



Annual Activity Report 2021

DIRECTORATE-GENERAL FOR MOBILITY AND
TRANSPORT (DG MOVE)

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FOREWORD



In the past two years the EU transport sector has been deeply impacted by two major crises – COVID-19 and Russia’s military aggression against Ukraine. 2021 was the second year with the COVID-19 pandemic. We saw the European transport slowly recovering, but it is clear that the impact will be felt for years to come. DG MOVE continued to contribute to the relief of the sector. Thanks to close collaboration with the European Parliament and the

Council, as well as the European Air Safety Agency, the European Maritime Safety Agency and the European Union Agency for Railways, we were able to mitigate significantly the effects on transport businesses, workers and passengers.

In 2021 DG MOVE started implementing the Sustainable and Smart Mobility Strategy, delivering several initiatives that will fundamentally change the transport sector. Three proposals – on alternative fuels for the aviation, and maritime sectors, as well as alternative fuel infrastructure – are important parts of the July “Fit for 55 package” delivering on the European Green Deal ambitions of this Commission. They have been complemented with the Efficient and green mobility package that will significantly contribute to the modernisation of the EU transport sector.

The full effects of the Russia’s military aggression against Ukraine are yet to unfold. In the early days of invasion, Member States’ authorities and the EU transport operators – in particular from the bordering countries – engaged in humanitarian aid on unprecedented scale, helping to transfer several thousands of Ukrainians fleeing the war, often free of charge. The war and sanctions resulted also in numerous challenges for the EU transport: truck drivers stuck in a conflict zone, closure of the Russian airspace, cut supply chains and upward pressure on oil prices. Lessons learned during COVID-19 pandemic proved useful in designing measures to support Ukraine and to deal with the crisis as a result of Russian aggression.

This Annual Activity Report provides an overview of our achievements in 2021 relative to the objectives set in DG MOVE’s Strategic Plan 2020-24 and the 2021 Annual Management Plan. Part 1 sets out our main policy achievements over the past year. Part 2 provides insights on how we reached these and gives information about the management of resources and the internal organisation of the Directorate-General.

For more information on the activities of DG MOVE, please visit our website:

<https://ec.europa.eu/transport/>.

Henrik Hololei
Director-General of DG MOVE

THE DG IN BRIEF

Under the political guidance of the College of Commissioners, in particular Executive Vice-President Frans Timmermans and Commissioner Adina Vălean, the Directorate-General for Mobility and Transport (DG MOVE) is in charge of developing transport and mobility policies for the European Union.

DG MOVE works with the College and other Commission services to deliver the priorities defined in President von der Leyen's political guidelines. Its actions are based on the competences defined in the Treaty on the Functioning of the European Union, in particular on Title VI on Transport and Title XVI on Trans-European Networks.

DG MOVE develops strategic policies for the transport sector in line with the Commission priorities; it monitors the implementation of existing EU law and makes new legislative proposals; it encourages the exchange of best practices and co-finances infrastructure projects under the Trans-European Transport Network (TEN-T) and Connecting Europe Facility (CEF) Regulations. Its work also includes financial support programmes for research and innovation projects under Horizon Europe and the monitoring of developments in research, which provide feedback to inform policy development. DG MOVE further promotes policies internationally, including through bilateral and multilateral transport agreements, and provides information to the public as well as to stakeholders. The budget under the responsibility of the DG is implemented under both direct and indirect management.

DG MOVE works closely with the European Parliament, the Council of the European Union, European Union Member States, European citizens and industry, social partners and other stakeholders. It also works closely with partners in international organisations, in particular in the International Civil Aviation Organization (ICAO) and the International Maritime Organization (IMO).

In its work, DG MOVE is assisted by the expert input from several European Agencies, which it oversees: the European Aviation Safety Agency (EASA), the European Maritime Safety Agency (EMSA), the European Union Agency for Railways (ERA), the The European Climate, Environment and Infrastructure Executive Agency (CINEA), as well as the Single European Sky ATM Research Joint Undertaking (SESAR JU) and the Shift2Rail (S2R) JU¹. DG MOVE has also built a strong partnership with EUROCONTROL and is represented on the management board of the Fuel Cells and Hydrogen Joint Undertaking.

The main spending programmes in 2021 that supported the work of the DG MOVE were:

- The financing the modernisation of the European and global traffic management system via the SESAR JU accounted for 13% of DG MOVE's spending in 2021 (EUR 25.5 million).
- The CEF Debt Instruments, contributing to the development of the TEN-T infrastructure and implemented through the European Investment Bank (EIB).

¹ As of 29 November 2021 the two JUs were succeeded by respectively SESAR 3 JU and Europe's Rail JU.

- The subsidies to the three decentralised agencies (EASA, ERA, EMSA) amounted to EUR 152.5 million or 46.2% of DG MOVE's payments in 2021.
- The contribution to the European Climate, Infrastructure and Environment Executive Agency (CINEA) operating budget at the level of EUR 39.2 million or 12%.
- The financing of the research and innovation efforts in the rail sector via the S2R JIU, accounting for EUR 41.5 million (equal to 12.6% of the DG payments of 2021).
- Directly managed CEF support actions, including the main initiative SESAR Deployment Manager framework partnership, accounting for 4.9% or EUR 16.2 million.
- Other agreements with EU Bodies for the implementation of specific tasks and other administrative agreements in the amount of EUR 4.9 million EUR (1.5%).
- Research programmes (Horizon 2020), supporting the Green Deal Call, accounted for EUR 0.5 million of DG MOVE's spending.

At the end of December 2021, DG MOVE had 420 staff, including external staff (contract agents and SNEs). The total payments made by DG MOVE in 2021 represented EUR 330.1 million at year-end (see Annex 3 for more details).

DG MOVE activities are supported by the 'Shared Resources Directorate' (SRD), shared with DG ENER and administratively assigned to DG MOVE. In 2021, the SRD had 87 staff in Brussels, dealing with assurance and supervision, IT development and systems, logistics and document management, data protection and business continuity coordination, budget and financial management.

EXECUTIVE SUMMARY

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

A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives (executive summary of section 1)

For DG MOVE, 2021 was a year guided by two priorities: **the European Green Deal³ and restoring connectivity following the impact of the COVID-19 pandemic.**

In 2021 DG MOVE started implementing the **Sustainable and Smart Mobility Strategy**, delivering several initiatives that will fundamentally change the transport sector. Three proposals – on alternative fuels for aviation and maritime, as well as the alternative fuel infrastructure – are important parts of the July “Fit for 55 package” delivering on the European Green Deal ambitions of this Commission. They have been complemented with the Efficient and green mobility package that will significantly contribute to the modernisation of the EU transport sector by proposals on transport infrastructure, intelligent transport systems as well as initiatives on passenger rail and urban mobility.

DG MOVE continued providing relief to the transport sector. These measures included the Green Lanes aimed at ensuring smooth cross-border freight traffic, guidelines, regulatory relief, funding and contribution to the state aid decisions. These were delivered in close collaboration with the European Parliament, Council, and – whenever relevant – European Air Safety Agency, European Maritime Safety Agency and European Union Agency for Railways. Throughout the year, DG MOVE ensured close cooperation with Member States through the network of national transport contact points, as well as with key stakeholders.

Despite the challenging working conditions under COVID-19 pandemic, DG MOVE delivered in 2021 tangible outputs under each of the specific objectives as set out in the Strategic Plan and Management Plan, thus contributing to the Commission general objectives. Examples include:

- European Green Deal ,Specific Objective 1: *A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable alternative transport fuels for land, waterborne and air both in the EU and globally* – adoption by the College as a part of Fit for 55 package and a good inter-institutional

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

³ Most of the MOVE initiatives contributed to multiple political priorities of this Commission

progress of FuelEU Maritime⁴, ReFUEL EU aviation⁵, and a revision of the Alternative Fuels Infrastructure Directive⁶; adoption by the College of the efficient and green mobility package⁷, including proposals for a smart and sustainable TEN-T, for increasing long distance and cross-border rail traffic, intelligent transport services for drivers and cleaner, greener, easier urban mobility; European Year of Rail was a series of events, campaigns and initiatives in 2021 promoting rail as a sustainable, innovative and safe mode of transport, highlighting its benefits for people, the economy and the climate and focusing on the remaining challenges to create a true Single European Rail Area without borders;

- A Europe fit for the digital age, Specific Objective 2: *A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding* – adoption by the College of Intelligent Transport Systems Directive⁸, inter-institutional progress of Single European Sky⁹;
- An economy that works for people, Specific Objective 3.1: *A fully integrated and connected Trans-European Transport network with appropriate funding for a robust and modern European transport infrastructure with fully restored connectivity* – adoption by the College of the guidelines for TEN-T network, among other targets, requiring that the major TEN-T passenger rail lines allow trains to travel at 160 km/h or faster by 2040 thus creating competitive high-speed railway connections throughout the Union¹⁰;
- An economy that works for people, Specific Objective 3.2: *An efficient and accessible internal market for transport that drives economic recovery and is governed by clear rules that are applied and enforced consistently* – DG MOVE was in 2021 the second highest contributor to College infringement cycle decisions and it enhanced cooperation with Member States through the relaunching of the Package meetings program; passenger rights campaign¹¹ and evaluation of the passenger rights legislative framework¹²;
- A stronger Europe in the world, Specific Objective 4: *A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards* – College proposal outlining on the extension of the trans-European

⁴ COM(2021) 551

⁵ COM(2021) 561

⁶ COM(2021) 559

⁷ https://transport.ec.europa.eu/news/efficient-and-green-mobility-2021-12-14_en

⁸ COM(2021)813

⁹ 2013/0186(COD)

¹⁰ COM(2021) 812

¹¹ During the 3 months of the summer campaign (June, July, August), there were over 3.3 million clicks on the Your Europe passenger rights https://europa.eu/youreurope/citizens/travel/passenger-rights/index_en.htm

¹² https://transport.ec.europa.eu/news/evaluation-confirms-better-protection-air-ship-and-bus-passengers-thanks-eu-law-2021-12-15_en

transport network (TEN-T) to neighbouring third countries¹³; signing EU air transport agreements with Ukraine, Qatar and Armenia;

- Promoting our European way of life, Specific Objective 5: *High levels of transport safety and security are ensured and new security and safety challenges are addressed* – restoring in-person aviation and maritime security inspections; , European Mobility Week¹⁴.

B. Key Performance Indicators (KPIs)

In line with the Strategic Plan, the following indicators are given special attention:

1. Share of CEF Transport invested into sustainable modes of transport (European Green Deal - see Specific Objective 1)

Baseline (2014-2020)	Interim milestone (2024)	Target (2024)	Latest known results
N/A	on path	80% of CEF II Transport committed expenditures	No commitments have been made so far. The 1st CEF 2021-2027 call for proposals has been published on 17 September 2021 and the first commitments are expected in Q2 2022 upon signature of the Grant Agreements ¹⁵ .

2. Transposition rate in transport legislation (An economy that works for the people - see Specific Objective 3.2)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2021)
99,8%	N/A	99% of Directives to be transposed in any given year (target used by the Commission for the Single Market Scoreboard)	98.6%

3. Estimated risk at closure (Sound Financial Management – see objective 1)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2021)
0.86%	< 2% of relevant expenditure	< 2% of relevant expenditure	0.43%

¹³ COM (2021) 820 final

¹⁴ <https://mobilityweek.eu/home/>

¹⁵ Since the evaluation is still ongoing, there is no estimate on the final amounts that will be committed as result of the first CEF Transport call. These should be possible after the the signature of the Grant Agreements, which will only take place at the end of the year (delay due to late adoption of the CEF 2021-2027 legal base).

C. Key conclusions on Financial management and Internal control (executive summary of section 2.1)

In accordance with the governance arrangements of the European Commission, DG MOVE conducts its operations in compliance with the applicable laws and regulations, working in an open and transparent manner and meeting the expected high level of professional and ethical standards.

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget are set up in accordance with these principles.

In line with the Commission's Internal Control Framework DG MOVE has assessed its internal control system during the reporting year and has concluded that it is effective. The components and principles are present and functioning well overall, except for principles 10, 11, 12 and 17, for which minor deficiencies were identified. As a consequence to the deficiencies in principles 10, 11 and 12, component III (Control activities) is considered as partially effective. Please refer to Section 2.1.3 for further details. In addition, DG MOVE has systematically examined the available control results and indicators, including those for supervised entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the Internal Audit Service and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

In conclusion, DG MOVE's management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated. Improvements are necessary concerning the effectiveness of internal control principle 10 (Control activities), 11 (Controls over IT), Principle 12 (Alignment with procedures) and Principle 17 (Correcting deficiencies). The following actions are taken in this respect: improvement of the information flows supporting supervisory activities, the completion of the IT Security plans, additional awareness raising as regard risks of non-compliance with procurement procedures and additional scrutiny of the implementation of corrective actions.

The Director-General, in his capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

D. Provision of information to the Commissioner(s)

In the context of the regular meetings during the year between the DG and the Commissioner(s) on management matters, the main elements of this report and assurance declaration, have been brought to the attention of Commissioner Adina Vălean, responsible for Transport.

1. KEY RESULTS and progress towards achieving the Commission's general objectives and DG's specific objectives

A European Green Deal

European Specific Objective 1: A sustainable transport area that reduces transport impact on the environment, provides healthier and cleaner alternatives to mobility and increases the uptake of sustainable alternative transport fuels for land, waterborne and air both in the EU and globally

In July 2021 the Commission adopted the '**Fit for 55**' package¹⁶ aiming at implementing the Climate Law and at reducing net greenhouse gas emissions by at least 55% by 2030. DG MOVE was directly responsible for three major proposals:

- **FuelEU Maritime**¹⁷. It aims to accelerate the deployment of low-emission technologies in the maritime transport sector by requiring a gradual reduction of the greenhouse gas content in maritime fuels and the use of on-shore power supply in EU ports. The initiative is addressed at maritime operators and complements the proposed revisions of existing measures targeted at infrastructure (Alternative Fuel Infrastructure Directive) and supply (Renewable Energy Directive);
- **ReFuelEU Aviation**¹⁸ initiative that introduces an obligation on fuel suppliers to blend fossil-fuel kerosene with biofuels and low-carbon synthetic fuels. This blending obligation is introduced in a gradual manner and its ambition increases over time from 2025 to 2050;
- New Regulation on the **deployment of alternative fuels infrastructure**, which includes mandatory targets for infrastructure rollout addressing roads, ports and airports, while also setting requirements for an easy use of the infrastructure.

DG MOVE was also heavily involved in preparing the proposals by the other DGs, in particular: (i) the reform of the Emission Trading Scheme, including its extension to the maritime¹⁹, building and road sectors, and amendments to the ETS for aviation, and the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA); (ii) the review of the Energy Taxation Directive; (iii) the review of the Renewable Energy Directive; (iv) the review of the Energy Efficiency Directive; (v) the new proposal on Carbon Border Adjustment mechanism; (vi) the review of the CO2 standards for cars and vans and (vii) the effort sharing regulation. This involvement included work on modelling and consistency of

¹⁶ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Fit for 55': delivering the EU's 2030 Climate Target on the way to climate neutrality, COM(2021) 550 final of 14 July 2021

¹⁷ COM(2021) 562 final

¹⁸ Follow-up to the Strategy on sustainable and smart mobility, COM(2020) 789

¹⁹ COM(2021)551

the package, in particular with the Sustainable and Smart Mobility Strategy. It had important implications for DG MOVE resources.

TRANSPORT NEEDS TO CUT EMISSIONS BY 90% BY 2050

Share of total EU Greenhouse Gas (GHG) emissions, per mode



TRANSPORT AND THE EMISSIONS TRADING SYSTEM (ETS): PUTTING A PRICE ON CARBON

Road

- Extension of the ETS to road transport and building fuels from 2026;
- Focus on upstream fuel suppliers (rather than households and car drivers);
- Revenues to be channelled to support vulnerable households and investments in cleaner mobility.

Aviation

- Tighter cap on the number of allowances for intra-EU flights, starting from current levels and reduced by 4.2% annually;
- Full phase-out of free allowances by 2026;
- Extra-European flights to be subject to offsetting under the international CORSIA scheme.

Maritime

- Gradual extension of the ETS to maritime starting in 2023, with a 3-year phase in period;
- Focus on large ships (above 5000 gross tonnage) accounting for 90% of CO₂ emissions;
- Intra-EU traffic and 50% of extra-EU voyages covered by the scheme.

The efficient and green mobility package²⁰, adopted by the Commission in December 2021, supports the transition to cleaner, greener, and smarter mobility, in line with the objectives of the European Green Deal. It includes proposals to make the TEN-T smarter and more sustainable²¹, to increase long-distance and cross-border rail traffic²², to ensure intelligent transport services for drivers²³ and a new urban mobility framework²⁴.

Following the adoption of the above proposals, DG MOVE has been actively involved advancing the work on them in the inter-institutional negotiations, and ensuring that the ambition level and the overall coherence is maintained.

An agreement between the co-legislators was reached on the revision of the **Eurovignette Directive**. This agreement was endorsed in Council and voted in plenary by the European Parliament in February 2022. The revision aims to ensure the implementation of the polluter pays principle to ensure that environmental and health impacts of road transport

²⁰ Initiatives included in this package will also contribute to the Specific Objectives 2, 3.1 and 4.

²¹ Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network (COM(2021) 812)

²² Communication From The Commission To The European Parliament And The Council Action plan to boost long distance and cross-border passenger rail, COM/2021/810 final

²³ Proposal for a Directive amending Directive 2010/40/EU on the framework for the deployment of Intelligent Transport Systems in the field of road transport and for interfaces with other modes of transport (COM(2021) 813)

²⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The New EU Urban Mobility Framework (COM(2021) 811), it covers also the safe use of micromobility devices.

are better reflected in tolls and user charges. In 2021 DG MOVE prepared also four opinions on new tolling arrangements in France and Italy.

Return of the truck study

The study on the return obligation for trucks to the operating centre of the Member State of establishment every 8 weeks, foreseen by the Commission Declaration made when Mobility Package I was agreed by the co-legislators, was published by the Commission. This study finds that the provision in question is likely to result in negative impacts on the environment: it could generate up to 2.5 million additional road vehicle km, resulting annually in 2.9 million additional tonnes of CO₂ emissions, 619 tonnes of NO_x and 221 tonnes of PM_{2.5}. The increase in CO₂ emissions from international road freight transport for the most likely scenario studied is 4.6%. The study on the return of the truck also shows that the provision will have a negative impact on the functioning of the market and could lead to congestion at non-Schengen borders.

DG MOVE launched the preparatory work for the **revision of the Roadworthiness Package**²⁵ in 2021, with a view to presenting a possible revision proposal in 2023. Roadworthiness inspections of vehicles are fundamental to road safety and to ensuring the environmental performance of vehicles during their lifetime.

DG MOVE launched an impact assessment for amendment of the **Combined Transport Directive**, preparing the adoption of the proposal by the Commission in 2023.



Commissioner Adina Vălean in Bucharest

The 2021 **European Year of Rail** was a resounding success. The 'Connecting Europe Express'²⁶ crossed 26 countries, covered about 20 000 kilometers of journey and encouraged more than 40 partners from the sector to join forces to set-up an unprecedented pan-European rail service. At the same time, the Express illustrated very well the many obstacles that rail still needs to overcome to become the preferred mode of

transport. The lessons learnt from this rolling laboratory already fed into the preparation of rail-related initiatives in 2021 and will continue to do so in 2022 and beyond.

DG MOVE completed the evaluation of Regulation 913/2010 (**Rail Freight Corridor Regulation**)²⁷. The evaluation concluded that the current legal framework is insufficient to achieve the ambitious goals for rail set by the Green Deal and elaborated on in the sustainable and smart mobility strategy. This was addressed in the review of the TEN-T regulation, and will be completed in 2023 with the rail freight corridors revision.

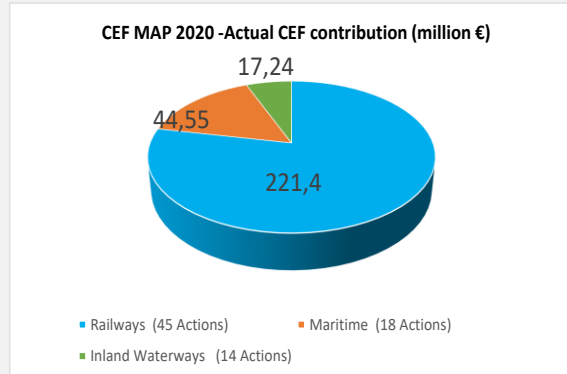
²⁵ Action Plan for the Sustainable and Smart Mobility Strategy actions 7 & 66

²⁶ <https://www.connectingeuropeexpress.eu/>

²⁷ Follow-up to the Strategy on sustainable and smart mobility, COM(2020) 789, SWD(2021) 134 final of 2 June 2021 contains the full evaluation report; SWD(2021) 135 final of 2 June 2021 contains the executive summary.

Connecting Europe Facility

The last call for proposals of the CEF programme 2014-2020 was successfully completed²⁸ in 2021, allowing for the selection of 77 actions, with a total CEF contribution of more than EUR 280 million, triggering an overall investment of more than EUR 500 million. The selection concerned studies addressing the preparatory steps for forthcoming works under the CEF 2021-2027 programme, focusing on the construction of sustainable transport modes infrastructures along the Core Network Corridors. Furthermore the last cut-off date of the Blending Facility was completed, reaching 45 projects co-funded under the two priorities (ERTMS and Alternative Fuels), for an overall CEF contribution of more than EUR 305 million, supporting total eligible costs for more than € 1,2 billion.



Following the political agreement of the co-legislators in March 2021, the Connecting Europe Facility (CEF) Regulation²⁹ for 2021-2027 was adopted in July. Thereafter in August, the Commission adopted the first Multi-Annual Work Programme³⁰ for the transport sector, covering the period 2021-2023. In line with the CEF Regulation objectives and the Sustainable and Smart Mobility Strategy³¹, this Work Programme is contributing to the completion of the Trans-European Networks - Transport (TEN-T), enhancing sustainable and smart mobility, supporting a robust and resource-efficient European transport system, while addressing climate change in accordance with the European Green Deal.

This led to the launch of the first set of CEF Transport calls for proposals in September. The calls include an overall budget of almost EUR 7 billion to support projects in line with the above key policy orientations. Furthermore in December, calls for proposals were launched to award technical assistance support for the implementation of the CEF programme to Member States and other stakeholders, such as Railway Infrastructure Managers.

The delayed adoption of the CEF's legal base by the co-legislators in July (compared to the initial planning for end-2020), led to a shifted timetable for the adoption of the first CEF Multi-Annual Work Programme and the launch of the first CEF calls. As a result, the calls' evaluation will now take place in Q2 and Q3 of 2022) and its results (including achieved climate related commitments) will only be available during Q3 of 2022.

In this framework, DG MOVE has also achieved increased efficiency, through the identification of unit contributions for both usual infrastructure interventions and technical assistance, expanding the use of simplified costs options³².

As part of the **Recovery and Resilience Facility**, DG MOVE has been closely cooperating with SG RECOVER and DG ECFIN on the implementation of the Recovery and Resilience Plans (RRPs) prepared by Member States. As of now, the Council has adopted 22 plans while the assessment is ongoing for the PL, HU and BG plans. The SE plan has been

²⁸ C(2021) 5754 final of 04.08.2021: Commission Implementing Decision establishing the list of proposals selected for receiving EU financial assistance under the Connecting Europe Facility (CEF) – Transport sector following the call for proposals launched on 15 December 2020, based on the 2014-2020 multiannual work programme pursuant to Implementing Decision C(2014) 1921.

²⁹ Regulation (EU) 2021/1153 of the European Parliament and of the Council of 07 July 2021 establishing the Connecting Europe Facility programme and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014. OJ L 249, 14.7.2021, p. 1.

³⁰ C(2021) 5763 final of 05.08.2021: Commission Implementing Decision on the financing of the Connecting Europe Facility - Transport sector and the adoption of the work programme for 2021-2027

³¹ COM(2020) 789 final of 9.12.2020: Sustainable and Smart Mobility Strategy – putting European transport on track for the future.

³² Decision authorising the use of unit contributions to support the deployment of ERTMS, electric vehicles recharging infrastructure and the retrofitting of noisy wagons under the Connecting Europe Facility (CEF) – transport sector- Ares (2021) 4721320

endorsed by the Commission and is pending adoption by the Council. The submission for the NL plan is still pending. Following the adoption of those plans, the first operational arrangements were signed with ES, FR, IT, SK, EL, PT, HR, LV and EE, while ES, FR, IT, EL, PT and HR submitted the first payment requests.

During 2021 DG MOVE continued to work, in cooperation with other DGs, on the **EU Taxonomy for Sustainable Finance**. Two support studies were published: on the “Development of a methodology to assess the 'green' impacts of investment in the maritime sector and projects”, and on Sustainable finance taxonomy for the aviation sector.

2021 was the first year of **Horizon Europe**, the new framework programme supporting transport research and innovation in the Multiannual Financial Framework 2021-2027. Throughout the year, DG MOVE was actively involved in the launch of the programme and its various components, most notably in the area of Cluster 5 on Climate, Energy and Mobility, operating a total budget of EUR 15 billion. First milestones of the year included the adoption of the Horizon Europe Strategic Plan in March and the legal base entering into force in May. This was followed in June with the launch of the first Cluster 5 bi-annual Work Programme and Calls 2021-2022, with a total budget of over EUR 3 billion, of which approximately EUR 900 million in the area of transport. In September, the 5 Missions of Horizon Europe were launched, with DG MOVE undertaking the leading role as Mission Manager for the Cities Mission, supported with a budget of approximately EUR 360m until 2023. The Work Programme 2021-2022 was subsequently amended in December to enable the launch of Mission Calls. Finally, with the adoption of the Single Basic Act for the Joint Undertakings in November, DG MOVE delivered by year-end the launch of the new SESAR 3 and Europe’s Rail Joint Undertakings.

Partnership			
Name	SESAR 3	Europe’s Rail	Connected, Cooperative and Automated Mobility
Type	Joint Undertaking	Joint Undertaking	Co-programmed partnership
EU budget 2021-2027	€600m	€600m	€500m

DG MOVE prepared four implementing acts for the **Directive on Port Reception Facilities** (Directive 2019/883/EU), planned for final adoption early 2022. The slight delay in adoption was due to the technical complexity of the files and change of responsible staff.

DG MOVE launched a back to back evaluation and impact assessment regarding the Directive on **ship-source pollution** and on the introduction of penalties, including criminal penalties, for pollution offences (2005/35/EC).



PIXEL - Port IoT for Environmental Leverage¹ - is the first smart, flexible and scalable solution for reducing environmental impacts while enabling the optimisation of operations in port ecosystems through IoT, focused on medium and small ports. PIXEL enabled a two-way collaboration of ports, multimodal transport agents and cities for optimal use of internal and external resources, sustainable economic growth and environmental impact mitigation, towards the Ports of the Future. Built on top of the state-of-the-art interoperability technologies, PIXEL centralised data from the different information silos where internal and external stakeholders store their operational information. PIXEL leveraged an IoT based communication infrastructure to voluntarily exchange data among ports and stakeholders to achieve an efficient use of resources in ports. The project delivered several products (the PIXEL End-to-End IoT Platform) and deliverables available online https://pixel-ports.eu/?page_id=30.

In 2021 DG MOVE launched several initiatives **aimed at increasing the attractiveness of the Inland Waterway sector**, given its potential to deliver on the EU Green Deal and Climate Target Plan objectives. This included a new NAIADES III action plan “Boosting future-proof European inland waterway transport”³³, aligned with the new multiannual financial framework (2021-2027) and focused on shifting more freight transport to inland waterways, and on setting the sector on an irreversible path to zero-emissions. DG MOVE also completed the evaluation of the River Information Services (RIS)³⁴, and launched a comprehensive Fitness check of several pieces of legislation dating from 1960-1996 on the access to and functioning of the inland waterways transport market. The Commission also adopted several delegated and implemented acts, proposals for Council Decisions, Commission decisions and an amendment of Directive (EU) 2017/2397 on the recognition of professional qualifications in inland navigation to allow for transitional provisions for the recognition of third countries professional qualifications.

The European Maritime Safety Agency (EMSA) **guidelines for the use of onshore power supply** (OPS) for vessels at berth in ports³⁵ are expected to be published in early 2022. Throughout 2021 EMSA was instrumental in addressing the impact of COVID-19 pandemic on seafarers’ working and living conditions. The difficulties for crew changes and poor working conditions were caused mainly by third countries’ policies. While some improvement was possible due to the EU action, the overall poor vaccination levels among seafarers and the new variants of coronavirus continue to cause concern. EMSA also continued to carry out the technical work related to the implementation of the European Maritime Single Window environment, and to the IMO submissions, as well as provided technical and scientific assistance on maritime safety. Finally, EMSA provided technical assistance to DG MOVE on monitoring potential risks due to BREXIT.

DG MOVE was proactive the entire year to promote the best progress **at International Maritime Organisation on GHG emissions reduction**. Through various submissions, non-papers expressing the positions of EU MS and Council decisions, it favoured a high ambition on all GHG matters and notably regarding the agreement on energy efficiency measures for ships related to carbon intensity indicators.

³³ COM(2021)324 final

³⁴ SWD(2021)50

³⁵ Follow-up to the Strategy on sustainable and smart mobility, COM(2020) 789

A Europe Fit For The Digital Age

Specific Objective 2: A smart and innovative transport sector that makes the most of digitalisation and automation, supported by adequate funding.

The evaluation of **Driving Licence Directive** (2006/126/EC) assessing how the Directive has performed in improving road safety, facilitating free movement and reducing the possibility of fraud was completed at the end of 2021 (finalisation procedure launched in January 2022).

A study was launched in early 2021 to assess **the impacts of automation and digital technologies on the EU road transport legislation** and to recommend measures to adapt the legal framework. It will also look into difficult working conditions and the **shortage of drivers**, improving efficiency and safety of road transport operations and reducing congestion.

Work continued on the preparation of the implementation specifications for the **Regulation on Electronic freight transport information** (eFTI Regulation), with the aim to adopt the required delegated and implementing acts, four in total, in the first half of 2023, in accordance with the deadlines provided in the eFTI Regulation.

DG MOVE continued the work on the implementation of the **European Maritime Single Window environment**³⁶ (EMSWe). With the assistance of EMSA, the Commission presented the consolidated EMSWe Data Set to the Member States' experts, which will constitute the main element of the Delegated Regulation under preparation. The Commission also presented in October 2021 a draft of the Implementing Regulation containing the specifications of the IT components of the EMSW environment to the Digital Transport and Trade Facilitation Committee. Due to the highly technical content and the complexity of the acts and the subsequent rather slow response of Member States to the discussion, the expected date of adoption for both acts is Q2/Q3 2022.

DG MOVE also worked on an **inland navigation IT ecosystem** that would be based on the European Hull Database, the European Crew Database and the European Reference Data Management System. This will contribute to a harmonised and legally compliant data exchange of information on vessels, crew and common reference data, including data for River Information Services. Updates were made to two annexes of Directive (EU) 2016/1629 laying down **technical requirements for inland waterway vessels**.

The Commission proposal to reform the **Single European Sky** (SES)³⁷ through a modernisation of the management of European airspace and by establishing more sustainable and efficient flightpaths progressed well in 2021. The Council adopted its General Approach at the TTE Council on 3 June 2021, and the European Parliament adopted its negotiation position on 17 June 2021. Subsequently, two formal and six technical

³⁶ Regulation (EU) 2019/1239

³⁷ COM (2020) 0579

trilogues took place during the Slovenian Presidency, catering for technical progress though without arriving at conclusions at the political level.

As regards the digital dimension of the Single European Sky, 2021 was a critical year with several forward looking activities. It included the adoption of the Common Project 1 regulation in February and the contribution agreement with EASA for their involvement in SESAR deployment. After intense negotiations, the Single Basic Act (SBA) was adopted and entered into force on 30 November, allowing for the establishment of the new SESAR Joint Undertaking 3, ensuring the continuation of the SESAR development phase and a smooth and timely transition from the previous SESAR Joint Undertaking.

An Economy That Works For People

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

DG MOVE ensured regular monitoring of the functioning of the **Green Lanes**, with weekly reporting on the border situation. The Green Lanes application has played a crucial role in this exercise throughout 2021. The individual rules imposed on transport workers by different Member States concerning the Digital COVID Certificate and relevant national measures required the intervention of the Commission when this affected haulage workers. DG MOVE signed in 2021 a contribution agreement with EUSPA to develop an enhanced Green Lanes mobile application aiming for additional functions and geographical coverage of the app.

DG MOVE continued to provide the secretariat of the **national transport contact point network**. Members of the network are representatives of transport ministries, and its objective is to facilitate information sharing among Member States and informally discuss issues in order that coordinated action can be taken at a timely manner.

The work on a **crisis contingency plan** was advanced through completing the stakeholder consultations and the plan should be adopted in 2022. By the end of 2021 there were 5 MS connected to the **Passenger Locator Form** platform ePLF (Italy, France, Malta, Slovenia and Spain), while several others (BE, IE, AT and RO) were expected to connect soon to the platform.

DG MOVE continued to promote the implementation of the **Commission guidelines for the Protection of health, repatriation and travel arrangements for seafarers**. It held regular exchanges with UN agencies and shipping stakeholders to encourage mitigating action, and higher vaccination rates for seafarers.

With regard to **aviation and COVID-19**, a number of delegated acts were adopted to extend the emergency relief measures concerning slots (EU Slot Relief). Close monitoring and cooperation with all stakeholders (airports, airlines and slot coordinators) took place to ensure the harmonious and uniform application of the rules.

Counter-acting the negative economic effects of the COVID-19 pandemic: charges for rail infrastructure

In order to counteract the negative economic effects of the COVID-19 pandemic and support railway undertakings, Regulation (EU) 2020/1429 enabled Member States to authorise infrastructure managers to reduce, waive or defer charges for accessing rail infrastructure. The Regulation allowed Member States to introduce these measures between 1 March 2020 and 31 December 2020, giving the Commission delegated powers to extend this period if justified by the persisting negative impact of the pandemic on rail transport. After a thorough assessment, the Commission extended the original period twice, first until 30 June 2021 and then until 31 December 2021 through Commission Delegated Regulations (EU) 2020/21803 and (EU) 2020/10614 respectively. The Commission adopted on 22 December a proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2020/1429 as regards the duration of the reference period for the application of temporary measures concerning the levying of charges for the use of railway infrastructure, which would extend the reference period until June 2022 and allow for further extensions thereafter if necessary.

Throughout the year, the work of the **TEN-T European Coordinators** continued, engaging with Ministers, regions, infrastructure managers and other stakeholders, to pursue the implementation of their corridors, European Railway Traffic Management System and Motorways of the Sea. The Coordinators presented the 4th Work Plans in the European Parliament's Transport Committee. The preparatory work was started for decisions on major cross border projects on the core network (Lyon-Turin, Brenner Base Tunnel), which should be adopted in the course of 2022. The adoption of the Directive (EU) 2021/1187 on streamlining measures for advancing the realisation of the trans-European transport network (TEN-T) will contribute to accelerate the implementation of key projects on the TEN-T.

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

DG MOVE was in 2021 second highest contributor to College **infringement** cycle decisions. It enhanced cooperation with Member States through the relaunching of the Package meetings program, coordinated and organized the follow-up at hierarchy level on the yearly Coherence exercise and ensured consistency of DG MOVE's monitoring and enforcement in the Management Plan 2022. The Internal Audit Service audit on complaint and infringement management praised DG MOVE's organization, in particular substantive legal and procedural advice provided by a coordinating unit to policy units, clear Vade mecum description of processes, while recommending optimizing communication with complainants and the supervision and documentation of compliance assessment by policy units. These recommendations will be reflected in DG MOVE's Enforcement Plan for 2022.

2021 was the first year of the **full application of the Fourth Railway Package – technical pillar**. DG MOVE work included revision of the telematics applications for rail freight, ensuring that rail freight operations provide closely linked data to terminals and logistic providers and facilitate the multimodal stream of cargo, Digital Automatic Coupling, as well as, together with European Union Agency for Railways (ERA) preparation of the revision of technical specifications for interoperability planned for 2022. In 2021 ERA continued to execute its wider responsibilities as defined under the Fourth Railway Package technical pillar. Among other things, ERA was instrumental in delivering by end-September 2021 deployment of the European Train Control System on 43% (over 6700 km) of the

lines of core network corridors, in line with the European Railway Traffic Management System European Deployment Plan.

Activities on **passenger rights** continued in the context of the COVID-19 pandemic. This includes information being regularly updated on the Your Europe website and guidance to national enforcement bodies for passenger rights, to implement the Single Digital Gateway Regulation. The overview of the current case law on passenger rights is updated regularly and available online. **Evaluations of passenger rights Regulations**³⁸ that started in 2019 were completed in 2021³⁹, while the dialogue with all Member States continued on the monitoring and enforcement of the Regulations.

The **online communication campaign on passenger rights** led to more visits of the Your Europe passenger rights pages than targeted. It is the first time that a campaign on passenger rights could run online ads in all EU Member States. During the three months of the summer campaign (June, July, and August), there were over 3.3 million clicks on the Your Europe passenger rights landing page. The effect of the campaign is particularly visible comparing the overall figures of May (3,691 visits), with those of June (438,183), July (almost 1.4 million) and August (over 1.5 million), while a stark increase in views was also observed across the sectoral passenger rights pages (air, ship, bus and coach, rail).

In order to create a smart and resilient enforcement ecosystem of **Mobility Package 1**, the Commission adopted an Implementing Regulation on the functionalities of the public interface connected to the **Internal Market Information System** (IMI) for posting drivers in road transport and an Implementing Regulation on **technical specifications of the new tachograph**. It also published a second batch of **Questions and Answers** on DG MOVE's website and organised **training modules** for public authorities and for road transport operators on the use of the IMI and of the public interface connected to IMI. As set out in Mobility Package 1, to further enhance working conditions of drivers and contribute to road safety, DG MOVE has prepared, in cooperation with the experts in the field, the common service, safety and security standards for creation of safe and secure parking areas for commercial vehicles.

The Commission adopted an Implementing Regulation on the technical specifications for a new version of the **smart tachograph** and its components. The updated technical specifications notably responded to additional requirements set out by Mobility Package I (MP I), which were designed to support the enforcement of other rules laid down in MP I, including provisions relating to cabotage or posting of drivers. The new version of the tachograph will, notably be able to record the position of the vehicle every time a border between two Member States is crossed, as well as when a loading/unloading operation takes place. Other additional features include the possibility to differentiate between

³⁸ Regulation (EC) 1107/2006 on the rights persons with disabilities and reduced mobility when travelling by air, Regulation (EU) 1177/2010 on the rights of passengers travelling by sea and inland waterway and Regulation (EU) 181/2011 on the rights of passengers travelling by bus and coach

³⁹ Air passenger rights – people with disabilities/reduced mobility SWD(2021)417; Sea and inland waterway transport - passengers rights SWD(2021)413; Bus & coach transport – passenger rights SWD(2021)415

freight and passenger transport, and the enhancement of anti-tampering resistance. The roll-out of this new tachograph in vehicles will start in August 2023.

During 2021, the Commission published on DG MOVE's website a second batch of Questions and Answers on the social rules in the road transport sector as they derive from Mobility Package I. They related **to driving and rest time** and concern the return of the driver "at home", the ban to take a regular weekly rest in the cabin of the vehicle, reduced weekly and daily rest, exceptional exceeding driving time, multi-manning, border crossing and tachographs. Work has started on a third batch related to posting of drivers and a fourth batch related to cabotage in the road transport sector. The Commission also organised, together with the **European Labour Authority (ELA)**, training modules for public authorities on the social rules of Mobility Package I.

An agreement between the co-legislators was reached on the revision of the **Directive on hired vehicles for commercial purposes**. This Directive will improve legal certainty for anyone who uses a hired vehicle in the internal market and allow for the use of hired vehicles in any Member State throughout the internal market.

2021 saw the kick-off of the revision of the **certification scheme of train drivers**⁴⁰. The Commission will propose by the end of 2022 a revised regulatory framework for train drivers, addressing the shortcomings identified by the evaluation⁴¹ of the existing regime and limiting the recurrent obligation to obtain additional documents and certificates.

DG MOVE also prepared an amendment to the directive on the recognition of third countries **professional qualifications in inland navigation**⁴², in order to ensure a smooth transition to the new requirements for the system of the recognition of third countries.

The Commission decided to relaunch its review of the **Air Services Regulation** and published on 8 November 2021 a call for evidence. This initiative will help shape a more resilient and more sustainable air services sector, including in response to the COVID-19 crisis, while continuing to ensure connectivity and competition, protect consumer interests, and preserve high quality employment. A **fact-finding study** was launched to assess **the impacts of the COVID-19 pandemic on the aviation sector**. Its findings will feed into the review of the Air Services Regulation and any future review of current aviation legislation.

The future revision of the **airport charges directive** and possibly also **slots regulation** will be preceded by an assessment of the impact of the COVID-19 pandemic on the industry. It has been launched in 2021 and the results are expected in Q2 2022.

DG MOVE has adopted an **Equality Mainstreaming Work Plan** based on the initiatives laid down in EU's Sustainable and Smart Mobility Strategy and in line with the requirements set by the Commission's internal Equality Task Force. The Commission has continued to promote gender equality in the context of the "Platform for Change - Women in Transport".

⁴⁰ Directive 2007/59/EC

⁴¹ SWD(2020) 137

⁴² Directive (EU) 2017/2397

The kick-off of a network of EU ‘Diversity Ambassadors’ for the transport sector had to be moved to 2022, owing to the absence of an appropriate support study contract. Appropriations were secured due to a global commitment.

The **group of experts on horizontal social issues in transport**⁴³ has been set up as planned. The first meeting took place in November 2021. The group adopted its rules of procedure and discussed the recently published horizontal studies on the social dimension of the transition to automation and digitalisation in transport; on good staff scheduling and rostering practices; and on fighting gender stereotypes in transport.

The Commission adopted its **30th report on the implementation of the social legislation relating to road transport**. It covers the period 2017-2018 and shows that overall enforcement and compliance levels in 2017-2018 remain stable compared to the previous period. It also shows that infringement detection rates vary significantly throughout the EU.

A Stronger Europe In The World

Specific Objective 4: A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards

As part of the TEN-T package, the Commission presented in December a Communication on the **“extension of the trans-European transport network (TEN-T) to neighbouring third countries”**. The Communication explains the state of play with regard to EU’s relation with neighbouring countries in terms of transport infrastructure planning and development. It outlines how the Union in the future will work together with these partners in the TEN-T policy area and presents measures that aim at completing the extended TEN-T in these countries.



Director General of DG MOVE Henrik Hololei and Deputy Prime Minister of Ukraine Olga Stefanishyna

In October 2021, **EU air transport agreements** with Ukraine and Qatar were signed which were followed by the signature of an agreement with Armenia in November 2021. In December 2021, the EU-Oman CATA was initialled. Active contacts were maintained with ASEAN with a view to finalising the EU-ASEAN comprehensive air transport agreement and prepare for its signature which is expected to happen during the first half of 2022. Contacts were also maintained with Tunisia and Azerbaijan respectively with a view to prepare for the signature of the

⁴³ (E03732)

EU-Tunisia agreement and finalise negotiations with Azerbaijan.

The first formal Joint Committee meetings were held with Georgia, Moldova, Israel and Morocco following the entry into force of the agreements with these countries. During 2021, studies were undertaken to support the preparation of proposals for Council Decisions aimed at authorising the Commission to open negotiations on comprehensive air transport agreements with Colombia, India and the Republic of Korea.

DG MOVE continued to work closely with the **Permanent Secretariat of the Transport Community Treaty (TCT)** in order to support the implementation of the **regional action plans on rail, inland waterways, road, road safety and transport facilitation** endorsed by the Western Balkan Leaders in October 2020. DG MOVE provided assistance to the Western Balkans for the adoption of the *Transport Community Permanent Secretariat's Guidelines for Transportation of Dangerous goods*, which represents a coherent roadmap for transposition and application of EU acquis. DG MOVE continued to provide policy guidance and support to the TCT between the EU and the Western Balkans, in liaison with ERA, in the implementation of the Treaty and of the **Rail Action Plan** adopted by the Ministerial Council of the TCT, the main effect of which will be the application of the whole EU railway acquis in the six Western Balkan states and the integration of markets and networks at regional level

DG MOVE continued cooperation with **Turkey**, especially as regards the implementation of the IPA II funded Halkali Kapikule rail line project.

The Commission held the first meeting of the **Specialised Road Transport Committee with the United Kingdom**. In 2021, the EU started its relations with the **United Kingdom** as a third country at the end of the transition period, including in the field of transport. The Trade and Cooperation Agreement with the UK entered into force on 1 May 2021. DG MOVE successfully negotiated and concluded an ambitious chapter on **maritime transport services** which mirrors typical maritime transport commitments in other trade deals.

Concerning rail, the main challenge of Brexit remains ensuring the continuation of the **Channel Tunnel rail traffic services**, both in market and safety terms. DG MOVE prepared a legislative proposal⁴⁴, for France to negotiate with UK and in particular to allow the continuation of running a joint safety authority for the Channel Tunnel by France and the UK. This allowed the safety certificates and licences of UK established rail undertakings and the Tunnel infrastructure manager to remain valid for a limited period after the end of the transitional period. In 2021, the period of validity of safety certificates and licences was further extended to provide for the additional time required to finalise the agreements to achieve the objectives of Regulation (EU) 2020/2222. In 2021 new arrangements were the subject of discussions between the UK and France in view of adopting a final agreement.

⁴⁴ Regulation (EU) 2020/2222 of the European Parliament and of the Council of 23 December 2020 on certain aspects of railway safety and connectivity with regard to the cross-border infrastructure linking the Union and the United Kingdom through the Channel Fixed Link (OJ L 437, 28.12.2020)

DG MOVE also engaged with Switzerland on the implementation of the **4th Railway Package**, as well as in works to complete incorporation of the 4th Railway Package into the EEA Agreement which culminated with the adoption of the Joint Committee Decision in September 2021.

The EU acceded to the **Interbus Agreement**. The Commission withdrew its proposals for Council decisions on the accession of Morocco to the Interbus Agreement following Morocco indicated that it was not ready anymore to sign and conclude the Protocol allowing its accession.

DG MOVE actively contribute to the drafting and implementation of **the EU Global Gateway Strategy**, including through the study on sustainable transport connections with Central Asia, (launched in Q4 of 2021).

Following up the implementation of the 2025 Roadmap adopted by the **EU-India** Summit of July 2020 as well as the EU-India Connectivity Partnership of May 2021, work continued to enhance aviation, urban mobility and rail cooperation.

DG MOVE carried out the necessary activities to prepare and negotiate Council decision (EU) 2021/1744 of 28 September 2021 establishing the position to be adopted on behalf of the European Union at the 15th **General Assembly of the Intergovernmental Organisation for International Carriage by Rail** (OTIF). DG MOVE also prepared and negotiated on behalf of the Commission the Union position on certain activities of the OTIF Committee on Legal Affairs and International Cooperation (9-10 November 2021) and the Union position at the Committee of Technical Experts (CTE) on 16 June 2021. DG MOVE also prepared and negotiated on behalf of the Commission the coordinated position of the Union and its Member States as regards the 'Unified Railway Law' (URL) initiative that was on the agenda of the 75th session of the United Nations Economic Commission for Europe (UNECE) Working Party on Rail Transport (17-19 November 2021). The EU side advocated the development of a global convention on the contract for international carriage of goods by rail as an interface and optional alternative to the two existing regional regimes of OSJD and OTIF.

Throughout 2021 DG MOVE led and coordinated EU work at **International Maritime Organisation** regarding all matters of EU competence with the technical assistance of EMSA. It prepared seven Position papers and two proposals for Council decisions to establish EU positions for IMO meetings. Around 20 Union submissions to bring forward detailed and concrete proposals on environment and safety-related topics were also processed.

Container liner traffic disruptions and price hikes

In 2021, the exceptional circumstances linked to the COVID-19 pandemic, strongly affected the maritime supply chain and the demand and supply for containerised transport.

The dramatic rise in consumer demand for goods translated in a surge of global container shipping demand, causing record-high container shipping spot rates, both on routes to and from the EU and in other parts of the world. The disruption caused by changing consumption patterns, asymmetric recoveries of world economies and the unavailability of workers, was exacerbated by port congestion, in particular on the US West Coast, due to lower port productivity because of stricter protocols, port closures in Asia due to COVID and the obstruction of the Suez Canal due to the grounding of the Ever Given.

European shippers, freight forwarders and logistic service providers, as well as several SMEs, were particularly hit by the poor schedule reliability of services and the high price hikes. In March 2021, DG MOVE (together with DG COMP) organised a "Maritime Forum" with all relevant stakeholders in the container shipping supply chain. The goal was to exchange information and data about the market situation and to discuss what would be needed to bring the situation back to normal. In September 2021, DG MOVE participated in the Fifth Global Maritime Regulatory Summit, with the USA (Federal Maritime Commission) and the People's Republic of China. Participants presented the actions undertaken by the respective jurisdictions and exchanged views on the possible outlook and perspectives, including actions to increase the resilience of the sector.

As concerns **Inland Waterways Transport**, DG MOVE continued its close cooperation with other international organisations, such as the UN-ECE, CESNI, CCNR or the Danube Commission, on various topics related to standards and safety as well as with relevant third countries.

DG MOVE coordinated European participation in **the International Civil Aviation Organization** (ICAO) High-level Conference on COVID-19, as well as in other international fora to ensure that the recovery from the crisis is coupled with a structural change of the global aviation sector in the direction of sustainability. This ensured that EU priorities regarding the need for a more cross-sectoral cooperation and a higher level of coordination at international, regional and national level, the EASA-ECDC aviation health safety protocol and the digital COVID-19 certificate (EU DCC) were taken into account.

Promoting Our European Way Of Life

Specific Objective 5: High levels of transport safety and security are ensured and new security and safety challenges are addressed

2021 saw resumption of **on-site aviation and maritime security inspections**, since remote inspections have proven to be less effective but will remain an option in case of new outbreaks of the pandemic. **Aviation security** was reinforced through establishment of a revised regime of background checks in order to mitigate the risk posed by insiders to civil aviation; introducing cybersecurity standards into aviation security legislation, implementing ICAO Annex 17 standards; Commission Decision on the approval of civil aviation security equipment with 'EU Stamp' marking. The approval of aviation security equipment, which was previously under the responsibility of each Member State, is now harmonized at EU level. The new system takes the form of an 'EU Stamp'.

European Union Aviation Safety Agency (EASA) continued to coordinate its activities with the Commission services, aligning its work programme and its implementation with the overall strategy and priorities of the Union. In particular, in June 2021 EASA organised the SAFE 360° conference, which enabled the safety partners from industry and authorities to

perform a 360° review of the current and most critical safety issues that may challenge the recovery process. EASA continued collaboration with the European Centre for Disease Prevention and Control – ECDC) guidelines on COVID-19 related matters. This was achieved in a challenging environment where after a negative impact during the first months of the pandemic, EASA managed to recover its regular income via fees and charges. The Commission advanced the full EU subsidy to ensure liquidity. The Agency also implemented successfully a plan to reduce expenses. At the end of 2021 the situation, financially speaking, presented no concerns and was under control.

DG MOVE participated in the International Maritime Organization (IMO) Maritime Safety Committee (MSC 104) concerning **maritime security** with an Information paper (MSC 104/INF.5), submitted by the MSs and COM, and reflected in the IMO Assembly resolution on piracy in the Gulf of Guinea.

The Rail Security Action Plan set out seven concrete short-term actions to improve passenger railway security. The Commissioner reported on these developments during the Informal Council on rail held on 30 March 2021. The mandate of the Expert Group (the EU Rail Passenger Security Platform) created to implement this action plan expired on 13 June after which rail security reverted to the Land transport security expert group (LANDSEC).

DG MOVE prepared also a publication of the **transport cybersecurity toolkit**⁴⁵ aimed at raising awareness on cyber-risks and build preparedness in the transport sector.

The **aviation safety** legislative framework was further developed in 2021 through the adoption of 16 implementing acts and 2 delegated acts.

On **Military Mobility**, DG MOVE contributed to the establishment by the European Defence Agency of the Technical Arrangements for Cross Border Movement Permission in case of Military Movement on surface and on air, entering into force in 2022. With regard to military mobility, the Commission adopted a decision⁴⁶ defining transport infrastructure requirements necessary for both civilian and military mobility. The Implementing Regulation establishes eligibility standards for transport infrastructure projects applying for co-funding from the Connecting Europe Facility military mobility budget. Military mobility requirements have also been taken into account in the preparation of the TEN-T revision, notably by assessing the possible inclusion in the TEN-T of those parts of the EU military transport network that are currently not in it.

Furthermore in September, the Commission's annual flagship **European Mobility Week**, with the 2021 theme "Safe and Healthy with Sustainable Mobility", celebrated its 20-year anniversary and was a record-breaking event, with the participation of over 3,000 cities from around the world.



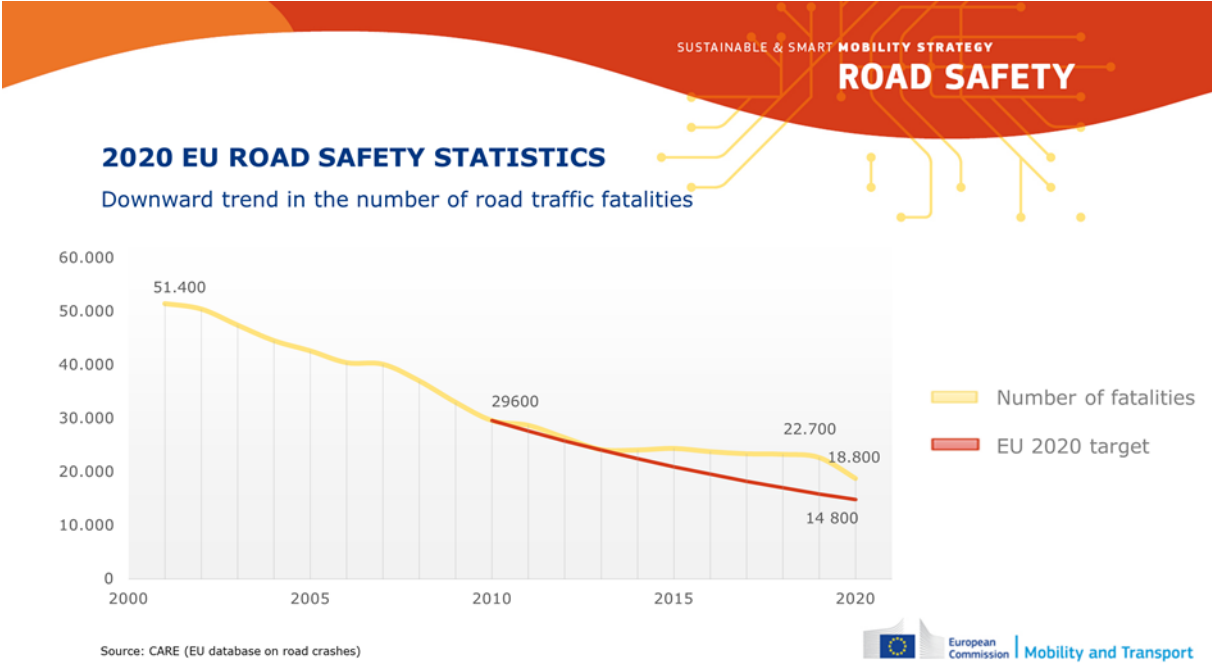
⁴⁵ https://transport.ec.europa.eu/transport-themes/security-safety/cybersecurity_en

⁴⁶ Commission Implementing Regulation (EU) 2021/1328 of 10 August 2021 specifying the infrastructure requirements applicable to certain categories of dual-use infrastructure actions pursuant to Regulation (EU) 2021/1153 of the European Parliament and of the Council, C/2021/5859, OJ L 288, 11.8.2021, p. 37.

As set out in Mobility Package 1, to further enhance working conditions of drivers and contribute to road safety, DG MOVE has prepared, in cooperation with the experts in the field, the common service, **safety and security standards for creation of safe and secure parking areas for commercial vehicles**.

As regards the ongoing infringement procedures against five Member States for not complying with the **minimum safety requirements set out in the Tunnel Directive 2005/54/EC**, the Commission continued to assess in 2021 the progress achieved by Member States to reach conformity and to implement temporary measures to increase the safety for tunnel users in the meantime.

In accordance with the Commission’s **Strategic Action Plan on Road Safety**, Member States have started collecting key performance indicators for road safety in 2021, based on an agreed methodology and with financial help in the form of a CEF Supporting Action. This will be crucial for monitoring progress towards the EU target of reducing the number of road fatalities and serious injuries by 50% by 2030. A first set of data will be presented at the second EU-wide Road Safety Results Conference planned for autumn 2022.



Throughout 2021 there was intensive work on preparing the revisions of **maritime accident investigation, port state control and flag state control**. The delivery is planned to be finalised in Q3 2022.

DG MOVE prepared EU contribution concerning the **training of seafarers**⁴⁷. It was co-sponsored by 7 third countries and industry, and was submitted to the 104th meeting of the Maritime Safety Committee meeting in October 2021.

⁴⁷ Proposal for a new output for the Comprehensive Review and Revision of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers and Code

The **Evaluation of the Fishing Vessel Safety Directive**⁴⁸ was kick-started with the launch of the supporting study in December 2021. DG MOVE continued to monitor closely the implementation of the **Marine equipment Directive** which is key for maritime safety. It adopted the usual annual Implementing Regulation which updates the technical standards. The extensive consultations with experts and technical preparations were finalised for the revision of Directive 2003/25/EC on **specific stability requirements for ro-ro passenger ships**. The Commission proposal will be adopted in February 2022.

The Commission is working on the impact assessment supporting the revision of the **European Maritime Safety Agency mandate**.

⁴⁸ Directive 97/70/EC

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

This section explains how DG MOVE delivered on the achievements described in the previous section. It is divided into two subsections.

The first subsection reports on the control results and other relevant information that supports management's assurance on the achievement of the financial management and internal control objectives. It includes any additional information necessary to establish that the available evidence is reliable, complete and comprehensive. It covers all activities, programmes and management modes relevant to DG MOVE.

The second subsection deals with the other aspects of a modern and efficient administration: human resources, digital transformation and information management and sound environmental management.

2.1. Financial management and internal control

Assurance is provided on the basis of an objective examination of evidence of the effectiveness of risk management, control and governance processes.

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Director-General. The following reports 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-delegation;
- 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 MOVE'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).

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG MOVE.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance. Annexes 7 and 8 provide details regarding the different elements used for building assurance.

2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO)⁴⁹. The DG's assurance building and materiality criteria are outlined in Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

Overview of the 2021 budget execution

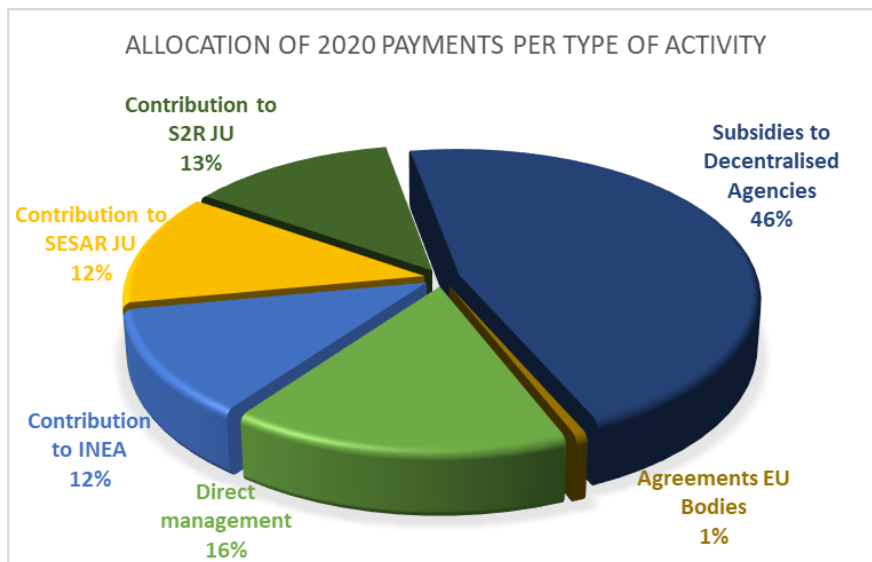
The total payments of DG MOVE in 2021 amount to EUR 330.12 million, the vast majority being operational as the administrative part only accounts for 0.57%. In 2021, DG MOVE had a very high execution of its appropriations⁵⁰, absorbing 99.91% of the commitment appropriations and 98.34% of the payment appropriations, including the commitment and payment appropriations for the new SESAR and Europe's Rail Joint Undertakings, which were carried over to 2022 because of the late adoption of the Single Basic Act.

The chart below provides an overview of DG MOVE's implementation of its programmes and activities under direct management⁵¹ (16% of the expenditure) and indirect management (84% of the expenditure).

⁴⁹ 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

⁵⁰ This calculation is based on C1, C5 and EO credits only (commitment appropriations voted in the current budget (C1), budget modifications and other current year commitment appropriations, modifications due to amending budgets and transfers (C1)) while tables 1 and 2 of Annex 3 include all authorised appropriations.

⁵¹ Programmes under direct management include (Research, CEF PSA, SESAR Deployment Manager, SES Advisory bodies, administrative and other expenses)



DG MOVE's management factually concludes that the control results, presented in the sections that follow are complete and reliable and provide reasonable assurance about the achievement of the internal control objectives. DG MOVE concludes that:

- based on the main indicator results available, overall suitable controls were in place in 2021 and worked as intended;
- DG MOVE does not need to introduce a reservation for SESAR Deployment Manager, following the de-minimis rule⁵², as the payments of DG MOVE to SESAR Deployment Manager in 2021 are EUR 1.91 million with a financial exposure of close to 0;
- no new reservation is introduced in this AAR as DG MOVE has reasonable assurance that overall suitable controls are in place and work as intended, taking into account also the multiannual character of the main programmes. The risks are mitigated and/or monitored; improvements and reinforcements are being implemented.

The table below provides a summary of the payments made by type of activities.

⁵² As from 2019, a 'de minimis' threshold for financial reservations is 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.

Table 1: Overview table (amounts in EUR million)

Risk-type / Activities	Grants / Procurements	Cross-delegations to other DGs (other AOXDs)	Contributions and/or funds to EE (EU Agency, EA, JU)	Total Expenditure	NEI, e.g. Revenues, Assets, OBS ((in)tangible or financial assets & liabilities)
Administrative expenditure	1.88			1.88	
H2020 Grants	0.10			0.10	
CEF PSA	11.50	2.75		14.25	
Administrative Arrangements	2.99			2.99	
SES Advisory Bodies	7.14				
Other Operational Expenditure	25.51			25.52	
SESAR Deployment Manager	1.91			1.91	
Contribution to SESAR JU			41.29	41.29	
Contribution to S2R JU			41.45	41.45	
Contribution to CINEA			39.21	39.21	
Subsidies to Decentralised Agencies			152.50	152.50	
Agreements with other EU Bodies			1.89	1.89	
Financial Instruments					627.93 (CEF DI)
Totals (coverage)	51.03	2.75	276.34	330.12	
Links to AAR Annex 3	Overall total (m EUR); see Table 2 – payments made				Table 4 – assets

In line with the 2018 Financial Regulation's⁵³ reporting requirements, in 2021, DG MOVE reported:

- No cases of "confirmation of instructions" (new FR art 92.3);
- No cases of financing not linked to costs (new FR art 125.3);
- No cases of Financial Framework Partnerships >4 years (new FR art 130.4);
- Cases of flat-rates >7% for indirect costs (new FR art 181.6) - according to the H2020 and Horizon Europe Rules for Participation, indirect eligible costs of grants are determined by applying a flat rate of 25% of the total direct eligible costs. It is not a Commission decision, but the basic act that derogates from the FR in this case. This applies to all H2020 and HE grants, although in some cases the 25% could be directly embedded within a unit cost (e.g. unit cost for clinical studies);
- No cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2).

1. Effectiveness of controls

a) Legality and regularity of the transactions

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

The overall control objective is to ensure that the residual error rate affecting the relevant expenditure of 2021 remains below 2%. For the expenditure under the Horizon 2020 programme, control system aims at giving a 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%.

DG MOVE's portfolio consists of segments with a relatively low error rate, i.e. CEF programme support actions, the directly managed procurements, co-delegation, cross sub-delegation, indirectly managed expenditure and payments made to EU Agencies. This is, respectively, thanks to the inherent risk profile of these activities, the management mode and the nature of the beneficiaries, and the performance of the related control systems. The assessment on legality and regularity for the directly managed H2020 funds shows that the estimated residual error rate is below 2%.

It also comprises one segment with a relatively high error rate, i.e. the directly managed SESAR Deployment Manager Framework partnership. The error rate is due to the

⁵³ Regulation (EU, Euratom) 2018/1046 on the financial rules applicable to the general budget of the Union, repealing Regulation (EU, Euratom) No 966/2012 (2012 Financial Regulation).

complexities of the mechanism and to the type of beneficiaries. This error rate is largely mitigated by efforts made to reinforce the related controls systems.

As for the SESAR Deployment Manager, the estimated residual error rate is considered to be 2.48%. Although this estimate is above 2%, there is no impact on the assurance. Corrective actions were taken or are ongoing, notably through a simplification of the setup and the maintenance of an extended audit coverage. Over time these corrective actions enabled a sharp reduction of the detected errors. As this item represents in 2021 a limited share of DG MOVE's expenditure, the resulting amount at risk has a limited impact on the overall materiality at DG level and does not impair the overall assurance.

Overall, on one hand, the ex-ante controls put in place by DG MOVE contributed to the achievement of the policy and operational objectives and provided an assurance that the projects are running adequately. On the other hand, the ex-post controls had a positive deterrent effect within the programmes, which would foster system improvements and a better compliance with regulatory provisions. In order to maintain a reasonable level of assurance, DG MOVE took mitigation measures to ensure the continuation of ex-post financial controls during the COVID-19 crisis. More details on these measures and on the quantified benefits from the ex-ante and ex-post controls exercised by DG MOVE are disclosed in Annex 7.

Regarding indirect management, the key elements considered for the assurance are the delegation of expenditure of the two JUs, the contributions paid to the Decentralised Agencies and the CEF Debt Instrument. The reports received from the entities implementing indirectly managed expenditure provide the necessary assurance.

The report received from the European Investment Bank (EIB) regarding the DG MOVE share in the CEF Debt Instrument indicate a negative economic result of the portfolio amounting to EUR (6.63) million. This non-realised loss is linked to the evolution of the fair value of the portfolio.

Through recoveries and financial corrections, DG MOVE has in place an effective mechanism for correcting errors. During the reporting year the executed corrective capacity amounted in total to EUR 0.84 million representing 0.31% of the relevant expenditure. The benefit at ex ante level control amounts to EUR 1.3 million, whilst recoveries and financial corrections following the results of ex post controls amounted to EUR 0.95 million.

DG MOVE's relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure and its accompanying notes are disclosed in Annex 9, and further explained in section 2.1.1 of Annex 7.

The estimated overall risk at payment for 2021 expenditure amounts to EUR 2.01 million, representing 0.74% of the DG's total relevant expenditure for 2021. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. The conservatively

estimated future corrections for 2021 expenditure amount to EUR 0.84 million. This is the amount of errors that the DG conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of EUR 1.17 million, representing 0.43% of the DG's total relevant expenditure for 2021, which is lower than the 2020 amount of EUR 3.91 million. This evolution mirrors the lower estimated overall risk at payment (EUR 2.01 million in 2021 compared to EUR 6.58 million in 2020) and translates the decrease of importance of some of the directly managed expenditure (SESAR Deployment Manager, H2020 and FP7) as well as the decrease in the contribution to the operational budget of the two JUs. This amount is a conservative estimate and is not considered material as regard assurance building.

For an overview at Commission level, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

Table 2: Estimated risk at payment and at closure (amounts in EUR million)

The full detailed version of the table is provided in Annex 9.

DG MOVE	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
		(1)	(2)	(3)	(4)	(5)	(6)
	m EUR	m EUR	%	m EUR	%	m EUR	%
Admin	1.88	0.01	0.50%	0.00	0.00%	0.01	0.50%
CEF PSA	13.22	0.07	0.50%	0.03	0.21%	0.04	0.29%
H2020 Grants	0.51	0.01	2.29%	0.00	0.66%	0.01	1.63%
Other OP	25.53	0.13	0.50%	0.05	0.21%	0.07	0.29%
SESAR Deployment Manager	0.00	0.00	8.07%	0.00	5.59%	0.00	2.48%
SES Advisory Bodies	7.59	0.04	0.50%	0.02	0.21%	0.02	0.29%
Agreements with EU Bodies	0.55	0.01	2.29%	0.00	0.21%	0.01	0.29%
Administrative agreements	2.99	0.01	0.50%	0.00	0.00%	0.01	0.50%
Contribution to SESAR JU (admin)	5.84	0.00	0.00%	0.00	0.00%	0.00	0.00%
Contribution to SESAR JU (operational)	35.44	0.81	2.29%	0.35	0.99%	0.46	1.30%
Contribution to S2R JU (admin)	1.23	0.00	0.00%	0.00	0.00%	0.00	0.00%
Contribution to S2R (operational)	40.22	0.92	2.29%	0.39	0.96%	0.53	1.33%
Subsidies to Decentralised Agencies	138.83	0.00	0.00%	0.00	0.00%	0.00	0.00%

DG MOVE	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
(1)	(2)	(3)		(4)		(5)	
	m EUR	m EUR	%	m EUR	%	m EUR	%
A: Total without contribution to EA's operating budget	m EUR 273.86	m EUR 2.01	% 0.74	m EUR 0.84	% 0.31	m EUR 1.17	% 0.43
<i>CINEA</i>	33.00	0.17	0.50	-	-	-	-
B: Total of DG's contributions	m EUR 33.00	m EUR 0.17	% 0.50	-	-	-	-
Total DG A+B of relevant expenditure	m EUR 306.86						

b) Fraud prevention, detection and correction

DG MOVE has developed and implemented its own anti-fraud strategy since 2012, on the basis of the methodology provided by OLAF. It is updated every three to four years or when necessary. It was last updated in October 2020. Its implementation is being monitored and reported to the management through DG MOVE's Control Board and the dedicated reports three times per year. All necessary actions except for two actions that are related to the new MFF have been implemented. The remaining actions will be implemented in 2022-2023.

DG MOVE also contributed to the Commission anti-fraud strategy. There were no OLAF's financial recommendations to follow-up.

In 2021, DG MOVE obtained tangible results thanks to the anti-fraud measures in place. DG MOVE revised its risk assessment process to better integrate the consideration of fraud. It also achieved its objectives in terms of representation in networks and working groups and awareness raising. Finally, it contributed to the peer reviews of the antifraud strategies of partner EU bodies. It had a smooth and effective cooperation with OLAF.

On the basis of the available information, DG MOVE has reasonable assurance that the anti-fraud measures in place are effective. It will revise its action plan in 2022 and will focus on additional awareness raising activities as well as on the implementation of specific actions related to MMF 2021-2027.

c) Other control objectives: safeguarding of assets and information, reliability of reporting

The general control objectives "Safeguarding of assets and information" and "Reliability of reporting" are relevant for DG MOVE.

Safeguarding of assets is limited to the question of contingent liabilities. These elements correspond to the guarantees given in the framework of the CEF Debt Instrument. These guarantees remained increased in line with the underlying fair value.

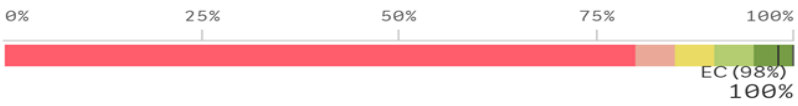
DG MOVE assessed the reliability of reporting it receives from the entrusted entities (Joint Undertakings, EIB, CINEA and Agencies). The information received is compliant with the applicable guidance. DG MOVE concludes that overall the information and reporting are reliable and adequate for drawing assurance conclusions.

DG MOVE relied on unqualified opinions of the accounts and management reporting from EIB, EMSA, EASA, ERA, S2R JU and SESAR JU.

2. Efficiency of controls

The assessment of the most relevant key indicators and control results shows that DG MOVE is compliant with the rules and efficient with the budget execution.

As far as the **‘timely payments’ indicator** is concerned (i.e. payment accepted amount in time/ payment accepted amount in EUR), despite the pandemic DG MOVE managed to achieve 100% which is above the Commission average.

Timely Payments	MOVE Score	EC Score
	100%	98%

Due to the limited exposure to directly managed grants, the time-to-grant and time-to-inform indicator are not relevant for DG MOVE.

Initiatives to improve the efficiency of operations include the revision of the processes and procedures related to the interaction with CINEA, a better integration of the different components of the Risk Management Framework and the extension of use of the electronic signature (QES) to all financial transactions, both in DG MOVE and on the contractor’s/beneficiary's side.

DG MOVE furthermore contributed to the reflection on a future central planning and reporting tool for budget activities based on its experience with the VIGIE tool which was developed internally in DG MOVE to address these needs.

3. Economy of controls

Ex-ante controls contribute to the achievement of the policy and operational objectives and provide an assurance that the projects are running adequately. Ex-post controls have a positive deterrent effect within the programme, which will foster system improvements and a better compliance with regulatory provisions.

Overall, the total cost of the controls performed by DG MOVE in 2021 was EUR 9.11 million or 2.83% of the payments made in 2021. This cost is proportionate to the activities (see Annex 7, in particular table Y).

The increasing relative costs reported regarding grants under direct management should be looked at considering several aspects. As regards research expenditure, these controls cover not only the modest amount of expenditure for H2020 directly managed by DG MOVE, but also the participation to the H2020 and Horizon Europe programmes, for which the projects are implemented by CINEA. The relatively high cost for directly managed procurements are driven by the heterogeneity and the number of transactions. For the SESAR Deployment Manager, the costs remain stable. The increase at cost indicator level is due to a low amount of payments in 2021. For the CEF Programme Support Actions and other operational expenditure, the costs remain under control.

The costs related to financial and supervisory controls for both the Joint Undertakings and decentralised agencies are stable and remain low, under or around 1%. The costs exposed by the entities for the management of the entrusted tasks remain stable and proportional.

Details of the estimated cost related to shared/pooled control activities carried out by the European Research Executive Agency (REA) and hosted by DG RTD (Common Implementation Centre; Common Audit Service; Common Policy Centre) for the Research and Innovation family are reported in the Annual Activity Reports of REA and RTD.

4. Conclusion on the cost –effectiveness of controls

Based on the most relevant key indicators and control results, DG MOVE has assessed the effectiveness, efficiency and economy of its control system and reached a positive conclusion on the cost-effectiveness of the controls for which it is responsible.

DG MOVE faces some relatively high costs for its directly managed activities, but these costs are proportionate and necessary. As regards the expenditure under indirect management, the costs of the control system remain low compared to the level of expenditure.

The efficiency and the effectiveness of the controls are, as a whole, supported by quantitative and qualitative benefits, identified for the relevant stages of the process, the costs of the controls remain overall low and the higher cost items are justified by objective needs or by specific circumstances, thus providing a positive impact on the assurance.

The solid controls are instrumental to maintain the programmes on track in terms of schedule and budget. Tangible results are visible.

In conclusion, DG MOVE considers that the current control system represents a good balance between the invested efforts (internal control costs and remuneration fees), the obtained error rates (effectiveness of controls) and delivery of objectives (efficiency).

2.1.2. Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

Internal Audit Service (IAS)

In December 2021, the IAS published the final audit report on DG MOVE support, monitoring and enforcement of the existing transport 'acquis' with two important recommendations. In July 2021, the IAS concluded that the important recommendation from audit on supervision of autonomous EU entities by DG MOVE was adequately and effectively implemented and closed it.

European Court of Auditors (ECA)

In 2021, DG MOVE was in the lead for two and was associated in two other special reports (SR) of the European Court of Auditors (ECA).

Name of SR	Date of publication	Outline of the conclusions
SR 05/2021 “Infrastructure for charging electric vehicles: more charging stations but uneven deployment makes travel across the EU complicated.”	Published in April 2021	The audit concluded that, despite of an increase in the number of charging stations, their uneven deployment makes travel across the EU complicated. The auditors recommend that the European Commission should prepare a strategic roadmap to meet charging infrastructure targets, and establish minimum standards and requirements. They also recommend that funding should be allocated through objective criteria and gap analyses.
Special Report 15/2021: “Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts.”	Published in June 2021	In this report ECA makes recommendations to the Commission for a better protection of, and information on, air passenger rights, for more coordination of national measures and better linking State aid to airlines to the reimbursement of passengers, for improved tools and legislation for safeguarding air passenger rights, and for considering the relevance of the recommendations in this report also for other modes of transport.
Special Report 12/2021: The Polluter Pays Principle: Inconsistent application across EU environmental policies and actions.	Published in July 2021.	The objective of this special audit was to assess the governance arrangements put in place by the Commission to embed the polluter pays principle in its policies and examine how the polluter pays principle is applied in four EU environmental policy areas: industrial pollution, waste, water, and soil. The Special report highlighted certain consistency issues in the application of the principle across EU environmental policies and actions.
Special Report 22/2021	Published in	The Court of Auditors concluded that more consistent EU

<p>“Sustainable finance: More consistent EU action needed to redirect finance towards sustainable investment.”</p>	<p>September 2021</p>	<p>action is needed to redirect private and public finance towards sustainable investments. The Commission needs to apply consistent criteria to determine the sustainability of the investments it supports from its budget and better target efforts to generate sustainable investment opportunities. The auditors recommended that the “do no significant harm” principle should be applied consistently across the EU budget, as should the EU Taxonomy criteria.</p>
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The audit findings do not indicate a systemic problem in DG MOVE’s internal controls and rather focus on policy development and implementation.

In 2021, DG MOVE was subject to the recurring ECA financial audits on the Declaration of Assurance (DAS) and on audits on the annual accounts of DG MOVE, which were reviewed under Chapter IV of ECA’s Annual Report on compliance - “Competitiveness for Growth and Jobs”. No important or critical shortcomings were identified.

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 MOVE’s Control Board meetings.

Annex 8, section 2.1.2. provides a comprehensive overview of ECA and IAS audits and the follow-up of recommendations.

Conclusion on audit observations and recommendations

Overall, internal and external audit work contributes significantly to the continuous improvement of DG MOVE systems and operations. Transport policy matters continue to be highly scrutinised by ECA and to benefit from numerous audits and audit recommendations. The IAS, ECA and the Discharge Authority findings and recommendations are subject to a systematic follow up by the Directorate-General. The current residual risk from the audit recommendations remaining open in DG MOVE does not impair the declaration of assurance.

In its conclusion on the state of internal control in DG MOVE, the IAS stated that the internal control systems in place for audited processes are effective.

In its overall opinion, the IAS issued an emphasis of matter on the COVID-19 crisis. DG MOVE took the necessary measures to reduce the impact of the crisis on the performance of its controls. It monitored closely the risks stemming from the crisis, focusing in particular on key topics such as passenger rights, impact on EU transport legislation and contribution to recovery and resilience plans.

2.1.3. Assessment of the effectiveness of internal control systems

The Commission has adopted an Internal Control Framework based on international good practice, to ensure the achievement of its policy and management objectives. Compliance with the internal control framework is a compulsory requirement.

DG MOVE uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles.

DG MOVE assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified in relation to supervisory activities (Principle 10), to delays in the update of the IT security plans and physical inventory checks (Principle 11), to the occurrence of internal control incidents in relation to contractual procedures (Principle 12) and delay in implementation of corrective actions (Principle 17). As a result of the deficiencies identified regarding Principles 10, 11 and 12, component III on Control activities is considered partially effective.

On-going or planned improvements and/or remedial measures focus on strengthening information flows supporting supervisory activities, an increased effort to proceed with the necessary updates of IT controls, additional awareness raising as regard risks of non-compliance with procurement procedures and additional scrutiny of the implementation of corrective actions.

DG MOVE assessed its internal control deviations and concluded that there was no impact on its assurance, despite the observed internal control weakness mentioned above.

DG MOVE has due regard to the risks associated with the environment in which it operates and performs regular and targeted risk assessment to evaluate the impact of such risks. To enhance management oversight of internal control and risk management, DG MOVE established a Control Board and an IT steering committee at senior management level.

2.1.4. Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 2.1.1, 2.1.2 and 2.1.3), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The audit results, the internal control assessment and the control indicators do not reveal any significant weaknesses and do not fulfil any of the materiality criteria laid down in Annex 5.

The information on financial management and internal control stems from management and auditors as listed in section 2.1.2. These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated DG MOVE.

Overall, the controls carried out by DG MOVE for the management of the budget, implemented directly or indirectly, were effective, efficient and economical for the reporting year. The resources assigned in 2021 to the activities described in this report were used for their intended purpose and in accordance with the principles of sound financial management. The control procedures put in place give the necessary guarantees

concerning the legality and regularity of the underlying transactions, safeguarding of assets and information and the prevention, detection and correction of fraud and irregularities.

The conservative assessment of the authorising officer is that the overall amount at risk at closure is not material and corresponds to about 0.43% of the relevant 2021 expenditure. For directly managed SDM expenditure, based on the de minimis rule no reservation is necessary, despite a residual error rate above 2%. The overall SDM payments are only 0.59% of the total payments of DG MOVE for 2021, with no financial impact.

Concerning the directly managed expenditure, DG MOVE implements appropriate ex-ante and ex-post controls, to the extent that they remain cost-effective and supports the other programme objectives and financial management.

Regarding indirectly managed expenditure, there is no indication of any issue that would impair the assurance. The information received from SESAR JU and S2R JU, from the executive agency CINEA, from the European Investment Bank and from the decentralised agencies (ERA, EASA, and EMSA) is considered as adequate and reliable.

CINEA's declaration of assurance is qualified by a quantifiable reservation concerning the CEF Energy sector residual error rate. An Action Plan has been developed and is under implementation to mitigate further risks. This reservation is not indicative of any supervision flow and therefore does not impact DG ENER's assurance.

DG MOVE updated its Anti-Fraud Strategy in 2020, based on a specific assessment of its fraud risk, and 85% of the actions from the action plan were already implemented or are on-going.

DG MOVE assessed its internal control systems and concluded that the internal control framework is implemented and functioning as intended, except for Component III, Control activities that is affected by several minor deficiencies. Some improvements were identified. DG MOVE identified the necessary corrective actions, which will be implemented in 2022. Risk management processes work as intended and contribute to the good operation of the control systems.

In relation to the recommendations issued in 2021 by ECA, none is considered to have a material impact on the declaration of assurance of DG MOVE. All accepted recommendations issued by ECA have led to specific action plans addressing the underlying issues. The current residual risk from the audit recommendations remaining open for DG MOVE does not impair the declaration of assurance.

Therefore, under the prevailing risk environment and from a managerial point of view, DG MOVE's authorising officer by delegation can sign the Declaration of Assurance.

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

2.1.5. Declaration of Assurance [and reservations]

Declaration of Assurance

I, the undersigned,

Director-General of DG MOVE

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view ⁵⁴.

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

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

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

Brussels, 31 March 2022

(signed)

Henrik Hololei

⁵⁴ True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG.

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

In 2021, despite its scarce human resources, DG MOVE continued delivering on the European Green Deal and on the significant legislative agenda set out by the College in the Sustainable and Smart Mobility Strategy for the years 2021-2024. This was possible thanks to the professionalism and commitment of DG MOVE's staff.

In December 2021, the senior management endorsed DG MOVE Local Strategy for the period 2021-2024. It sets out the key actions which DG MOVE commits to undertake in view of ensuring the effective management of human resources. It builds on the objectives set in DG MOVE's Strategic Plan for the period 2021-2024 and is the result of continuous consultations with staff and senior management.

DG MOVE also conducted extensive internal consultations and actively contributed to the discussions and drafting process of major Commission initiatives, such as the Corporate HR Strategy, the Communication on Greening and the Commission decision on working time and hybrid working.

In order to complement the Management Plan and to reflect the DG's activities in the field of equality, both internally and externally, DG MOVE's Equality Coordinator prepared the DG's Equality Mainstreaming Work plan for 2021-2022. The Work plan covering gender and other equality matters was endorsed in July 2021.

DG MOVE continued monitoring the two mandatory HR indicators identified in the Strategic Plan and took the appropriate actions to meet the 2020-2024 targets. In particular, DG MOVE intensified its efforts to attract female candidates to middle management functions by carefully assessing current and forthcoming management vacancies in the DG (HR indicator 1). In order to achieve its specific gender target, DG MOVE appointed one new female Head of Unit in SRD.3. Two more new female middle managers have to be appointed by 2022. DG MOVE also remained active in opening the pre-management career path to women by appointing two new female Deputy Heads of Unit (date of effect in 2021 and January 2022). DG MOVE's recruitment panels were systematically gender balanced throughout the year. DG MOVE supported DG HR's Female Talent Development Programme by nominating participants and mentors. In December, DG MOVE organised an internal workshop #IamRemarkable for female colleagues on self-promotion and confidence.

DG MOVE also continued to address the staff engagement (HR indicator 2) by specific actions and trainings targeted at managers and staff. In order to get the most out of the talent and experience of its staff, DG MOVE consistently supported internal rotations of middle managers (one rotation with date of effect in March 2022) and Deputy Heads of Unit (three rotations and four appointments announced in 2021), as well as internal mobility of non-management staff pursuing a change in their careers. All Unit and Directorate mission statements were updated in 2021 to ensure that all staff have a good understanding of how their jobs contribute to the DG's mission.

Despite the difficult context and unpredictability related to the COVID-19 pandemic, DG MOVE organised a number of job-specific and well-being trainings, team events, individual coaching for newly appointed managers and achieved an excellent execution of its Learning & Development budget.

DG MOVE's internal communication actions consistently ensured that the relevant information on work and well-being reached all staff, consolidated a stronger and more interconnected staff network, and assured staff received the news in real time. It substantially contributed to a continuous high level of staff engagement

2.2.2. Digital transformation and information management

The Digital Strategy adopted by the Commission in 2018 is a unique opportunity to exploit the potential of digitalisation to create innovative solutions for a more trustworthy, effective, efficient, transparent and secure Commission.

Implementation of the EC Digital Strategy

The implementation of the Commission Digital Strategy continued. The modernisation of selected information systems (TENtec, MOVEHUB and KSDA) started in 2021..

Data ecosystem

In 2021, DG MOVE started the implementation of a new data ecosystem. As part of this project, the existing management dashboards (CARE, ICARE, TRAMOS and TENTEC etc.) migrated to the corporate dashboard acceptance environment. The migration of the production environments will commence in 2022. The outdated data warehouses were upgraded as a temporary measure until the new data platform is implemented in 2022. The design of the new platform was laid out in 2021 based on the available corporate solutions.

The data assets of DG MOVE were reviewed and updated in the new corporate data inventory and their detailed analysis has started with the objective to identify rationalisation and improvement opportunities. The analysis will be finished in 2022.

Digital solutions

The design of a new TENtec information system has been laid down in line with the ECDS principles. The new system will be based on a linear referencing geographical model to improve interoperability with Member State systems across borders. It will also implement automatic data exchange with external stakeholders and will provide major improvements in terms of user interface. Based on design, the solution will be reusable for different other purposes including the visualisation of any type of data on maps. The development of the system started in the second half of 2021 and will continue in 2022.

During the course of 2021, improvements were implemented on the MOVEHUB platform to ensure better cross-border interoperability between Member States. In addition, the electronic Passenger Locator Form (ePLF) was successfully added to the ecosystem to facilitate information exchange and cross-border contact tracing related to COVID-19.

In 2021, DG MOVE implemented a new Union database on supply chain security (KSDA2) information system. The new system brought major improvements related to the security and privacy principles as well as user-centricity and the system's interoperability.

IT Security

Following the IT security strategy document, the specific actions underlined in the proposed roadmap continued to be implemented: the inventory and evaluation of DG MOVE's IT assets using the new IT security risk management methodology was finalised; a clustering model was also put in place in order to have the same security risk management approach for similar IT systems. All critical and essential systems were assessed from the business impact perspective. Phase two of the strategy (identification and evaluation of IT security risks) is ongoing.

DG MOVE put in place a process to assist the system owners through the risks' assessment process for their IT systems. Part of these IT systems containing public information were migrated to the Europa Web Publishing Platform. DG COMM finalised and shared the risk assessment and the IT security plan for the Europa Web Publishing Platform. Consequently, risk assessments were concluded for those applications and DG MOVE is developing the IT security plans.

An increased number of cyber-attacks took place in 2021 but there were no serious IT security incidents affecting DG MOVE IT systems or staff.

An article related to phishing and another one on measures to prevent information leakage were published on the Intranet to increase staff's IT security awareness. Additionally, email communication was used to inform colleagues on the cybersecurity threats.

Information Management

In application of the Commission strategy on Information Management⁵⁵, the Centre d'Administration des Documents (CAD) continued to monitor the efforts of filling documents by DG MOVE, reaching the target of registered documents not filed below 2%⁵⁶.

In 2021, a new tool was implemented in ARES to comply with Personal Data rules in place. Accessibility of files had to be reviewed accordingly. While the "share-by-default" principle remains within DG MOVE files, the implementation of this new tool reduced the visibility of DG MOVE files, especially for contractual files.

Specific actions for elimination of paper documents and training on the use of electronic qualified signature contributed to increase the efficient use of electronic workflows and reduce paper storage in DG MOVE.

⁵⁵ Data, information and knowledge management at the European Commission (C(2016) 6626)

⁵⁶ 0.74% - DG MOVE dashboard on information management indicators is regularly updated and accessible to all staff on Document Management Collaborative Space - <https://myintracomm-collab.ec.europa.eu/networks/eDomecME/SitePages/Home.aspx>

Data Protection

In addition to EU LEARN trainings offered, DG MOVE continued providing training to staff in 2021 in order to raise awareness on the revised data protection rules. For instance, several information sessions on general data protection aspects were provided, as well as specific information sessions for colleagues in charge of IT projects and on data protection obligations for data controllers. Approximately 40 % of staff in DG MOVE attended Data Protection Coordinator's information sessions on data protection during 2021 as opposed to 65% of staff participation for the period 2018-2021.

DG MOVE continued to work on the implementation of the Commission Data Protection Action Plan (C(2018)7432 final). DG MOVE also continued ensuring new processing activities (e.g. supported by IT systems) in compliance with the data protection rules. In particular, DG MOVE ensured a completion of new records once new processing activities were identified.

2.2.3. Sound environmental management

The Commission's Political Guidelines for the period 2019-2024 recognise the importance of the European Union's leading role in reducing environmental impacts. DG MOVE implements its own activities through the European Commission's environmental management (EMAS). The key priorities are: efficient use of natural resources (mainly energy, water and paper), reduction of the overall CO₂ emissions, waste prevention, recycling and re-use, and sustainable mobility. Due to the COVID-19 crisis, staff awareness on EMAS could not be promoted on the spot in DG MOVE's premises.

Regarding buildings, DG MOVE contributed to the end of the year energy saving action by closing the DM24 and DM28 buildings during the Christmas and New Year's holiday period. In addition, DG MOVE later reassessed the needs and decided to go even beyond by closing both buildings during weekends.

The re-equipment of meeting rooms to allow for hybrid meetings, which started in 2020 continued in 2021. At the end of the year, all meeting rooms in DG MOVE were equipped with video-conferencing facilities. A new action to equip Senior Management offices with video-conferencing facilities allowing hybrid meetings was launched. All their offices should be fully equipped by the end of Q1 2022.

2.2.4. Examples of efficiency and economy

Synergies were achieved through the conclusion of a common framework contract, which will allow all units within DG ENER and DG MOVE to seek highly qualified external legal, socio-economic (including financial) and technical expertise.

In 2021, DG MOVE integrated the new suite of Microsoft 365 applications, specifically SharePoint online and msTeams, into its working methods. The new tools enable more proactive and collaborative working methods. The benefits are non-financial, reducing the stream of emails, improving time to deliver on service requests and the organisation of large meetings.

The CEF MAP 2020 call was successfully completed with full remote evaluation procedure, avoiding gathering of external experts in Brussels, in line with the restrictions imposed by the pandemic and allowing for some savings on the overall costs of the evaluation (travel and accommodation costs). Moreover, all CEF Committee meetings during 2021 have been held remotely. This did not impact on the trustful relation with the Member States' representatives. In its remote format the Committee also adopted the first multi-Annual work programme under CEF 2021-2027.

The TENtec information system supports the TEN-T policy with geographical, technical and financial data. Data import/export function has been implemented to facilitate the timely data collection along with the inclusion of the Core Network Corridor Project list for around 4000 projects. The following additional thematic layers have been added/improved to the TENtec public viewer to support also other transport related policies within DG MOVE:

- TEN-T compliance indicators to monitor and visualise the TEN-T criteria by transport mode.
- Alternative Fuels Infrastructure data which will be further enhanced by allowing a dynamic gap analysis and the filtering by “power categories” and “connectors” at TEN-T level.
- CEF Projects part has been improved by adding a CEF actions to link actions to TEN-T nodes
- C-ITS stations as provided by the C-Roads Platform.
- Border Crossing Points for roads (green lanes) Rail Freight Corridors to improve the cooperation with TEN-T Corridors.