

Annual Activity Report 2025

annexes

Directorate-General for Energy

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

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

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

I hereby certify that the information provided in section 2 and section 3 of the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2026

Carmen NARANJO SANCHEZ

e-signed

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

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

Brussels, 31 March 2026

Pierre SCHELLEKENS

e-signed

⁽¹⁾ C(2017)2373 of 19.04.2017.

⁽²⁾ On the basis of the AOSD reports submitted by the Directors in DG ENER.

ANNEX 2: Performance tables

General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness

Specific Objective 1.1: Lowering energy costs for all

Related to spending programme(s): Recovery and Resilience Facility, European Structural and Investment Funds, InvestEU, Horizon Europe, Connecting Europe Facility, LIFE, Renewable Financing Mechanism, ITER

Result indicator 1.1.1 100 GW annual renewable capacity increase

Explanation: The indicator measures how much new generation capacity in Gigawatt will be added every year and it is based on the consideration that more renewable energy feeding into the system will lower energy cost

Source of data: [Eurostat](#)

This result indicator is selected as a KPI

Baseline (2023)	Interim milestone (2027)	Target (2029)	Latest known results (2024)
64 GW	100 GW annual increase	100 GW addition annually	69 GW

Result indicator 1.1.2 Heat Pumps

Explanation: The indicator measures the annual sales of heat pumps for heating in the EU

Source of data: data from European Heat Pumps Association (EHPA)

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2024)
2.2 million	6 million	6 million	2 million sales <i>HP sales appear to have increased in 2025 (but it is still too early to get a proper estimate)</i>

Result indicator 1.1.3 Annual variation of final energy consumption in buildings ⁽³⁾


Explanation: The indicator measures how much FEC will be reduced in the building sector (households and services sectors) and could be considered as a proxy to track for the improvements of the energy performance and energy efficiency of buildings and the deployment of energy efficient products. Energy efficiency improvements in buildings will contribute to lower energy demand and costs overall.

Source of data: [Eurostat, simplified energy balances ([nrg_bal_s](#)), the sum of total final energy consumption in households [FC_OTH_HH_E] and in commercial and public services [FC_OTH_CP_E]], from which the ambient heat for heat pumps is deducted



Baseline (2023)	Interim milestone (2025)	Target (2027)	Latest known results (2024)
330.5 Mtoe	Gradual annual reduction by 1.5% - 2%	Gradual annual reduction by 1.5% - 2%	Annual reduction of 0.1% 330.24 Mtoe

Main outputs in 2025:





New policy initiatives



Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Action Plan for Affordable Energy Unlocking the true value of our Energy Union to secure affordable, efficient and clean energy for all Europeans 	Adoption	Q1	26.02.2025 COM(2025)79

(3) Final energy consumption in households and services sectors without ambient heat for heat pumps, as aligned to the Eurostat old methodology for energy balances that is currently used to track progress towards primary and final energy consumption targets from Energy Efficiency Directive.

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Citizens Energy Package – Protecting and empowering Consumers for the Just Transition. Effective implementation of the EU framework on consumers, including vulnerable ones and promotion of citizens and communities’ participation to the energy transition 	Adoption	Q4 2025	10.03.26 – adopted COM(2026)115
European Grid Package (legislative) 	Adoption/Impact Assessment	Q4 2025	10.12.25 – adopted COM(2025)1006 COM/2025/1007
Communication on the implementation of the EU Grid Action Plan and next steps	Adoption	Q4 2025	10.12.25 – adopted COM(2025)1005

Major public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Citizens Energy Package – Protecting and empowering Consumers for the Just Transition. Effective implementation of the EU framework on consumers, including vulnerable ones and promotion of citizens and communities’ participation to the energy transition 	Publication Call for evidence and Public Consultation	Citizens Energy Package – Protecting and empowering Consumers for the Just Transition. Effective implementation of the EU framework on consumers, including vulnerable ones and promotion of citizens and communities’ participation to the energy transition 	Publication from: 19 June 2025 - 11 September 2025
European Grid Package (legislative) 	Publication Call for evidence and Public consultation	European Grid Package (legislative) 	Publication from: 13 May 2025 - 05 August 2025

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Targeted consultation on the review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets	Public consultation	Targeted consultation on the review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets	Publication: 26 February 2025 – 23 April 2025
COMMUNICATION FROM THE COMMISSION on the future development and deployment of Small Modular Reactors (SMRs) in Europe in the early 2030s, building on the Strategic Action Plan of the European SMRs Industrial Alliance 	Publication Call for evidence	COMMUNICATION FROM THE COMMISSION – strategy for the development and deployment of Small Modular Reactors (SMRs) in Europe 	Publication from: 06 November 2025 - 04 December 2025

Major implementation activities and enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Prioritise and speed up non-communication infringements, both on the Clean Energy Package Directives and the Fit for 55 Directives. Pursue proactively non-conformity/bad application cases to defend the key principles of the internal market.	Directives fully transposed. Non-communication cases closed or referred to Court for the Clean Energy package Directives.	December 2025	Important progress was made on the transposition of Directive 2019/944 (Electricity Directive). Directive 2018/844 (EPBD) is fully transposed, and only two non-communication cases are still pending under Directive 2018/2002 (EED). Efforts are focusing on the transposition of Directive 2018/2001 (REDII), which has slowed down as the MSs are advancing simultaneously on REDIII transposition.

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
			Two open infringement cases concerning national measures contrary to the principle of free wholesale price formation for gas are ongoing and will both be progressed.
Revision of the REMIT Implementing Regulation on data reporting	Adoption	Q2/Q3 2025	30.01.2026 C(2026) 85
Commission Regulation on inside information platforms and registered reporting mechanisms under REMIT	Adoption	Q2/Q3 2025	30.01.2026 C(2026) 476

Implementation dialogues, Annual Progress Report(s) and reality checks

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
2025 Annual Progress Reports on Simplification, Implementation and Enforcement	Transmission to the European Parliament and the Council	Q3 2025	Transmitted to the EP and Council 21 October 2025
First Implementation dialogue on permitting for renewables and related infrastructure - Event in the context of EUSEW	Performing EUSEW	Q2 2025	11.06.2025
Second Implementation Dialogue on products legislation (ecodesign, energy and tyre labelling)	Occurrence	Q4 2025	14.10.2025

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Implementation of the European Energy Efficiency Financing Coalition to increase access to capital and mobilise financing for energy efficiency	Approval of the mandate and the work programme by the Coalition General Assembly	May 2025	The Coalition made substantial progress in 2025 expanding its membership and activities. The mandate and work programme was adopted at the 1st Coalition General Assembly on 20 May 2025
Other major outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Guidance on grid anticipatory investments	Adoption	Q2 2025	02.06.2025 C(2025) 3291
Package: Implementing the Clean Industrial Deal <ul style="list-style-type: none"> • Commission Recommendation • Guidance on innovative forms of renewables deployment • Guidance on grid and storage acceleration areas • Guidance on network tariff methodologies 	Adoption	Q2 2025	02.07.2025 C(2025)4024 C(2025)4011 (EN version) [C(2025) 8562 all languages 17.12.2025] C(2025)4012 (EN version) [C(2025) 8565 all languages 17.12.2025] C(2025)4010 (EN version) [C(2025) 8574 all languages 17.12.2025]
EPBD implementation support package <ul style="list-style-type: none"> • Notice providing guidance on recast EPBD • Delegated act on cost-optimality framework 	Adoption	Q2 2025	30.06.25 C(2025)4132 [C(2025) 7529 all languages 26.11.2025] 30.06.25 C(2025) 4133

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
<ul style="list-style-type: none"> Implementing act on data transfer to Building Stock Observatory Notice providing guidance on cost-optimal building requirement 			<p>30.06.25 C(2025) 4134</p> <p>30.06.25 C(2025) 4131 [C(2025) 7528 all languages 26.11.2025]</p>
Delegated act establishing a Union framework for the calculation of life-cycle Global Warming Potential for new buildings	Adoption	Q4 2025	16.12.2025 C(2025)8723
Revision of Commission Regulation (EU) 2019/1782 laying down ecodesign requirements for external power supplies (EPS)	Adoption	Q4 2025	13.10.25 C(2025) 6759
Regulatory measure on a reparability score for tumble dryers (amendment to Commission Delegated Regulation (EU) 2023/2534	Adoption	Q4 2025	01.07.2025 C(2025)3986
Report on the implementation of Regulation (EU) 2017/1369 on energy labelling	Adoption	Q4 2025	Postponed as it will be integrated into the products Omnibus to be adopted in 2026
Report on the implementation of Regulation (EU) 2020/740 on tyre labelling	Adoption	Q4 2025	Postponed as it will be integrated into the products Omnibus to be adopted in 2026
Guidance paper to MSs on CfD design, incl. combination with PPAs	Adoption	Q3/Q4 2025	17.12.2025 C(2025) 8574

General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness

Specific Objective 1.2: Completing the Energy Union

Related to spending programme(s): European Structural and Investment Funds, InvestEU, Connecting Europe Facility, European Energy Efficiency Fund

Result indicator 1.2.1 Electrification rate

Explanation: Percentage of electricity in final energy consumption

Source of data: Eurostat⁴

This result indicator is selected as a KPI

Baseline (2023)	Interim milestone (2027)	Target (2029)	Latest known results (2024)
22.9%	28.1-28.7%	30.7-31.6%	23.44%

Result indicator 1.2.2. Share of energy from renewable sources

Explanation: Renewable energy as a share of the overall energy consumption

Source of data: Eurostat ⁽⁵⁾

Baseline (2023)	Interim milestone (2027)	Target (2029)	Latest known results (2024)
24.6%	34.6%	39.9%	25.2%

(4) For the electrification rate a linear interpolation is applied between the 2023 values as reported by Eurostat (<https://ec.europa.eu/eurostat/databrowser/bookmark/c3a79cf1-46a2-4b64-8134-0a34904b4db8?lang=en>) and the targets for 2030 as set out in COM(2025) 85 final.

(5) For the renewable shares a linear interpolation is applied between the 2027 reference point, as set out in Article 4(a)(2) of Regulation (EU) 2018/1999 and the 2030 target.

Result indicator 1.2.3. Supporting the highest standards on nuclear safety and radiation protection in the EU

Explanation: This indicator measures the achieved levels of transposition and implementation of the Euratom Directives in the area of nuclear energy with a view to ensuring nuclear safety, radiation protection, and the responsible management of radioactive waste and spent fuel.

Source of data: Commission's data on the Member States' transposition and implementation of the abovementioned directives, including notified transposition measures, information from Member States received through EU Pilots and infringement procedures, complaints, and Member States' implementation reports as required by the Directives and data provided by nuclear operators. Detailed/final decommissioning plans; Commission's work programmes; biyearly monitoring reports and inspections; EVM (Earned Value Management) data per each programme

Basic Safety Standards Directive (BSS) and Nuclear Safety Directive (NSD):

Baseline (2025)	Interim milestone	Target (2029)	Latest known results (2025)
Basic Safety Standards Directive (BSS)			
Completeness checks finalised. Conformity checks: 12 infringements launched, 2 ongoing	(2026) All completeness and conformity checks completed for the Basic Safety Standards (BSS) Directive (2028) Horizontal analysis of the conformity assessments of the BSS	Review of practical implementation of the requirements of the BSS Directive in priority topics completed	BSS completeness checks finalised. BSS conformity checks close to completion
Nuclear Safety Directive (NSD)			
Completeness and conformity checks finalised. Implementation work ongoing based on the Commission's 2022 second progress report on NSD implementation	(2026) Workshop/activity as agreed between Commission/ENSREG on the topic of 'Regulatory Independence'. (2028)	ENSREG/Commission Guidelines on the three priority topics	Preparations underway for workshop on Regulatory Resources in 2026.

Basic Safety Standards Directive (BSS) and Nuclear Safety Directive (NSD):			
	Workshop/ activity as agreed between Commission/ENSREG on the topics of application of the nuclear safety objective and on nuclear safety culture		
Topical Peer Review under the NSD:			
Baseline (2025)	Interim milestone	Target (2029)	Latest known results (2024)
In the frame of ENSREG WG1: - TPR I and II findings follow-up; Contribution to Guidelines on future TPR based on lessons learned from TPR I and II	(2026) COM input to the discussion on the list of topic proposals Nomination of COM representative on the TPR III Board (2027) TPR III Board nomination Contribution to the technical specification and ToR, identification of experts (ENER, JRC)	Implementation of TPR III activities, including desk top review of the national assessments and preparation of site visits and workshop	TPR III - preparations underway for topic shortlisting in 2026




Result indicator 1.2.4. Share of civil nuclear material under full scope
Explanation: Percentage share of all civil nuclear materials held in the EU subject to accountancy verifications, physical, inventory verifications and material balance evaluation
Source of data: DG ENER

Baseline (2024)	Interim milestone (2026)	Target (2029)	Latest known results (2025)
99.94 %	Value to be kept above 99.90 %	Value to be kept above 99.90 %	At of the end of 2025, the value of the indicator is 99.85%.

Main outputs in 2025:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation 	Adoption	Q1 2025	26.02.2025 COM(2025)85
Communication on the assessment of Member States' final updated National Energy and Climate Plans for 2021-2030	Adoption	Q2 2025	27.05.25 COM(2025) 274 EE and SK Assessment 16.09.2025 SWD(2025) 282 BE Assessment 21.01.2026 SWD(2026) 24
Communication from the Commission: Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty for the opinion of the European Economic and Social Committee 	Adoption	Q2 2025	13.6.2025 COM(2025) 315

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Report: State of the Energy Union 2025	Adoption	Q3 2025	06.11.25 COM(2025) 667
Fusion Strategy	Adoption	Q4 2025	Adoption expected by Q2 2026
White Paper Electricity Market Integration	Adoption	Q4 2025	Adoption expected by Q2 2026
Communication on ERVI (European Radioisotope Valley Initiative)	Adoption	Q4/2025	Adoption expected by Q2 2026.
Evaluations and fitness checks (part of the stress testing EU acquis)			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
The evaluation (+ Fitness Check) of the Radioactive Waste directive 	Adoption	Q4 2025	Adoption postponed to Q4 2026
Major public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Communication from the Commission: Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty for the opinion of the European Economic and Social Committee 	Publication Call for evidence	Q2 2025	Publication from: 14 April 2025 - 12 May 2025
EU Electrification Action Plan – towards a clean, competitive and integrated energy system 	Publication Call for evidence and Public Consultation	Q2 2025	Publication from: 28 August 2025 - 09 October 2025

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Heating and cooling strategy: advancing decarbonisation and energy system integration 🏠🔌	Publication Call for evidence and Public Consultation	Q2 2025	Publication from: 28 August 2025 - 09 October 2025
Strategic Roadmap for digitalisation and AI in the energy sector	Publication Call for evidence followed by Public Consultation	Q2 2025	Publication: 05 August 2025 to 05 November 2025
Fusion Strategy	Publication Call for evidence	Q2 2025	Publication from: 03.06.25 to 01.07.25
The evaluation (+ Fitness Check) of the Radioactive Waste directive 🏠🔌	Publication Call for evidence	Q4 2025	Postponed to 2026
Legislative initiative on CO2 transportation infrastructure and markets	Publication Call for Evidence and Public Consultation	Q4 2025	Call for Evidence: Publication from 31.07.25 to 11.9.25; Public Consultation: Publication from 6.10.2025 to 9.1.2026
Other major outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL - Progress on competitiveness of clean energy technologies	Adoption	Q1 2025	26.02.2025 COM(2025)74

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Report on energy prices and costs in Europe	Adoption	Q1 2025	26.02.2025 COM(2025)72
Implementing Act specifying non-price criteria in renewable energy auctions under Article 26 of the Net Zero Industry Act	Adoption	Q2 2025	23.05.2025 C(2025)2900
Delegated act on primarily used components under the Net-Zero Industry Act	Adoption	Q2 2025	23.05.2025 C(2025)2901
Delegated Regulation on a methodology for assessing greenhouse gas emission savings from low-carbon fuels	Adoption	Q3 2025	08.07.25 C(2025) 4674
Energy Union Task Force	Creation	Q2 2025	16.06 2025 Establishment
New SET Plan Steering Group	Establishment	Q2 2025	First meeting of the new SET Plan Steering Group on 30.04.2025. New governance adopted on 4.11.2025 during the annual SET Plan conference.
Revision of the network code on capacity allocation mechanisms in gas transmission systems (CAM)	Adoption	Q4 2025	Postponed to Q2 2026

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Commission Recommendation on Diagnostic Reference Levels	Adoption	Q4/2025	23.02.26 – adopted C(2026)1015

General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness

Specific Objective 1.3: Attracting investments and ensuring delivery

Related to spending programme(s): Invest EU, Innovation Fund

Result indicator 1.3.1 Share of Total employment on production of energy from renewable sources over Total employment on all activities

Explanation: Job creation of RES is expected to follow the deployment of renewable energy in the EU and maintains the ratio over total employment in all sectors.

Source of data: Eurostat

This result indicator is selected as a KPI

Baseline (2023)	Interim milestone (2027)	Target (2029)	Latest known results (2024)
0.7%	At least 0.6%	At least 0.6%	0.7%

Main outputs in 2025:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Commission Communication on the Clean Energy Investment Strategy 	Adoption	Q4 2025	10.03.26 – adopted COM(2026)116
Sectorial Tripartite agreement(s)	Signature of contracts	End of 2025	First tripartite expected to be signed in 2026

Major implementation activities and enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Conclusion of the 2024 Connecting Europe Facility (CEF) call for proposals for energy infrastructure (PCIs and PMIs)	Adoption of the Commission award decision	March 2025	12.3.2025 C(2025)1470
Adoption of the second list of Projects of Common Interest and Projects of Mutual Interest (2 nd PCI/PMI list)	Adoption	Q4 2025	01.12.2025 C(2025)8144

General objective 1: A new plan for Europe's sustainable prosperity and competitiveness

Specific Objective 1.4: Being ready for potential energy crisis

Related to spending programme(s): N/A

Result indicator 1.4.1 Energy dependence

Explanation: The ratio between net imports and gross available energy indicates the ability of a country or a region to meet all its energy needs

Source of data: Eurostat

This result indicator is selected as a KPI

Baseline (2022)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
62.5%	54%	51%	55.70%

Result indicator 1.4.2 Preparedness by Member States**Explanation:** Updated risk preparedness and emergency plans and procedures as per regulation for oil, gas and electricity security of supply**Source of data:** ENER Data

Baseline (2025)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
27 Member States	27 Member States	27 Member States	All MS received feedback on the gas emergency plans. 25 out of 27 MS submitted draft risk preparedness reports

Result indicator 1.4.3 Crisis simulation exercises conducted**Explanation:** Count per year**Source of data:** ENER data

Baseline (2025)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
1 yearly test exercise	1 yearly test exercise	1 yearly test exercise	Table-top exercise took place in Helsinki


Result indicator 1.4.4 Strengthening of nuclear emergency preparedness and response system

Explanation: This indicator measures the progress in implementing of the system of nuclear emergency preparedness and response (EP&R)


Source of data: DG ENER

Baseline (2025)	Interim milestone (2026-2029)	Target (2029)	Latest known results (2025)
<p>Strengthening nuclear EP&R by updating the ECURIE early warning system for radiological emergencies and integrating it in the future European Crisis Management Platform (ECMP), to ensure cross-sectoral information exchange and coordination during emergencies.</p> <p>Migration of WebECURIE and EURDEP-private platforms to the cloud</p> <p>Development of the Crisis Management Corporate Platform and WebECURIE sectorial project (phase 1)</p>	<p>Revision of the ECURIE Decision 87/600/Euratom</p> <p>Modernization of the WebECURIE and EURDEP systems (phase 2)</p> <p>Standardization of the measurements made available through EURDEP – harmonization of EURDEP network (with JRC)</p>	<p>Strengthened nuclear emergency preparedness and response system</p>	<p>Transition of WebECURIE from JRC to ENER ongoing. WebECURIE migrated from JRC data centre to a high availability cloud-based infrastructure. JRC system kept as failover system during the transition period.</p>

Main outputs in 2025:**New policy initiatives**

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU)2017/1938 as regards the role of gas storage for securing gas supplies ahead of the winter season	Adoption	Q1 2025	05.3.2025 COM(2025)99
COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Roadmap towards ending Russian energy imports 	Adoption	Q2 2025	06.5.2025 COM(2025)440
REGULATION (EU) 2026/261 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on phasing out Russian natural gas imports and preparing the phase-out of Russian oil imports, improving monitoring of potential energy dependencies and amending Regulation (EU) 2017/1938	Adoption	Q2 2025	17.06.2025 COM(2025)828 Adopted by co-legislator on 26.01.2025.

Evaluations and fitness checks (part of the stress testing EU acquis)

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Fitness check on the energy security architecture – evaluating the Electricity Risk Preparedness Regulation and Gas Security of Supply Regulation 	Adoption	Q4 2025	Published 22.12.2025.

Implementation dialogues, Annual Progress Report(s) and reality checks

Output	Indicator	Target	Latest known results (situation on 31/12/20242025)
Coordination meetings on oil, gas, electricity and offshore safety	Nr of Meetings	10	10 Oil Coordination Groups, 7 Gas Coordination Groups, 13 Electricity Coordination Groups

Other major outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on the assessment of possibilities of streamlining and simplifying the process of applying a capacity mechanism under Chapter IV of Regulation (EU) 2019/943, in accordance with Article 69(3) of Regulation (EU) 2019/943	Adoption	Q1 2025	03.03.2025 COM(2025)65

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL on solidarity and certain aspects concerning gas storage based on Regulation (EU) 2017/1938 of the European Parliament and of the Council	Adoption	Q1 2025	05.03.2025 COM(2025)98
COMMISSION RECOMMENDATION on the implementation of the gas storage filling targets in 2025	Adoption	Q1 2025	05.03.2025 C(2025)1481
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU)2017/1938 as regards the role of gas storage for securing gas supplies ahead of the winter season	Adoption by the co-legislator	Q3 2025	18.7.2025 COM (2025) 99

General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness

Specific Objective 1.5: Strengthen Europe’s energy diplomacy

Related to spending programme(s): N/A

Result indicator 1.5.1 Adoption and subsequent implementation of key multilateral and bilateral energy agreements

Explanation:

The adoption, signature and implementation of:

- Clean Tech and energy MoU with Saudia Arabia
- A new energy partnership with the US
- CTIP with South Africa
- MoU signature with the Latin American Energy Organisation (OLADE)
- More than 80 countries joining Global Energy Transitions Forum (GETF) by COP30

Source of data: ENER data

This result indicator is selected as a KPI

Baseline (2025)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
Actions being initiated	Clear implementation on the ground.	Listed energy agreements all concluded. Increase of energy trade flows with selected countries (Saudi Arabia, US, Latin America, GETF countries).	Clean Tech and energy MoU with Saudia Arabia: Postponed to 2026 A new energy partnership with the US as part of the EU US Joint Statement agreed on 21 August 2025 20.11.2025 Clean Trade and Investment Partnership signed with ZA EU-South Africa bilateral energy Dialogue 27.05.2025 MoU signature with the Latin American Energy Organisation (OLACDE)

Baseline (2025)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
			More than 80 countries joining Global Energy Transitions Forum (GETF) by COP30
Main outputs in 2025:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
A world in energy transition: Recharging European energy and climate diplomacy. Communication from the Commission	Adoption	Q3 2025	16.10.25 JOIN(2025) 25
Other major outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
16th Clean Energy Ministerial (CEM16) meeting	Occurrence	25–27 August	Meeting took place in Busan
Agreement on Swiss association to EU Programmes, including Fusion4Energy/ITER activities	Signature	Q4 2025	Switzerland will become a member of F4E as of 2026.

General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness

Specific Objective 1.6: Contributing to affordable and sustainable housing

Related to spending programme(s): N/A

Result indicator 1.6.1 Adoption of the European Affordable Housing Plan and implementation of the action plan thereof.

Explanation: The European Affordable Housing Plan was adopted in 2025.

This result indicator is selected as a KPI

Baseline (2025)	Interim Milestone (2027)	Target (2029)	Latest known results (2025)
Actions initiated by the EAHP	EAHP actions set for delivery by 2027 are implemented (where EC is in lead) or being implemented (where Commission is in support to Member States)	All actions of the EAHP are implemented	EAHP adopted 16.12.2025 COM(2025) 1025

Main outputs in 2025:

Major public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: European Affordable Housing Plan	Publication Call for evidence first followed by Public Consultation	Q2 2025 Published from 07.05 to 04.06.2025	Publication from 07 May 2025 - 04 June 2025 + 11 July 2025 - 17 October 2025

Other major outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Housing Advisory Board	Creation	Q2 2025	22.04.2025

ANNEX 3: Draft annual accounts and financial reports

Information concerning the draft annual accounts and financial reports is available at the following link ⁽⁶⁾:

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex3/BU DG_Annex3.html

⁽⁶⁾ The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

ANNEX 4: Financial scorecard

The financial scorecards are accessible via the following link:

https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex4/BU DG_Annex4.html

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year. In some cases, this has resulted in lower performance for some standard financial indicators such as: timely payment (67%) and payment forecast implementation (88%).

The low value of the timely payments indicator refers to one large payment to Fusion for Energy JU that was late by 2 days with no financial consequences (no late payment interests). Given its high value, the indicator could not entirely recover at the end of the year. In terms of number of late payments DG ENER is very good, over the 95% target for payments on time. Stricter monitoring based on DG BUDG improved dashboards will be put in place in 2026.

ANNEX 5: Materiality criteria

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

Introduction

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

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

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

Qualitative criteria for defining significant weaknesses

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

a. Consideration of significant control system weaknesses

Control system weaknesses (whether this is in a system operated by the Commission or by a third party) may be identified by management itself (for example through ex-post audits or through the assessment of the effectiveness of internal control systems), by internal or

external auditors or by third party control instances. They may relate to the design or operational effectiveness of a control or of an entire system.

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

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

c. Significant reputational events

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

When assessing the significance of any weaknesses, the following factors are considered:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness);
- the existence of effective corrective actions to correct the weaknesses (action plans and financial corrections) which have had a measurable impact.

When significant weaknesses are identified, a quantification of the amount at risk should be carried out when possible (see section below).

Quantitative criteria for defining reservations

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

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

Considering that the fact that the research framework programmes' implementing bodies ⁽⁷⁾ are sharing a common ex-post audit approach, the following section focusses on this specific management system.

Research framework programmes – common aspects

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

Assessment of the effectiveness of controls

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

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

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

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

where:

- ResER%** Residual error rate, expressed as a percentage.
- RepER%** Representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possible individual detected error rates.
- RepERSys%** Portion of the RepER% representing negative systematic errors, (expressed as a percentage). The RepERSys% is the same for all entities and it is calculated from the same set of results as the RepER%.
- P** Total requested EC contribution (€) in the auditable population (i.e., all paid financial statements).
- A** Total requested EC contribution (€) as approved by financial officers of all audited financial statements. This will be collected from audit results.

⁽⁷⁾ Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the Research Framework Programmes.

E Total non-audited requested EC contribution (€) of all audited beneficiaries.

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

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies ⁽⁸⁾ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

Multiannual approach

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

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

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

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of the Executive Agencies implementing R&I Framework

⁽⁸⁾ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

Programmes) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

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

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

Adequacy of the audit scope

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

The Director Generals should form a qualitative opinion to determine whether deviations from the multiannual plan are of such significance that they seriously endanger the achievement of the internal control objective. In such case, they would be expected to qualify their annual statement of assurance with a reservation.

Research Framework programmes – specific aspects

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

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

Horizon 2020 Framework Programme

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

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme ⁽⁹⁾ states that:

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

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

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

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

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

Horizon Europe Framework Programme

For Horizon Europe Framework Programme ⁽¹⁰⁾, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative representative error rate and the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not

⁽⁹⁾ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

⁽¹⁰⁾ Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe

exceed 2% on an annual basis. An AAR reservation will be issued in the Annual Activity Report if the cumulative residual error rate is above the 2% materiality threshold.

EURATOM Horizon 2020 and EURATOM Horizon Europe

The EURATOM Horizon 2020 ⁽¹¹⁾ and Horizon Europe ⁽¹²⁾ Regulations complement respectively the Horizon 2020 and Horizon Europe Regulations. The EURATOM Audit Strategy is articulated as a complement to the Horizon 2020 one. However, for the estimation of the amount at risk, only the Horizon 2020 error rate is presented and used, as the EURATOM error rate is not statistically representative. The estimation of EURATOM Horizon Europe error rate is also aligned with the one of Horizon Europe. The quantitative materiality threshold for Euratom programmes is the same as for the Horizon framework programmes.

Other directly and indirectly managed expenditure

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

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

For other operational grants and support actions, the audit coverage is determined in function of the risk associated with the expenditure. Given the limited size of these actions, the calculation of the residual error rate based on a representative sample is not possible. The consequences are therefore assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information, including the detected error rate. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas.

Non-expenditure items

For tangible assets the assessment is based on the evolution of the residual evolution of assets exceeding of individual value of EUR 50 000.

For financial assets (shareholding in the EEEF special purpose vehicle) and contingent assets and liabilities (guarantees corresponding to the CEF bond portfolio) the assessment is based on

⁽¹¹⁾ Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 Framework Programme for Research and Innovation (OJ 347/84, 20.12.2013).

⁽¹²⁾ Council Regulation (Euratom) 2021/765 complementing the Horizon Europe Regulation

the evolution of the individual share value and of the net present value of the investment/portfolio compared to the initial investment values/initial contribution. The control objective is to maintain the realised loss under 2% of the fund value. It should be noted however that financial investments are valued according to marked-to-market principle and in accordance with accrued future cashflow. The qualitative assessment therefore needs to take into account the actual reason underlying any decrease in valuation.

Assessment of reputational events

In cases where a weakness is considered significant in qualitative terms but not in quantitative terms, DG ENER will consider whether the weakness should lead to a reservation based on reputational grounds.

The impact of a reputational event must be measured as the impact on the Commission's reputation characterised by a loss of confidence in the institution by its stakeholders ⁽¹³⁾, rather than the impact on the stakeholders' own reputation.

The following three factors are to be used to judge the significance of a reputational event:

- The nature of the impact on reputation, generally be expressed in terms of political consequences
- The breadth of awareness of the event,
- The duration of impact on reputation, taking into account that the impact of almost any event on reputation will diminish over time.

Disclosure

The AOD reports on the key issues that have arisen during the year. DG ENER will disclose in its AAR events assessed to have had a significant impact on the reputation of the Commission, a service or an activity during the year in question.

The disclosure will address both significant events which have been successfully managed (where the damage to reputation has been effectively mitigated) as well as on those events whose impact is still being felt. It would usually not disclose reputational risks, as these remain potential, uncertain events and would not as such impact the assurance.

For the purposes of a reservation

Significant reputational events may lead to reservations where the impact of the event has a consequence on the declaration of assurance. In other words, it must be linked to the use of resources, sound financial management and the legality and regularity of underlying

⁽¹³⁾ Defined as the Member States, the Council and Parliament, the European Court of Auditors, Member State and third country participants in Community programmes and activities who receive direct or indirect funding from the Commission, contractors, the staff of the Institution, the media, and the wider public.

transactions. It should be noted that a reservation based on reputation does not need to meet the quantitative criteria for reservations, as by definition, its principal impact is on reputation.

De minimis threshold for financial reservation

Since 2019 ⁽¹⁴⁾, 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. Cases where the 'de minimis' threshold applies this year are reported in annex 9.

⁽¹⁴⁾ Agreement of the Corporate Management Board of 30/4/2019.

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

RCS 1) Research grants (under direct management)

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

The RCS for Horizon Europe is similar to that of Horizon 2020. The main improvements for Horizon Europe are the co-creation of the work programme by the Directors' Groups according to the work of the various instances, and the simplification introduced with the single daily rate for personnel costs and the rollout of simplified cost forms, in particular lump sum funding and unit costs for personnel costs.

The Control Strategy for Horizon Europe has been adopted by Horizon Europe Steering Board in November 2023.

The RCSs for Euratom both under H2020 and Horizon Europe are similar to the general ones respectively for H2020 and for Horizon Europe, except for the ex-post control strategy which is specific to Euratom.

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

Stage 1 - Ex-ante controls

Effectiveness, efficiency are detailed per stages A to D.

Economy is calculated overall for the ex-ante controls and detailed at the end of paragraph 1.

A - Preparation, adoption and publication of the Work Programmes for indirect actions and calls for proposals

Main control objectives: Ensuring that the Commission selects the proposals that contribute the most towards the achievement of the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy); due consideration of other horizontal priorities (ethics, gender balance, security aspects)

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The Horizon Europe implementation (procedures, monitoring arrangements, communication with beneficiaries, budget planning, etc) has serious shortcomings.</p>	<ul style="list-style-type: none"> • For Horizon Europe, hierarchical validation within the authorising department Inter-service consultation, including all relevant services. • Adoption by the Commission. • Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various instances and with the processes established in this decision. • In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon Europe research with harmonised procedures, guidance and IT tools. • The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe's budget implementation. 	<p>Coverage / Frequency:</p> <p>100%</p> <p>Depth:</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules.</p> <p>Under Horizon Europe, all business processes follow a governance system under the due supervision of instances like the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p>Effectiveness:</p> <p>The work programmes are adopted by the Commission.</p> <p>Success rates in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.</p> <p>Qualitative Benefits:</p> <p>A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the most excellent can be chosen. There will therefore be real competition for funds.</p> <p>Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on the whole programme – better management of the programme.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design. 		

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

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the work programme and subsequent calls for proposals.</p> <p>Conflict of interest regarding the expert evaluators.</p> <p>In lump sum proposals, the lump sum as evaluated may be too low or too high for the project proposed.</p>	<ul style="list-style-type: none"> Selection and appointment of external expert evaluators Conflict of interest checks Assessment by independent experts Appropriate briefing of experts (videos also available), including on gender balance aspects and the evaluation of cost estimations in lump sum proposals (dedicated lump sum briefing, video tutorial). As regards lump sum proposals: detailed cost estimations must be submitted and are assessed by experts, including experts with budgetary and project management expertise, against objective benchmarks (e.g. personnel cost dashboard). Comprehensive IT system supporting the evaluation of proposals and allowing better monitoring of the process. 	<p>100% vetting (including selecting) experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion).</p> <p>100% of proposals are evaluated.</p> <p>Coverage:</p> <p>100% of ranked list of proposals. Supervision of work of evaluators. 100% of contested decisions are analysed by redress committee.</p>	<p>Effectiveness:</p> <p>Number of proposals evaluated.</p> <p>Efficiency Indicators:</p> <p>% of Time-To-Inform on time⁴¹. (indicator to be brought as closely as possible to 100%)</p> <p>% of number of redress challenges upheld / total number of proposals evaluated (indicator to be minimised).</p> <p>Qualitative benefits:</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Ethics requirements are not identified.</p> <p>Gender balance aspects are not adequately taken into account.</p> <p>Security requirements are not identified.</p>	<ul style="list-style-type: none"> • Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication. • Systematic checks on operational and legal aspects performed before signature of the Grant Agreement Redress procedure. • An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary. • IT tools (eGDR, ex. CORDA reporting with dedicated guidance available) allowing extraction of data on gender balance in proposals. • Security checks and screenings. 		<p>Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle: better planned, better implemented projects.</p>

C - Contracting

Main control objectives: Ensuring that the main and, as applicable, reserve list ranked projects are the proposals contracted; Sound Financial Management (optimal allocation of the budget available); Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects).

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>Ethics requirements are not adequately implemented.</p> <p>Security-related requirements are not adequately implemented.</p> <p>A potentially fraudulent participant remains undetected. Potential fraud and/or double funding and/or plagiarism of proposals remain undetected.</p> <p>Restrictions related to participation (Article 22.5) and high-risk suppliers are inadequately or not applied.</p> <p>Gender equality plan requirement is not fulfilled.</p>	<ul style="list-style-type: none"> • Validation of beneficiaries (financial capacity checks on demand), except for mono-beneficiaries requesting > EUR 500 000 (systematic checks on the financial capacity). • Systematic checks on operational and legal aspects performed before signature of the grant agreement • Risk assessment and risk based checks before the grant agreement signature and reinforced monitoring flagging if necessary • Ad hoc anti-fraud checks for riskier beneficiaries Signature of the grant agreement by the AO. • An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed screening or assessment if necessary; dedicated IT workflows for ethics aspects embedded in GAP. • Ad hoc security checks and screenings Security review is carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny. • Regarding plagiarism, automated detection of similar proposals in GAP (SIMBA). • Regarding restrictions related to participation: On high-risk suppliers, automated cross checks against third party data of participants in proposals. 	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage:</p> <p>100% of draft grant agreements.</p> <p>Depth:</p> <p>Depth will be differentiated following the conclusion of the risk assessment.</p> <p>Controls implemented when justified by the call/proposal content.</p>	<p>Effectiveness:</p> <p>Number of grants signed</p> <p>Efficiency Indicators:</p> <p>% of Time-to-grant on time (indicator to be brought as close as possible to 100%) Average Time-to-grant (to be minimised).</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> On Article 22.5 restrictions, ownership and control assessments. Systematic review of the existence of GEP where it is required for a beneficiary, ongoing work on automated flagging of beneficiaries needing a GEP. 		

D - Monitoring the implementation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement (for examples deliverables 42, open access to results and publications, etc.).	<ul style="list-style-type: none"> Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors Specialized webinars targeting reduction of errors As regards lump sums: Guidance on reporting for lump sum grants (notion of work package completion). Monitoring of technical project progress as in all other grants; special focus in PO assessment on work package completion. Ex-post technical review of lump sum grants for in-depth assessment of work package 	<p>100% of the projects are controlled, including only value- adding checks.</p> <p>Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria.</p> <p>However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p>	<p>Effectiveness:</p> <p>Number of payments (interim and final).</p> <p>Efficiency:</p> <p>Time-to-pay: % of payments (in value) made on time (indicator to be brought as close as possible to 100%).</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims and or deliverables are irregular or fraudulent.</p> <p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries.</p> <p>Ethics requirements are not fulfilled.</p> <p>Security-related requirements are not fulfilled. Sensitive/classified information in deliverables might not be handled with adequate security measures.</p> <p>An unauthorised IPR transfer may occur incl. of critical technologies</p> <p>Restrictions related to participation (Article 22.5) are inadequately or not applied.</p> <p>There is a failure to detect that lump sum work packages are completed to a lower degree than declared.</p>	<p>completion; partial or full recovery of payments if needed following an ex-post technical review.</p> <ul style="list-style-type: none"> • Specialized aid with web-based tools to inform most error-prone beneficiaries (i.e SMEs who participate first time) about cost calculation practices. • Effective external communication about guidance to the beneficiaries (eg. Funding and Tender portal, info days for the calls). • Anti-fraud awareness raising training for the project officers IT Plagiarism detection tool for reporting and deliverables. • Enhanced family approach (anti- fraud cooperation; common legal and audit service; comprehensive and common IT system for all the family). • Operational and financial checks in accordance with the financial circuits. • Operation authorisation by the AO • For riskier operations, reinforced monitoring. • Selection and appointment of expert for scientific reviews of intermediate and/or final reporting. • If needed: application of Suspension/interruption of payments, • Referring grant/beneficiary to OLAF/EPPO. 	<p>High risk operations identified by risk criteria.</p> <p>Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment</p> <p>Audit certificates required for any beneficiary claiming more than: EUR 430 000</p> <p>(Horizon Europe, except lump sum grants).</p>	<p>Time-to pay:</p> <p>Average number days net/gross + suspension days.</p> <p>Qualitative Benefits:</p> <p>Projects are executed and produce benefits for the community.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Gender equality plan requirement is not fulfilled.</p> <p>Potential fraud and/or double funding remains undetected.</p>	<ul style="list-style-type: none"> • Guidance in place on handling security-sensitive projects including in the implementation stage, as well as relating to sensitive/classified deliverables. • Regarding IPR: Evaluators and experts requested to flag potential IPR being developed in relation to critical technologies. Awareness raising for beneficiaries and EU Staff. For beneficiaries, in particular at the stage of publishing the call or during Coordinator Days, or at the end of the project; internal trainings. IT system in place for handling IPR notifications. Guidelines for IPR monitoring available. • Regarding Article 22.5 restrictions, ownership and control assessments. • As regards GEP, systematic review of the existence of GEP where it is required for a new beneficiary; ongoing work on automated flagging of beneficiaries which need a GEP in the IT system. GEP compliance checks on a random sample of beneficiaries based on agreed upon criteria such as type of organisation. 		

Overall economy for ex-ante control

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			<p>Economy: The estimation is established for the grant process which includes both Horizon 2020 and Horizon Europe</p> <p><u>a. Estimation of cost of staff involved in the ex-ante checks.</u></p> <ul style="list-style-type: none"> - Programme management and monitoring - Financial management - Budget and accounting - General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management - Anti-fraud - Development and support of IT systems linked to managing funding programmes. <p><u>b. Estimation of other costs linked to ex-ante checks</u></p> <ul style="list-style-type: none"> - Cost of experts and costs of experts management - Costs of IT external contracts of CIC. <p>Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG R&I (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual Activity Reports of REA and RTD.</p>

Stage 2 - Ex-post controls

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

Economy is calculated overall for the ex-post controls and detailed at the end of paragraph 2.

E - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family, also as regards technical reviews in lump sum grants.</p> <p>Lack of efficiency for absence of coordination: multiple audits/ technical reviews in lump sums on the same beneficiary, same programme: reputational risk and high administrative burden on the beneficiaries' side.</p>	<ul style="list-style-type: none"> • Common Ex-post control strategy for the entire Research and Innovation family, implemented by a central service (Common Audit Service (CAS)) part of the Common Implementation Centre, DG Research and Innovation): <ul style="list-style-type: none"> — At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. — Calculates the representative error rate for the R&I programme — Additional sample to address specific risks — When relevant, joint audits with the Court of Auditors Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned • Validate audit/technical reviews results with beneficiary • In case of systemic error detected, extrapolation to all the ongoing projects run by 	<p>Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. The population from which the samples are drawn will be divided into two strata, one for actual cost and one for lump sum grants.</p> <p>Research and Innovation risk-based sample, determined in accordance with the selected risk criteria aimed to maximise deterrent effect and prevention of fraud or serious error</p>	<p>Effectiveness:</p> <p>Representative and residual error rate identified Number of audits/technical reviews finalised % of beneficiaries & value coverage.</p> <p>Efficiency:</p> <p>Percentage of implementation of CAS audit plan, also for technical reviews (to be brought as closely as possible to 100%).</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>the audited beneficiary (or closed within two years).</p> <ul style="list-style-type: none"> Specifically for lump sum grants, technical reviews will be carried out by the implementing service for in-depth assessment of work package completion. Error rate to be measured based on technical review results. 		

F - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The financial recommendations stemming from the ex- post audit are not implemented.</p> <p>Cases of potential fraud detected are not addressed or not addressed in a timely manner.</p>	<ul style="list-style-type: none"> Systematic registration of audit / control results to be implemented and actual implementation. Validation of recovery in accordance with financial circuits. Authorisation by AOSD. Coordination at the level of the R&I family: FAIR committee. If needed: <ul style="list-style-type: none"> Notification to OLAF and regular follow up of detected potential fraud. 	<p>Coverage:</p> <p>100% of final audit results with a financial impact.</p> <p>Depth:</p> <p>All audit results are examined in-depth in making the final recoveries.</p> <p>Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p>Effectiveness:</p> <p>Amounts being recovered and offset.</p> <p>Efficiency:</p> <p>Number/value/% of audit results pending implementation, (indicators to be minimised)</p> <p>Number/value/% of audit results implemented.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	— Reinforced monitoring implemented on ongoing projects.		

Overall economy for ex-post control

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

RCS 2) Energy grants (prerogative) and other support actions (prerogative and CEF) (under direct management)

This RCS covers (1) grants under prerogative lines, including budgetary support to the Energy Community and Energy Charter secretariat and whenever relevant membership fees to international institutions; (2) directly managed pilot projects and preparatory actions (PPAs); (3) CEF programme support actions as well as LIFE CET actions managed directly by DG ENER.

In 2025, there were no grants related to the Housing activity

Stage 1 - Ex-ante controls

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The annual work programme and the subsequent procedures to grant to or contract with specifically designated beneficiaries do not adequately reflect the policy objectives and priorities; are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The annual work programmes are not consistent with the policy framework.</p>	<ul style="list-style-type: none"> Hierarchical validation within the authorising department Inter-service consultation, including all relevant services Adoption by the Commission Explicit allocation of responsibility 	<p>Coverage / Frequency:</p> <p>100% annually</p> <p>Depth:</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.</p> <p>All the underlying implementation tools are defined and developed at family level.</p>	<p>Effectiveness</p> <p>Success ratios in terms of budget implementation: commitments implemented / commitments allocated.</p>

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

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance; Prevention of fraud. In most cases, however CEF support action will be implemented with specifically designated beneficiaries or contractors.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The selection of beneficiaries /contractors is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme.</p>	<ul style="list-style-type: none"> • Validation by the AOSD of ranked list of proposals and, if applicable: <ul style="list-style-type: none"> — Opinion of advisory bodies; — comitology; — inter-service consultation; — adoption by the Commission; — publication — Redress procedure 	<p>Coverage / Frequency:</p> <p>100% vetting (including selecting) of experts for technical expertise and independence (e.g., conflicts of interests, nationality bias, ex-employer bias, collusion)</p> <p>100% of proposals evaluated</p> <p>100% of contested decisions are analysed by redress committee.</p>	<p>Effectiveness:</p> <p>% of number of (successful) redress challenges / total number of proposals received.</p> <p>Number of litigation cases</p> <p>Efficiency:</p> <p>Average time to publication of selection results.</p> <p>% of Time-To-Inform on time when relevant</p>

C – Contracting (new grant agreements, contracts and amendments)

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The description of the action in the grant agreement/contract includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>A potentially fraudulent proposal /beneficiary was not detected in the evaluation phase.</p>	<ul style="list-style-type: none"> Project Officers implement evaluators' recommendations in discussion with selected applicants ⁽¹⁵⁾ Hierarchical validation of proposed adjustments Validation of beneficiaries before the signature of GA, including systematic checks on operational and legal aspects Ad hoc anti-fraud checks for riskier beneficiaries Signature of the grant agreement by the AO 	<p>Coverage / Frequency:</p> <p>100% of the selected proposals and beneficiaries</p> <p>100% of draft grant agreements.</p> <p>Depth:</p> <p>It may be differentiated; determined after considering the type or nature of the beneficiary (e.g., SMEs, joint ventures) and/or of the modalities (e.g., substantial subcontracting) and/or the total value of the grant.</p>	<p>Effectiveness/Efficiency:</p> <p>Average time to grant if and when relevant</p> <p>Absence of serious audit findings or litigation</p>

D – Monitoring the implementation and Financial Management

Main internal control objectives: ensuring that the operational and policy objectives are met; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical</p>	<ul style="list-style-type: none"> Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors 	<p>Coverage / Frequency:</p>	<p>Effectiveness:</p>

⁽¹⁵⁾ Given the constraints on the time to grant set out in the Horizon 2020 legislation, negotiation with applicants is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p>	<ul style="list-style-type: none"> • Effective external communication / guidance to beneficiaries • Anti-fraud awareness raising and training for project officers • Operational and financial checks in accordance with the financial circuits • Operation authorisation by the AO • For riskier operations: <ul style="list-style-type: none"> — Enhanced ex-ante controls — Selection and appointment of expert for scientific reviews of intermediate and/or final reporting — On-site verification visits • If needed, application of: <ul style="list-style-type: none"> — Suspension/interruption of payments — Penalties or liquidated damages — Referring grant/beneficiary to OLAF 	<p>100% of the payments (op. and fin. checks) in normal financial circuits</p> <p>Riskier operations subject to more in-depth controls.</p> <p>Depth:</p> <p>Depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or 'population' risk assessment</p>	<p>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed</p> <p>Efficiency:</p> <p>Average number and value of running projects managed 'per' staff FTE</p> <p>Timeliness of payments</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p>

Stage 2 - Ex-post controls

E - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the ex-post audit strategy.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk.</p>	<ul style="list-style-type: none"> Ex-post audit planning in line with programme lifecycle and based on risk analysis. In case of fraud suspicion, referring the beneficiary or grant to OLAF. 	<p>Coverage / Frequency:</p> <p>Risk-based selection of projects, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error.</p> <p>Depth:</p> <p>Common audit ex-post methodology</p>	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised and value coverage</p> <p>Representative / detected error rate.</p> <p>Residual error rate (only for programmes)</p>

F - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.</p>	<ul style="list-style-type: none"> • Systematic registration of audit / control results to be implemented and actual implementation. • Validation of recovery in accordance with financial circuits. • Authorisation of recovery by AO. • Regular follow up of reported fraud cases with OLAF • Monitoring of recoveries / AO approval for waiving recoveries 	<p>Coverage: 100% of final audit results with a financial impact</p> <p>Depth: All audit results are examined in-depth in making the final recoveries</p>	<p>Effectiveness: % of adjustments recovered /offset Number/value/% of audit results implemented</p> <p>Efficiency: total (average) annual cost of implementing audit audits compared with benefits</p>

RCS 3) Procurements, studies and other operational expenditure, Nuclear Energy (including safeguards) (under direct management)

This RCS covers, amongst others, the contracts to procure studies, goods and services, including the contracts implemented under the heading “other operational expenditure” and “nuclear energy”.

This RCS also includes procurement activities related to the Housing activity. In 2025, procurement under this activity did not differ in nature or control from other studies and consultancy contracts managed under the “other operational expenditure” category.

This segment also includes administrative expenses for salaries and/or missions, which are reported by the service responsible for the commitment, although the payments are executed by another service, notably the PMO and/or DG HR. The executing service implements the necessary technical-level controls and submits a declaration to the delegating Department on the compliance of these payments with the principle of sound financial management, as well as their legality and regularity. These expenses are considered to present a low level of risk and are therefore subject to a flat rate of 0.5%, as corroborated by the control results of the executing service(s). More information on the implemented controls can be found in the DG HR/PMO annual activity report(s).

Stage 1 - Ex-ante controls

A - Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives.</p> <p>Discontinuation of the services provided due to implementation issues or lack of appropriate planning.</p> <p>The required volume of services or the required technical financial capability are not adequately planned.</p>	<ul style="list-style-type: none"> Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements. Validation by AO(S)D of justification and planning. Documented discussions / decisions (document adopted by all parties before the launch of a given procurement procedure setting the main principles to follow during the call). 	<p>Coverage:</p> <p>100% of the forecast procurements are justified and validated through the Vigie system.</p> <p>Depth:</p> <p>All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.</p>	<p>Effectiveness:</p> <p>Number of projected tenders cancelled.</p> <p>Economy:</p> <p>Average cost per tender.</p>

B – Needs assessment and definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission does not receive good offers or cannot select good contractors and/or experts for the required specific expertise.</p> <p>The specifications and requirements are defined in a way that restricts excessively competition, narrowing the choice of suppliers and influencing negatively the possibility to obtain advantageous offers.</p>	<ul style="list-style-type: none"> • AOSD supervision and approval of tender specifications / terms of reference. • Ex-ante legal controls on the procurement procedure. 	<p>Coverage:</p> <p>100% of specifications drafted by technical experts. All specifications for open call for tenders validated by AOSD.</p> <p>Depth:</p> <p>100% of tenders above financial threshold (Directive Threshold).</p>	<p>Effectiveness</p> <p>Number of open procedures or tenders where only one or no offers were received.</p>

C – Selection of the offer and evaluation

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The most economically advantageous offer is not being selected, due to a biased, inaccurate or 'unfair' evaluation process.</p> <p>The offer retained does not present the required technical expertise or is financially not sustainable.</p>	<ul style="list-style-type: none"> • Formal evaluation process, including Opening Committee and Evaluation Committee. • Declaration of absence of conflicts of interest by members of Opening and Evaluation Committee. • Documented evaluation of selection, exclusion and award criteria. 	<p>Coverage:</p> <p>100% of offers analysed.</p> <p>Depth:</p> <p>All documents submitted.</p> <p>100% of opening/evaluation committee members sign declaration.</p> <p>100% criteria checked.</p>	<p>Effectiveness</p> <p>Number of valid complaints or legal cases opened.</p> <p>Contract signed in time to implement the action.</p> <p>Economy</p> <p>Cost of control vs amount paid.</p>

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
Procurement procedures are unsuccessful or lead to an excessive use of negotiated procedures.	<ul style="list-style-type: none"> • Hierarchical review to ensure that open procedures are favoured whenever possible. • In-depth ex-ante market study to identify potential providers, problems & possibilities for in-house development if any. • If not possible, use of negotiated procedures with pre-identified market players, only following approval by Senior Management. 	<p>Coverage:</p> <p>risk-based approach for most complex contracts.</p>	<p>Effectiveness:</p> <p>number of procedures that need to be re-launched or cancelled.</p>

D – Receipt of services and financial transactions

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.</p> <p>Insufficient performance or timeliness of the contractor</p> <p>Invoices received do not correspond to the services delivered or to the actual performance of the contractor.</p>	<ul style="list-style-type: none"> • Monitoring and assessment of deliverables. Regular implementation report on the fulfilment of the contracted tasks. Request of supporting documentation for claimed costs / link between deliverables and payments. • Financial checks in accordance with the financial circuits • Operational authorisation by AO(S)D. • For procurement of goods and on-site services related to Nuclear Safety and Nuclear Safeguards • Ex-ante in-depth verification and testing of new equipment delivered, prior to the acceptance of the invoice. • Reinforced monitoring of on-site services delivered by nuclear operators. 	<p>Coverage:</p> <p>100% of the contracts are controlled.</p> <p>Depth:</p> <p>follow-up of all actions by the technical officer in charge.</p>	<p>Effectiveness:</p> <p>Number and amount of payment made</p> <p>issues regarding legality and regularity</p> <p>Efficiency:</p> <p>Timely payment</p> <p>Economy</p> <p>Cost of control vs amount paid</p>

RCS 4) EURATOM contribution to F4E JU (under indirect management)

This RCS covers the EURATOM contribution to the ITER project, entrusted to and implemented through the F4E JU ⁽¹⁶⁾. Both entities were established before 2016; therefore, this ICT focuses on monitoring, supervision and ex-post controls.

Stage 1 - Ex-ante controls

A – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement”/etc.)

Not applicable

B – Assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Not applicable

C – Operations: monitoring, supervision, reporting

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

⁽¹⁶⁾ Fusion for Energy Joint Undertaking.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>F4E Joint Undertaking</p> <p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>DG ENER cannot exercise suitable supervision and intervene to ensure that issues are addressed in a timely manner</p>	<p>F4E Joint Undertaking</p> <ul style="list-style-type: none"> • DG ENER supervision strategy for F4E (supervision needs & objectives, tools, working methods and procedures) • Delegation Act / Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – incl. the modalities of reporting on relevant and reliable control results • Reporting: F4E "Dashboard": information on progress of the EU contribution. Further revision to incorporate Key Performance Indicators and other elements from the supervision strategy. • DG ENER Membership of F4E governance structure: <ul style="list-style-type: none"> — DG ENER representative in Governing Board, assisted notably by — the Administration and Management Committee, of which one member is EURATOM — the Audit Committee, of which one member is proposed by EURATOM — the Bureau — DG ENER membership in the steering committee for the annual F4E independent assessment 	<p>Coverage & Frequency:</p> <p>Determined by delegation act/ administrative agreement</p> <p>Regular reports on use of resources and performance of tasks;</p> <p>Annual reports on operation and budget implementation.</p>	<p>Effectiveness:</p> <p>Effective implementation of the governance mechanisms and reporting channels.</p> <p>Number of serious issues arising not identified through standard reporting channels</p> <p>Absence of ECA, discharge or IAS audit observations</p> <p>Economy</p> <p>Evolution of the cost of control at entity level</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> — DG ENER also participates to the F4E Senior Management Meetings and has bilateral contacts with F4E Director • Revised Administrative Arrangements & Working Relations formalise the monitoring, reporting and supervision arrangements, including: <ul style="list-style-type: none"> — Regular coordination meetings at management level — Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues — Bilateral meetings when necessary • Management review of the supervision results <ul style="list-style-type: none"> — Quarterly review of key identified risks — Yearly review of F4E's key internal control documents (risk register, internal control self-assessment, cost of control) <p>if needed:</p> <ul style="list-style-type: none"> — reinforced monitoring of operational and/or financial aspects of the entity 		

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> — potential escalation of any major governance-related issues with entrusted entities • Annual activity report based on BUDG guidance and template, submitted to DG ENER. 		
<p>EURATOM obligations to ITER project</p> <p>If the ITER project supervision strategy is not comprehensive, DG ENER may not focus its activities on critical or high-risk areas.</p>	<p>EURATOM obligations to ITER project</p> <ul style="list-style-type: none"> • DG ENER supervision Strategy for the ITER project, defining supervision needs and objectives, Commission's strategy, supervision tools, key risks and key performance indicators. • Management review of the implementation of supervision strategy (completeness, effectiveness) on the basis of indicators • Participation in the ITER Council and its Advisory Bodies, including: <ul style="list-style-type: none"> — Chairing of ITER Management Advisory Committee (MAC) — Chairing the Financial and Audit Board (FAB). 	<p>Coverage:</p> <p>the elements taken into account for decisions taken in the Inter Council.</p> <p>Frequency:</p> <p>as determined by DG ENER supervision strategy.</p>	<p>Effectiveness</p> <p>Strategy exists and is up to date.</p> <p>Administrative arrangements are aligned with the strategy.</p>

D - Commission contribution: payment or suspension/interruption.

Main internal control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity or deciding to suspend/interrupt the (next) contribution.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>Bad cash forecast leading to the Commission paying too much compared to the EE's needs.</p>	<ul style="list-style-type: none"> • Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting • Management review of the supervision results. • Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy • Good internal communication to ensure that issues are known and dealt with (see stage 3). 	<p>Coverage: 100% of the contribution payments.</p> <p>Frequency: following the rhythm of the payments.</p>	<p>Effectiveness: Degree of implementation of commitment and payment appropriations (%).</p> <p>Efficiency: Timely payment.</p> <p>Economy Cost of control vs payments made.</p>

Stage 2 - Ex-post controls

E - Audit and evaluation, Discharge

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission does not have sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.</p>	<p>F4E Joint Undertaking</p> <ul style="list-style-type: none"> • Subject to audit by IAS and the Court of Auditors (yearly audit on the legality and regularity of the operations & performance audits). DG ENER uses their reports, and the follow-up given to their recommendations by the JU, as an element of the supervision. • Annual discharge report sent to the EP and the Council • The Governing Board is assisted by an Audit Committee, in which one member is proposed by EURATOM. • Commission's right to perform targeted financial and/or technical audits and on-the-spot checks on F4E beneficiaries and operations. • Ad hoc independent reviews on demand by the Governing Board or by the Commission itself, when additional independent analysis provided by a group of experts is deemed opportune for a specific issue. 	<p>Coverage:</p> <p>based on a sampling approach (e.g., random/representative, value-targeted, risk-based).</p> <p>Frequency:</p> <p>according to F4E & IAS internal audit planning / annual for DAS and external assessment.</p> <p>Depth:</p> <p>depends on the level of risks assessed.</p>	<p>Effectiveness:</p> <p>Assurance being provided.</p> <p>Efficiency:</p> <p>cost of controls.</p>

RCS 5) Nuclear Decommissioning Assistance Programmes (CPMA/EBRD/SIEA) (under indirect management)

This RCS covers the delegation to EBRD ⁽¹⁷⁾, CPMA ⁽¹⁸⁾ and SIEA ⁽¹⁹⁾ for the Nuclear Decommissioning Assistance Programmes in Bulgaria, Lithuania and Slovakia.

Stage 1 - Ex-ante controls

A - Establishment / prolongation of the mandate to the entrusted entities

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity)	<ul style="list-style-type: none"> Pillar Assessments of delegated bodies (updated in 2020-2021 for EBRD and CPMA; in 2018 for SIEA) Framework Administrative & Financial Agreement (FAFA) with EBRD Contribution agreements based on BUDG template incorporating lessons-learned on: 	<p>Coverage/Frequency: 100%/ before signature prolongation of delegation agreement</p> <p>Depth:</p>	<p>Effectiveness: Performance of pillar assessments/ validity of the PAs Adoption of the delegation acts/ contribution agreements</p> <p>Efficiency:</p>

⁽¹⁷⁾ European Bank for Reconstruction and Development.

⁽¹⁸⁾ Central Project Management Agency (Lithuania).

⁽¹⁹⁾ Slovak Innovation and Energy Agency (Slovakia).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> — Ex-post monitoring — key performance indicators — reporting and monitoring requirements — flat fee remuneration scheme • Hierarchical validation within the DG • Inter-service consultation including all relevant DGs • Contribution agreements cover clear reporting requirements and were prepared in line with new NDAP regulation and OLAF requirements • Explicit allocation of responsibility to individual officials (reflected in job descriptions) 	determined by pillar assessment checklist & other relevant guidance	included in the efficiency of monitoring and supervision
Conflicts of interest could impair the management of EU funds by the entrusted entity.	<p>Controls by DG ENER</p> <ul style="list-style-type: none"> • Pillar assessment of internal control framework, incl. anti-fraud policy • Provisions of the respective Contribution Agreements with EBRD, CPMA and SIEA • Regular assessment by DG ENER of the adequacy of control and anti-fraud strategies of implementing bodies <p>As part of the pillar assessment, DG ENER evaluated the following controls put in</p>	<p>Coverage/Frequency:</p> <p>all entities</p> <p>Depth:</p> <p>case by case</p>	<p>Effectiveness:</p> <p>Absence of conflict of interest</p> <p>Existence of antifraud Strategies and policies at entity level</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<p>place by the entrusted entities:</p> <ul style="list-style-type: none"> • EBRD governance framework <ul style="list-style-type: none"> — Code of Conduct — Prohibited Practices guidelines — Integrity Risk policy — Modification of IDSF rules, to align them with the predominant role of the Commission as a donor. • CPMA's and SIEA's anti-fraud strategy and conflict of interest prevention policy 		

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view</i>)</p>	<ul style="list-style-type: none"> • Pillar assessment of entrusted entities before delegating funds • Monitoring actions <ul style="list-style-type: none"> — site visits 	<p>Coverage/frequency:</p> <p>100% of entrusted entities</p> <p>Frequency of monitoring actions/visits/meetings determined by DA and internal control strategy</p>	<p>Effectiveness:</p> <p>validity of the pillar assessments/ updates carried out</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<i>reporting, safeguarding assets and information, anti-fraud strategy).</i>	<ul style="list-style-type: none"> — meetings of the Monitoring Committees (CPMA-SIEA/Assembly of Contributors (EBRD)) • Specific NDAP risk management plan: quarterly review of key risks • Provisions of the contribution agreements regarding the obligation to inform the Commission on significant changes that may affect the entrusted tasks • Provision of Management’s representation and independent auditor’s report 	<p>Depth:</p> <p>determined by the DA (reporting, monitoring meeting), risk management plan & control strategy</p>	<p>timely delivery of monitoring reports, aligned with reporting criteria</p> <p>Economy:</p> <p>control cost at entity level</p>

C - Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p>	<p>All implementing bodies:</p> <ul style="list-style-type: none"> • Specific NDAP Control strategy • Specific NDAP risk management plan: quarterly review of key risks 	<p>Coverage:</p> <p>100% of projects</p> <p>Frequency & Depth:</p> <p>In accordance with Rules of application</p> <p>Assembly of Contributors biannually</p>	<p>Effectiveness:</p> <p>Absence of qualification on the opinion from the independent auditor on the financial statements and management reports of the multi-donor funds</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> • Use of key performance indicators covering financial management • Provision of Management's representation and independent auditor's report <p>EBRD</p> <ul style="list-style-type: none"> • Joint management of multi-donor funds (as per fund rules) and EU Chair of the Assembly of Contributors • EU representation within the EBRD Board of Directors • Commission decision on procedures covering monitoring arrangements, evaluation and audit issues • Daily project execution monitored by EBRD • Programme monitoring Assemblies of Contributors (chaired by the Commission) • Regular reports by beneficiaries and Member States on the progress <ul style="list-style-type: none"> - Monitoring Committee analyses the report and takes corrective measures • Commission monitoring visits on-site. Corrective measures to ensure that objectives are met. • Adoption of the Rules of Application covering: 	<p>Regular reports on use of resources and performance of tasks</p> <p>Yearly report on the execution of delegated tasks.</p>	<p>organisation of the different governance meetings as planned</p> <p>Efficiency</p> <p>Earned value management synthetic indicator (progress against schedule and budget)</p> <p>Economy</p> <p>Overall supervision cost / budget entrusted to entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> — detailed description of monitoring controls — introduction and assessment of key performance indicators — steering of the Member States towards use of an appropriate earned-value management (EVM) technique • Management report 		
As above	<p>National Agencies</p> <ul style="list-style-type: none"> • Full state guarantee for implementation through certified agency • Commission decision on procedures in place covering monitoring arrangements, evaluation and audit issues • Daily project execution is monitored by the implementing bodies • Programme monitoring through Monitoring Committees (MC) chaired by the Commission • Biannual reports by the beneficiaries and the Member States on progress <ul style="list-style-type: none"> — MC analyses the monitoring report and takes corrective measures • Monthly report by the entrusted entity. 	<p>Coverage:</p> <p>100% of projects</p> <p>Frequency & Depth:</p> <p>In accordance with Rules of application</p> <p>Assembly of Contributors biannually</p> <p>Regular reports on use of resources and performance of tasks</p> <p>Yearly report on the execution of delegated tasks</p>	<p>Effectiveness:</p> <p>100% of monitoring reports received and analysed, reliability of the information provided</p> <p>unreserved assurance received from the CPMA and SIEA to support their yearly management report and statement of account</p> <p>timely organisation of the different governance meetings</p> <p>Efficiency</p> <p>earned value management synthetic indicator (progress against schedule and budget)</p> <p>Economy:</p> <p>Overall supervision cost / budget entrusted to entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> • Commission monitoring visits on-site. Corrective measures to ensure that objectives are met. • Adoption of the Rules of Application covering <ul style="list-style-type: none"> — detailed description of monitoring controls — introduction and assessment of key performance indicators — steering of the Member States towards use of an appropriate earned-value management (EVM) technique • Management report 		

D - Commission contribution: payment or suspension/interruption

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the	<ul style="list-style-type: none"> • Financial checks are performed based on the requests of the entrusted entities and 	<p>Coverage:</p> <p>100% of the contribution payments</p>	<p>Effectiveness:</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
management issues that may lead to financial and/or reputational damage.	on the operational controls performed by or on behalf of DG ENER	Frequency: following the rhythm of the payments	Execution of payment and commitment appropriation
Due to the long-term perspective of the programme and to the complex implementation setup, pre-financings may not be cleared timely	<ul style="list-style-type: none"> • Specific financial checks performed when requests for payments are made by the implementing bodies, based on a six-months forecast of commitments. • Periodic (at least yearly) accounting controls performed by the accounting correspondent 	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments (financial checks) or the accounting schedule (accounting controls)	Efficiency: Timely payments
Cash forecast process may not allow the Commission to pay the amounts that correspond to needs	<ul style="list-style-type: none"> • Current setup of financial circuits prevents this risk as pre-financing are made based on actual commitments plan 	Coverage: 100% of the contribution payments	

Stage 2 - Ex-post controls

E - Audit and evaluation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission has not received sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.</p>	<ul style="list-style-type: none"> • The expenditure falls within the scope of the DAS and is audited by ECA annually, which is the main source of controls. In addition: <ul style="list-style-type: none"> — Statement of assurance received from entrusted entities — Audit opinions of the external auditors of the entrusted entities — Financial audits carried out by an external audit company on selected NDAP projects 	<p>Coverage: audits based on a sampling approach (random/representative, value-targeted, risk-based)</p> <p>Frequency: whenever necessary</p> <p>Depth: depends on the level of risks assessed</p>	<p>Effectiveness: Assurance provided</p> <p>No critical or very important observation from the ECA or the Internal Audit Service</p> <p>Positive assessment by the AOSD on the reliability of the information received</p>

RCS 6) ACER – Subsidy (under indirect management)

This RCS covers the annual subsidy provided to the decentralised agency ACER ⁽²⁰⁾. This entity was established before 2016; therefore, this RCS focuses on monitoring and ex-post controls.

Stage 1 – Ex-ante controls

A – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/“contribution agreement”/etc.)

Not applicable

B – Assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Not applicable

C – Operations: monitoring, supervision, reporting

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

⁽²⁰⁾ Agency for the Cooperation of Energy Regulators.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner, which may reflect negatively.</p>	<ul style="list-style-type: none"> • DG ENER supervision strategy for ACER (supervision needs & objectives, tools, working methods and procedures) • Revised Administrative Arrangements, integrating the Working Relations • DG ENER participation in governance structure <ul style="list-style-type: none"> — membership of the Administrative Board — participation in ACER Senior Management Meetings — regular bilateral contacts with ACER Director • Operational monitoring: <ul style="list-style-type: none"> — Regular coordination meetings at management level — Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues — Bilateral meetings when necessary • Management review of the supervision results and if needed: <ul style="list-style-type: none"> — reinforced monitoring of operational and/or financial aspects of the entity 	<p>Coverage:</p> <p>100% of the entity monitored / supervised.</p> <p>Frequency:</p> <p>Regular Board of Regulators and Administrative Board meetings</p> <p>Regular reports on use of resources and performance of tasks</p> <p>Annual reports on operation and budget implementation.</p>	<p>Effectiveness:</p> <p>Existence of serious issues affecting the assurance</p> <p>Absence of ECA, discharge or IAS audit observations</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> — potential escalation of any major governance-related issues with entrusted entities • Annual activity report submitted to DG ENER 		

D - Commission contribution: payment or suspension/interruption.

Main internal control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity or deciding to suspend/interrupt the (next) contribution.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Bad cash forecast leading to the Commission paying too much compared to the EE's needs	<ul style="list-style-type: none"> • Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting • Management review of the supervision results. • Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy • Good internal communication to ensure that issues are known and dealt with (see stage 3) 	<p>Coverage: 100% of the contribution payments</p> <p>Frequency: following the rhythm of the payments</p>	<p>Effectiveness: existence or not of legality and regularity issues, effective payment of the Commission contribution</p> <p>Economy: cost of control vs budgetary support</p>

Stage 2 - Ex-post controls

E - Audit and evaluation, Discharge

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission does not have sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.</p>	<ul style="list-style-type: none"> • Subject to audit by the IAS and the ECA (annual DAS audit and performance audits) • Annual discharge through Budgetary Authority • Commission right to perform ad-hoc financial or technical audits / on-the-spot reviews • Ad hoc independent reviews on demand by the Governing Board or by the Commission itself 	<p>Coverage: as determined by audit bodies.</p> <p>Frequency: according to ACER & IAS internal audit planning / annual for DAS and external assessment.</p> <p>Depth: depends on the level of risks assessed.</p>	<p>Effectiveness: Assurance being provided.</p>

RCS 7) Pilot Projects, Preparatory actions and indirectly managed LIFE Clean Energy Transition

DG ENER may entrust the implementation of pilot projects, preparatory actions or LIFE CET actions to reliable international partners or other EU bodies.

It is to be noted that, under LIFE CET, DG ENER may also manage directly managed procurements (RCS 3).

Stage 1 - Ex-ante controls

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The establishment (or prolongation) act of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	<ul style="list-style-type: none"> Ex-ante evaluation of the entity Widespread consultation, with internal and external stakeholders Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting. Inter-service consultation, including all relevant DGs 	<p>Coverage/Frequency:</p> <p>100%/once and partial for amendments or extensions.</p> <p>Depth:</p> <p>Checklist includes a list of the requirements of the regulatory provisions to be complied</p>	<p>Effectiveness:</p> <p>Timely establishment of the delegation or contribution agreements</p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Economy:</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> Mandate adopted by the Commission. Allocation of supervision responsibility within the DG 		Overall supervision cost per (type of) entrusted entity / total budget entrusted (%)

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 Internal Control Objectives (ICOs)	<ul style="list-style-type: none"> When possible, recourse to pillar attested entities. In that case DG ENER will rely on controls performed by the Commission department owning the Pilar Assessment (for instance DG INTPA) If not, DG internal or independent external ex-ante assessment before granting budget autonomy Hierarchical validation within the authorising department Use of Model-or Framework- financial rules (MFF or FFF) Requiring justification and prior consent for any deviating financial rules Standard business processes and IT tools 	<p>Coverage/frequency:</p> <p>100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.</p> <p>Depth:</p> <p>Determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget concerned.</p>	<p>Effectiveness:</p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Number of recommendations to EE as result of ex-ante or later assessment</p> <p>Economy:</p> <p>Included in the overall supervision costs</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> • Secondment and selection of key staff of entrusted entities • Review of audit reports (IAS, ECA). 		

C – Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission does not receive timely information on the implementation of the entrusted tasks.</p> <p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>	<ul style="list-style-type: none"> • Provisions in the contribution agreements (and in any relevant FFA) • Assessment of progress reports, management declarations, and where applicable – audit statements related to the implementation of the action. • If necessary, technical assessment/project visit. 	<p>Coverage: In function of the action</p> <p>Frequency: In function of the action</p>	<p>Effectiveness:</p> <p>Number of critical / very important IAS and ECA recommendations issued to DG ENER</p> <p>Regularity of reporting flows between EE and the parent DGs</p>

D – Commission contribution: payment or suspension/interruption

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
Bad cash forecast leading to the Commission paying too much compared to the EE's needs.	<ul style="list-style-type: none"> Contribution Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting Management review of the supervision results. Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy Good internal communication to ensure that issues are known and dealt with (see stage 3). 	<p>Coverage: 100% of the contribution payments</p> <p>Frequency: following the rhythm of the payments</p>	<p>Effectiveness: existence or not of legality and regularity issues, effective payment of the Commission contribution</p> <p>Economy: cost of control vs budgetary support</p>

Stage 2 - Ex-post controls

E – Audit and evaluation

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

Considering that these are one off actions, audit and evaluation would, if necessary, be performed through similar methods as for directly managed grants (see stage 2 of RCS 2).

RCS 8) Financial Instruments and Provisioning Fund

This RCS covers the management of legacy Financial Instruments of the corresponding guarantees and off-balance sheet items and other off-balance sheet items resulting from litigations and, when relevant, the operations in relation to the common provisioning fund

- (a) DG ENER uses innovative financial instruments to implement energy policies. On one side, DG ENER is one for the DGs partnering in the InvestEU fund. On the other side, it remains responsible for overseeing the Commission's holding in the EEEF investment fund. DG ECFIN is lead DG as regards the relevant control systems for the InvestEU fund. The section below focusses on the legacy management of the EEEF Investment fund.
- (b) Operations related to the CPF may concern either InvestEU or the creation of guarantees for CEF grants or Horizon Europe. Such INVEST EU operations are centralised with DG ECFIN, whereas the management of the ELENA facility is delegated to ECFIN/GROW. DG ENER may only manage a limited number of grants under CEF or Horizon Europe, and, in 2025, there were no new guarantees.

Stage 1 - Ex-ante controls

As regards EEEF, not relevant for the MFF 2021-2027. DG ENER is managing an established holding in the fund. No further contributions are envisaged.

As regards management of liabilities, not applicable. Litigations are primarily managed by Legal Service. This RCS only covers the management of the accounting items.

Stage 2 - Ex-post controls

A – Monitoring, reporting and assurance building

Main internal control objectives:

- Ensuring that assurance building information on the FI is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (Fraud prevention and detection).
- Ensuring that the (audit) results from the ex-post controls lead to assurance for the accountable AOD (5 ICOs).
- Ensuring that the accounting data reflects appropriately the exposure to litigation and similar events and that the corresponding liabilities, provisions and contingent liabilities are adequately, effectively and timely managed.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The actions supported do not reflect the policy objectives for FI.</p>	<ul style="list-style-type: none"> • The participation to the governing instances of the fund, namely the steering committee as regards Invest EU and the Board of Directors as regards the EEEF. • The review, contribution and authorisation of the different procedures of interest, including investment guidelines. Monitoring of the alignment of the investment priorities with the policy objectives of the DG. • The review and assessment of the elements of assurance related to the activity of the funds, such as their implementation reports, annual reports, and the consideration of elements of assurance stemming from third parties, such as audit providers. • As regards the EEEF: the assessment of the situation of shareholding and the corresponding accounting and data consistency checks. 	<p>Coverage/Frequency: as per documented control approach:</p> <ul style="list-style-type: none"> — Steering committee/Board of Directors — Operational reports — Financial statements — Risk and performance report 	<p>Effectiveness:</p> <p>Absence of serious audit finding as regard the operations of the funds</p> <p>Reliability of information:</p> <p>Availability and positive assessment as to the reliability of the information supporting the assurance given by the AOSD/AOD in their respective report.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>Recognition* of financial assets, of liabilities, of provisions or of contingent liabilities is not done timely or not for the right amount.</p> <p>Recording and reporting does not match the real exposure.</p>	<ul style="list-style-type: none"> • Checks performed with operational units, legal service and when required with DG BUDG or other departments. • Year-end accounting checks • Maintenance of the information flow into SAP SUMMA • Conservative/prudent valuation of the exposure in alignment with corporate accounting instructions. 	<p>Coverage/Frequency:</p> <p>once per year in the framework of the preparation of the AAR.</p>	<p>Effectiveness:</p> <p>Absence of audit observations</p>

RCS 9 Non-Expenditure Items (including Safeguarding of Assets and Information)

This RCS covers: the assets & information managed by DG ENER for the discharge of EURATOM Safeguards obligations

Stage 1 - Ex-ante controls

A – Recognition: establishment of the Commission's rights

Main internal control objectives: Ensuring that the Commission establishes its assets ownership and liabilities correctly and sets up its management reporting and information security; Compliance (legality & regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>Recognition* of assets, liabilities are not done at the right moment (e.g., when they become due, when the ownership is transferred, when they become certain) or not for the right amount.</p> <p>For information security: the level sensitivity of the information is not adequately recognised</p>	<p>Assets & liabilities:</p> <ul style="list-style-type: none"> Hierarchical validation of the operation with legal & financial circuits, within the authorising department Maintenance of the inventory and information flow into ABAC Conservative/prudent valuation & depreciation policy 	<p>Coverage/Frequency:</p> <p>100%</p> <p>Intensity/Depth:</p> <p>For riskier operations, ex-ante in-depth verification, e.g.: application of IT Security Governance rules, via LISO</p>	<p>Effectiveness:</p> <p>Number of control failures; value of the rights concerned and of resulting liabilities</p>
	<p>Information security</p>	<p>Coverage / Frequency:</p>	

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> Establishment of IT and information security 'culture' and strategy Accurate / complete identification of information assets, data sources, protection needs, ownership and formal assignment of data sensitivity levels in line with legal base (EURATOM Treaty) 	100% Intensity / Depth: all networks and information systems	

B – Protection: recording, follow-up and accounting of the Commission's rights

Main internal control objectives: Ensuring that the Commission registers and protects its assets ownership and liabilities correctly, reports transparently and protects its information security; Compliance (legality & regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The implementation of applicable rules* entails weaknesses, which lead to the Commission's legal rights, assets ownerships, liabilities or information security not being duly protected and/or registered and/or reliably reported.</p> <p>EU accounting rules are not respected.</p> <p>For information security: sensitive information is 'lost' (abused, made public) or its integrity breached (data altered)</p>	<p>(In)tangible assets and inventories</p> <ul style="list-style-type: none"> Clear procurement, accounting, inspection, depreciation and disinvestment rules; EU accounting rules & manual. 	<p>Depth:</p> <p>Value-differentiated PP procedures</p> <p>Use and value differentiated physical assets accounting rules and inventory checks (inspection planning)</p> <p>inventory checks vary subject to the nature of the assets)</p>	<p>Effectiveness:</p> <p>Number of assets registered and accounted for.</p> <p>Existence of reputational events due to weak information security</p> <p>Number of internal and external auditors' findings about incorrect registration of items</p> <p>Economy</p> <p>Cost of control / net value of assets</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<p>Information & IT security</p> <ul style="list-style-type: none"> Formal policies and procedures on data protection, management of sensitive information, security of IT systems etc. Information security markings applied to all information (paper or electronic) A separate IT system, including a segregated network, for handling sensitive information 	<p>Frequency:</p> <p>security rules and culture to be adjusted in view of latest technical developments and 'possibilities'</p>	<p>Effectiveness:</p> <p>Reputational events during the reporting year linked to issues of data protection and/or sensitive information</p> <p>Economy</p> <p>Cost of control</p>

C - Exercising the Commission's rights

Main internal control objectives: Ensuring that the Commission is able to exercise its assets ownership correctly and provides reliable reporting on these and maintains its information security; Compliance (legality and regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The operations (<i>or equivalent</i> *) embed weaknesses that would undermine the Commission's execution, assets ownerships or the reliability of its reporting or its maintenance of information security.	<p>(In)tangible assets and inventories</p> <ul style="list-style-type: none"> Three years inventory checks rule (RAP 250) Formal procedure for disposal of assets (RAP 251-253) 	<p>Coverage and frequency:</p> <p>value-differentiated publication procedures</p>	<p>Effectiveness:</p> <p>Value corrected</p> <p>Value of "losses" and impairments</p>
	<p>Information & IT security</p>	<p>Coverage and frequency:</p> <p>continuous controls</p>	

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> internal rules on data protection, sensitive info, IT systems, 		

Stage 2 - Ex-post controls

D - Ex-Post controls: supervision monitoring, reviews, audits

Main internal control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any negligence, error, irregularity, loss or fraud remaining undetected after the implementation ex-ante controls (legality and regularity; anti-fraud strategy; reliable reporting; safeguarding assets and information); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring that the appropriate corrections are being made).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The ex-ante controls fail to prevent, detect and correct negligence, irregularities, errors, losses or attempted fraud.	<p>Assets</p> <ul style="list-style-type: none"> Operational monitoring (including assets on distant sites) If needed: refer to OLAF 	<p>Coverage:</p> <p>operational monitoring covers the entire extent of the assets under management, if needed using a sampling approach.</p> <p>Validation of accounts:</p> <p>at least once a year.</p> <p>Depth:</p> <p>desk review of all underlying elements and documents.</p>	<p>Effectiveness:</p> <p>Number of controls performed</p> <p>Number of supervisory control failures.</p> <p>Residual value of the assets corresponding to the errors.</p>

RCS 10) CINEA executive agency

CINEA is responsible for reporting on the implementation of the expenditure falling under its remit. DG MOVE, as lead parent DG, reports on the operating (administrative) budget provided to CINEA. DG ENER's reporting is limited to the significant elements that are relevant to the implementation of Energy expenditure by the Agency.

Stage 1 - Ex-ante controls

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

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

p.m.

B – Assessment and supervision of the Agency's financial and control framework

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

p.m.

C – Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>	<ul style="list-style-type: none"> • Monitoring is based on into the Memorandum of Understanding. The MoU specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including: <ul style="list-style-type: none"> — DG ENER representation in Steering Committee; — Liaison meetings at hierarchical level; — Ad hoc meetings and regular contacts at working level; — Quarterly operational reports from the agency; — Regular updates on the achievements of the delegated programmes' objectives; — Budgetary control via commitment and payment appropriations process; — Formal opinion and consultation on key documents (annual work programme and the annual activity report) 	<p>Coverage: as determined by the MoU</p> <p>Frequency: as determined in the MoU</p>	<p>Effectiveness:</p> <p>% of execution by CINEA, of Energy related commitment and payment appropriations</p> <p>Number of critical / very important IAS and ECA recommendations issued to CINEA</p> <p>Economy</p> <p>Overall supervision cost per (type of) entrusted entity / total budget entrusted (%)</p> <p>Ratio FTEs/funds entrusted.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	<ul style="list-style-type: none"> Review of Annual Activity Report of CINEA, Audit reports of the IAS and ECA 		

D – Commission contribution: payment or suspension/interruption

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

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

Stage 2 - Ex-post controls

E – Audit and evaluation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
<p>The Commission has not received sufficient information from independent sources on the entrusted entity’s management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<ul style="list-style-type: none"> • Audit rights by the Internal Audit Service of the Commission and by the European Court of Auditors • Analysis of interim and annual reports from the Agency, and of audit reports as an element of the supervision • Follow-up of actions taken by the agency through the supervisory controls 	<p>Coverage:</p> <p>Audits performed on sample as needed (e.g., random/representative, value targeted, risk based)</p> <p>Evaluation covers all programmes entrusted</p> <p>Frequency:</p> <p>Audits / determined by audit bodies</p> <p>Evaluations / determined in legal base</p> <p>Annual ECA report on JUs</p> <p>Depth:</p> <p>depends on the type of entity and the level of risks assessed</p>	<p>Effectiveness:</p> <p>Assurance being provided (via management /audit reporting)</p> <p>Absence of reservations (in relation to DG ENER related programmes) to CINEA’s statement of assurance</p> <p>Residual error rate reported for programmes (falling under the political responsibility of DG ENER)</p> <p>Number of serious IAS and ECA findings of control failures.</p>

For All RCS:

Overall economy indicators

Estimation of cost of staff involved in the ex-ante checks	Estimation of other costs linked to ex-ante checks
<ul style="list-style-type: none">• Programme management and monitoring• Financial management• Budget and accounting• General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management.• Staff performing supervisory tasks as regards entrusted entities and other partner organisations• Anti-fraud• Development and support of IT systems linked to managing funding programmes	Cost of experts
<ul style="list-style-type: none">• Audit staff• Financial staff involved in the implementation	Costs of services procured for audit and other assurance

ANNEX 7: Specific annexes related to "financial management"

1) Effectiveness and efficiency of controls

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

Direct management

In 2025, DG ENER mainly implemented its direct expenditure through procurements (use of prerogative lines), procurements related to the implementation of Nuclear Safeguards or supporting to NDAP and the ITER programmes, administrative agreements with the JRC as well as a limited volume of directly managed grants, budgetary support actions and membership fees towards international institutions. The extension of the DG's portfolio to housing policies is, at this stage, not impacting the spending profile of the DG, as this only concerned a limited set of studies / advisory contracts for the year 2025.

Effectiveness

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

Research Framework Programmes (Horizon 2020 and Horizon Europe) (RCS 1)

Concerning Horizon 2020/Horizon Europe, the remaining projects of this type were delegated to CINEA in 2018. As a result, the number of audited actions managed by DG ENER has decreased significantly, which does not allow a complete analysis of the coverage. The payments made in 2025 regarding Horizon Europe grants were EUR 0.27 million (or 0.03% of the total payments). In 2025, DG ENER did not make any payments (or clearing of pre-financing) in relation to Horizon 2020 grants.

Common ex-post audit strategy of the Research Directorates General

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

For Horizon 2020, the Common Audit Service (CAS) of the Common Implementation Centre (CIC) carries out all the financial audits ⁽²¹⁾, including those concerning grants managed by the Executive Agencies and the Joint Undertakings. This is a major step towards ensuring efficiency gains, a harmonised approach, legal certainty, equality of treatment of beneficiaries and the least audit burden on beneficiaries.

The main indicators on legality and regularity of EU Framework Programmes for R&I are the cumulative representative detected error rate and the cumulative residual error rate ⁽²²⁾.

Control results of H2020 ex-post audits

The error rates based on the audit work for H2020 on 31 December 2025 are:

- **Cumulative representative detected error rate for the Framework Programme:** 3.83% ⁽²³⁾
- **Cumulative residual error rate for the Framework Programme:** 1.78%.

In 2025, DG ENER specific cumulative residual error rate for Horizon 2020 was calculated at **2.69%**, which is below the materiality threshold.

By the end of 2025, the Common Audit Service (CAS) in DG Research and Innovation audited 5 644 Horizon 2020 ⁽²⁴⁾ and 140 Horizon Europe ⁽²⁵⁾ participations of the **Research and Innovation Family**, covering, respectively, 64.55% and 8.90% of total expenditure to date. Audit targets for 2025 were fully met.

The percentage of Horizon 2020 expenditure covered by the audits (64.55%) refers to the value of the participations of the audited beneficiaries. It includes both fully audited participations (3.95%), also referred to as the 'direct' coverage, and the non-audited participations, also referred to as the 'indirect' coverage, which after the full treatment of audit results, are clean from systemic errors (60.60%). For Horizon Europe, the total coverage is 8.90%, of which 0.70% is 'direct' coverage and 8.20% is 'indirect' coverage.

The relatively stable level of error in Horizon 2020 grants is linked to the applicable funding model, which is based on the reimbursement of eligible actual costs. Most of the errors continue to relate to incorrect claims for personnel costs that are mainly due to beneficiaries' lack of thorough understanding of the inherently complex rules.

⁽²¹⁾ Except audits for article 185 bodies.

⁽²²⁾ DG ENER's assurance building, indicators and materiality criteria are outlined in annual activity report Annex 5.

⁽²³⁾ Based on 930 representative results out of the 948 expected in the six Common Representative Samples.

⁽²⁴⁾ The Horizon 2020 audit campaign started in 2016. At this stage, six Common Representative Samples with a total of 948 expected results have been selected. By the end of 2025, cost claims amounting to EUR 61.3 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected.

⁽²⁵⁾ The Horizon Europe audit campaign started in 2024. At this stage, one Common Representative Sample with a total of 207 expected results have been selected. By the end of 2025, cost claims amounting to EUR 9.1 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Risk-based Samples have also been selected.

Since R&I Framework Programmes are multi-annual, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the implementation of the audit results over time has proven to be effective in ‘cleaning’ the budget of any ineligible amounts declared by and paid to beneficiaries. This ‘cleaning effect’ becomes even more relevant given the extension of audit findings to non-audited grants of the same beneficiary.

These error rates are calculated on the basis of the audit results available when drafting the Annual Activity Report. The yearly fluctuation of the detected error rate in Horizon 2020 exhibits no identifiable correlation with the maturity of the programme.

There is evidence that the simplifications introduced under Horizon 2020, along with the ever-increasing experience, helped in reducing the number of errors made by the beneficiaries, especially when compared to the Seventh Framework Programme where the error rate was higher and varied from close to 5% to around 5.5% over time. Notwithstanding these efforts, beneficiaries still make errors. Simplification measures for actual costs under Horizon 2020 have however reached their limits. Actions carried out to address these weaknesses are reported in Annex 7.

Horizon Europe

2025 was the fifth year of implementation of the Horizon Europe Framework Programme. Horizon Europe extends the use of simplified cost options and lump sum funding, the latter having an adapted approach to ex-post control.

The error rates based on the results of ex-post controls for the Horizon Europe Framework Programme for Research and Innovation on 31 December 2025 are:

- **Cumulative representative detected error rate** for the Framework Programme: 4.38% ⁽²⁶⁾
- **Cumulative residual error rate** for the Framework Programme: 4.05% (4.03% for DG Research and Innovation). No specific residual error rate is at this stage available for DG ENER specific grants.

These error rates are calculated based on the ex-post financial audits and ex post technical reviews results available when drafting the Annual Activity Report ⁽²⁷⁾. Due to the still relatively small number of completed audits and technical reviews, the error rate calculation is highly sensitive to extreme results.

As for H2020, most of the errors continue to relate to incorrect claims for actual personnel costs that are mainly due to beneficiaries’ wrongful application of the Horizon Europe rules, despite the introduced simplifications. Newcomers and Small and Medium Enterprises (SMEs) remain those more prone to errors in comparison to the more experienced/large size beneficiaries.

⁽²⁶⁾ Based on the 89 representative audits and 29 representative technical reviews out of the 177 expected audits and 30 technical reviews in the first Common Representative Sample.

⁽²⁷⁾ The first ex post technical reviews of Horizon Europe lump sum grants, report promising preliminary results confirming the expectation that lump sums will result in fewer errors for the Framework Programme. As only a small number of lump sum projects have been audited so far, this effect is not yet apparent in Horizon Europe error rates.

As for H2020, the Horizon Europe error rates—and in particular the residual one—should be considered within a time perspective. The implementation of the audit results and extension of audit findings over time will tend to lower the cumulative residual error rate, thereby increasing its difference with the representative detected error rate.

Although there is an action plan to address some causes of errors ⁽²⁸⁾, DG RTD issued a reservation on its the Annual Activity Report as the cumulative residual error rate is, at the end of 2025, above the 2% materiality threshold. As regards DG ENER, however, the de minimis ⁽²⁹⁾ rule applies as the segment represents 0.03% of total payments and the amount at risk is limited to EUR 0.021 million.

The reserve in the declaration of assurance for the Horizon Europe and Euratom expenditure is addressed in annex 9.

Progress made on action plans to both reduce the error rate on Horizon 2020 and prevent a high error rate in Horizon Europe

Following an IAS Limited review on the implementation of the Action Plans for the reduction of the Horizon 2020 error rate and for simplifications to reduce the Horizon Europe error rate and based on the original action plans agreed with central services, DG R&I prepared in 2022 a reprioritized Action Plan to both reduce the error rate on Horizon 2020 and prevent a high error rate in Horizon Europe. The energy research projects managed by DG ENER and CINEA also benefit from these measures. Priorities in this respect are communication, both external and internal, awareness raising among beneficiaries and improved training of Commission staff. As regards other developments (for instance introduction of lump sum grants, personal unit cost schemes or Corporate Arachne) see DG R&I AAR.

Implementation of audit results

For H2020 grants, over the period 2014-2024, the results of the audits relate to one participation, audited by the Commission services with a 'zero' adjustment and one participation, audited by the ECA, with a cashed implemented funding adjustment of EUR 35 733 in favour of the EC.

Implementation of extrapolated audit results

The extrapolation process allows correcting systemic errors of a beneficiary detected by an audit in all its ongoing participations. These corrections stem from audits made by DG ENER or other DGs in the research family where systematic errors were found. By the end of 2024 no participation from Horizon 2020 programme had been deemed concerned by systematic errors.

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

⁽²⁸⁾ See annex 7

⁽²⁹⁾ 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.

Liquidated damages

Liquidated damages are due where a beneficiary has overstated expenses and has in consequence received unjustified EU contribution. Liquidated damages will only be applied where the unjustified contribution exceeds 2% of the total contribution claimed and accepted for the given period(s) ('de minimis' rule corresponding to the materiality level of ECA). By the end of 2024, DG ENER did not identify any liquidated damages under Horizon 2020.

Energy grants (prerogative) and support actions (prerogative and CEF) (RCS 2)

DG ENER manages directly only a limited number of grants under the CEF programme. In 2025, no new payments were made.

DG ENER provides budgetary support (EUR 6.38 million) to the Energy Community Secretariat in Vienna, an external entity in charge of implementing the Energy Community international Treaty that aims to extend the EU acquis on energy to South-East European and other neighbouring countries.

The Commission, represented by DG ENER, acts as a coordinator in the framework of the Treaty. DG ENER ensures oversight over the use by the Secretariat of EU funds and chairs its Budget Committee. The Commissioner for Energy and Housing and a high-level representative of the Council of the European Union represent the European Union in the Ministerial Council, the highest decision making body of the Energy Community.

A Ukraine Energy Support multi-donor Fund was established to counteract the impact of the Russian attacks targeting critical Ukrainian energy infrastructure. The Secretariat acts as the fiduciary of the Fund as well as an intermediary between the donors and the Ukrainian authorities, whereas the effective deployment was embedded in the US-driven "Energy Security Project". The contributions to the fund emanate from EU and non-EU countries, public and private entities. Although DG ENER did not entrust funds from its own budget and does not have any management role in this respect, the European Union contribution represents 14.2% of the amounts pledged.

DG ENER pays close attention to the evolution of the Fund and its governance, considering in particular the uncertainty of the continued engagement of the USA and the increasing workload born by the Secretariat without foreseen participation from the contributors to the Fund.

Furthermore, DG ENER paid EU contribution to the International Renewable Energy Agency (IRENA), to the International Energy Agency (IEA) and to Latin-American Energy Organisation (OLADE) in the total amount of EUR 2.36 million.

Procurements, studies and other operational expenditure (RCS 3)

This segment, with total payments of EUR 43.68 million, represents an array of diverse initiatives, including directly managed procurements servicing the activities (studies, specific contracts, etc.) as well as an administrative agreement with the JRC in relation to the Covenant of Mayors, technical and scientific advice. These activities are considered as low-risk, due to the nature of the transactions (procurements) or of the beneficiaries – (other public bodies).

Nuclear Energy (safeguards and safety) (RCS 3*)

The Euratom Treaty mandates the Commission to ensure that civil nuclear materials are not diverted from their declared use and that the agreements in force with third states and the International Atomic Energy Agency (IAEA) are complied with.

DG ENER fulfils this mandate through the implementation of Euratom safeguards, implementing verifications of nuclear materials and drawing the related conclusions, providing technical support and issuing guidelines to Member States and stakeholders.

The implementation of these activities involves the management of an operational mission budget, and procurement of goods and services to acquire and maintain specific scientific and Information Technology equipment and to perform the verifications. In addition, Nuclear Energy expenditure includes the acquisition of goods and services related to the implementation of Nuclear Safety and radioprotection activities, to nuclear policies and programmes (including the procurement of specific expert and assurance services for the ITER programme).

In 2025, the expenditure specifically related to Nuclear Energy amounted to EUR 22.94 million. The specificities of the equipment used, and regulatory constraints lead to a higher than usual use of negotiated procedures (limited number of suppliers) and of reimbursement agreements (limits imposed by national regulators). The significant increase of this segment of expenditure stems from new obligation to contribute to the decommissioning of EC equipment installed on distant sites.

In addition, there was a payment to the budget of the Euratom Supply Agency (ESA) of 0.31 million. The ESA's strategic objective, as outlined in the 1958 Euratom Treaty, is the security of supply of nuclear materials. To this end, it provides the Community with expertise, information and advice in relation the operation of the market in nuclear materials and services and plays a market-monitoring role.

Cross sub-delegations

DG ENER has the possibility to cross sub-delegate some activities to different services within the Commission, in order to arrange the provision of certain operations more efficiently. Being a Commission service itself, the AOD of the cross sub-delegated service is bound to implement the appropriations subject to the same rules, responsibilities and accountability arrangements as DG ENER.

During 2025, DG ENER received a cross sub-delegation of EUR 2.500.000 from DG ENEST for a grant to Energy Community to support activities to enhance the capacity of National Regulatory Authorities in Western Balkans. A global commitment of EUR 2.500.000 was done in December 2025 while awaiting the amendment to the 2025 Financing Decision clarifying that the action is a grant without a call for proposals to bodies identified by a basic act, within the meaning of Article 58 of the Financial Regulation, as beneficiaries, under Article 198(f) of the Financial Regulation. This cross sub-delegation has become a co-delegation in the 2026 budget.

The table below gives an overview of the delegated budget appropriations received or given by DG ENER:

Accountable DG	FMC	Delegation Type	Commitment Appropriation	Committed Amount	Payment Appropriation	Paid Amount
ENER	ENER<CLIMA	From CLIMA to ENER - Commitments & payments	470.000,00	470.000,00	1.113.721,67	1.113.721,67
ENER	ENER<EMPL	From EMPL to ENER - Commitments & payments	560.000,00	560.000,00	0,00	0,00
ENER	ENER<ENEST	From ENEST to ENER - Commitments & payments	2.500.000,00	2.500.000,00	0,00	0,00
ENER	ENER<GROW	From GROW to ENER - Commitments & payments	600.000,00	600.000,00	0,00	0,00
ENER	ENER<RTD	From RTD to ENER - Commitments & payments	4.337.232,81	4.333.927,81	4.996.220,15	4.581.311,65
ENER	ENER>HR	From RTD to HR - Payments only	102.000,00	102.000,00	112.185,89	92.548,46
ENER	ENER>PMO	From ENER to PMO - Payments only	10.206.869,02	10.082.691,57	10.574.312,91	8.727.207,59
	TOTAL		18.776.101,83	18.648.619,38	16.796.440,62	14.514.789,37

Efficiency

The main efficiency indicators are the timeliness of payments, from Scorecard and the estimation of benefits of ex-post controls.

Timely payments

As far as the **'timely payments' indicator** is concerned (i.e., payment accepted amount in time/payment accepted amount in EUR), and despite the extraordinary circumstances and increased pressure on its activities, DG ENER achieved 67%, which is lower than the Commission average of 95%.

Time-to-inform and time-to-grant

In 2025, DG ENER concluded only three grants to identified beneficiaries, for which these indicators are not relevant.

Performance of ex-post audits

DG ENER maintains a limited ex-post audit function shared with DG MOVE. A limited number of risk-based audits, including the mandatory contribution to ITER's statutory audits twice a year, can be performed. The implementation of the 2025 audit plan was satisfactory with an implementation rate of 88%.

Indirect management and direct management by other services

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

- CINEA Executive Agency;
- EBRD and the National Agencies SIEA and CPMA (for Nuclear Decommissioning Assistance);
- ACER Decentralised Agency;
- The F4E Joint Undertaking, EIB for the CEF Debt Instrument and the Target pilot project.

In addition to these, some pilot project and preparatory actions were entrusted under ad hoc indirect management to international institutions such as the World Bank, the EIB ⁽³⁰⁾ and the United Nations Environmental Programme.

For all these cases, DG ENER's supervision arrangements are based on the principle of controlling 'with' the relevant entity. For details, please refer to Annex 6.

CINEA Executive Agency (RCS 10)

DG ENER is one of seven parent DGs (with MOVE - Leading DG, R&I, CLIMA, ENV, MARE and REGIO) in charge of CINEA.

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

- Energy infrastructure – Connecting Europe Facility programme (CEF) Energy;
- Energy research and innovation – Horizon 2020 and Horizon Europe;
- Clean energy – LIFE;
- EU Emissions Trading System – Innovation Fund (IF);
- Support transition towards a climate-neutral economy – Just Transition Mechanism (JTM);
- Increase investment in renewable energy production capacity – Renewable Energy Financing Mechanism (RENEWFM);

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

Supervision arrangements

The Commission Decision establishing CINEA and the Commission Decision delegating powers to CINEA and appointing the members of the Steering Committee (SC) set out the governance and supervision arrangements.

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

In 2025, DG ENER participated to quarterly preparatory meetings in relation to the Steering Committee and to regular meetings at operational level. In addition, the CINEA Budget and Finance Network, including representatives both from parent DGs and DG BUDGET discussed finance and budget matters with CINEA during meetings in 2025. In addition, CINEA produces monthly overview reporting on all KPIs, execution of administrative and operational budget and

⁽³⁰⁾ The legacy CEF DI Financial Instrument, previously reported under indirect management is covered in the section on non-expenditure items.

multi-annual error rates as well as respect of deadlines (e.g., time-to-grant). Reports are provided regularly by CINEA.

Additional sources of assurance

CINEA reports on the implementation of budget in its own AAR. According to the draft 2025 report, most of the KPIs have met their target. CINEA's Management considers that suitable controls are in place and working as intended. In addition, the residual error rate for CEF Energy is 1.19%, while for Horizon 2020, the residual error rate is calculated at 2.41%. However, as regards Horizon Europe, the Residual Error Rate is above the materiality threshold at 4.11%. As regards the implementation of the operating budget, the residual error rate is estimated at 0.5%, significantly below the target of 2%.

Consequently, CINEA's Director, in her capacity as AOD, has signed the declaration of assurance, albeit with reservation on the legality and regularity of the Horizon Europe Expenditure. A similar reservation is adopted by all departments implementing significant shares of this programme. The implementation of the audit results and extension of audit findings over time will tend to lower the cumulative residual error rate, thereby increasing its difference with the representative detected error rate.

The audits of the IAS and of ECA provide additional elements of assurance. DG MOVE follows closely the proceedings and conclusions of their audits concerning CINEA primarily. During the year, the IAS issued one final report, which included seven recommendations for CINEA with no impact of the assurance. ECA found the 2024 annual accounts presented fairly, in all material respects, the financial position of the Agency, the results of its operations, its cash flows, and the changes in net assets.

Conclusion

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

Nuclear Decommissioning Assistance Programmes (RCS 5)

Effectiveness

The supervision of the Nuclear Decommissioning Assistance Programmes (NDAP) is based on a multi-layered governance structure, in accordance with the provisions of the NDAP Regulations. Annual work programmes for the decommissioning programmes are prepared by the Member States and adopted by the Commission by means of implementing acts. These programmes specify the objectives, expected results, related performance indicators and timeline for the use of funds.

The monitoring function is conducted in full cooperation with the Member States as they bear the ultimate responsibility for the safe decommissioning of the nuclear power plants. The three joint bi-annual programme monitoring committees, co-chaired by the Commission and the Member States at ministerial level, assess the progress in the activities, approve the monitoring reports detailing the performance of the programme and take the appropriate corrective measures when necessary.

DG ENER has entrusted the implementation of the NDAP to:

- the European Bank for Reconstruction and Development (EBRD), which implements the assistance through three International Decommissioning Funds (IDSF)
- National Agencies in Lithuania (CPMA) and in the Slovak Republic (SIEA).

In this respect, DG ENER relies on the Framework Administrative Agreement between the EBRD and the Commission, on recent or recently updated pillar assessments for all three implementing bodies, as well as on the provisions of the subsequent agreements with these bodies.

Supervision arrangements

DG ENER maintains a robust supervisory framework of the NDAP. This supervisory framework includes:

- Bi-annual on-the-spot verification missions (site visits)
- Bi-annual Monitoring reports, and the related monitoring Committee meetings
- Mid-term and ex-post evaluation (once per programming period)
- Monthly dedicated management meetings
- Risk reviews and updates of the NDAP risk register complemented by a systematic follow-up of identified risks mitigating actions
- Use of the earned value management methodology to ensure an effective assessment of the progress of the activities against cost and schedule progress.

The implementing bodies provide reports on the implementation of the entrusted tasks and financial reports, accompanied by declarations of assurance. The technical reports are subject to an assessment by DG ENER services. Management information received includes financial reporting, project documentation and management reports on procedural issues. This information was sufficient for drawing assurance conclusions and is considered reliable.

Payments made to the three entrusted entities in 2025 totalled EUR 103.1 million.

EBRD

The EBRD implements the assistance through three dedicated funds (one for each Member State), the so-called International Decommissioning Support Funds (IDSF), set up in 2000.

The multi-donor funds are managed by the EBRD and governed through the Assemblies of Contributors. The Commission is the largest, and since 2004 the sole contributor. Accordingly, the funds rules acknowledge the Commission's monitoring power as well as its decision and control role. Management information received includes work programmes, periodic financial reporting on the three funds under management and project documentation.

A Framework Partnership Agreement was signed on 28 September 2022 as well as new contribution agreements in December 2025 for the Kozloduy IDSF and the Ignalina IDSFs. Monitoring missions were carried out as planned and all grant applications submitted in final version to the Monitoring Committees. The July 2025 Assembly of Contributors approved the EBRD work programmes for the following period.

In 2025, DG ENER paid EUR 4.88 million to the EBRD for the Bohunice Fund. No new payments were made for Ignalina or Kozloduy. Payments are requested by the EBRD and determined based on procurement forecasts—as defined in the relevant delegation agreements—and progress in project implementation. Additional funds entrusted (committed) in 2025 amount to EUR 8.89 million for the Kozloduy Fund and 74.59 million for Ignalina.

The decommissioning programme in Kozloduy has progressed further in 2025, with the finalisation of the near-surface repository and progress in the dismantling of steam generators. To tackle risk of delays, SERAW established a mitigation plan at the request of DG Energy and under the supervision of the Bulgarian Ministry of Energy.

CPMA (Lithuania)

The Central Project Management Agency (CPMA) is the main implementation channel for all new projects related to the Ignalina Nuclear Power Plant (INPP). The EBRD continues the implementation of on-going projects.

The Commission maintains a close supervision and control on the core dismantling project that will be critical for the 2021-2027 period. The Ignalina graphite core technology reactors pose a specific challenge to the Lithuanian programme (LT). A conceptual design was delivered in 2025.

In 2025, SE-INPP started the construction of the near-surface repository for low- and intermediate-level waste. The earned value methodology shows the following results: as of June 2025, SE-INPP had dismantled a total of 78,800 tonnes of metal and equipment (+4000 tonnes y/y), disposed of 11665 m³ of very-low-level radioactive waste (+4000 y/y), and stored 2.364 m³ of low-level and intermediate-level radioactive waste.

DG ENER made payments to CPMA amounting to EUR 89.77 million against previous commitments, and no additional funds were entrusted (committed)

SIEA (Slovakia)

The Slovak Innovation and Energy Agency (SIEA) is together with the EBRD is the implementation channel for all new projects related to the Bohunice NPP.

In December 2025, the Contribution Agreement between DG ENER and the SIEA was amended; based on the standard contribution agreement, it incorporated the requirements set in the Work Programme and the Detailed Implementing Procedures annexed to the Commission Financing Decision C(2025)8025

In 2025, DG ENER made payments to the SIEA in the amount of EUR 7.94 million against previous commitments, with additional funds entrusted (committed) of EUR 8.89 million.

The Bohunice programme is the most advanced of the three NDAP and may well become the first completed decommissioning of a VVER type reactor world-wide. With the allocated Union financial support, the programme has accomplished the most relevant milestones of a decommissioning process, has reduced the radiological hazards on site by several orders of magnitude and will, by its revised 2029 end date, prepare the building for its demolition under close-to-conventional conditions.

Efficiency

Supervisory activities were carried out within the framework of the existing control strategy. The key benefits of these controls are to foster a constant attention on the delivery on schedule and on cost, and on the early mitigation of issues encountered.

The main cost drivers as regards the supervisory controls for the NDAP are:

- the complexity and specificity of the underlying operations;
- the complexity of the implementation scheme, where implementation occurs both through EBRD operated multi-donor funds and national agencies, leading to a multi-layered governance framework;
- the retention by the Commission of a strong role as regards the approval of project documentation and the decisions on the eligibility of projects.

ACER (RCS 6)

Effectiveness

ACER, a decentralized EU agency under DG ENER, plays a vital role in coordinating the work of national energy regulators and advancing the single EU energy market for electricity and natural gas. ACER is tasked with implementing measures outlined in the Clean Energy Package and supporting initiatives to decarbonize the energy sector.

The Agency operates autonomously, managing its resources and assurance processes, while being subject to DG ENER's supervision, primarily through participation in its Administrative Board (AB) and observation in the Board of Regulators. The AB consists of nine members, including two from the Commission. Decisions are made by a two-thirds majority, ensuring a balanced governance framework.

In 2025, DG ENER's subsidy paid to ACER amounted to EUR 24.05 million. By year-end, ACER achieved a 99.9% execution rate for financial commitments (compared to 99.5% in 2023) and a 70.3% payment execution rate (compared to 72.1% in 2024). These figures reflect consistent and efficient financial management.

DG ENER's supervision of ACER is guided by its 2018 strategy, updated annually. Key elements include:

- Annual risk reviews by the ENER Control Board.
- A dashboard of indicators for tracking staffing, budget execution, and audit recommendations, updated biannually, ensuring transparency and accountability.
- Regular bilateral meetings between DG ENER and ACER's Executive Director to address emerging challenges, particularly related to energy crisis initiatives.

DG ENER monitors the evolution of ACER's vacancy rate, considering in particular that ACER received 18 new posts in 2025 and expect to be further reinforced by 2027. The vacancy rate decreased from 8.98% in 2024 to 3.78% in 2025.

There is one very important recommendation ongoing resulting from audits of the IAS, concerning the security in accessing the Extranet which is due in 2026.

ECA issued an unqualified opinion on the legality and regularity of the accounts and on the financial management of ACER. Two new observations were raised: contract services agreed, for business continuity reasons, without support of underlying procurement; accepting a change in a financial offer.

No other events or issues in 2025 significantly impacted DG ENER's assurance regarding ACER.

DG ENER considers that these supervision mechanisms, including risk reviews and monitoring tools, effectively ensured alignment between EU priorities, DG ENER objectives, and ACER's activities.

The European Joint Undertaking for ITER and the Development of Fusion Energy – F4E JU (RCS 4)

Effectiveness

Objectives

Fusion for Energy (F4E) is the European Union's Joint Undertaking for ITER ⁽³¹⁾ and the Development of Fusion Energy, located in Barcelona. F4E was created in 2007 for a period of 35 years to provide Europe's contribution to the ITER International Fusion Energy Organization (IO), the world's largest scientific partnership that aims to demonstrate fusion as a viable and sustainable source of energy, bringing together seven parties: the EU, the United States, Japan, South Korea, China, India and Russia.

F4E JU has the following members:

- EURATOM, represented by the European Commission;
- The Member States of EURATOM;
- Third countries which have concluded cooperation agreements with EURATOM in fusion that associate their respective research programmes with the EURATOM programmes, and which have expressed their wish to become members.

Europe supports about 45% of the construction cost and 34% of the cost of operation, deactivation and decommissioning of the facility as well as preparing the site. Europe's contribution to ITER is managed by F4E JU. In 2025, DG ENER paid a total of EUR 637.15 million to F4E JU.

Supervision structure

The Joint Undertaking is an autonomous body and has full responsibility regarding the management of its resources, the design and operation of its control systems and its assurance processes. The supervision of F4E activities by DG ENER ⁽³²⁾ is organised at different levels.

The top-level decision-making bodies of the Joint Undertaking are the Governing Board (GB) and the Director. The Commission (DG ENER) represents EURATOM in the governance and

⁽³¹⁾ ITER: International Thermonuclear Experimental Reactor.

⁽³²⁾ On 1 July 2015 the responsibility of the monitoring of the ITER project and the Broader Approach activities were transferred from DG R&I to DG ENER.

supervision instances, including the Governing Board. All EU Member States are also represented.

The Board is further assisted by an Administration and Management Committee (AMC), a preparatory Bureau and an Audit Committee. DG ENER represents EURATOM in the AMC and provides a member of the Audit Committee. DG ENER participates also as observer in the Technical Advisory Panel (TAP).

In 2025, DG ENER participated in two Administrative Management Committees (AMCs) and three Governing Board (GB) meetings. The GB approved F4E's annual budget, F4E's Single Programming Document, and the Work Programme, including the related amendments. The supervision strategy for F4E was further revised to take into account appropriate risk tolerance and level of assurance.

DG ENER has continued to implement its dedicated Risk Inventory and Risk Register for the ITER project, including risks associated with F4E's performance. This risk is reviewed by the DG ENER Control Board to ensure timely mitigation of potential issues.

A specific Administrative Agreement between DG ENER and F4E lays down the modalities for implementing EURATOM's contribution to F4E.

F4E JU provides the Commission with statutory information (including their AAR and the annual progress report for the European Parliament and the Council), planning documents, and performance information:

This information was sufficient for drawing assurance conclusions and is considered reliable.

Towards the ITER Organization:

DG ENER is the EURATOM representative in the ITER Council and ensures that F4E JU is fully associated and consulted when necessary. The ITER International Organization in charge of the project (the ITER Organization – IO) set up by the ITER Agreement is a main stakeholder in the project and thus plays a major role and has a major impact in particular on the activities of the Joint Undertaking but also on EURATOM's responsibilities as signatory of the ITER Agreement.

The Commission operates a comprehensive strategy for EURATOM's participation in the ITER project's governance and supervision. The main objectives of EURATOM's strategy for an effective governance of the project are to foster an effective steering and supervision of IO by the ITER Council and to secure EURATOM's interests in the governance of ITER.

In 2025, DG ENER provided ongoing support to the Financial Audit Board (FAB) with the necessary support to organise its work. The FAB, undertakes the audit of the annual accounts of the ITER Organization.

Independent assessments requested by the Budgetary Authority

F4E undergoes a yearly independent assessment of the implementation of its activities, which is submitted to the Council of Ministers of the EU and the European Parliament. In 2025, the annual assessment was the mid-term evaluation of F4E carried out by the Commission.

Points of attention in 2025

As regards the Joint Undertaking

In 2025, the Commission has continued to support the Director in implementing the new organisational structure. Particular attention remains on improving F4E's performance in critical procurements, such as the delivery of the remaining 3 European sectors of the ITER vacuum vessel, the delivery of heating systems, the completion of buildings and other civil engineering projects on the ITER site, where delays and cost overruns have been significant. These efforts aim to ensure more timely and cost-effective project execution.

DG ENER monitors closely the risks related to the implementation of the project and the performance of the Joint Undertaking and its challenges related to the design, procurement and construction of the project, and the delivery of its in-kind contributions (See also Annex 8, point 2.3.3).

As regards the ITER project and the ITER Organisation

The Director General of the ITER Organization (IO) initiated a project restructuring, based on a new project baseline. DG ENER obtained the adoption by the ITER Council of a phase-gate approval of the baseline allowing better project control; for phase 1 (until end 2028).

The French nuclear regulator *Autorité de Sûreté Nucléaire (ASN)* maintains its decision not to release *the Assembly Hold Point*. DG ENER and F4E are closely monitoring the evolution of the situation.

DG ENER furthermore monitors the potential impact of ongoing changes in the geopolitical environment.

Additional sources of assurance

The IAS exercises the powers of Internal Auditor of F4E JU, whilst the internal audit capability of F4E JU is maintained. As of January 2025, one very important recommendation from the audit on delegations and efficiency of decision making in the European Joint Undertaking for ITER and the Development of Fusion for Energy and cooperation mechanisms with DG ENER was implemented and closed. As of March 2026, only one IAS recommendation stemming from an HR audit remains open, and is at this stage partially implemented.

ECA issued its 2024 Annual Report on EU Joint Undertakings, providing unqualified opinions on both the reliability of the accounts and the legality and regularity of transactions for F4E JU. The ECA confirmed that the transactions underlying the annual accounts of F4E JU for the year ending 31 December 2024 were, in all material respects, legal and regular.

The ECA's opinion was again accompanied by an 'emphasis of matter' regarding the EU contribution to the ITER project. The auditor, while not challenging their opinion, highlighted that changes in key assumptions or risk exposure could result in significant cost increases and/or further delays in project implementation. They noted the increased exposure of F4E to a number of risks: sustainability (challenges to the relevance of the ITER project), legal (challenge to the extension of the ITER agreement), technical and economic and financial.

ECA issued observations on the management of external service providers and of the risks deriving from their use as well as the integration of the risk management process in the internal control framework. Both recommendations are due by end of 2025.

Efficiency

Supervisory activities foster a constant attention on the delivery on schedule and on cost, and on the early mitigation of issues encountered. The continuous risk assessment system improves the reactivity to potential issues and contributes to the efficiency of supervisory activities.

The final execution rate on the ITER operational line is 100% for both commitment and payment appropriations. A thorough review of the activities planned in 2024-2027 by ITER and F4E, under the 2024 Baseline, allows to follow up efficiently on the issue of 'unused appropriations' currently managed by F4E

Conclusion on the efficiency of supervision

Based on the monitoring reports and the various supervision activities carried out, DG ENER considers that although F4E JU operated in a challenging environment, was effective and efficient and discharged its duties in line with its obligations. The supervisory controls towards F4E and the administration of the EURATOM contribution were efficient and delivered the expected results. The main cost drivers as regards the supervisory controls for F4E are:

- The complexity and specificity of the underlying operations;
- The persistence of technical and regulatory issues at ITER IO level and the emergence of concerns at ITER project level;
- The magnitude of the budget implication of this project;
- The complexity of the implementation schemes of both the ITER project and the Broader Approach.

DG ENER did not identify — through its regular and reinforced supervision of F4E JU — any other particular events, issues or weaknesses that could have a material impact on the assurance given for the year 2024. It monitors closely the key risks associated with the overall performance of the ITER programme, functioning of F4E JU as an organisation.

Other Indirect Management (RCS 7)

DG ENER manages indirectly a limited number of preparatory actions and pilot projects. It relies on the expertise of trusted partner institutions, that provide both a reliable governance scheme and dedicated capabilities:

- DG ENER and the EIB established a joint technical assistance facility aimed at closely assisting EU coal, peat and oil shale regions with the identification and preparation of clean energy and energy efficiency projects to support a just transition. Potential beneficiaries are regional and local authorities, public and private project promoters and energy communities. The TARGET facility is complementary to existing mechanisms, such as the [Just Transition Mechanism](#). The EC Contribution amounted in 2025 to EUR 2 million.
- DG ENER contributes in the context LIFE CET programme to the United Nations Environment Programme. The relationship between UNEP and the European Commission (EC) is defined by the 2004 Memorandum of Understanding. The MoU is implemented through annual High-Level Policy Dialogues, which are underpinned by regular technical meetings. The EC Contribution amounted in 2025 to EUR 0.19 million.

Non-expenditure items

These control objectives are related to the management of assets and information in the framework of the 'Euratom Safeguards' activity and to the assurance to give with regard to specific off-balance sheet items. The nuclear material control system, known as '**Euratom Safeguards**', is based on two pillars:

- The record-keeping and reporting obligations of nuclear operators ⁽³³⁾, as well as the periodic reports and accountancy declarations to be made to the Commission;
- The verification of the completeness, correctness and coherence of these reports and the effectiveness of the operators' accounting systems.

This activity entails the management of a certain number of tangible and intangible assets (such as, for instance, detection and measurement systems, office laboratory equipment, specific IT hardware and in house developed software), and the management of secured or classified information. DG ENER is asset management centre for all specific assets purchased with its budget.

The key control objectives for DG ENER are to ensure that these assets are appropriately accounted for and safeguarded, that information is protected, and that related weaknesses, errors, irregularities and losses are detected and addressed.

To be recognised as an asset, an item needs to comply with following criteria:

- Acquisition value above EUR 50 000 from 2024 (EUR 5 000 before);
- Lifespan of more than one year.

The net value of **intangible assets** under management (exclusively in-house developed software) increased from EUR 2.64 million in 2024 to EUR 4.69 million in 2025. This increase was mainly the result of capitalisation of development costs of an Assets under Construction (2.28 million).

The net value of the **tangible assets** managed decreased slightly from EUR 0.47 million as of 31 December 2024 to EUR 0.29 million as of 31 December 2025, which is explained by the depreciations.

As regards **financial assets**, the Commission, represented by DG ENER, holds shares in the **European Energy Efficiency Fund (EEEF)**, a legacy fund under the form of a SICAV ("Société d' Investissement à Capital Variable") linked to the EEPF programme. Although there are no further EC contributions linked to this legacy instrument, the holding of the shares will remain in place until the termination of the investment vehicle. The value of the shares, as booked for Q3 2025, has remained stable at EUR 66.06 ⁽³⁴⁾

The EEEF operates through two distinct products: binding investments and technical assistance funding. The Fund investments are meant to provide a "junior" tranche to enable the funding of

⁽³³⁾ Art. 78 and 79 of the Euratom Treaty, further specified by Commission Regulation (Euratom) 302/2005, which defines requirements for the nuclear material accountancy system to be implemented by the nuclear operators.

⁽³⁴⁾ Source: EEEF Quarterly Unaudited Financial Statement.

public/private partnerships in the public sphere. These investments are subject to market, partner and project risks.

The average cost of investment is EUR 61.81 per share.

DG ENER is also one of the sponsor DGs of the legacy **CEF debt instrument**. This instrument was initially set up under indirect management, to leverage EU investment and attracting new sources of funding for CEF-Energy projects. The European Investment Bank (EIB) had been entrusted with the implementing tasks concerning the financial instruments (debt) under the CEF Regulation (EU) 1316/2013.

The investment window is now closed and there will be no further contribution to the instrument. In 2025, the EIB returned an amount of EUR 51.18 million to the EC.

The number of contributions made over time for energy projects has decreased to EUR 11.17 million to account for the partial return of the funds.

The Treasury Portfolio generated a positive result of EUR 0.7 million

Economic result of the Energy sub-account of the CEF Debt Instrument

DG ENER share of results in portfolio	2024 (in EUR thousand)
Remuneration received for guarantee given	52
Other operational and financial revenue	0
Fees paid to EIB	-14
Net portfolio gain	744
Economic result	782

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

The underlying debt portfolio is, by nature, exposed to creditor risk that is covered by the FLP mechanism. There was no significant change in that respect in 2025. The EIB deploys specific fraud prevention and detection processes and reports directly to OLAF. In 2025, the EIB's Inspectorate General reported no fraud case related to CEF operations.

The EIB provided its **draft financial statements and management declaration** on 15 February 2025. The declaration covers the EU funds invested in the current financial instruments and supports the unaudited statements for 2025. The EIB gave reasonable assurance that:

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

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

Regarding **safeguarding of information**, DG ENER handles secured and classified information in accordance with the provisions of Commission's Decision 2017/46 and Security Notices number 1 and 2. A specific, separate infrastructure and a secure software environment are in place to ensure compliance with these requirements.

DG ENER's current procedures and controls are considered as robust and effective.

The **off-balance sheet items** translate the involvement of DG ENER in the CEF Debt Instruments, the follow up of specific legal issues and other significant disclosures such as not yet expensed outstanding budgetary commitments. The management of debt instrument was delegated to the EIB. The off-balance sheet postings include contingent liabilities that correspond to the guarantees given by the EU for these financial instruments. These guarantees are stable and amount to EUR 9.28 million at year end.

No contingent liabilities were calculated for 2025 as regards Legal Cases. Regarding the PCA Case P 2020-07, the claimant Nord Stream 2 AG asked the arbitration tribunal to suspend the proceeding in view of the insolvency of the claimant caused by US sanctions in the context of Russia's aggression against Ukraine. The claimant has not specified the amount of claimed damage and the situation remains unchanged for 2025.

Regarding the case Klesch v EU/Klesch v Denmark/Klesch v Germany and about tax matters no contingent liabilities were calculated at this stage. DG ENER is aligned with the position taken by DG TRADE and the Legal Service.

2) Economy

The overall cost of control, at EUR 14.3 million or 1.7%, which is stable in comparison with 2024 (EUR 13.3 million).

Direct management

The cost of control associated to the reported upon directly managed expenditure takes into account the Commission level costs to manage financially the expenditure and the relevant programmes (covering the staff working time allocated to these tasks) ⁽³⁵⁾ and can be summarised as follows:

The 2025 cost of controls related to grants in direct management remained in the same range as in 2024

Cost of control for directly managed grants

Estimates based on the cost of FTEs, per relevant control system	Directly managed grants (Research & Innovation)	Directly managed Energy grants and other support actions
Cost of control in 2024	EUR 2.32 million (EUR 2.26 million in 2024)	EUR 0.6 million (EUR 0.6 million in 2024)
Total Cost/Funds ratio	Not relevant (low expenditure)	5.75% (8.35% in 2024)

⁽³⁵⁾ The costs reported or used in the ratios include overheads.

DG ENER has only a limited exposure to directly managed grants and other expenditure. The costs of control regarding research grants are exposed at programme level, with the vast majority of grants being implemented by CINEA, and DG R&I's CIC providing ex-ante and ex-post controls. The cost of control to relevant expenditure ratio appears very high due to the extremely low amount of residual expenditure in this domain.

Expenditure made under the prerogative lines is mainly made of procurements, contributions to international entities. It also includes expenditure made in respect of Nuclear Energy matters that is mainly related to the operations of Nuclear Safeguards. The cost of control of about 6% of the expenditure, which is relatively limited considering the number of transactions and the potentially technically complex nature of the nuclear energy part of this portfolio.

Indirect management and budgetary support

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

Summary of the cost of control per management mode and instruments

	Indirect Management – F4E JU	Indirect Management – NDAP (EBRD, SIEA & CPMA)	ACER & other indirect management
EC control cost	EUR 2.64 million (EUR 3.09 million in 2024)	EUR 0.65 million (EUR 0.6 million in 2024)	EUR 0.16 million (EUR 0.16 million in 2024)
Cost of procured controls	0	EUR 0,36 million	n/a
Total cost/funds ratio	0.42 (0.56% in 2024)	0.63% (0.33% in 2024)	0.67% (0,68% in 2024)

In absolute terms, the cost of control for the supervision of these entities remained stable.

The costs at Commission level are in line with other programmes. The key cost drivers are the complexity and specificity of this action, technical issues for the ITER programme, the retention of a strong role by the Commission and the fact that for the NDAP the fees are set as a percentage of the action value. These costs remain overall stable, and it is not possible to achieve further economies of scale.

Cost of control at DG and entrusted entities level

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

Indirect management – Cost of control at entity level

	Cost of control	Comment
EBRD	EUR 1.86 million	Aggregated budgeted amount of the fees to pay for the IISDF, KISDF, BISDF (source: EBRD) – Controlled amount: total of the ongoing projects
CPMA	EUR 1.27 million	Remuneration for 2024 (source: ABAC) – the cost of CPMA operations is set at 3.5% of action value. Controlled amount: ongoing projects.
SIEA	EUR 0.5	Remuneration for 2024 (source: ABAC) – The cost of SIEA operations is set at 2.7% of action value. Controlled amount: Ongoing projects
EIB	EUR 14000	Aggregated amount of the fees paid for the management of the CEF Debt instrument. – Controlled amount: existing portfolio. (Source: Unaudited Financial Statements)
EEE F	p.m.	Performance fees are charged annually to the profit and loss account However, these fees do not result in any cash settlement but are counted in the economic result and in the value of the shareholding. Controlled amount: Net Asset Value (NAV) of EUR 103.7 million in 2025. <i>(source: The financial statements for 2024 will be available in June 2025 - NAV: latest statement of account, see above)</i>
F4E JU	EUR 49.1 million ⁽³⁶⁾	Joint Undertaking under Article 71 of the Financial Regulation. The JU is responsible for the setup of its control systems within this envelope and for reporting on them in its own annual report. (Source: draft F4E “Cost of Controls 2024”, 24 February 2025).

Cost of ex-post audits

In 2025, DG ENER devoted one FTEs (equivalent to a cost of EUR 0.18 million) to the performance and follow-up of ex-post audits. This effort covers the participation to the statutory auditing of ITER IO and the implementation of financial audits from previous years.

The CIC in DG R&I is responsible since January 2014 to carry out the ex-post audits for the Research Framework Programmes. The costs of these controls are mutualised, resulting in significant synergies for the R&I family of DGs. Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG R&I (Common Implementation Centre; Common Audit Service; Common Policy Centre) for the R&I family are reported in the Annual Activity Reports of DG R&I and REA.

Cost of organisational controls

Organisational controls correspond broadly to the non-expenditure related to internal controls operated by DG ENER.

⁽³⁶⁾ This amount does not include the cost of external service providers supporting the operations of the JU (for instance quality control)

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

	FTEs	Cost equivalent
Budget and accounting	3.1	EUR 0.5 million
Coordination	3.9	EUR 0.7 million
Fraud prevention	0.5	EUR 0.1 million
ICT and information security	8.0	EUR 1.4 million
Asset management	1.9	EUR 0.3 million

DG ENER resources devoted to Budget and Accounting, Coordination, Antifraud and Asset Management are limited and remain stable.

The costs associated to ICT and Information security components are on one side specifically related to the need for DG ENER to maintain and operate a specific secure environment for IT infrastructure and applications for Nuclear Safeguards operations under the EURATOM Treaty, and on the other related to the increased digitalisation of the DG.

3) Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission anti-fraud strategy ⁽³⁷⁾ aimed at the prevention, detection and correction ⁽³⁸⁾ of fraud

Indicator 1: Implementation of the actions included in DG ENER’s anti-fraud strategy over the whole lifetime of the strategic plan (2025-2029)

Source of data: DG ENER’s annual activity report, DG ENER’s anti-fraud strategy, OLAF reporting

Baseline (2024)	Target (2029)	Latest known results (situation on 31/12/2025)
100%	100% of due actions implemented each year	75% of actions implemented, 25% delayed and postponed to 2026

⁽³⁷⁾ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – ‘the CAFS Communication’; Communication from the Commission "Commission Anti-Fraud Strategy Action plan – revision 2023" [COM\(2023\) 405](#) of 11 July 2023 – “the Communication on the 2023 revision” – and the accompanying revised action plan, [SWD\(2023\) 245](#)– “the revised Action Plan”.

⁽³⁸⁾ Correction of fraud is an umbrella term, which refers in particular to the recovery of amounts unduly spent and to administrative sanctions.

Main outputs in 2025:			
Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Reporting to management	Number of reports on the implementation of the antifraud Strategy	At least two times per year	Reporting to the management was performed 3 times through the Control Board Meetings (March, June and November)
Awareness raising campaign	% of staff reached through workshops, conferences or other direct methods	>80%	Intranet pages updated 2025 Survey performed autumn 2025 Training postponed to beginning 2026
Implementation of Antifraud Action Plan (2023-2025)	<ul style="list-style-type: none"> a. Timely delivery upon OLAF and EPPO requests b. Performance of a fraud risk assessment c. Organisation of a dedicated antifraud training d. Organisation of a dedicated awareness raising session for NDAP entities e. Screening of sensitive functions 	<ul style="list-style-type: none"> a. Within 10 working days b. By 31/12/2025 c. By 31/12/2025 d. By 31/12/2025 e. By 31/12/2025 	<ul style="list-style-type: none"> a. Continuous operation during 2025 b. Performed in December 2025, as basis for the new antifraud strategy and action plan 2026-2028 c. Postponed to beginning of 2026 d. Postponed to March 2026 e. To be concluded in 2026

4) Reports and documentation considered for the assessment of the DG's functioning in view of the AOD's assurance:

Assurance is provided on the basis of information on the efficiency and effectiveness of internal control systems and governance processes. The management monitors the functioning of the internal control systems on a continuous basis and carries out an objective examination with internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports / documentation have been considered:

- the reports by Authorising Officers by Sub-Delegation (AOSDs);
- the reports from Authorising Officers in other Directorates-General managing budget appropriations in cross-subdelegation;
- the reports on control results from entrusted entities in indirect management as well as the result of the Commission supervisory controls on the activities of these bodies;

- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the Directorate-General level, including the results of the annual risk assessment exercise;
- the reporting on the implementation of DG ENER's Anti-Fraud Strategy;
- the reports on recorded exceptions, non-compliance events and any case of 'confirmation of instructions' (Art 92.3 Financial Regulation);
- the reports of the ex-post audit;
- the limited conclusion of the Internal Auditor on the state of control and the observations and recommendations reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA).

The systematic analysis of the available evidence provides sufficient guarantees as to the completeness and reliability of the information reported and results in the full coverage of the budget delegated to the Director-General of DG ENER.

5) Financial Regulation: Additional reporting requirements resulting from the 2018 and 2024 revisions.

In line with the requirements of the Financial Regulation, DG ENER reports for the year 2025:

1. No cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3)
2. No cases of "confirmation of instructions" (FR art 92.3)
3. No cases of financing not linked to costs (FR art 125.3)
4. No new cases Financial Framework Partnerships >4 years (FR art 131.4) in 2025
5. No cases of flat-rates >7% for funding indirect costs (FR art 184.6).
6. No cases of derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation.
7. No cases of financial support to third parties >EUR 60 000 (FR art 207)
8. No cases of non-financial donations provided in the form of services, supplies or works (FR art 244.3)

6) Table Y on the estimated “cost of controls” at Commission level

Overview of department 's estimated cost of controls at Commission (EC) level ⁽³⁹⁾:

ENER	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Segment of expenditure (as in Table X) / 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)
RCS1 - Research Grants	2.316.622,90 €	274.368,58 €	844,35%	- €	300.112,00 €	0,00%	2.316.622,90 €	844,35%
RCS2 - Energy Grants	448.957,90 €	8.739.158,62 €	5,14%	53.875,00 €	57.953.671,00 €	0,09%	502.832,90 €	5,75%
RCS 3- Procurements, including Nuclear Energy & other expenditure	3.905.933,90 €	60.936.729,12 €	6,41%	71.833,30 €	not quantified	0,00%	3.977.767,20 €	6,53%
RCS 4 - F4E	2.460.289,40 €	632.433.750,17 €	0,39%	179.583,20 €	not quantified	0,00%	2.639.872,60 €	0,42%
RCS 5 - NDAP	646.499,40 €	103.096.390,47 €	0,63%	- €	- €	0,00%	646.499,40 €	0,63%
RCS 6 - Decentralised Agencies ACER	161.624,90 €	24.053.503,48 €	0,67%	- €	- €	0,00%	161.624,90 €	0,67%
RCS 7 - Other indirect expenditure	448.957,90 €	2.189.912,59 €	20,50%	- €	- €	0,00%	448.957,90 €	20,50%
RCS 8 - Financial Instruments and provisioning fund	- €	- €	0,00%	529.770,40 €	- €	0,00%	529.770,40 €	0,00%
OVERALL total estimated cost of control at EC level for expenditure	10.388.886,30 €	831.723.813,03 €	1,25%	835.061,90 €	58.253.783,00 €	1,43%	11.223.948,20 €	1,35%
RCS 9 - Assets	197.541,50 €	- €	N/A	143.666,50 €	- €	N/A	341.208,00 €	N/A
RCS10 - Organisational controls	2.783.539,10 €	n/a	N/A	- €	- €	N/A	2.783.539,10 €	N/A

⁽³⁹⁾ Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD. Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s). Details about the estimated cost of the control activities provided by REA, are also reported in the Annual activity report of REA.

In 2025, administrative expenses related to salaries and/or missions are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO and/or DG HR ⁽⁴⁰⁾ ⁽⁴¹⁾, which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission's new IT accounting system. In 2025, these expenses represented 1.23% of DG ENER's total payments.

⁽⁴⁰⁾ Type III co-delegation.

⁽⁴¹⁾ Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s).

ANNEX 8: Reporting on the internal and external audits and assessing the effectiveness of internal control systems

Audit observations and recommendations

Overall, internal and external audit work contributes significantly to the continuous improvement of DG ENER's systems and operations. The energy policy matters are increasingly scrutinised by the IAS and ECA and benefit from numerous audits and audit recommendations. The current residual risk from the audit recommendations remaining open in DG ENER does not impair the declaration of assurance.

The Director-General is regularly informed of the conclusions and the main recommendations stemming from the work of the auditors. The timely implementation of all recommendations is regularly monitored throughout the year and reported at DG ENER's Control Board meetings.

1. Internal Audit Service (IAS)

Audit reports issued in 2025

Audit on IT security risk management at the Commission – DG ENER

The final audit report was issued in January 2025. The IAS concluded that although DG ENER has designed an adequate IT Security and Risk Management (ITSRM) framework and processes in compliance with the EC IT security framework, very important weaknesses remain in IT security risk assessment, risk treatment and risk acceptance criteria which affect their effective and efficient implementation. Two very important recommendations and two important ones were formulated. An action plan was designed to mitigate the identified risks.

Follow-up of recommendations resulting from previous IAS audit reports

The very important recommendation 1 highlights the necessity to update DG ENER IT security risk studies and related IT security plans during its next review to address the issues identified by the audit. As regards European Product Registry for Energy Labelling (EPREL), DG ENER update its IT Security Plan for the year 2025 addressing issues identified in the IAS findings. This update was approved by the business owner. Furthermore, the formalisation of the IT Risk Management Process was completed, and the document was presented to ENER Digital & Cybersecurity Steering Committee in October 2025. In line with the risk acceptance levels outlined in the IT Risk Management Process, the Security Plan drafted in 2025 includes formally

approved responses to risks that exceed residual risk acceptance levels, as well as a record of the identified Security Measures.

To address the very important recommendation 2, DG ENER should formally define and document its IT security risk appetite and translate this into specific risk acceptance criteria (and levels) to be used as part of the IT security risk assessments. In the latest review of EPREL's IT security plan, DG ENER incorporated references to risk appetite and acceptance criteria, ensuring alignment with defined IT Risk management process.

The implementation of remaining actions follows the defined schedule, with progress monitored to ensure its timely completion.

2. European Court of Auditors (ECA)

Audit work 2025 – Declaration of assurance (DAS)

In 2025, DG ENER was subject to the recurring ECA financial audits on the Declaration of Assurance (DAS) and to audits on the annual accounts of DG ENER., there were no open recommendations from the previous DAS exercises for DG ENER.

With regard to the 2023 Discharge, the process started with the publication of the Commission's Integrated Financial and Accountability Package published over the summer. In October, ECA published and presented in CONT its 2023 Annual Report focusing on traditional compliance aspects, including the annual statement of assurance and also covering the performance of the EU budget. As regards the 2023 DAS exercise: DG ENER was mainly involved in Chapter 5 of ECA's Annual Report – "Competitiveness for Growth and Jobs". The contribution of DG ENER transactions to the total sample size in this Chapter is limited to only seven transactions – three from CEF programme, three from H2020 - all managed by CINEA, as well as one clearing transaction from NDAP. The ECA's audit work found two quantifiable errors with 5.89% ⁽⁴²⁾ and 100% ⁽⁴³⁾ error rate, for which DG ENER/CINEA agreed.

In addition, ECA conducted an audit on the reliability of the DGs accounts as of 31 December 2023. No findings or recommendations were issued by ECA. In relation to recommendations issued for the previous DAS exercises, all actions related to DG ENER have been as fully implemented or implemented in most respects.

Special Reports

For 2025 no reports from the European Court of Auditors were published.

Follow-up work in 2025

At the end of 2025, DG ENER was chef de file for sixteen open recommendations from ECA with due dates before end of 2025. The implementation status is closely monitored with the aim to close them in the course of 2026. In addition, there are ten open recommendaiton with

⁽⁴²⁾ Error related to personal costs on H2020 project.

⁽⁴³⁾ Error related to a serious breach of the EU public procurement rules on CEF Energy project.

due dates in 2026 and beyond. The necessary updates to the status of the followed-up recommendations are reflected in Commission monitoring system (RAD), which will be replaced in 2026 by the new system called 'Respond.

Assessment of the effectiveness of internal control systems

Source and methodology for the internal control self-assessment

The self-assessment of internal controls verified the presence and effective functioning of ICF components and principles as a system throughout 2025 and focused on three objectives:

- demonstrate the sound functioning of the internal control system;
- provide to the Director-General and to the Director in charge of Risk Management and internal Control a sound basis for signing their declarations of assurance;
- identify any improvement areas in the internal control systems.

The 2025 self-assessment was based on the following main building blocks:

- evaluation of monitoring indicators;
- evaluation of audit results and the impact of new or outstanding recommendations;
- analysis of available reports, including DG BUDG's validation of local systems, accounting quality and AOSD reports from the Directors of DG ENER;
- risk management;
- assessment of mitigating actions undertaken regarding previous internal control weaknesses, and other corrective measures;
- analysis of control incidents registered during the reporting year.

Internal Control Self-assessment results for 2025

The 2025 internal control self-assessment did not identify any critical or serious weaknesses affecting the Commission Internal Control Framework (ICF) components or principles.

However, one moderate internal control deficiency from 2024 related to IC Principle 11 was maintained over 2025. The IAS audit on IT security risk management at the Commission identified a very important weaknesses at corporate level in IT security risk assessment, risk treatment and risk acceptance criteria which affect their effective and efficient implementation. The deficiency was closely monitored during 2025 through the implementation of the audit action plan to mitigate the risks and some identified weaknesses were addressed. The implementation of remaining follows the defined schedule, with progress monitored to ensure its timely completion.

One minor Internal control deficiency, related to IC Principle 10, was identified in relation to timeliness of payments and settlement of late interests. In 2025, DG ENER's number of late payments was too high (11% of payments made) and there might be a need for calculation of interests and monitoring of their payment,

To address the audit recommendation related to the IT security indicators, DG ENER Internal control monitoring criteria had been adjusted by end 2024. These indicators were for the first time used for the 2025 assessment. DG ENER will maintain its effort to implement the action plan through 2026.

Risk Management

The risk register for 2025 included one critical risk and 13 significant risks. These risks were followed up through ENER's senior management Control Board meetings throughout the year and specific risk management meetings:

- Critical risk related to the implementation of the ITER project: due to accelerated progress by the ITER Organization (IO), the critical risk on ITER was downgraded (reduced likelihood) to significant. The situation at IO level is improving, although concerns remain on the overall feasibility of the project, on the engagement of all ITER Members and on the revision of the financial rules of IO. The risk has been updated and carried over to 2026 as significant. However, the risk of a developing performance gap between the delivery and needs at IO level and the actual implementation of the Euratom contribution by F4E was identified as a critical risk for 2026.
- All 13 significant risks were carried over to 2026 (four of them were partially mitigated).

Internal Control incidents

The functioning of the internal control systems was closely monitored and followed up throughout the year by the systematic registration of non-compliance events and exceptions. In 2025, DG ENER registered a higher number of incidents than in 2024 (13 non-compliance cases and one exception request).

The assessment of non-compliances registered in 2025 does not indicate a weakness in the internal control system, but the attention should be paid to the correct use of SUMMA, to avoid errors such as late signature of the budgetary commitment.

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

A. Annex related to "Control results" – Table X: Estimated risk at payment and at closure

DG ENER	Payments made (2025;MEUR)	minus new prefinancing [plus retentions made] (in 2025;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2025;MEUR)	Relevant expenditure (for 2025;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2025;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	Estimated future corrections [and deductions] (for 2025;MEUR)	Estimated risk at Closure (2025;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
RCS 1 - Horizon 2020 - Grants (2014-2020)	0,00	0,00	0,00	0,00	3,83% - 3,83%	0,00 - 0,00	1,14% - 1,14%	0,00 - 0,00	0,00 - 0,00
RCS 1 - Horizon Europe - Grants (2021-2027)	0,27	0,00	0,24	0,52	4,38% - 4,38%	0,02 - 0,02	0,35% - 0,33%	0,00 - 0,00	0,02 - 0,02
RCS 2 - Energy grants (prerogative) and other support actions (prerogative and CEF)	8,74	- 6,86	17,11	18,99	0,50% - 0,50%	0,09 - 0,09	0,00% - 0,19%	0,00 - 0,04	0,09 - 0,06
RCS 3 - Procurement, studies and other operational expenditure	43,68	0,00	0,00	43,68	0,50% - 0,50%	0,22 - 0,22	0,00% - 0,19%	0,00 - 0,08	0,22 - 0,14
RCS 3 - Nuclear Energy (including safeguards)	22,94	- 0,76	0,24	22,41	0,50% - 0,50%	0,11 - 0,11	0,00% - 0,19%	0,00 - 0,04	0,11 - 0,07
RCS 4 - EURATOM - Contribution agreement to F4E JU	637,15	- 637,15	554,58	554,58	0,50% - 0,50%	2,77 - 2,77	0,00% - 0,19%	0,00 - 1,05	2,77 - 1,72
RCS 5 - Nuclear Decommissioning Assistance Programme (CMPA/EBRD/SIEA)	103,10	- 101,33	56,12	57,89	0,50% - 0,50%	0,29 - 0,29	0,00% - 0,19%	0,00 - 0,11	0,29 - 0,18
RCS 6 - ACER - Subsidy	24,05	- 24,05	22,57	22,57	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
RCS 7 - Pilot projects & preparatory actions	2,00	- 2,00	0,00	0,00	2,00% - 2,00%	0,00 - 0,00	0,00% - 0,19%	0,00 - 0,00	0,00 - 0,00
RCS 7 - LIFE Clean Energy Transition	0,19	- 0,19	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,19%	0,00 - 0,00	0,00 - 0,00
RCS 8 - Financial Instruments	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
RCS 8 - Provisioning of the Common Provisioning Fund	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
DG total	842,12	- 772,34	650,87	720,65		3,51 - 3,51	0,00% - 0,18%	0,00 - 1,33	3,51 - 2,18
					Overall risk at payment in %	0,49% - 0,49%		Overall risk at closure in %	0,49% - 0,30%
						(7) / (5)			(10) / (5)

Notes to the table X

- (1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total ⁽⁴⁴⁾.
- (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.
For Cross-Sub Delegations (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-Sub Delegations.
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, and adds the pre-financing actually cleared during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.
- (6) In this column, we disclose the detected error rates or equivalent estimates.
For the EURATOM contribution to the ITER programme (implemented by F4E JU), no residual error rate is available as this activity is implemented through public procurements. Indeed, the functioning of F4E JU is substantially different from the functions of other JUs as it acts as a procurement agency for the EU. The budget provided to F4E JU does not follow the same logic as the usual contribution agreements. For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure*), the rate used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.
Similarly, the subsidies given by partner DGs to decentralised agencies as part of their establishment and core tasks are considered error-free types of expenditure and the rate which should be used is 0%. Please see the Guidance for DGs with payments to EAs DAs JUs or certain EU bodies for further details.
- (8) The adjusted average recovery and corrections percentage is mostly based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. This percentage does not apply to pre-financing, administrative expenditure or payments made to ACER, which are generally not subject to ex-post recoveries. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate. For H2020 payments, the correction rate used in this column corresponds to the difference between the R&I family detected error rate (3.83%) and DG ENER's residual error rate including draft audit reports (2.69%). For Horizon Europe payments, the correction rate of the R&I family are used respectively 4.38% and 4.03%.
The average amount of the implemented corrections over the past five years (2021-2025) is EUR 1.04 million euros (0.13% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of EUR 2.92 million euros (0.22% of the average

⁽⁴⁴⁾ RCS 3 covers/includes administrative expenses related to salaries and/or missions previously reported by the PMO and/or DG HR. More information can be found in Annexes 6 and 7.

amount of relevant expenditure of that period). The amount of implemented corrections in 2025 is EUR 1.28 million. The residual deviation (0.09% between the two averages) is considered marginal in comparison to the average relative expenditure of EUR 803.15 million.

B. Reservations

Reservations not issued or lifted in 2025 due to the application of the 'de minimis' threshold

Since 2019 ⁽⁴⁵⁾, a 'de minimis' rule for financial reservations has been introduced. Quantified 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. For the reporting year, DG ENER has identified one such case:

- 1) For the Horizon Europe grants (directly managed research grants - RCS 1), the cumulative residual error rate at the end of 2025 was at 4.05%, above the materiality threshold of 2% for financial reservations. However, the cumulative conditions for the application of the 'de minimis' rule are met, since the share of the segment represents 0.06% of the total payments of DG ENER and also, the financial impact is low, at EUR 0.02 million. In addition, the weaknesses identified are not considered significant in terms of possible reputational risks as well as in terms of monetary loss. The management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and reinforcements are being implemented. Considering all the above, DG ENER has decided not to issue a quantified financial reservation.

Given the amounts involved, the application of 'de minimis' rule has no effect on the reservations of DG ENER for 2025.

⁽⁴⁵⁾ Agreement of the Corporate Management Board of 30/4/2019.
DG ENER_aar_2025_annexes

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

Human Resource management

Objective: DG ENER employs a skilled, diverse and motivated workforce to deliver on the Commission's priorities		
Indicator 1: Percentage of female middle managers		
Source of data: SYSPER		
Baseline (2024)	Target (2029)	Latest known results (situation on 31/12/2025)
50%	50%	48%
Indicator 2: Staff engagement index		
Source of data: Commission staff survey [data to be provided by DG HR]		
Baseline (2023)	Target ⁽⁴⁶⁾ (2029)	Latest known results ⁽⁴⁷⁾ (situation on 31/12/2025)
73%	maintain	New staff engagement index (2025): 79% Old staff engagement index (2023): +3 percentage points

(46) The Commission baseline score for the Staff Engagement Index is 73% (based on the 2023 staff survey results).

(47) A new method of measuring staff engagement was introduced in 2025. The new Staff Engagement Index provides a more comprehensive view of staff engagement covering purpose, pride and motivation, autonomy and growth and collaboration and trust. The old Staff Engagement Index, which focused more on job content and relations with immediate colleagues and manager, will be used exclusively for comparisons with past data.

Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Promote management talent by organising initiative targeting potential future managers	Number of initiatives	At least one initiative by December 2025	2
Gender balanced appointments to middle management posts	Number	Ensure balanced appointments	56% newly appointed middle managers
Organise internal training courses (online/physical/hybrid) on energy topics	Number of DG ENER webinars and other courses	At least ten courses by December 2025	100
Continue the regular physical initial welcome sessions in both ENER sites, plus the twice-yearly policy overview sessions	Number of sessions	Four initial welcome sessions and two policy overview sessions by December 2025	6
Organise DG/Senior and/or Middle management town hall events on different topics + all staff events	Number of meetings	Three in 2025	10

Digital transformation and data management

<p>Objective: DG ENER is using innovative, trusted digital solutions for better policymaking, data management and administrative processes to build a digitally transformed, user-focused and data-driven Commission</p>			
<p>Indicator 1: Digital Culture: % of statutory staff that has completed at least one IT training course ⁽⁴⁸⁾</p>			
<p>Source of data: Digital Commission Dashboard (data measured at DG-level)</p>			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
36%	50%	80%	25% ⁽⁴⁹⁾
<p>Indicator 2: Seamless digital environment: cloud adoption – % of IT systems utilising cloud infrastructure services compared to the total number of IT systems</p>			
<p>Source of data: Digital Commission Dashboard (data measured at DG-level)</p>			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
20%	50%	100%	35%
<p>Indicator 3: Maturity level in implementing corporate data policies across four key areas: data management, ownership and responsibilities, data quality, and data skills (basic, developing, established, advanced, or trendsetting).</p>			
<p>Source of data: [each department]</p>			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
Basic	Developing	Established	Basic

⁽⁴⁸⁾ This KPI will be accompanied by an informative package that will be shared in AAR templates on a yearly basis. The package will include: (i) link to implementing guidelines – list of training courses available in EU Learn; and (ii) dedicated instructions on how to register a new training course in EU Learn (when this is organised at DG level directly by the DG), in order to record the actual number of participants and sessions.

⁽⁴⁹⁾ The reported percentage does not include trainings organised by DG ENER that are not automatically captured in the corporate platform EU Learn.

Indicator 4: Compliance indicator ⁽⁵⁰⁾: percentage of staff trained on data protection compliance combined with the percentage of public records of processing operations reviewed within the last two years.			
Source of data: [department-specific]			
Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (situation on 31/12/2025)
90%	>90%	100%	90%
Main outputs in 2025:			
Digital transformation			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Digital Culture	Training sessions on Digital Skills	Organise at least 6 sessions in the year	4 sessions organised. (11/03, 10/04, 19/05, 02/06)
	Cybersecurity awareness trainings	100% of DG ENER new staff in 2025 to follow cybersecurity training At least 1 cybersecurity training session for all staff	1 cybersecurity and information security training was organised, all staff was invited.
Digital Transformation	Digital Strategy Roadmap established for 2025	Items which are exclusively dependent on ENER staff must not be delayed further than 1 quarter of a year.	Most of the Digital Strategy items planned for 2025 have been done with only few exceptions that were not fully completed.
Digital-Ready EU policymaking	Awareness action about innovative technologies to be considered by policy units	At least 1 awareness session	05/03/2025 online 22/10/2025 online (interoperability regulatory sandboxes)

⁽⁵⁰⁾ The compliance indicator is calculated with a 50% weight attributed to the following two values: first, the number of public records with a publication date within the last 2 years / public records of the department. Second, the percentage of staff in the department who have attended data protection awareness-raising activities”.

Data management and Data Protection			
Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Data Management	Data Catalogue covering of Local Systems	35% of DG ENER applications to be part of the Data Catalogue	Despite the delays faced during the recruitment of a new Local Data Correspondent, some progress has been achieved with his first actions. We expect that in 2026 this action will achieve even higher numbers. (Visible in the EC data catalogue)
	Data Roles and assignment of people	Proposal of data roles definition for DG-ENER and suggested people to be in charge	Despite the delays faced during the recruitment of a new Local Data Correspondent, some progress has been achieved with his first actions. The data owner and data steward roles have been identified in this a pilot phase, as stipulated in the data governance framework of the Commission, with the LDCs coordinating its local deployment.
Business-driven Digital transformation	Number of IT Local Systems making use of AI	1 as a proof of concept	In 2025 DG-ENER had systems developed with the assistance of AI tools as Co-Pilot and GPT@EC. Proof of concept for one of the local IT systems has been launched, however due to change of planning priorities on the project, the PoC has not yet completed.
Data Protection awareness	Information session on data protection	At least 1 information session per year	Information session on data protections basics (records and private statement)

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
	Percentage of updated corporate instructions /guidelines published on the Data Protections Corner	100%	100%
	Percentage of records for new identified processing operations	100%	100%
	Percentage of updated records	90%	90%
Information Management	Percentage of registered documents that are systematically filed	Above 98%	99.31% of registered documents are filed
	Integration of IT systems with the corporate records management system HAN (HermesAresNomcom)	At least one IT system identified in the inventory of preservation needs integrated by the end of 2025	e-Platform integrated in Hermes-Ares-Nomcom (HAN) fine tuning
	Workshops/trainings	At least 2 sessions per year	More than 2 General Ares Individual Trainings + New functionalities in Q-SIGN Ext workflow
DG ENER IT systems with a security plan (Euratom SafeGuard network excluded)	Percentage of IT systems with a security plan	100% IT systems with a security plan	100% IT systems with a security plan
Safeguard Network IT systems with a security plan	Percentage of IT systems with a security plan	100% IT systems with a security plan	100%
DG ENER IT systems using EU Login (Euratom SafeGuard network excluded)	Percentage of IT systems using EU Login	95% IT systems using EU Login	95% IT systems using EU Login
DG ENER IT SNC systems using Multiple Factors Authentication (MFA) (Euratom SafeGuard network excluded)	Percentage of IT SNC systems using MFA	100% IT systems SNC using MFA	100% IT systems with a security plan
DG ENER IT systems onboard in the Governance Risk and Compliance tool (GRC)	Percentage of IT systems onboarded on GRC	100% IT systems onboarded on GRC	100% IT systems onboarded on GRC

Output	Indicator	Target	Latest known results (situation on 31/12/2025)
Raising cybersecurity awareness	Number of local awareness initiatives	At least one training on Information and IT security At least 6 articles in the new SPO intranet	One training session in 2025 on Information and IT security; 6 newsletters.

Sound environmental management

Objective: Reaching climate neutrality by 2030 and a reduced environmental footprint for the Commission.

Indicator: % reduction in emissions from staff professional travel (t CO₂eq).

Source of data: DG/department emissions report from Mips+

Baseline (2019)	Target (2030)	Latest known results (situation on 31/12/2025)
1.485,97	50% of reduction (baseline 2019)	882,07 (-41%) ⁽⁵¹⁾

Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Actions to reduce emissions from staff missions ⁽⁵²⁾	Number of actions to reduce emissions from staff missions	<ul style="list-style-type: none"> At least 3 Reduced number or % of missions in business class (air travel) Reduced number of staff going to the same event 	<ul style="list-style-type: none"> 3 actions: <ul style="list-style-type: none"> Circulation of the new Missions Guidelines ensured via the DG intranet (16/05), and following reminder (10/09); Presentation of the new Missions Guidelines during Management Meeting, ensuring circulation and awareness at managerial level. (LUX) The Sustainable events guide (with relevant information) was distributed to the secretaries in charge of preparing the missions.

⁽⁵¹⁾ The final figure will only be available at the end of March; minor adjustments may still occur.

⁽⁵²⁾ DG/department emissions report from Mips+. Emissions from staff whose place of assignment is one of the Commission's sites: [EMAS](#).

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
			<ul style="list-style-type: none"> • +2,9% missions in business class (baseline 2024) • +3,3% in the average number of staff attending the same event (baseline 2024)
Actions to reduce emissions from experts' travel under the administrative budget	Number of actions to reduce emissions from experts travel under the administrative budget	<ul style="list-style-type: none"> • At least 1 • Increased number or % of events with remote attendance 	<ul style="list-style-type: none"> • Circulation of the new Missions Guidelines ensured via the DG intranet (16/05 and 10/09) • No experts travel under the administrative budget in 2025
Energy saving actions	% of Department buildings participating in the annual BEST energy saving actions	100% of DG ENER buildings in Brussels	100% of DG ENER buildings in Brussels
Staff awareness actions	Number of staff awareness actions in line with EMAS/greening corporate campaigns	At least 2 in 2025 in the domain of energy saving, water saving, recycling and EMAS initiatives	<p>(BXL) More than 10 communications were published on the DG's intranet to:</p> <ul style="list-style-type: none"> - raise awareness on EMAS/greening topics and initiatives; - disseminate information on EMAS/greening corporate campaigns, training and activities. <p>(LUX) At least 7 actions organised in 2025:</p> <ul style="list-style-type: none"> - Summer campaign 2025 on Drinking Water - VeloMai: promoting the use of bicycles - New bicycles parking promotion (in EUFO) - Clothes and Accessories Swap Event - Water Quiz and Waste Sorting Game
Sustainable events	% Department's events organised in line with the EC Guidelines for sustainable events	100%	100%

ANNEX 11: Implementation through non-EU entrusted entities ⁽⁵³⁾ and/or through EU Trust Funds

Central Project Management Agency, Lithuania (CPMA)

	Requirement	Information
1.	Programme concerned	Decommissioning funding for Lithuania - Ignalina Programme - CPMA
2.	Annual budgetary amount entrusted	Commitment under 2025 appropriations: no commitment in 2025
3.	Duration of the delegation	31 December 2034
4.	Justification of recourse to indirect centralised management	In 2018, the mid-term evaluation allowed taking stock of some of the advantages and disadvantages of the different approaches that could be used to implement the NDAP, by way of a comparison with similar instruments and programmes. It concluded that indirect management is an appropriate tool, and that changing of the management mode for delivery of the NDAP at present would induce costs not compensated by the expected benefits.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	When the scheme was set up, the CPMA was already an established national agency with an accredited implementation system. Before accession of Lithuania to the EU, CPMA was the certified Lithuanian EDIS contracting authority/paying agency for the PHARE programme. After accession, CPMA was entrusted with the management of structural funds programmes. CPMA had, therefore, a direct experience in the management of EU programmes not requiring an ex-ante control by the Commission. The pillar assessment report of 2021 re-confirmed that the CPMA fulfils the requirements.
6.	Synthetic description of the implementing tasks entrusted to this body	The tasks entrusted to the National Agency are set out in the Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom. The duties of the National Agency include: <ul style="list-style-type: none"> • Programming and monitoring; • Preparation of Projects; • Implementation of Projects.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	Management Declarations received on 28 August 2025 & 19 February 2026 Audit report is expected to be received in March 2026

⁽⁵³⁾ Implementing partners other than EU institutions or Union bodies.

Slovak Innovation and Energy Agency (SIEA)

	Requirement	Information
1.	Programme concerned	Decommissioning funding for Slovakia – Bohunice Programme – SIEA
2.	Annual budgetary amount entrusted	Commitment under 2025 appropriations: EUR 8 891 700
3.	Duration of the delegation	31 December 2027
4.	Justification of recourse to indirect centralised management	In 2018, the mid-term evaluation allowed taking stock of some of the advantages and disadvantages of the different approaches that could be used to implement the NDAP, by way of a comparison with similar instruments and programmes. It concluded that indirect management is an appropriate tool, and that changing of the management mode for delivery of the NDAP at present would induce costs not compensated by the expected benefits.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis, etc.)	The Slovak Innovation and Energy Agency (SIEA) is active in the management of structural funds in the Slovak Republic. The body was proposed by the Ministry of Economy of the Slovak Republic. The pillar assessment report of 2015 has confirmed that the SIEA fulfils the requirements; yet the report included recommendations to be implemented by the SIEA at the latest before the end of first year of implementation; the follow-up audit finalised in 2019 has ascertained the fulfilment of these recommendations. Moreover, a complementary pillar assessment was carried out in 2022. The result was that all the pillars examined (7, 8 and 9) were considered to be compliant. Consequently, the auditor did not propose any roadmap to address and remediate any deficiencies and/or weaknesses.
6.	Synthetic description of the implementing tasks entrusted to this body	The tasks entrusted to the National Agency are set out in the Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom. The duties of the National Agency include: <ul style="list-style-type: none"> • Programming and monitoring; • Preparation of Projects; • Implementation of Projects.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	Management Declaration received on 13 February 2026 Audit report is expected to be received in March 2026

European Bank for Reconstruction and Development (EBRD)

	Requirement	Information
1.	Programme concerned	International Decommissioning Support Fund (IDSF) for Slovakia, Lithuania and Bulgaria - EBRD
2.	Annual budgetary amount entrusted	Commitment under 2025 appropriations: <ul style="list-style-type: none"> • EUR 83 483 400 (total) EUR 8 891 700 to Kozloduy IDSF (Bulgaria) • EUR 0 to Bohunice IDSF (Slovakia) • EUR 74 591 700 to Ignalina IDSF (Lithuania)
3.	Duration of the delegation	Implementation period <ul style="list-style-type: none"> • Kozloduy IDSF: 31 December 2027 • Bohunice IDSF: 31 March 2026 • Ignalina IDSF: 31 December 2027
4.	Justification of recourse to indirect centralised management	In 2018, the mid-term evaluation allowed taking stock of some of the advantages and disadvantages of the different approaches that could be used to implement the NDAP, by way of a comparison with similar instruments and programmes. It concluded that indirect management is an appropriate tool, and that changing of the management mode for delivery of the NDAP at present would induce costs not compensated by the expected benefits.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis, etc.)	In 2000, a dedicated fund was established for each of the three Member States (SK, LT and BG). These multi-donor funds (ISDF) are managed by the EBRD. The governance structure of the EBRD International Decommissioning Support Funds (IDSF) is still operational. This is mainly due to the nature of these funds as they are multi-donor. The Commission is the largest contributor (to date over 95% of all contributions) and, since 2004, the only one. Accordingly, in 2014 the funds' rules were revised to enhance the Commission's monitoring power as well as its decision and control role.
6.	Synthetic description of the implementing tasks entrusted to this body	The tasks entrusted to this entity are set out in the Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom. The duties of the implementing entity include: <ul style="list-style-type: none"> • Programming and monitoring; • Preparation of Projects; • Implementation of Projects.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	Financial Statements and Audit Opinion will be received through the assembly of Contributors in July 2026

European Investment Bank (EIB)

	Requirement	Information
1.	Programme concerned	Preparatory Action (A021801) [ENER] Establishing comprehensive support for coal and carbon-intensive regions in transition
2.	Annual budgetary amount entrusted (commitment appropriations)	EUR 14 000 000 in 2021 (2020 global commitment) Pre-financing payments: EUR 620 000 in 2022; 1 500 000 in 2023; 1 750 000 in 2024; 2 000 000 in 2025. ABAC SI2.858334; SUMMA PO 4500048908
3.	Duration of the delegation	From 18/11/2021 to 31/12/2027
4.	Justification of the recourse to indirect management	The action is implemented by the EIB to provide technical assistance to energy projects in coal regions in transition. See Financing Decision C(2020)5455.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The EIB has been selected based on its expertise in the area of Just Transition in Coal Regions and in coal industry restructuring outside and inside the European union, in particular in the Western Balkans. See Financing Decision C(2020)5455
6.	Summary description of the implementing tasks entrusted to this body	The objective of the action is to create a facility that, based on the JASPERS instrument (the Joint Assistance to Support Projects in European Regions), provides technical assistance to energy projects in coal regions in transition and helps to develop good, mature projects to be implemented under the Just Transition Fund (JTF).
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the Contribution Agreement, DG ENER received on 19/08/2025 (Ares(2025)6713250): <ul style="list-style-type: none"> • A signed management declaration of assurance • An audit opinion on the statement of accounts The technical report was approved by the technical manager on 23/09/2025.

United Nations Environment Programme Finance Initiative (UNEP FI)

	Requirement	Information
1.	Programme concerned	LIFE Clean Energy Transition [ENER] Establishing comprehensive support for coal and carbon-intensive regions in transition
2.	Annual budgetary amount entrusted (commitment appropriations)	EUR 600 000 in 2023 (2022 global commitment) Payments: EUR 194 599 in 2024; EUR 189 912.59 in 2025 ABAC SI2.907830; SUMMA PO 4500024922
3.	Duration of the delegation	From 20/12/2023 to 19/12/2026
4.	Justification of the recourse to indirect management	Contribution agreement with UNEP for activating private sector investments to energy efficiency through the Energy Efficiency Financial Institutions Group (EEFIG) in the framework of Chapter 2 of the annex to the "Memorandum of Understanding between the European Commission and the UNEP for cooperation period 2021-2025 agreed between the European Commission and UNEP on 26 /02/2021". See Financing Decision C(2021)4997 Annex IV.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The United Nations Environment Programme Finance Initiative (UNEP FI) shall be entrusted with the implementation of part EEFIG activities. EEFIG work is providing a significant contribution in accelerating private finance to energy efficiency currently focusing on the European Green Deal and within the EU Recovery Plan frameworks. See Financing Decision C(2021)4997 Annex IV. See Financing Decision C(2020)5455
6.	Summary description of the implementing tasks entrusted to this body	The objective of the action is to increase the contribution from UNEP FI to help attracting capital flows to energy efficiency investments in line with the EU-target, and to contribute to the effective application of the energy efficiency first principle when financing the clean energy transition. In particular, the contribution agreement will cover the following activities: <ul style="list-style-type: none"> • activities linked to the governance and the management of EEFIG • support to EEFIG working groups • provide regular updates on international best-practice in energy efficiency financing from non-EU countries • coordination of Networking and outreach activities • support to the Communication activities
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the Contribution Agreement, DG ENER received on 10/07/2025 (Ares(2025)5588382): <ul style="list-style-type: none"> • The first progress report • The financial reports in USD and in EUR • A signed management declaration of assurance The technical report was approved by the technical manager on 30/07/2025.

International Atomic Energy Agency (IAEA)

	Requirement	Information
1.	Programme concerned	Nuclear Safeguards (E.12200401) Near Real Time System (NRTS) project software development with the IAEA
2.	Annual budgetary amount entrusted (commitment appropriations)	EUR 360 000 in 2023 Payments: EUR 120 000 in 2024; 120 000 in 2025 ABAC SI2.896442; SUMMA PO 4500059047
3.	Duration of the delegation	From 27/11/2023 to 26/11/2026
4.	Justification of the recourse to indirect management	The NRTS software was developed by the IAEA for non-EU facilities. Its adaptation to EU nuclear facilities will enable the Commission to reduce development costs and time and benefit from the expertise of the IAEA. The application will be installed and operated independently from the IAEA but will be developed in the IAEA environment since NRTS is an integral part of their secure network structure. The application will allow Euratom inspectors to draw independent safeguards conclusions, while reducing maintenance and the risk of inconsistent evaluation results.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	Specific expertise: the International Atomic Energy Agency (IAEA) is an intergovernmental organisation for scientific and technical co-operation in the nuclear field.
6.	Summary description of the implementing tasks entrusted to this body	The Near Real Time System, NRTS, developed by the IAEA for non-EU facilities, is a safeguard data analysis and verification software for nuclear facilities where automated analysis is required due to factors such as rapid process time availability and location accessibility impediments. This software has been extended to activities similar to the Encapsulation Plants and Geological Repositories (EPGR) planned in Finland and Sweden, where timely feedback to the operator is required in order not to interrupt or delay the encapsulation process. The present action consists in the adaptation of the NRTS software to the EPGR process.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the Contribution Agreement, DG ENER received on 10/04/2025 (Ares(2025)2937583): <ul style="list-style-type: none"> • The Management Declaration • The financial report • The narrative report The narrative report was approved by the Technical responsible on 22/04/2025 (Ares(2025)3222769).

International Energy Agency (IEA)

	Requirement	Information
1.	Programme concerned	Support activities for the European energy policy and internal energy market (E.02200402). IEA's support to achieve the RepowerEU objectives.
2.	Annual budgetary amount entrusted (commitment appropriations)	EUR 1 000 000 in 2023 Payments: EUR 600 000 in 2023; EUR 400 000 in 2025 ABAC SI2.898890; SUMMA PO 4500029912
3.	Duration of the delegation	From 01/04/2023 to 31/12/2024
4.	Justification of the recourse to indirect management	The International Energy Agency (IEA) is an autonomous, intergovernmental organisation providing analysis and data on the entire global energy sector. It is pillar-assessed under the OECD framework.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The objective of the RepowerEU Plan is to rapidly phase out the EU's dependence on Russian fossil fuels through energy savings, diversification of energy supplies, and accelerated roll-out of renewable energy to replace fossil fuels in homes, industry and power generation. In this context, the Commission needs to have access to high quality analytical resources in many energy fields including third countries to support work on reforms for energy transition and monitor oil and gas markets. The IEA can provide high quality analysis and data on the entire global energy sector.
6.	Summary description of the implementing tasks entrusted to this body	The International Energy Agency will support the Commission by: <ul style="list-style-type: none"> • providing analysis and verifying data on globally available gas supplies; • preparing gas consumption scenario(s) until 2030 and 2050; • reviewing country-specific recommendations (energy); • assessing the competitiveness of the energy sector; • contributing to auction design and identifying opportunities in district heating/cooling as well as flexibility solutions to accelerate the deployment of renewable energy sources; • identifying best practices for short-term savings and behavioural changes feeding into the Energy Efficiency Hub, and helping to monitor the efficiency of building technologies; • raising public awareness of energy saving measures; • preparing ad-hoc EU-oil monthly reports and investigating oil theft and illegal trade, and regular data on hydrogen and on methane emissions; • providing ad-hoc support on energy market issues, data and modelling.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the Contribution Agreement, DG ENER received on 03/07/2025 (Ares(2025)5339644): <ul style="list-style-type: none"> • The final financial report • A signed management declaration of assurance The technical report was approved by the technical manager on 12/08/2025.

ANNEX 12: EAMR of the Union Delegations

NOT APPLICABLE

ANNEX 13: Decentralised agencies and other Union bodies

Name of the entity	Role of the DG	Policy area concerned	Amount paid in 2025 in €			
			Contribution to			Contribution on agreement
			Operating (admin) budget	Operational budget	Total in €	
Agency for the Cooperation of Energy Regulators (ACER)	Lead DG	Energy (Convention and renewable energy)	24,053,503	0	24,053,503	
Fusion for Energy Joint Undertaking (F4E JU)	Lead DG	Energy (Nuclear)	74,542,000	562,605,490	637,147,490	
		Total	98,595,503	562,605,490	661,200,993	

ANNEX 14: Reporting on the Recovery and Resilience Facility

NOT APPLICABLE