicator 1: Degree of implementation of the digital strategy principles by the EU ETS Union registry

Source of data: a state-of-play on the implementation of the 11 core principles defined by the EC Digital Strategy for the EU ETS Union registry. It reflects the degree of implementation of each of the 11 principles ("2-well implemented"/ "1-partially implemented"/ "0-not implemented"), and is expressed as a percentage of the implementation (a total score of 22 being 100%).

Baseline (2018)	**Interim milestone (2022)**	**Target (2024)**	**Latest known results (31/12/2023)**
23%	50%	73%	70,59%

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

Source of data: Key data assets as defined in CLIMA's contribution to the Commission's data inventory, the baseline estimate represents a numerical average of a preliminary assessment by local data correspondent and data stewards of the degree of current application of the four principles to each of the key data assets under CLIMA responsibility. What is measured is the extent to which corporate principles for data governance are implemented for CLIMA 's nine key data assets

Baseline (2019)	**Interim milestone (2022)**	**Target (2024)**	**Latest known results (31/12/2023)**
50%	66%	80%	79%

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

Source of data: DG CLIMA Annual Activity Report

Baseline (2018)	**Interim milestone (2021)**	**Target (2024)**	**Latest known results (31/12/2023)**
25%	50%	100% of staff	100%

([48]) No information is reported for the following indicator "Review of existing ARES files to identify those that can be usefully shared with other DGs". This is due to a lack of data (data collection was discontinued in 2021), mainly because the priority of the DG in that field has shifted to introducing paperless processes, managing sensitive information and protecting personal data (Cf. DG CLIMA Management plan 2023).

Main outputs in 2023:			
Output	**Indicator**	**Target**	**Latest known results (31/12/2023)**
Personal Data Protection (PDP) compliance of processing activities	Percentage of revised Data Protection Records over the period 2022-23	80%	44%
Coaching sessions on collaboration tools	Percentage of DG Climate action's staff that attended Microsoft Office 365 trainings	80% of DG Climate Action's users	40% of DG Climate Action user's
Migration of users to welcome	Users in units handing SNC documents	100%	100%
Specific trainings on cybersecurity	Quarterly trainings	4	4
Documents and content moved to SIFC	Documents and pages migrated to Sharepoint Online	50%	5 units and 3 directorates has started the migration to Sharepoint Online
Information systems with updated Security Plans	Information systems with a Security Plan not older than 2 years	100%	100%
SNC Information Systems make use of Multi-factor Authentication (MFA)	Information systems handling SNC data implementing MFA	100%	100%

Objective: DG Climate Action takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support their respective EMAS Correspondents/EMAS Site Coordinators.			
Main outputs in 2023:			
I. More efficient use of resources (energy, water, paper):			
Output	**Indicator**	**Target (2019 as baseline, as appropriate)**	**Latest known results (31/12/2023)**
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 - summer energy saving action - optimisation of comfort hours and/or comfort temperature	100% - end of year energy saving action - summer energy saving action - optimisation of comfort hours and/or comfort temperature	100% 2 articles published on CLIMA intranet.
• Staff awareness actions to **reduce energy use** in the framework of EMAS corporate campaigns and/or awareness actions about DG/service's total energy consumption in collaboration with OIB/OIL where appropriate. • Staff awareness actions to **reduce water use** (for example ensuring that staff use the technical services hotline () to report leaks) in the framework of EMAS corporate campaigns and/or awareness raising actions about DG/service's water consumption in	Number or % of staff informed/participated related to • Energy consumption • Water consumption • Paperless working methods	Number or 100% of staff informed /participated related to • Energy consumption • Water consumption • Paperless working methods	100% of staff informed: The buidling's energy performance report was put up in different areas in the building for people (eg: entrance to cafeteria). The report was also communicated on the DG CLIMA intranet. Staff were reminded to use the technical services hotline.

Output	Indicator	Target (2019 as baseline, as appropriate)	Latest known results (31/12/2023)
collaboration with OIB/OIL where appropriate. • **Paperless working methods** at DG level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG/service's office paper use in collaboration with OIB/OIL where appropriate.	• Energy consumption per DG/service building (MWh/person per year) • Water consumption per DG/service building (m3/person) • Paper consumption per DG/service (prints/person)	• Reduce energy consumption (%) ([49]) • Reduce water consumption (%) ([50]) • Reduce paper consumption (%)	• Reduce electricity consumption -26.39% per person • Reduce water consumption -6.49% per person • Reduce paper consumption -55.64% per person

II. Reducing CO_2, equivalent CO_2 and other atmospheric emissions

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2023)
Analysis of Climate Action's missions trends / patterns (based on corporate EC-staff's and experts' professional trips (missions [51]), 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	Yes Reduce Climate Action's CO2 emissions from missions [52]) by 25(%) Reduce emissions from expert participating in meetings for which the DG/service is in the lead by 25(%)	Yes Reduced mission emissions by 43% and by 62.7% per capita compared to 2019.
Staff awareness actions on reducing GHG emissions	Number or % of staff informed/participated	100% of staff informed	100% of staff informed

([49]) Overall reduction of energy consumption for DG/service (all buildings) from 2019 to 2023 (%).
([50]) Overall reduction of water consumption for the DG/service (all buildings) during 2019-2023 (%)
([51]) Data provided by PMO/MiPs.
([52]) Overall reduction of CO2 emissions from missions for the DG/service from 2019 to 2023 (%).

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2023)
(such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).			

Output	**Indicator**	**Target (2019 as baseline)**	**Latest known results (31/12/2023)**
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.	Number of events organised	100% of staff informed	100% of staff informed

III. Reducing and management of waste

Output	**Indicator**	**Target (2019 as baseline)**	**Latest known results (31/12/2023)**
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	100%	One Event (eg: Climate Pact event) Most of our meetings with externals are organised in a hybrid way (only 10% of our meetings booked via Webdor were fully presential). We encourage ordering less food in order to prevent food waste. 59% of our food orders via CARES was vegetarian or vegan.

IV. Promoting green public procurement (GPP)

Output	**Indicator**	**Target (2019 as baseline)**	**Latest known results (31/12/2023)**
Gradual introduction of Green Public Procurement criteria in contracts and starting to monitor the process	Number of contracts with "green" provisions	Signature of at least one contract including "green" provisions	1 Framework contract

V. Supporting biodiversity

Output	**Indicator**	**Target (2019 as baseline)**	**Latest known results (31/12/2023)**
Setting up local actions in line with	Number of actions	2 actions (1 in spring, 1 in autumn)	2 actions

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2023)
site-specific biodiversity strategies where relevant (for example for urban sites, sponsor the creation and maintenance of urban gardens, insect hotels and green roofs within EC-premises with the support of volunteers), and related staff awareness actions.	m^2 covered by the action	Breydel 2 courtyard	An event was organised to paint on of the courtyard in green.
	number of staff involved	over 10 people involved	over 10 people involved

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (not applicable)

ANNEX 12: EAMR of the Union Delegations (not applicable)

ANNEX 13: Decentralised agencies and/or EU Trust Funds (not applicable)