

# Annual Activity Report 2025

annexes

Directorate-General for Mobility and Transport

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

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

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

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

Brussels, 31 March 2026

**Carmen NARANJO SANCHEZ**

e-signed

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

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

Brussels, 31 March 2026

**Mona BJÖRKLUND**

e-signed

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

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

## ANNEX 2: Performance tables

<p><b>General objective 1: A new plan for Europe’s sustainable prosperity and competitiveness</b></p> <p><b><i>Specific Objective 1.1: A sustainable, resilient and modern transport system and flourishing industrial base, enabling efficient connectivity and underpinning prosperous and competitive Single Market</i></b></p> <p><i>Related to spending programme(s): Connecting Europe Facility and Horizon Europe</i></p>			
<p><b>Result indicator 1.1.1 Number of cross-border and missing links addressed by CEF</b>  <b>Explanation: Indicators show the number of specific cross-border links that are upgraded through CEF support [expressed in numbers]</b>  <b>Source of data: CINEA</b>  <b>This result indicator is selected as a KPI</b></p>			
<b>Baseline</b> (2020) <sup>(3)</sup>	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (2025)
0	20	77 (out of 117 cross-border and missing links in the annex of the CEF regulation)	64
<p><b>Result indicator 1.1.2 Share of renewable energy used in the transport sector</b>  <b>Explanation: Measures the share of renewable energy within the final consumption of energy in the transport sector [Expressed as percent]</b>  <b>Source of data: Eurostat, <a href="#">Renewable energy statistics - Statistics Explained</a></b></p>			
<b>Baseline</b> (2023)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (2024)
10.8%	No interim target	29% <sup>(4)</sup>	11.2 %
<p><b>Result indicator 1.1.3 Number of charging points installed with CEF support</b>  <b>Explanation: Indicator measures the deployment of recharging and refuelling points across Europe that are installed with CEF support [number]</b>  <b>Source of data: CINEA</b></p>			
<b>Baseline</b> (2014-2020) <sup>(5)</sup>	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (end 2025)
13 000 alternative fuel supply points built or upgraded by CEF1	32 000 by CEF2	38 000 by CEF2	4 898 under CEF2 (21 000 CEF1+CEF2)

<sup>(3)</sup> 2020 was chosen as baseline as it refers to the last year of the previous Multiannual Financial Framework (MFF). The baseline includes charging points set up or upgraded by CEF I. The column titled "latest known results" shows how many charging points have been installed so far under CEF II, which totals 4 898. Under CEF I and CEF II, the deployment of 21 000 alternative fuel supply points has been supported.

<sup>(4)</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L\\_202302413](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202302413)

<sup>(5)</sup> The baseline refers to CEF1 (2014-2020).

## Main outputs in 2025:

### New policy initiatives

Output	Indicator	Target	Latest known results (2025)
Plan for an ambitious European highspeed rail network	Adoption of Commission Communication  Communication indicator: Number of social media impressions per post	Q2 2025  3000	Adopted on 5 November 2025.  179,518 impressions
Industrial Action Plan for the European automotive sector	Adoption of Commission Communication  Communication indicator: Number of media items mentioning the proposal	Q1 2025  150	Adopted on 5 March 2025.  90 media hits (5 March only), 5 op-eds, and follow-up coverage over several weeks following the announcement
Maritime industrial strategy: A Strategy for a clean, resilient and competitive EU maritime and inland waterway industry (DG GROW lead)	Adoption of Commission Communication  Communication indicator: Number of media items mentioning the proposal	Q4 2025  100	Postponed to Q1 2026 <sup>(6)</sup> .
Sustainable Transport Investment Plan <sup>(7)</sup>	Adoption  Communication indicator: Number of media items mentioning the proposal	Q3 2025  100	Adopted on 5 November 2025.  50 media articles. Organic impressions on social media over 29,000 and follow-up coverage over several weeks following the announcement.

<sup>(6)</sup> Delayed due to the need for extensive consultation of stakeholders and for ensuring policy coherence with other major EU strategies (ports, decarbonisation, investment frameworks).

<sup>(7)</sup> Mentioned in CWP 2025.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Initiative on Clean Corporate Vehicles	Adoption of Commission Communication	Q1 2025	Communication adopted on 5 March 2025.
	Adoption of legislative proposal	2025	Adopted on 16 December 2025.
	Communication indicator: Number of social media impressions per post	3000	761 impressions While the post did not perform well on social media, the associated press release was one of the most read of 2025.
Extension of road charges exemption for zero-emission heavy-duty vehicles	Adoption of Commission Proposal	Q2 2025	Adopted on 26 November 2025.

### **Initiatives linked to regulatory simplification and burden reduction**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Automotive Omnibus - simplification provisions in relation to the installation and use of the tachograph in certain vehicles such as motorhomes and zero emission powered vans	Adoption of legislative proposal	Q4 2025	Adopted on 16 December 2025.

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

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Ex-post evaluation of Connecting Europe Facility (CEF) 2014 - 2020	Finalisation	Q4 2025	Postponed to Q3/4 2026. <sup>(8)</sup>
Interim evaluation CEF 2021-2027	Finalisation	Q4 2025	Postponed to Q3/4 2026. <sup>(9)</sup>
Evaluation of Regulation (EU) 2016/796 of EU Agency for Railways	Finalisation	Q3 2025	Finalised on 7 November 2025.

<sup>(8)</sup> Unsatisfactory quality of the several deliverables by the consultants preparing support studies for the evaluations resulted in delaying the timeline of both CEF evaluations.

<sup>(9)</sup> Unsatisfactory quality of the several deliverables by the consultants preparing support studies for the evaluations resulted in delaying the timeline of both CEF evaluations.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Fitness check on market access in inland waterways transport	Finalisation	Q3 2025	Finalised in Q4 2025. Published on 29 January 2026. <sup>(10)</sup>
Fitness check on airport legislation	Preparatory work in view of finalisation early 2026.	Throughout 2025, (finalisation early 2026)	To be finalised Q2 2026

### Major implementation activities and enforcement actions

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Progress report on implementation and enforcement	Finalisation	Q3 2025	Transmitted to EP and Council on 16 October 2025.
Implementation report on the Rail Interoperability Directive	Finalisation	Q3 2025	Finalised on 14 July 2025.
Progress report on the European Declaration on Cycling	Adoption	Q4 2025	Adopted on 30 September 2025.
	Communication indicator: Number of social media impressions per post	3000	6,135,785

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

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Implementation Dialogue – High Speed Rail	Event	Q2 2025	Dialogue took place on 15 April 2025 in Brussels.
	Communication indicator: Number of social media impressions per post	3000	8,840 impressions
Implementation Dialogue – Alternative fuels for transport and STIP	Event	Q3 2025	Dialogue took place on 17 July 2025 in Brussels.
	Communication indicator: Number of social media impressions per post	3000	5,833 impressions

<sup>(10)</sup> [Register of Commission Documents - SWD\(2026\)27](#)

Other major outputs			
Output	Indicator	Target	Latest known results (2025)
Horizon Europe Calls from Work Programme 2023-2024– evaluation and award decisions to the selected transport projects	Signature of Horizon Europe grants, delegations, contributions for transport projects and programmes	Throughout 2025	Selection of transport projects under the 2024 Calls (Cluster 5 and Cities Mission), for a total EU budget of approx. EUR 225 million
TEN-T cross-border railway connection between Lyon and Turin	Adoption of an implementing act	Q2 / 3 2025	Adopted on 30 July 2025.
High-speed rail connection between Lisbon and Madrid	Adoption of an implementing act	Q2/3 2025	Adopted on 30 October 2025.
Implementing act for the definition of key performance indicators for monitoring the TEN-T	Adoption of implementing act	Q2 2025	Adoption postponed to 2026 due to ongoing data analysis.
Implementing act for the establishment of the Good Navigation Status of the TEN-T	Adoption of implementing acts	Q2/3 2025	Postponed to 2026 due to missing data contribution from member states.
Rail-Baltica cross-border project	Adoption of implementing act	Q2 2025	Adopted on 16 May 2025
Designation of three European TEN-T Coordinators	Adoption of Commission Decision	Q2/3 2025	Adopted on 12 September 2025
Implementing act on new tachograph specifications including to adapt it for drivers engaged in occasional passenger services	Adoption of Commission Implementing Regulation	Q4 2025	Postponed to Q1 2026. <sup>(11)</sup>
Implementing Act under the Rail Interoperability Directive 2016/797, implementing Regulation on interoperability of data sharing in rail transport and Technical Specifications for Interoperability of the Telematics subsystem (TEL TSI)	Adoption of Commission Implementing Regulation	Q1 2026	Positive vote of the Committee on 13 Nov 2025

<sup>(11)</sup> Ongoing technical work in the Expert Group.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Implementing Act under the Rail Interoperability Directive 2016/797, amendment of the implementing Regulation on Locomotives and Passenger rolling stock Technical Specifications for Interoperability (Loc&Pas TSI)	Adoption of Commission Implementing Regulation	Q2 2025	Adopted on 27 April 2025.
Implementing Act under the Rail Interoperability Directive 2016/797, amendment of the implementing Regulation on freight Wagons Technical Specifications for Interoperability (WAG TSI)	Adoption of Commission Implementing Regulation	Q4 2025	Adopted on 4 November 2025.
Five Implementing/Delegated Acts on eFTI:	Communication indicator: Number of social media impressions per post	3000	3,816 impressions
<ul style="list-style-type: none"> <li>- Commission Implementing Regulation on laying down detailed specifications regarding the requirements for eFTI platforms</li> </ul>	Adoption	Q3 2025	Adopted on 6 Nov 2025.
<ul style="list-style-type: none"> <li>- Commission Implementing Regulation laying down detailed specifications regarding the requirements for eFTI service providers</li> </ul>	Adoption	Q3 2025	Delayed (expected adoption in Q4 2026/Q1 2027). Work on platform specifications revealed that for timely implementation the eFTI platform certification rules needed to be prioritised.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
- Commission Delegated Regulation on laying down rules on the certification of eFTI platforms	Adoption	Q4 2025	Delayed due to high technical complexity (expected adoption in Q3 2026).
- Commission Delegated Regulation rules on certification of eFTI service providers, including renewal, suspension and withdrawal of certification	Adoption	Q4 2025	Delayed until the work resumes on eFTI service providers' requirements. (expected adoption in Q4 2026/Q1 2027).
- Commission Delegated Regulation on the eFTI common data set and eFTI data subsets	Adoption	Q4 2025	Delayed due to prioritization/ urgency of other files.
Preparatory Action on book and claim for aviation	Launch	Q3 2025	Launched
EU coordination in support of the "Net-zero Framework" for reducing GHG emissions from international shipping	Adoption	Q4 2025	Vote in International Maritime Organisation postponed.

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

**Specific Objective 1.2: A prosperous and competitive tourism eco-system that develops sustainably in Europe, respecting our heritage, creating opportunities for local businesses and quality employment**

*Related to spending programme(s): Mainly cohesion funds, Recovery and Resilience Facility (RRF), Single Market Programme, Digital Europe*

**Result indicator 1.2.1 Number of pledges to the Transition Pathways for Tourism**

**Explanation: Uptake of sustainable practices in the tourism sector [number]**

**Source of data: DG MOVE**

<b>Baseline</b> (2022)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (2025)
186	650	750	550

**Main outputs in 2025:**

**New policy initiatives**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (2025)
Strategy on sustainable tourism	Preparatory work towards adoption in Q1 2026	2025	Preparatory work throughout 2025.

**Major public consultations**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (2025)
Open public consultation on the EU Sustainable Tourism Strategy	Public Consultation (Have your say portal)	2025	June – July 2025

**Major implementation activities and enforcement actions**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (2025)
Report on the implementation of the European Tourism Agenda 2030	Adoption	Q4 2025	Adopted in December 2025
Second stocktaking report on the implementation of the Transition Pathway for Tourism	Publication	Q2 2025	Published in May 2025

**General objective 2: A new era for European defence and security**

**Specific Objective 2.1: A resilient and secure transport system that facilitates seamless military mobility and adequately addresses emerging security threats**

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

**Result indicator 2.1.1 Hot-spots projects prepared for implementation**

**Explanation: Monitor developments regarding upgrades of the 500 hot-spot military mobility projects, including assessment of financing needs, maturity of project pipeline and state of completion**

**Source of data: DG MOVE, European Defence Readiness 2030**

<b>Baseline (2025)</b>	<b>Interim milestone (2026)</b>	<b>Target (2029)</b>	<b>Latest known results (2025)</b>
0	NA	200	NA <sup>(12)</sup>
<b>Main outputs in 2025:</b>			
<b>New policy initiatives</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
EU Ports Strategy	Adoption of Commission Communication	Q4 2025	Postponed to Q1 2026. <sup>(13)</sup>
	Communication indicator: Number of media items mentioning the proposal	100	/
Joint Communication on Military Mobility	Adoption	Q4 2025	Adopted on 19 November 2025
	Communication indicator: Number of media items mentioning the proposal	100	218 media hits 5,860 impressions on social media
Regulation on Military Mobility	Adoption	Q4 2025	Adopted by the Commission on 19 November 2025
Detailed measures on aviation security	Adoption of implementing acts;	2025	Implementing Regulation and Implementing Decision adopted on 19 May 2025.

<sup>(12)</sup> Work on the 500 hot-spots military mobility projects is ongoing, with a view to be ready for implementation in the next financial perspective. The first CEF call for proposals is planned for 2028.

<sup>(13)</sup> Delayed due to the need for extensive consultation of stakeholders and for ensuring policy coherence with other major EU strategies (industrial maritime strategy, military mobility, security, decarbonisation, investment frameworks).

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
	<p>Update/upgrade of implementing legislation (Implementing Regulations and Implementing Decisions)</p> <p>Update of approved security screening technology (Commission Decisions)</p> <p>Revision of the specifications for national quality control activities in Member States, aviation security occurrence reporting (Commission Regulation Amending Annex II to Regulation (EC) No 300/2008 of EP and Council)</p>		<p>The next adoption of an Implementing Regulation and an Implementing Decision is planned for Q1 2026.</p> <p>The new Annex II to Regulation 300/2008 was adopted on 2 February 2026.</p>

#### **Initiatives linked to regulatory simplification and burden reduction**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Regulation on Military Mobility	Adoption	Q4 2025	Adopted by the Commission on 19 November 2025.

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

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Assessment by EASA of key implementing rules under the EASA Basic Regulation	Finalisation of stakeholder survey	Q4 2025	EASA's stakeholder survey is closed, and the results will be assessed in Q1 2026.

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

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Commission Reality Check on the simplification of the EU aviation safety rules	Reality Check meeting with industry stakeholders	November 2025	Industry representatives presented simplification proposals which must be assessed in Q1-2 2026.

<b>Other major outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Contribution to Commission's Apply AI Strategy	Adoption	Q3 2025	Adopted in October 2025.
<p><b>General objective 3: Supporting people and strengthening our societies and our social models</b></p> <p><b>Specific Objective 3.1: Delivering a seamless, safe, accessible and inclusive transport system as well as socially responsible tourism services across the Union</b></p> <p><i>Related to spending programme(s): Connecting Europe Facility and Horizon Europe</i></p>			
<p><b>Result indicator 3.1.1 Women in Transport – Platform for Change</b>  <b>Explanation: Number of Platform Members, deliverables of the Platform</b>  <b>Source of data: DG MOVE Website</b>  <b>This result indicator is selected as a KPI</b></p>			
<b>Baseline (2024)</b>	<b>Interim milestone (2027)</b>	<b>Target (2029)</b>	<b>Latest known results (2025)</b>
32 members	33 members Publication of Recommendations on recruitment and retention in the transport sector (Q2)	4 additional members (including MS) Participation of Platform in stakeholder activities, publication of additional guidance	Publication of the 25 recommendations to attract, recruit and retain women in the transport sector (June 2025). Participation in Aviation4Girls Day in November. 1 additional + member.
<p><b>Result indicator 3.1.2. Network of Ambassadors for #DiversityInTransport</b>  <b>Explanation: Number of MS represented by Ambassadors, number of activities, deliverables of Ambassadors, social media activities</b>  <b>Source of data: DG MOVE Website, DG MOVE social media accounts</b></p>			
<b>Baseline (2024)</b>	<b>Interim milestone (2027)</b>	<b>Target (2029)</b>	<b>Latest known results (2025)</b>

<b>Baseline</b> (2024)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (2025)
Deliverables produced by Ambassadors (e.g. webinars, conference panels)	2 webinars, blogs, mentions on DG MOVE LinkedIn account	2 webinars per year, blogs, mentions on DG MOVE LinkedIn account	Ambassadors' conference took place in June 2025. Ambassadors represented the network at a large number of sectoral events, such as the Urban Mobility Days or the Polis Conference. . 5 webinars took place in 2025, and 6 blogs/articles were published. Setting up of designated communication channels to enhance the network's visibility.

### Result indicator 3.1.3. Increase in high-speed rail traffic

**Explanation: The indicator shows the increase in passenger activity by high-speed lines, expressed in passenger-kilometres**

**Source of data: EC (2025), EU transport in figures – statistical pocketbook 2025 (Statistical pocketbook 2025 – European Commission) drawing on data from Union Internationale des Chemins de Fer (UIC)**

<b>Baseline</b> (2015)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (2025)
117.2 billion passenger-kilometres	NA	230.2 billion passenger-kilometres <sup>(L4)</sup>	136.7 billion passenger-kilometres (2023)

### Main outputs in 2025:

#### New policy initiatives

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (2025)
Roadworthiness Package (Directive amending Directive 2014/45/EC on periodic roadworthiness tests for motor vehicles and their trailers and Directive 2014/47/EC on technical roadside inspections of the roadworthiness of commercial vehicles + Directive replacing Directive 1999/37/EC on vehicle registration documents)	Adoption  Communication indicator: Number of social media impressions per post	Q2 2025  3000	Adopted on 24 April 2025  1,349 impressions

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Commission Recommendation on Transport Poverty	Adoption	Q2 2025	Adopted on 22 May 2025
Multimodal digital mobility services initiative (MDMS)	Adoption  Communication indicator: Number of social media impressions per post	Q4 2025  3000	Postponed to Q2 2026 due to extensive stakeholder consultations.  /
Single Digital Booking and Ticketing Regulation (SDBTR)	Adoption  Communication indicator: Number of social media impressions per post	Q4 2025  3000	Postponed to Q2 2026 due to extensive stakeholder consultations.
Revision of the Rail Passenger Rights Regulation	Adoption	Q4 2025	Postponed to Q2 2026 due to packaging with the two above initiatives.
Legislative proposal on cross-border car rentals	Adoption	Q4 2025	Postponed to Q2 2026 for alignment with other initiatives.
Revision of Train Drivers Directive	Preparatory work in view of adoption in Q1 2026	Q1 2026	Impact Assessment received positive opinion from RSB on 4 July 2025.
<b>Evaluations and fitness checks (part of the stress testing EU acquis)</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2025)</b>
Evaluation of the Fishing Vessel Safety Directive	Finalisation	Q3/4 2025	Progress achieved. Finalisation scheduled for 2026.

<b>Major public consultations Other major outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Proposal regarding enforcement of passenger rights in the Union (Omnibus Regulation)	Progress in co-decision. Monitoring that the negotiations stay in line with the Commission's objectives and proposal.	Throughout 2025	Trilogue started on 15 October 2025. Technical negotiations took place under the Danish Presidency and will resume under the Cypriot Presidency.
Proposal regarding enforcement of passenger rights in the context of multimodal journey in the Union (Multimodal Regulation)	Progress in co-decision. Monitoring that the negotiations stay in line with the Commission's objectives and proposal.	Throughout 2025	Trilogue started on 15 October 2025. No technical negotiations under the Danish Presidency.
Proposal regarding air passenger rights (COM 2013 proposal)	Progress in co-decision. Monitoring that the negotiations stay in line with the Commission's objectives and proposal.	Throughout 2025	Council adopted its first reading position on 29 September 2025. Trilogue started on 15 October. Technical negotiations took place under the Danish Presidency and will resume under the Cypriot Presidency.
Women in Transport – Platform for Change	3 meetings per year  Publication of Recommendation on recruitment and retention in the transport sector	25 March 2025 24 June 2025 25 November 2025  Q2 2025	Three meetings were held as planned on 25 March 2025 24 June 2025 25 November 2025  Recommendations were published in June 2025.
Ambassadors for #DiversityInTransport	Conference of Ambassadors	4 June 2025	Conference was held as planned on 4 June.
Expert group on horizontal social issues in transport (E03732)	2 meetings per year	14 May 2025 6 November 2025	14 May 2025 (Second meeting postponed to March 2026)
Conference with young people on the attractiveness of transport jobs in the EU	Participants: 70 young people, 20 sector representatives	15 October 2025	Conference took place on 15 October 2025.

Output	Indicator	Target	Latest known results (2025)
Road safety package	Finalisation of negotiations  Communication indicator: Number of social media impressions per post	Q1 2025  3000	Finalised in Q1 2025.  1650 Due to X's increasing unreliability and large user migrations away from the platform, performance on X declined. For this and other reasons, DG MOVE expanded its presence to LinkedIn on 11 April 2025.
Announcement of annual road safety statistics	Communication indicator: Number of social media impressions per post	3000	272,590

**General objective 6: A global Europe: leveraging our power and partnership**

**Specific Objective 6.1: Strengthened bilateral and multilateral transport and tourism relations and better international connectivity, also supporting future enlargements**

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

**Result indicator 6.1.1 Neighbouring countries alignment with transport acquis**

**Explanation: Western Balkans Partners alignment with the transport acquis as defined in the Annex I of the Transport Community Treaty (TCT)**

**Source of data: TCT Secretariat Acquis Screening Report**

Baseline (2024)	Interim milestone (2027)	Target (2029)	Latest known results (2025)
18%	40%	55%	17% <sup>(14)</sup>

**Main outputs in 2025:**

**New policy initiatives**

Output	Indicator	Target	Latest known results (2025)
Recommendation for TCT revision	Adoption	Q2 2025	Adopted on 5 June 2025

<sup>(14)</sup> The methodology used to calculate this figure was revised in 2025 by the TCT Secretariat, making it not fully comparable with prior years and resulting in a slight decrease compared to 2024.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Revision of Council Decision (EU) 2023/76 establishing the criteria and procedure for establishing the EU position within ICAO	Adoption as current umbrella decision on ICAO positions expires in November 2025 and would need to be revised/replaced	Q3/4 2025	Adopted on 15.12.2025 COUNCIL DECISION (EU) 2025/2624 amending Decision (EU) 2023/746 as regards the extension of the period of its application and as regards its Annex; Umbrella decision extended until 31.12.2028
Information Notes as regards notification of differences to ICAO Annexes 3, 10, 11, 14, 15, and 19 to the Chicago Convention	Adoption/endorsement	Q3/Q4 2025	Information note adopted by the Council in Q4 2025 Information note to be adopted by the Council in Q1 2026XYZ
Council Decision on the notification of differences to ICAO Annex 16, Volume IV, to the Chicago Convention	Adoption	Q4 2025	Council Decision (EU) 2025/2090 of 10 October 2025
Proposals on the renewal of the road transport agreements with Ukraine and Moldova (as appropriate)	Adoption	Q3 2025	Ukraine: Adopted on 1 September 2025 Moldova: adopted on 19 September 2025

### Other major outputs

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Commission Decision on a bilateral arrangement between the Italian Republic and the United Kingdom of Great Britain and Northern Ireland on air services	Adoption	20/02/2025	Adopted as COM Decision C(2025) 1034.
Council Decision on the conclusion of the Agreement between the EU and Bangladesh on certain aspects of air services ("Horizontal agreement")	Adoption	24/03/2025	Adopted as Council Decision (EU) 2025/633 of 24 March 2025 The Agreement entered into force on 30 June 2025, in accordance with Article 8(1) of the Agreement.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Council Decision on the signature of the EU-Kazakhstan Horizontal Aviation Agreement	Adoption	Q3 2025	Adopted as Council Decision (EU) 2025/1503 of 8 July 2025.
Council Decision on the position to be taken on behalf of the EU at the extraordinary General Assembly of OTIF	Adoption	Q2 2025	OTIF found that the conditions for convening an extraordinary General Assembly were not met. Therefore, a Council decision is currently not needed. Relevant decisions are postponed to the next ordinary GA.
Council Decision on the EU position in the UNECE AETR Expert Group & Working Party on Road Transport proposing to align the AETR with recent amendments to EU road social legislation	Adoption	Q2 2025	Adopted in Q2 2025.
Decision of the Specialised Committee on Road Transport established by the EU – UK TCA as regards a common list of serious infringements which may lead to the loss of good repute	Adoption	Q4 2025	Adopted in Q4 2025.
Decision of the Specialised Committee on Road Transport established by the EU – UK TCA as regards the modalities of exchange of information contained in the national electronic registers of road haulage undertakings	Adoption	Q4 2025	Adopted in Q4 2025.
Updates of the EU Air Safety List	Two amendments to Regulation 474/2005 establishing the EU Air Safety List	June and December 2025	Implementing Acts updating the EU Air Safety List Regulation 474/2006 were adopted respectively in June (COM IR 2025/1144) and December (COM IR 2025/2476).

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (2025)</b>
Proposal for a Regulation on the use of rail infrastructure capacity	Finalisation of negotiations	Throughout 2025	A political agreement was reached on all outstanding issues at the trilogue of 18 November 2025. The revision of the text by lawyer linguists is ongoing and the final text will likely enter into force in June 2026.

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

Information concerning the draft annual accounts and financial reports is available at the following link <sup>(15)</sup>:

[https://dashboard.tech.ec.europa.eu/qs\\_digit\\_dashboard\\_mt/public/extensions/BUDG\\_Annex3/BU DG\\_Annex3.html](https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex3/BU DG_Annex3.html)

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<sup>(15)</sup> The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer.

## ANNEX 4: Financial scorecard

The financial scorecards are accessible via the following link:

[https://dashboard.tech.ec.europa.eu/qs\\_digit\\_dashboard\\_mt/public/extensions/BUDG\\_Annex4/BU DG\\_Annex4.html](https://dashboard.tech.ec.europa.eu/qs_digit_dashboard_mt/public/extensions/BUDG_Annex4/BU DG_Annex4.html)

The transition in 2025 to the Commission's new accounting system, SUMMA, has required the adjustment to a new system and has impacted budget implementation tasks, processes and financial management activities, particularly during the first part of the year.

On the timely payments indicator, 82 out of 107 late payments were authorised by PMO and HR, delays stemming from difficult integration of MIPS and AGM with SUMMA. A payment of 10.15 M€ (out of 12.77 M€ late payment) was 6 days late due to delays in the approval workflow, with no financial impact (no interests) since this was the second annual instalment to a decentralised agency. Stricter monitoring of deadlines will be put in place in 2026, thanks to more reliable BUDG SUMMA dashboards.

# ANNEX 5: Materiality criteria

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

## Introduction

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

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

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

### ***Qualitative criteria for defining significant weaknesses***

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

#### **a. Consideration of significant control system weaknesses**

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

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

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

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

## c. Significant reputational events

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

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

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

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

## ***Quantitative criteria for defining reservations***

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

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

Considering the fact that the research framework programmes' implementing bodies <sup>(16)</sup> are sharing a common ex-post audit approach, the following section focusses on this specific management system.

## Research framework programmes – common aspects

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

### **Assessment of the effectiveness of controls**

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

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

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

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

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

where:

**ResER%** Residual error rate, expressed as a percentage.

**RepER%** Representative error rate, or error rate detected in the common representative sample, expressed as a percentage. The RepER% is composed of complementary portions reflecting the proportion of negative systematic and non-systematic errors detected. This rate is the same for all implementing entities, without prejudice to possible individual detected error rates.

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

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<sup>(16)</sup> Directorates General, Executive Agencies and Joint Undertakings (also called Article 187 bodies) implementing grants of the Research Framework Programmes.

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

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

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies <sup>(17)</sup>, the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

### ***Multiannual approach***

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

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

In addition, basing materiality solely on ABB expenditure for one year may not provide the most appropriate basis for judgements, as ABB expenditure often includes significant levels of pre-financing expenditure (e.g., during the initial years of a new generation of programmes), as well

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<sup>(17)</sup> Such as, for instance, when the number of results from a statistically representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

as reimbursements (interim and final payments) based on cost claims that 'clear' those pre-financings. Pre-financing expenditure is very low risk, being paid automatically after the signature of the contract.

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

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

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

### ***Adequacy of the audit scope***

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

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

## **Research Framework programmes – specific aspects**

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

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

## *Horizon 2020 Framework Programme*

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

This is based on the provision of the Commission's proposal for the Regulation establishing the Horizon 2020 Framework Programme <sup>(18)</sup> states that:

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

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

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

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

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

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<sup>(18)</sup> COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

*correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2%.*

### *Horizon Europe Framework Programme*

For Horizon Europe Framework Programme <sup>(19)</sup>, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative representative error rate and the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% on an annual basis. An AAR reservation will be issued in the Annual Activity Report if the cumulative residual error rate is above the 2% materiality threshold.

### *EURATOM Horizon 2020 and EURATOM Horizon Europe*

The EURATOM Horizon 2020 <sup>(20)</sup> and Horizon Europe <sup>(21)</sup> Regulations complement respectively the Horizon 2020 and Horizon Europe Regulations. The EURATOM Audit Strategy is articulated as a complement to the Horizon 2020 one. However, for the estimation of the amount at risk, only the Horizon 2020 error rate is presented and used, as the EURATOM error rate is not statistically representative. The estimation of EURATOM Horizon Europe error rate is also aligned with the one of Horizon Europe. The quantitative materiality threshold for Euratom programmes is the same as for the Horizon framework programmes.

## Other directly and indirectly managed expenditure

The assessment of the effectiveness of the different programmes' control system is based on ex-ante and, when available, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated from the best available estimates. The control objective is to maintain the cumulative residual error rate under the 2% materiality threshold.

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

For other operational programmes (i.e., CEF Technical assistance and Programme support actions or other Transport and Mobility or tourism grants), the audit coverage is determined in function of the risk associated with the expenditure. Given the limited size of these programmes, the calculation of the residual error rate based on a representative sample is not possible. The consequences are therefore assessed quantitatively by making a best estimate of

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<sup>(19)</sup> Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe

<sup>(20)</sup> Council Regulation (Euratom) No 1314/2013 of 16 December 2013 on the Research and Training Programme of the European Atomic Energy Community (2014-2018) complementing the Horizon 2020 Framework Programme for Research and Innovation (OJ 347/84, 20.12.2013).

<sup>(21)</sup> Council Regulation (Euratom) 2021/765 complementing the Horizon Europe Regulation

the likely exposure for the reporting year based on all available information, including the detected error rate. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas.

### ***Non-expenditure items***

For contingent assets and liabilities (guarantees corresponding to the CEF bond portfolio) the assessment is based on the evolution of the net present value of the portfolio compared to the initial contribution. The control objective is to maintain the realised loss under 2% of the fund value. It should be noted however that financial investments are valued according to marked-to-market principle and in accordance with accrued future cashflow. The qualitative assessment therefore needs to take into account the actual reason underlying any decrease in valuation.

### ***Assessment of reputational events***

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

The impact of a reputational event must be measured as the impact on the Commission's reputation characterised by a loss of confidence in the institution by its stakeholders <sup>(22)</sup>, rather than the impact on the stakeholders' own reputation.

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

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

### ***Disclosure***

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

The disclosure will address both significant events which have been successfully managed (where the damage to reputation has been effectively mitigated) as well as on those events

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<sup>(22)</sup> Defined as the Member States, the Council and Parliament, the European Court of Auditors, Member State and third country participants in Community programmes and activities who receive direct or indirect funding from the Commission, contractors, the staff of the Institution, the media, and the wider public.

whose impact is still being felt. It would usually not disclose reputational risks, as these remain potential, uncertain events and would not as such impact the assurance.

### ***For the purposes of a reservation***

Significant reputational events may lead to reservations where the impact of the event has a consequence on the declaration of assurance. In other words, it must be linked to the use of resources, sound financial management and the legality and regularity of underlying transactions. It should be noted that a reservation based on reputation does not need to meet the quantitative criteria for reservations, as by definition, its principal impact is on reputation.

## **De minimis threshold for financial reservation**

Since 2019 <sup>(23)</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a department's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. Cases where the 'de minimis' threshold applies this year are reported in annex 9.

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<sup>(23)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

## **RCS 1) Research grants (under direct management)**

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

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

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

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

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

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

### **Stage 1 - Ex-ante controls**

Effectiveness, efficiency are detailed per stages A to D.

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

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

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

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

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the work programme and subsequent calls for proposals.</p> <p>Conflict of interest regarding the expert evaluators.</p> <p>In lump sum proposals, the lump sum as evaluated may be too low or too high for the project proposed.</p>	<ul style="list-style-type: none"> <li>Selection and appointment of external expert evaluators Conflict of interest checks Assessment by independent experts Appropriate briefing of experts (videos also available), including on gender balance aspects and the evaluation of cost estimations in lump sum proposals (dedicated lump sum briefing, video tutorial). As regards lump sum proposals: detailed cost estimations must be submitted and are assessed by experts, including experts with budgetary and project management expertise, against objective benchmarks (e.g. personnel cost dashboard).</li> <li>Comprehensive IT system supporting the evaluation of proposals and allowing better monitoring of the process.</li> <li>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of</li> </ul>	<p>100% vetting (including selecting) experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion).</p> <p>100% of proposals are evaluated.</p> <p><b>Coverage:</b></p> <p>100% of ranked list of proposals. Supervision of work of evaluators. 100% of contested decisions are analysed by redress committee.</p>	<p><b>Effectiveness:</b></p> <p>Number of proposals evaluated.</p> <p><b>Efficiency Indicators:</b></p> <p>% of Time-To-Inform on time<sup>41</sup>. (indicator to be brought as closely as possible to 100%)</p> <p>% of number of redress challenges upheld / total number of proposals evaluated (indicator to be minimised).</p> <p><b>Qualitative benefits:</b></p>

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

## C - Contracting

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

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

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

## D - Monitoring the implementation

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

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

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

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

## Overall economy for ex-ante control

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

## Stage 2 - Ex-post controls

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

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

### E - Reviews, audits and monitoring

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>(programme's lifecycle) and coordination with other AOs concerned</p> <ul style="list-style-type: none"> <li>• Validate audit/technical reviews results with beneficiary</li> <li>• In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).</li> <li>• Specifically for lump sum grants, technical reviews will be carried out by the implementing service for in-depth assessment of work package completion. Error rate to be measured based on technical review results.</li> </ul>		

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The financial recommendations stemming from the ex- post audit are not implemented.</p> <p>Cases of potential fraud detected are not addressed or not addressed in a timely manner.</p>	<ul style="list-style-type: none"> <li>• Systematic registration of audit / control results to be implemented and actual implementation.</li> <li>• Validation of recovery in accordance with financial circuits.</li> <li>• Authorisation by AOSD.</li> </ul>	<p><b>Coverage:</b></p> <p>100% of final audit results with a financial impact.</p> <p><b>Depth:</b></p> <p>All audit results are examined in-depth in making the final recoveries.</p>	<p><b>Effectiveness:</b></p> <p>Amounts being recovered and offset.</p> <p><b>Efficiency:</b></p> <p>Number/value/% of audit results pending implementation, (indicators to be minimised)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>• Coordination at the level of the R&amp;I family: FAIR committee.</li> <li>• If needed:               <ul style="list-style-type: none"> <li>– Notification to OLAF and regular follow up of detected potential fraud.</li> <li>– Reinforced monitoring implemented on ongoing projects.</li> </ul> </li> </ul>	<p>Systemic errors are extended to all the ongoing non-audited projects of the same beneficiary (or closed within two years).</p>	<p>Number/value/% of audit results implemented.</p>

## RCS 2) Transport grants (prerogative) and support actions (CEF), Tourism grants (directly managed)

This RCS covers (1) grants under prerogative lines, including budgetary support to the Transport Community; (2) directly managed pilot projects and preparatory actions (PPAs); (3) CEF technical support and programme support actions and (4) Tourism grants managed directly by DG MOVE.

### Stage 1 - Ex-ante controls

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

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

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

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

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

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The description of the action in the grant agreement/contract includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>A potentially fraudulent proposal /beneficiary was not detected in the evaluation phase.</p>	<ul style="list-style-type: none"> <li>• Project Officers implement evaluators' recommendations in discussion with selected applicants <sup>(24)</sup></li> <li>• Hierarchical validation of proposed adjustments</li> <li>• Validation of beneficiaries before the signature of GA, including systematic checks on operational and legal aspects</li> <li>• Ad hoc anti-fraud checks for riskier beneficiaries</li> <li>• Signature of the grant agreement by the AO</li> </ul>	<p><b>Coverage / Frequency:</b></p> <p>100% of the selected proposals and beneficiaries</p> <p>100% of draft grant agreements.</p> <p><b>Depth:</b></p> <p>It may be differentiated; determined after considering the type or nature of the beneficiary (e.g., SMEs, joint ventures) and/or of the modalities (e.g., substantial subcontracting) and/or the total value of the grant.</p>	<p><b>Effectiveness/Efficiency:</b></p> <p>Average time to grant if and when relevant</p> <p>Absence of serious audit findings or litigation</p>

## D – Monitoring the implementation and Financial Management

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

<sup>(24)</sup> Given the constraints on the time to grant set out in the Horizon 2020 legislation, negotiation with applicants is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p>	<ul style="list-style-type: none"> <li>• Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors</li> <li>• Effective external communication / guidance to beneficiaries</li> <li>• Anti-fraud awareness raising and training for project officers</li> <li>• Operational and financial checks in accordance with the financial circuits</li> <li>• Operation authorisation by the AO</li> <li>• For riskier operations: <ul style="list-style-type: none"> <li>– Enhanced ex-ante controls</li> <li>– Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</li> <li>– On-site verification visits</li> </ul> </li> <li>• If needed, application of: <ul style="list-style-type: none"> <li>– Suspension/interruption of payments</li> <li>– Penalties or liquidated damages</li> <li>– Referring grant/beneficiary to OLAF</li> </ul> </li> </ul>	<p><b>Coverage / Frequency:</b></p> <p>100% of the payments (op. and fin. checks) in normal financial circuits</p> <p>Riskier operations subject to more in-depth controls.</p> <p><b>Depth:</b></p> <p>Depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or 'population' risk assessment</p>	<p><b>Effectiveness:</b></p> <p>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed</p> <p><b>Efficiency:</b></p> <p>Average number and value of running projects managed 'per' staff FTE</p> <p>Timeliness of payments</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p>

## Stage 2 – Ex-post controls

### E - Reviews, audits and monitoring

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

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

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

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

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

## RCS 3) Procurements, studies and other operational expenditure, including SES Advisory bodies (procurements)

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

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

### Stage 1 – Ex-ante controls

#### A - Planning

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

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives.	<ul style="list-style-type: none"> <li>Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements</li> <li>Validation by AO(S)D of justification and planning</li> </ul>	100% of the forecast procurements (open procedures with prior notification and use of framework contracts) are	<b>Effectiveness:</b> Number of projected tenders cancelled.

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>Discontinuation of the services provided due to contracting issues</p> <p>The required technical financial capability is not adequately planned</p>	<ul style="list-style-type: none"> <li>Documented discussions / decisions</li> </ul>	<p>justified and validated through the Vigie system and the CEF Work Programme.</p> <p>All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.</p>	<p><b>Economy:</b></p> <p>Average cost per tender.</p>

## B – Needs assessment and definition of needs

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

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission does not receive good offers or cannot select good experts for the required specific expertise.</p>	<ul style="list-style-type: none"> <li>AOSD supervision and approval of tender specifications / terms of reference</li> </ul>	<p>100% of specifications drafted by technical experts. All specifications for open call for tenders validated by AOSD.</p> <p>100% of tenders above financial threshold (&gt;60k)</p>	<p>Effectiveness</p> <p>Number of open procedures or tenders where only one or no offers were received.</p> <p>Number of requests for clarification regarding the tender.</p>

## C – Selection of the offer and evaluation

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

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

#### D – Receipt of services and financial transactions

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

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.</p> <p>Insufficient performance or timeliness of the contractor</p> <p>Invoices received do not correspond to the services delivered or to the actual performance of the contractor</p>	<ul style="list-style-type: none"> <li>Monitoring and assessment of deliverables. Regular implementation report on the fulfilment of the contracted tasks. Request of supporting documentation for claimed costs / link between deliverables and payments.</li> <li>Financial checks in accordance with the financial circuits</li> <li>Operational authorisation by AO(S)D.</li> </ul>	<p>100% of the contracts are controlled. Follow-up of all actions by the technical officer in charge</p>	<p><b>Effectiveness:</b></p> <p>Number and amount of payment made</p> <p>Issues regarding legality and regularity</p> <p><b>Efficiency:</b></p> <p>Timely payment</p> <p>Economy</p> <p>Cost of control vs amount paid</p>

## Stage 2 – Ex-post controls

### E – Supervisory measures

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	<ul style="list-style-type: none"><li>• Desk review of procurement and financial transactions and their conformity with the FR and the Vade mecum</li><li>• Review of exceptions reported and/or lessons learned</li></ul>	Risk-based	<b>Effectiveness:</b> Amounts associated with errors detected

## RCS 4+5+6) Indirect entrusted management

This combined RCS covers:

1. the SESAR 3 and EU-RAIL joint undertakings (RCS 4)
2. the subsidies to the decentralised agencies ERA, EASA and EMSA (RCS 5)
3. the operating (administrative) budget of the executive agency CINEA (RCS 6)
4. other indirect management through contribution agreements to decentralised agencies and other bodies (RCS 5)

### Stage 1 - Ex-ante controls

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The establishment (or prolongation) act of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the	<ul style="list-style-type: none"> <li>• Ex-ante evaluation of the entity</li> <li>• Widespread consultation, with internal and external stakeholders</li> </ul>	<p><b>Coverage/Frequency:</b> 100%/once and partial for amendments or extensions.</p> <p><b>Depth:</b></p>	<p><b>Effectiveness:</b> Timely establishment of the delegation or contribution agreements Number of IAS, ECA, OLAF or discharge criticism</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>related EU funds (via that particular entity).</p> <p>For PPPs: the evaluation method of the in-kind contributions provided by the industry partners is not clear.</p>	<ul style="list-style-type: none"> <li>Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting.</li> <li>Inter-service consultation, including all relevant DGs</li> <li>Mandate adopted by the Commission.</li> <li>Allocation of supervision responsibility within the DG</li> </ul>	<p>Checklist includes a list of the requirements of the regulatory provisions to be complied</p>	<p><b>Economy:</b></p> <p>Overall supervision cost per (type of) entrusted entity / total budget entrusted (%)</p> <p>Ratio FTEs/funds entrusted.</p>

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 Internal Control Objectives (ICOs)</p>	<ul style="list-style-type: none"> <li>DG internal or independent external ex-ante assessment before granting budget autonomy</li> <li>Hierarchical validation within the authorising department</li> <li>Use of Model-or Framework- financial rules (MFF or FFF)</li> <li>Requiring justification and prior consent for any deviating financial rules</li> </ul>	<p><b>Coverage/frequency:</b></p> <p>100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.</p> <p><b>Depth:</b></p> <p>Determined after considering the type / nature of the entrusted</p>	<p><b>Effectiveness:</b></p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Number of recommendations to EE as result of ex-ante or later assessment</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>Standard business processes and IT tools</li> <li>Secondment and selection of key staff of entrusted entities</li> <li>Review of audit reports (IAS, ECA).</li> </ul>	entity, its form and/or the value of the budget concerned.	<p>Establishment of risk fiches for the EE (Decentralised Agencies and Jus)</p> <p><b>Economy:</b></p> <p>Included in the overall supervision costs</p>

### C – Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>	<p><b>CINEA</b></p> <ul style="list-style-type: none"> <li>DG MOVE's Monitoring Strategy is integrated into the Memorandum of Understanding. The MoU specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including: <ul style="list-style-type: none"> <li>DG MOVE representation in Steering Committee;</li> <li>Liaison meetings at hierarchical level;</li> </ul> </li> </ul>	<p><b>Coverage:</b></p> <p>as determined by the MoU</p> <p><b>Frequency:</b></p> <p>as determined in the MoU</p>	<p><b>Effectiveness:</b></p> <p>Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE</p> <p>Regularity of meetings and reporting flows between CINEA and the parent DGs (CINEA only)</p> <p><b>Economy</b></p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>- Ad hoc meetings and regular contacts at working level;</li> <li>- Quarterly operational reports from the agency;</li> <li>- Regular updates on the achievements of the delegated programmes' objectives;</li> <li>- Budgetary control via commitment and payment appropriations process;</li> <li>- Formal opinion and consultation on key documents (annual work programme and the annual activity report)</li> <li>• Review of: <ul style="list-style-type: none"> <li>- Annual Activity Report of CINEA</li> <li>- Audit reports of the IAS and ECA</li> </ul> </li> </ul>		
As above	<p><b>SESAR 3 JU</b></p> <ul style="list-style-type: none"> <li>• DG MOVE is a member of and chairs the SESAR 3 JU Administrative Board; participates directly (in many cases with an effective veto right, particularly when acting in concert with Eurocontrol) in all the decisions affecting the budget, accounts, staff and progress of the JU</li> <li>• All documents related to above issues are evaluated by DG MOVE in cooperation with several other services to establish Commission's position in the Board (line-to-take)</li> </ul>	<p><b>Coverage:</b> As determined by the Statutes of the JU</p> <p><b>Frequency:</b> As determined by the Statutes of the JU</p>	<p><b>Effectiveness:</b> Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p> <p>Regularity of the Governing Boards meetings and of the reporting flows between the Agencies and Jus and the Commission</p> <p><b>Economy:</b></p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>• Audit issues are coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR 3 JU</li> <li>• Regular financial and technical reporting and operational meetings to discuss the progress of the technical programme</li> <li>• DG MOVE participates in the Programme Committee chaired by the JU's Executive Director</li> <li>• DG MOVE officials regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR 3 JU.</li> </ul> <p><b>EU-RAIL JU</b></p> <ul style="list-style-type: none"> <li>• Monitoring through participation in the Governing Board (in which the Commission holds 50% of voting rights)</li> <li>• Regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission)</li> <li>• Operational and financial reporting provisions set out in the Statutes of the EU-RAIL JU</li> </ul>		Overall supervision cost per (type of) entrusted entity (%)
As above	<p><b>Decentralised Agencies</b></p> <ul style="list-style-type: none"> <li>• The governance and supervision approach determined by the 'Common approach to the decentralised agencies. Measures in place include:</li> </ul>	<p><b>Coverage:</b> All agencies / as determined by founding act</p> <p><b>Frequency:</b></p>	<p><b>Effectiveness:</b> Number of critical / very important IAS and ECA recommendations issued to CINEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>- DG MOVE membership in the Management/Administrative Board;</li> <li>- Budgetary control via the commitment and payment appropriations;</li> <li>- Quarterly indicators on budgetary and administrative performance of the Agency;</li> <li>- Regular contacts at all levels (Director-General, Director, Head of Unit, staff);</li> <li>- Formal opinion and formal consultation on key documents of the Agencies (annual work programme, multi-annual staff policy plan);</li> <li>- External and internal audits as well as procedures against fraud;</li> <li>- DG MOVE involvement in audit and discharge procedures.</li> </ul>	<p>Annual Work Programme and Annual Activity Report</p> <p>Quarterly operational reports</p> <p>Regular contacts</p> <p>At least biannual Board meetings</p>	<p><b>Economy:</b></p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>
<p><b>For other indirect management channels:</b></p> <p>The Commission does not receive timely information on the implementation of the entrusted tasks.</p> <p>The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner.</p>	<ul style="list-style-type: none"> <li>• Provisions in the contribution agreements (and in any relevant FFA)</li> <li>• Assessment of progress reports, management declarations, and where applicable – audit statements related to the implementation of the action.</li> <li>• If necessary, technical assessment/project visit.</li> </ul>	<p><b>Coverage:</b></p> <p>In function of the action</p> <p><b>Frequency:</b></p> <p>In function of the action</p>	<p><b>Effectiveness:</b></p> <p>Number of critical / very important IAS and ECA recommendations issued to DG MOVE</p> <p>Regularity of reporting flows between EE and the parent DGs</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>			

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

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

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

## Stage 2 – Ex-post controls

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The Commission has not received sufficient information from independent sources on the entrusted entity’s management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</p>	<p><b>CINEA</b></p> <ul style="list-style-type: none"> <li>• Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by ECA</li> <li>• DG MOVE analysis of audit reports as an element of the supervision of these bodies</li> <li>• Interim evaluations by independent experts of achievement of policy objectives</li> </ul> <p><b>Joint Undertakings</b></p> <ul style="list-style-type: none"> <li>• Statutes specifying audit rights by the IAS / ECA</li> <li>• DG MOVE analysis of audit reports as an element of the supervision of these bodies</li> <li>• Every three years Commission evaluation of the functioning and the results of the JU</li> </ul> <p><b>Decentralised Agencies</b></p> <ul style="list-style-type: none"> <li>• Subject to audit by IAS and ECA</li> </ul>	<p><b>Coverage:</b></p> <p>Audits performed on sample as needed (e.g., random/representative, value targeted, risk based)</p> <p>evaluation covers all programmes entrusted</p> <p><b>Frequency:</b></p> <p>Audits – determined by audit bodies</p> <p>Evaluations – determined in legal base</p> <p>Annual ECA report on JUs</p> <p><b>Depth:</b></p> <p>Depends on the type of entity and the level of risks assessed</p>	<p><b>Effectiveness:</b></p> <p>Assurance being provided (via management /audit reporting)</p> <p>Residual error rate reported for programmes managed by entrusted entity</p> <p>Number of serious IAS and ECA findings of control failures.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>DG MOVE analysis of audit reports as an element of the supervision of these bodies</li> </ul>		

## RCS 7) Financial Instruments, Common Provisioning Fund and off-balance sheet items

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

- a. The legacy management of the CEF debt instrument initially entrusted under indirect management (2014-2020), to European Investment Bank (EIB) for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI), including PBI and LGTT as from 2016. Stage 1 was completed as of end December 2015 and is no longer applicable – it is listed here for completeness.
- b. Operations related to the CPF may concern either InvestEU or the creation of guarantees for CEF grants or Horizon Europe. InvestEU operations are centralised with DG ECFIN. DG MOVE may only manage a limited number of grants under CEF or Horizon Europe and, in 2025, there were no new guarantees.

### Stage 1 – Ex-ante controls

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

This stage is not applicable anymore as the instrument is being phased out.

#### B – Implementation of the FI

##### **Main internal control objectives:**

- Ensuring that the funds allocation remains aligned with the policy objectives (effectiveness).
- Ensuring that the remuneration paid to the IFI is adequate (cost-effectiveness).

- Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view) of outstanding operations.
- Preservation of the rights and interest of the institution.

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
Final Recipients / Projects selected may not be eligible	<ul style="list-style-type: none"> <li>• Not applicable anymore as no new contribution has been made and as the commitment stage has ended. The instrument only manages a guarantee portfolio covering outstanding EIB loans until maturity.</li> </ul>		
Undue or erroneous payments Undue or erroneous recoveries/re-payments	<ul style="list-style-type: none"> <li>• Ex-ante controls by Commission: not applicable anymore</li> <li>• Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance.</li> <li>• Due diligence: The EIB has to:               <ul style="list-style-type: none"> <li>– set up and operate an internal control system</li> <li>– apply effective and proportionate anti-fraud measures</li> <li>– carry out ex ante and ex post controls, including on-the-spot checks on representative and/or risk-based samples of transactions, in accordance with Annex 8 of DA</li> <li>– require the Final Recipients to repay any amount unduly paid</li> </ul> </li> </ul>	<b>Coverage/Frequency:</b> Verification of EIB transactions on sample checks (via audit statements)	<b>Effectiveness:</b> number of erroneous operations number of findings from external auditor <b>Efficiency:</b> Rate of recovery / % of corrections of errors
The remuneration or the reimbursement of any exceptional costs or additional tasks are unjustifiably high	<ul style="list-style-type: none"> <li>• Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap.</li> </ul>	<b>Coverage:</b> 100% of fees and eligible expenses are verified before payment against contractual	<b>Effectiveness:</b> existence of documented checks

	<ul style="list-style-type: none"> <li>• Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement.</li> <li>• Review of the statement of expenses together with evidence provided by the EIB.</li> </ul>	conditions and supporting documentation required under the DA	number of findings from external auditor
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## Stage 2 - Ex-post controls

### C – Monitoring and assurance building

#### Main internal control objectives:

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The actions supported do not reflect the policy objectives for the CEF DI.	<ul style="list-style-type: none"> <li>• Commission Services monitor the implementation of the FI on the basis of a documented approach.</li> <li>• The Commission has several monitoring instruments that include: <ul style="list-style-type: none"> <li>- the CEF FI Steering Committee</li> <li>- review of the pipeline of projects</li> <li>- operational reports</li> <li>- financial statements</li> <li>- risk and performance reports</li> </ul> </li> </ul>	<p><b>Coverage/Frequency:</b></p> <p>as per documented control approach:</p> <p>Steering Committee: at least 2x/year.</p> <p>Operational reports: 2x/year</p> <p>Financial statements: monthly.</p> <p>Risk and performance reports: quarterly.</p>	<p><b>Effectiveness:</b></p> <p>On the basis of success ratios and KPIs defined for CEF policy objectives:</p> <ul style="list-style-type: none"> <li>- leverage</li> <li>- co-risk taking</li> <li>- number of FRs supported by the Financial Instrument</li> <li>- disbursement rate</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<ul style="list-style-type: none"> <li>- summary of audits and controls carried out during the reporting year</li> <li>• Interim and ex-post evaluations are carried by EIB and Commission services.</li> </ul>		<p><b>Economy:</b></p> <p>Total cost of monitoring and supervision by DG staff over value delegated</p> <p>Management fees over value of budget delegated to EIB</p>
<p>Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not achieving the policy objectives and are in non-compliance with applicable regulations.</p>	<ul style="list-style-type: none"> <li>• EIB maintains internal control system and applies anti-fraud measures.</li> <li>• EIB annual report is audited by independent auditor, which covers the internal control system.</li> <li>• The Commission carries out controls and monitoring by means of: <ul style="list-style-type: none"> <li>- participation in the Steering Committee;</li> <li>- the financial statements provided by the Bank;</li> <li>- representative and/or risk-based on-the-spot checks on the final recipients.</li> </ul> </li> </ul>	<p><b>Coverage:</b></p> <p>100% of the portfolio.</p> <p><b>Depth:</b></p> <p>depends on risk criteria such as past experience with the IFI, complexity or lack of experience on the area of financed actions or the management modalities.</p>	<p><b>Effectiveness:</b></p> <p>Existence of EIB policies to prevent and deter fraud</p> <p>absence of qualification on the grounds in the auditor's opinion</p> <p>Assurance being provided</p> <p>Number of cases submitted to OLAF</p> <p>If any, analysis of 'issues' reported in management declarations: Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings</p>

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

## For All RCS:

### Overall economy indicators

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

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

## Effectiveness and efficiency of controls

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

### 1. Direct management

In 2025, DG MOVE mainly implemented its direct expenditure through procurements (use of prerogative lines), administrative agreements with the JRC as well as a limited volume of directly managed grants, budgetary support actions and membership fees towards international institutions.

### Effectiveness

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

#### ***Research Framework Programmes (Horizon 2020 and Horizon Europe) (RSC 1)***

During 2025 there were no payments related to Horizon 2020/Horizon Europe grants and no cleared pre-financing from previous years. Since 2018 the management of mobility and transport research actions was delegated to CINEA. As a result, this AAR focuses on the final stages of the project management if and when relevant, which include the ex-post audits, error rate as well as the recoveries.

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

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

For Horizon 2020, the Common Audit Service (CAS) of the Common Implementation Centre (CIC) carries out all the financial audits <sup>(25)</sup>, including those concerning grants managed by the Executive Agencies and the Joint Undertakings. This is a major step towards ensuring efficiency

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<sup>(25)</sup> Except audits for article 185 bodies.

gains, a harmonised approach, legal certainty, equality of treatment of beneficiaries and the least audit burden on beneficiaries.

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

The main indicators on legality and regularity of EU Framework Programmes for R&I are the cumulative representative detected error rate and the cumulative residual error rate <sup>(26)</sup>.

### Control results of H2020 ex-post audits

The error rates based on the audit work for Horizon 2020 on 31 December 2025 are:

- **Cumulative representative detected error rate** for the Framework Programme: 3.83% <sup>(27)</sup>
- **Cumulative residual error rate** for the Framework Programme: 1.78%.

In 2025 the DG MOVE specific cumulative residual error rate for Horizon 2020 was calculated at **1.90%**, which is below the materiality threshold.

By the end of 2025, the Common Audit Service (CAS) in DG Research and Innovation audited 5 644 Horizon 2020 <sup>(28)</sup> and 140 Horizon Europe <sup>(29)</sup> participations of the **Research and Innovation Family**, covering, respectively, 64.55% and 8.90% of total expenditure to date. Audit targets for 2025 were fully met.

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

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

Since R&I Framework Programmes are multi-annual, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the implementation of

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<sup>(26)</sup> DG MOVE's assurance building, indicators and materiality criteria are outlined in annual activity report Annex 5.

<sup>(27)</sup> Based on the 930 representative results out of the 948 expected in the six Common Representative Samples.

<sup>(28)</sup> The Horizon 2020 audit campaign started in 2016. At this stage, six Common Representative Samples with a total of 948 expected results have been selected. By the end of 2025, cost claims amounting to EUR 61.3 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected.

<sup>(29)</sup> The Horizon Europe audit campaign started in 2024. At this stage, one Common Representative Sample with a total of 207 expected results have been selected. By the end of 2025, cost claims amounting to EUR 9.1 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Risk-based Samples have also been selected.

the audit results over time has proven to be effective in ‘cleaning’ the budget of any ineligible amounts declared by and paid to beneficiaries. This ‘cleaning effect’ becomes even more relevant given the extension of audit findings to non-audited grants of the same beneficiary.

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

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

### Horizon Europe

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

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

- **Cumulative representative detected error rate** for the Framework Programme: **4.38%** <sup>(30)</sup>
- **Cumulative residual error rate** for the Framework Programme: **4.05%** (4.03% for DG Research and Innovation). No specific residual error rate is at this stage available for DG MOVE specific grants.

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

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

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

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

Although there is an action plan to address some causes of errors <sup>(31)</sup>, DG RTD issued a reservation on its the Annual Activity Report as the cumulative residual error rate is, at the end of 2025, above the 2% materiality threshold.

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

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

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

#### **Implementation of audit results**

For Horizon 2020 grants in total, over the period 2014-2025, the results of the audits relate to 16 participations with funding adjustments of EUR 0.27 million. They were all implemented and cashed.

#### **Implementation of extrapolated audit results**

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

By the end of 2025, nine such participations for Horizon 2020 were found, and the beneficiaries were asked to rectify the errors in DG MOVE projects and submit revised cost statements. All participations were concerned by systematic errors and all of them were implemented (of which four in favour of the EC).

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

#### **Liquidated damages**

Liquidated damages are due where a beneficiary has overstated expenses and has in consequence received unjustified EU contribution. Liquidated damages will only be applied where the unjustified contribution exceeds 2% of the total contribution claimed and accepted for the given period(s) ('de minimis' rule corresponding to the materiality level of the Court of Auditors). By the end of 2025 DG MOVE identified no liquidated damages under Horizon 2020.

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<sup>(31)</sup> See annex 7

## ***Transport Grants and Support Actions, Tourism grants (RCS 2)***

DG MOVE manages a limited number of other directly managed grants, like CEF Transport grants in the form of programme support actions or technical assistance, principally supporting infrastructure policies (Programme support actions for Railways Infrastructure managers and national ministries in cohesion member states) and capacity in key partners (EUROCAE, ICAO, SESAR Deployment Manager, transport community, etc.) for the implementation of transport policies. Payments made in this respect amounted to EUR 12.05 million.

DG MOVE managed a limited number of directly managed tourism grants (Single Market Program). Payment made in this respect amounted to EUR 1.3 million.

Operational and financial controls for these actions are carried out in accordance with the financial circuits and may include the requirement to provide audit certificates. DG MOVE assesses periodically, through its ex-post control planning or through specific screening exercises, the need for reinforced monitoring or for an increased ex-post audit coverage. In 2025, DG MOVE finalised 10 audits on CEF transport actions, resulting in corrections of EUR 0.15 million. The cumulative detected error rate is estimated for the period 2021-2025 at 2,1%. Two audits were ongoing at year end. However, these audits only cover 72% of the transport grants. The other grants are considered to be lower risk. The detected error rate for the segment is therefore estimated to be in a range of 1.5 to 2%.

As the Tourism activity was transferred to DG MOVE in 2025, these operations will come into consideration for ex post control plans from 2026 onwards. The detected error rate was estimated at a conservative 1 to 2%.

## ***Procurements, studies and other operational expenditure (RCS 3)***

This segment represents an array of diverse initiatives, including directly managed procurements servicing the activities (studies, specific contracts, etc.) and administrative expenses for a total of EUR 44.8 million, administrative agreements with the JRC (EUR 4 million). These activities are considered as low-risk, due to the nature of the transactions (procurements and administrative expenses) or of the beneficiaries (other EU Institutions).

The segment includes the support to the SES initiative (EUR 6.36 million), that establishes a regulatory framework on Air Traffic Management (ATM) safety, on ATM services, on airspace management and on interoperability. The 2009 revision created support bodies to the SES: the Network Manager <sup>(32)</sup> (NM) that performs the design of the European Route Network and the coordination of air traffic resources and the Performance Review Body (PRB) <sup>(33)</sup>, an expert group that assists the Commission in the implementation of the SES performance and charging schemes. Eurocontrol was appointed as the Network Manager for the SES until the end of 2029 <sup>(34)</sup>. Its overarching mission is to contribute to the delivery of the ATM's performance in the pan-European network in the areas of safety, capacity, environment/flight efficiency and cost-effectiveness.

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<sup>(32)</sup> Commission Regulation (EU) No 677/2011.

<sup>(33)</sup> Commission Implementing Regulation (EU) No 390/2013.

<sup>(34)</sup> Commission Implementing Decision (EU) 2019/709.

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

### Cross sub-delegations

DG MOVE gave a cross sub-delegation of EUR 11580 to DG HR for the payment of PRB interim staff, to fill the gap until the contract agents were recruited. MOVE.E does not plan to recruit interim staff in 2026. The table below shows the budget delegated by DG MOVE to other DGs and the budget received from other DGs. Each DG implementing the funds should report on their respective annual activity reports.

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

Accountable DG	FMC	Delegation Type	Commitment Appropriation	Committed Amount	Payment Appropriation	Paid Amount
MOVE	MOVE<CLIMA	From CLIMA to MOVE - Commitments and payments	1.722.922	1.722.922	1.722.922	1.722.922
MOVE	MOVE<ENER	From ENER to MOVE - Commitments and payments	11.898.617	11.898.617	11.898.617	11.898.617
MOVE	MOVE<ENV	From ENV to MOVE - Commitments and payments	7.585.000	7.585.000	7.550.000	7.550.000
MOVE	MOVE<ESTAT	From ESTAT to MOVE - Commitments and payments	35.000	35.000	0	0
MOVE	MOVE<MARE	From MARE to MOVE - Commitments and payments	4.470.121	4.470.121	4.470.121	4.470.121
MOVE	MOVE<RTD	From RTD to MOVE - Commitments and payments	1.230.000	1.230.000	563.600	563.600
MOVE	MOVE>HR	From MOVE to HR - Payments only	445.580	445.580	699.661	350.569
MOVE	MOVE>PMO	From MOVE to PMO - Payments only	5.583.174	5.582.674	6.831.159	4.911.382
	<b>TOTAL</b>		<b>32.970.414</b>	<b>32.969.914</b>	<b>33.736.080</b>	<b>31.467.212</b>

## Efficiency

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

### Timely payments

As far as the **'timely payments' indicator** is concerned (i.e., payment accepted amount in time/payment accepted amount in EUR), and despite the extraordinary circumstances and increased pressure on its activities, DG MOVE managed to achieve 97%, which is higher than the Commission average of 95%.

### Time-to-inform and time-to-grant

In 2025, DG MOVE concluded two specific grant agreements under a Framework Partnership Agreement for which these indicators are not relevant. Another two grant agreements are under finalisation at year end.

### Performance of ex-post audits

DG MOVE maintains a very limited ex-post audit function of 2.8 FTEs, shared with DG ENER and only a limited number of risk-based audits can be performed. The implementation rate of the 2025 audit plan reached 94%.

## 2. Indirect management and direct management by other services

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

- The CINEA Executive Agency;
- Joint Undertakings (SESAR 3 JU and EU-Rail JU);
- Decentralised Agencies (EASA, EMSA, ERA).

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

### ***CINEA Executive Agency (RCS 6)***

DG MOVE is the leading DG working with six other parent DGs (ENER, R&I, CLIMA, ENV, MARE and REGIO) in charge of CINEA.

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

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

As to DG MOVE, the Agency mandate covers the transport part of the CEF programme and the transport part under the Horizon Europe programme (including the Horizon 2020 legacy). The Agency implements, in the framework of CEF, the SESAR related trans-European air traffic management (ATM) network projects. DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and gives key feedback to DG MOVE. The implementation by CINEA of delegated budgets on Research, CEF Transport, CEF Cohesion and CEF Defence, was 100% both in commitments and payments.

DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and

gives key feedback to DG MOVE. DG MOVE is responsible for implementing the supervision and monitoring arrangements towards CINEA regarding DG MOVE delegated programmes.

In 2025, DG MOVE contributed EUR 75.7 million to the Agency's running costs in payments. CINEA has duly justified the use of the subsidy, and any unused appropriations will be recovered by the parent DGs.

### Supervision arrangements

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

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

DG MOVE's Director-General held monthly meetings with CINEA's Director on the Agency's governance and programme management. These meetings ensure a timely exchange of information on the assurance and supervision matters and reinforce the coordination on common issues. In addition, the CINEA Budget and Finance Network, including representatives both from parent DGs and DG BUDGET discussed finance and budget matters with CINEA during meetings in 2025. Finally, in 2025 regular meetings took place between the other Parent DGs and CINEA on the implementation of the respective programmes.

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

### Additional sources of assurance

CINEA reports on the implementation of budget in its own AAR. According to the draft 2025 report, most of the KPIs have met their target. CINEA's Management considers that suitable controls are in place and working as intended. In addition, the residual error rate for CEF Transport is 0.92%, while for Horizon 2020, the residual error rate is calculated at 2.41%. However, as regards Horizon Europe, the Residual Error Rate is above the materiality threshold at 4.11%. As regards the implementation of the operating budget, the residual error rate is estimated at 0.5%, significantly below the target of 2%.

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

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

### Conclusion

The regular supervision of CINEA did not identify any particular events, issues or problems that could have a material impact on assurance or that would need to be included in this report. Overall, DG MOVE considers that its supervision of CINEA is effective and appropriate. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

### ***Joint Undertakings (JU) <sup>(35)</sup>: Single European Sky ATM Research 3 (SESAR 3) JU and Europe's Rail (EU-Rail) JU (RCS 4)***

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

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

Following adoption on 19 November 2021 of the Single Basic Act (SBA) <sup>(36)</sup> establishing the new generation JUs under Horizon Europe, SESAR 3 JU and EU-Rail JU became the legal successors of SESAR JU and Shift2Rail JU (S2R JU). The new JUs are set up as Union bodies for the period ending on 31 December 2031 and financed under the new Multiannual Financial Framework until 2027.

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

DG MOVE plays a key role in the monitoring of the JUs and relies on the JUs to achieve their policy objectives. DG MOVE is a member of the Governing Boards of the 2 JUs.

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

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<sup>(35)</sup> Ex-Article 185 initiatives – Article 71 of the Financial Regulation.

<sup>(36)</sup> Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014.

In March 2025, DG MOVE updated its supervision strategy on the DG's relations with decentralised agencies and JUs. It encompasses governance, core businesses, management and financial issues to ensure that the necessary processes are in place. It clarifies roles and responsibilities, internal coordination and aligns JUs with key EU political priorities<sup>(37)</sup>

The supervision strategy was updated in 2025 to streamline processes and align with the risk assessment methodology of DG MOVE. It is implemented through a regular follow-up of the JUs' businesses, management and financial issues. A risk profile is established for each entity. These elements have been regularly updated in 2025 and are closely followed by DG MOVE's Senior Management with regard to the higher-level risks.

## SESAR 3 JU

In 2022, the Single Programming Document of the SESAR 3 JU for the 2022-2024 period was adopted by the Administrative Board. It provides multi-annual (2022 to 2024) and annual (2024) programming components and forms the multi-annual and annual work programmes of the SESAR 3 JU.

In 2025, DG MOVE provided EUR 99.8 million in terms of commitment appropriations and EUR 102.7 million in terms of payment appropriations under the Horizon Europe Programme.

SESAR 3 JU recorded a commitment appropriations execution rate of 99.07% for 2025, compared to 43.71% in 2024. The payment appropriations execution rate for 2025 was 37.79%, higher compared to 34.75% in 2024. This reduction reflects the deliberate accumulation, in accordance with the flexibility given to the JUs to implement appropriations within n+3 timeframe, of reserving funds to support the two-stage commitment of the Industrial Research 2 call launched on 15 January 2025 with the aim of signing the grant agreements in late 2025.

## Supervision

The SESAR JU Founding Regulation<sup>(38)</sup> and General Agreement define the governance and supervision requirements.

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

The statutory information received in 2025 from SESAR 3 JU included its AAR, the annual work programme and budget as well as the single programming document (including the multi-annual work programme, the budget, staff allocation and annual work programme).

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

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<sup>(37)</sup> See section on decentralized agencies supervision infrastructure.

<sup>(38)</sup> Reg. (EC)219/2007.

The SESAR 3 JU is audited (like other EU bodies) by the IAS and by ECA. Audit issues are further coordinated through regular meetings with the Internal Audit Capability (IAC). By the end of 2025, there were no open critical or very important recommendations stemming from audits performed by ECA, the IAS, evaluations or IAC.

SESAR 3 JU is subject to an annual ECA audit to ensure the adequacy of its control arrangements. ECA found that the 2024 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

### Conclusion

The residual error rate for Horizon Europe expenditure entrusted to the JU significantly exceeded the materiality threshold, at 3.5%, resulting in an estimated amount at risk at closure of EUR 1.15 million.

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did otherwise not identify any events, issues or problems which could have a material impact on assurance. Assurance is drawn from an analysis of the statutory information as well as from ECA's annual report and from the relevant IAS reports.

### EU-Rail JU

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

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

In 2025, DG MOVE provided EUR 99.97 million in terms of commitment appropriations and paid EUR 41.42 million under Horizon Europe programme.

### Supervision

As an EU body under Article 71 of the Financial Regulation <sup>(39)</sup>, EU-Rail JU functions under strict monitoring rules. The main JU's bodies are the Governing Board (in charge of strategic decision-making) and the Executive Director (responsible for day-to-day management). Monitoring is performed through the supervision of the Governing Board (in which the Commission holds 50% of voting rights, corresponding to a blocking vote).

The Commission chairs the EU-Rail JU Governing Board. The supervision of the EU-Rail JU is ensured through a regular involvement of the Commission in the usual planning and reporting of the JU (budget request, calls' definition, financial planning, Annual Work Plans). Any decision

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<sup>(39)</sup> Official Journal of the European Union, L 193, 30 July 2018.

taken by the Governing Board (incl. on budget, staff, etc.) is subject to the consultation of an inter-service group within the Commission.

DG MOVE maintains a regular coordination with the JU and its Executive Director. Quarterly coordination meetings between DG MOVE, the European Railway Agency (ERA) and EU-Rail JU continued in 2025. Updates on administrative issues (incl. staff and budget) and the progress on the pipeline of projects are regularly presented to the Governing Board. All EU-Rail JU reports and decisions are scrutinised. The performance of the JU is monitored through a set of key performance indicators.

Statutory information received from the implementing body included its AAR, the annual work programme and budget for 2025, in addition to the multi-annual work programme.

The EU-Rail JU is audited (like other EU bodies) by the IAS and by ECA to ensure the adequacy of its control arrangements. ECA found the 2024 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

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

### Conclusion

The residual error rate for Horizon Europe expenditure entrusted to the JU significantly exceeded the materiality threshold, at 4.38%, resulting in an estimated amount at risk at closure of EUR 1.63 million.

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did otherwise not identify any events, issues or problems which could have a material impact on assurance. Assurance is drawn from an analysis of the statutory information as well as from ECA's annual report and from the relevant IAS reports.

### ***Decentralised Agencies: EASA, EMSA, ERA (RCS 5)***

DG MOVE is a parent DG for three decentralised agencies:

- The **European Aviation Safety Agency (EASA)** is based in Cologne (DG MOVE paid in 2025 a subsidy of EUR 45.56 million). The main objective of EASA is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper functioning and development of civil aviation safety. This is achieved through opinions and recommendations to the Commission, certification specifications and guidance material, decisions regarding airworthiness and certifications of aviation products and the oversight of approved organisations and EU Member States.
- The **European Maritime Safety Agency (EMSA)** is based in Lisbon (DG MOVE paid in 2025 a subsidy of EUR 102.23 million). EMSA provides technical assistance and support to the European Commission and Member States to ensure maritime safety, maritime security, efficiency of maritime traffic and transport, prevention and response to pollution from ships, response to marine pollution from oil and gas installations. It has also been given operational tasks in the field of oil pollution response, vessel monitoring and in long-range identification and tracking of vessels. In addition, EMSA cooperates with Frontex and the

European Fisheries Control Agency (EFCA) on coast guard functions. EMSA is a key actor when it comes to the implementation of the Fit-for-55 package.

- The **European Agency for Railways (ERA)**, based in Valenciennes (DG MOVE paid in 2025 a subsidy of EUR 30.56 million), provides technical assistance to the Commission and Member States in the area of railway safety and interoperability. It involves the development and implementation of Technical Specifications for Interoperability and a common approach to questions concerning railway safety. The Regulation (EU) 2016/796 of the European parliament and of the Council (into force since June 2016), provides ERA with new authorisation and certification tasks. Since June 2019, ERA acts as an EU body for rail vehicle authorisation and single safety certification.

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

In addition to the operating subsidies DG MOVE entrusted an amount of EUR 347.000 with ERA and none with EASA. These agreements support actions such as specific transport related projects, technical capacity building in the decentralised agencies or preparatory actions.

### Supervision

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

In 2017, DG MOVE adopted the supervision strategy on the DG's relations with decentralised agencies and JUs. The strategy describes the processes that are necessary within the DG to ensure that the entrusted entities perform better in terms of achieving their strategic objectives and that the delegated EU budget is implemented according to the principles of sound financial management and in compliance with EU rules (mainly the Founding Acts, the Financial Framework and Model Regulations and the Staff Regulations). The strategy therefore covers programming, monitoring, supervision tools as well as assurance building/reporting.

This strategy was updated in 2025 to streamline processes and align with the risk assessment methodology of DG MOVE. This mechanism covers the relation between DG MOVE and its partner agencies and joint undertakings. The agency fiche, along with the supervision risks are updated annually at the first DG MOVE Control Board of the year, in order to take into account the latest developments relevant for supervision and provide the latest factual data.

DG MOVE is involved in coordination meetings, providing opinions on annual/multiannual work programmes, draft budget, staff policy plan and reporting. It is involved in the audit and discharge procedures of the three agencies. DG MOVE is informed by other DGs of extra budget (contributions agreements, SLAs, grants, etc.) provided to the agencies.

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

DG MOVE is represented in the meetings of these committees, which take place prior to the Administrative/Management Board meetings.

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

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

DG MOVE closely monitors the risks identified in the framework of its supervision of ERA, EASA, and EMSA. In 2025, key risks related to budgetary matters, resources and cyber security were identified. Appropriate actions were drawn to mitigate these risks.

### Audits by the IAS

By the end of 2025, EASA had 10 critical and very important recommendations still open: 6 from the IAS and 4 from the Internal Audit Capability (IAC). The implementation is ongoing according to plan and is expected to be finished between end of 2025 and end 2027.

At the end of 2025, EMSA has no critical or very important open recommendations open for which action might be needed, as all pending recommendations have been closed. As for ERA, there remain three very important recommendations from the IAS audit report on data management and IT security and the time for implementation is in line with the revised action plan.

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

In the Declaration of Assurance 2023, ECA found the annual accounts of EASA, EMSA, and ERA legal and regular in all material aspects and that they present fairly in all material respects the financial position of the Agencies.

ECA did not address new observations to EASA. Concerning past observations, there is one related to the financial surplus that the Agency has accumulated over the years, for which the Court argues there is no provision in EASA's founding regulation. The status is ongoing.

As regards EMSA, the recommendation made by the ECA on accepting multiple tenders from the same tenderer was finally closed.

ECA addressed to ERA observations linked to non-compliance with invoicing deadlines for chargeable service, and weaknesses in the collection and reconciliation of conference participation fees. The agency is also actively working on several outstanding recommendations from previous years.

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

## Audits by EASA IAC

There are no critical or very important recommendations from the IAC with an implementation delayed beyond six months. At the end of 2025 there are four recommendations ongoing according to plan.

## Conclusion

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

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

## Non-expenditure items

### CEF Debt instruments

The CEF debt instrument (CEF DI) is a legacy financial instrument that was established in 2015 to facilitate greater private sector involvement in the long-term financing of transport, energy and telecommunication projects. Its management was then entrusted to the EIB under indirect management. All new projects are underwritten by EU Invest.

The investment period is now closed, and the instrument will not receive any new contribution. However, the existing project portfolio, the bond instrument and the guarantees remain in place.

### Governance and supervision arrangements

The bi-annual Steering Committee between the Commission and the EIB ended in 2020 with the end of the commitment period. Regular contacts take place with the EIB on the pipeline of projects (including through to the formal pipeline report submitted twice a year) on the objectives in terms of policy prioritisation and advancement of specific projects.

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

### Managing risk exposure

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

## Financial Data

The Asset portfolio generated a positive economic result. DG MOVE's share in this economic result, as reported by the unaudited financial statements, amounted to EUR 17.72 million (2024: 32.05 million). This result is due to a catch up of the fair value of the treasury portfolio, in line with the market values and the duration of the underlying, while accounting for the negative impact of derivatives. Guarantee calls at year end amounted to EUR 9.12 million (see below).

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

DG MOVE share of results in portfolio	2025	2024	2023
Remuneration received for guarantee given	2 689	3 411	3 211
Fair value change of financial asset	-1 587		
Other operational and financial revenue		6 465	5 325
Fees paid to EIB	-360	-341	-335
Net fair value adjustment of the portfolio	16 977	22 514	28 692
Realised losses		0	0
Economic result	17 719	32 049	36 893

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

DG MOVE's share in the net assets of the funds at year-end was EUR 631.79 million (EUR 618.5 million in 2024).

The underlying debt portfolio is, by nature, exposed to creditor risk by a risk sharing mechanism with the EIB where the EU takes 95% to 100% of the first loss piece (FLP) of the portfolio of such operations (100% only in the case of non-securitised financing). The overall expected loss of the underlying operations remains under control.

The EIB deploys specific fraud prevention and detection processes and reports directly to OLAF. In 2025, the EIB's Inspectorate General reported no fraud case related to CEF operations.

## Assurance received

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

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

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

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

**Guarantees**

The management of these financial instruments was, as discussed above, delegated to the EIB. The off-balance sheet postings include contingent liabilities that correspond to the guarantees given under the ‘first loss piece mechanism’ for the CEF financial instruments. The CEF facility receives an operational revenue to remunerate the underlying risks. As of 31 December 2025, these guarantees remained stable and amounted to EUR 598.15 million. On 30 January 2026, the EIB called amount of 9.12 M from the CEF FLP as part of a value adjustment. Value Adjustments are period-to-period decrease, expressed in EUR, to the aggregate book value of the NSF Type Operations. The decrease in the NSF Type Operations is reassessed on a semi-annual basis and may result in either (i) new Value Adjustments being called or (ii) the partial or full reversal of previously Value Adjustment called. The potential loss related to these value adjustments will only be measurable on exit, at which point the adjustments will be either reversed (refunded) or crystallised in an actual loss.

**Economy**

Overall, the total cost of the controls performed by DG MOVE in 2025 remained stable at EUR 11.9 million or 2.58% of the relevant expenditure for 2025.

**Direct management**

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

**Cost of control – Direct management**

Estimates based on the cost of FTEs, per relevant control system	Directly Managed grants – Research and Innovation	Directly managed grants - CEF Transport /Programme Support Actions/ Tourism	Directly Managed operational expenditure (procurements, administrative agreements)
<b>Cost of controls</b>	EUR 1.51 million	EUR 1.61 million	EUR 3.86 million
<b>Total cost/funds ratio</b>	Not representative	12.1%	8.6%

The indicator related to the research grants is not representative due to lack of new payments. The cost of control covered more than the minimal amount of expenditure directly managed by DG MOVE in that field. These controls also contributed to the coverage of the Horizon 2020 and

Horizon Europe transport projects managed in particular by CINEA as well as the more general programme management aspect.

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

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

### Indirect management

The cost of control associated with the reported upon indirectly managed expenditure includes the costs exposed to manage the programmes and the financial flows as well as to supervise the different entities.

#### Indirect management - Cost effectiveness ratio

Estimates based on the cost of FTEs, per relevant control system	Indirect Management JUs (S3R and EU-Rail)	ERA, EMSA and EASA
Cost of Control	EUR 0.83 million	EUR 1.20 million
Total cost/funds ratio	0.5%	0.6%

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

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

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

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

Entity	Cost of control in EUR million	Comment
SESAR 3 JU	EUR 0.79 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls was EUR 0.79 million (EUR 1.48 million in 2024) of which EUR 0.72 million for ex-ante controls.

<b>EU-Rail JU</b>	EUR 0.82 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls performed remained stable at EUR 0.82 million (0.75 in 2023), of which 0.76 million for ex-ante controls.
<b>EIB</b>	EUR 0.36 million	Aggregated amount of the fees paid for the management of the Transport segment of the CEF debt instruments.

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

### Cost of ex-post audits

In 2025, DG MOVE devoted 1.9 FTE (equivalent to a cost of EUR 0.33 million) to the performance and follow-up of ex-post audits. The main focus was the audit of the CEF Transport grants.

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

### Cost of organisational controls

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

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

	<b>FTE</b>	<b>Cost equivalent</b>
<b>Legacy Financial Instrument</b>	0.85	EUR 0.15 million
<b>Budget and Accounting</b>	3.5	EUR 0.61 million
<b>Coordination</b>	6	EUR 1.05 million
<b>Fraud prevention</b>	0.3	EUR 0.52 million
<b>ICT and Information Security</b>	2	EUR 0.35 million

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

# Fraud risk management

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission anti-fraud strategy <sup>(40)</sup> aimed at the prevention, detection and correction <sup>(41)</sup> of fraud

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

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

Baseline (2024)	Target (2029)	Latest known results (situation on 31/12/2025)
100%	100% of due actions implemented each year	90% of actions implemented, 10% delayed and postponed to 2026

## Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Awareness raising campaign	% of staff reached through workshops, conferences or other direct methods	>80%	100%
Reporting to management	Number of reports on the implementation of the Anti-Fraud Strategy	At least two times per year	Performed 3 times through the Control Board Meetings (March, June and November).
Implementation of Anti-Fraud Action Plan (2023-2025)	<ul style="list-style-type: none"> <li>a. Timely delivery upon OLAF and EPPO requests</li> <li>b. Performance of a fraud risk assessment</li> <li>c. Organisation of a dedicated Anti-fraud training</li> <li>d. Screening of double-funding risk</li> </ul>	<ul style="list-style-type: none"> <li>a. Within 10 working days</li> <li>b. By 31/12/2025</li> <li>c. By 31/12/2025</li> <li>d. By 31/12/2025</li> </ul>	<ul style="list-style-type: none"> <li>a. 100% reactions within 10 working days</li> <li>b. Fraud risk assessment was performed in December 2025, as basis for the new anti-fraud strategy and action plan 2026-2028.</li> <li>c. Training postponed to May 2026</li> <li>d. Closed in March 2026</li> </ul>

The current DG MOVE anti-fraud strategy covers the definition of fraud, potential fraud risks in DG MOVE’s activities and its environment; main objectives and measures for the period of

<sup>(40)</sup> Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – ‘the CAFS Communication’; Communication from the Commission "Commission Anti-Fraud Strategy Action plan – revision 2023" COM(2023) 405 of 11 July 2023 – “the Communication on the 2023 revision” – and the accompanying revised action plan, SWD(2023) 245– “the revised Action Plan”.

<sup>(41)</sup> Correction of fraud is an umbrella term, which refers in particular to the recovery of amounts unduly spent and to administrative sanctions.

2021-2027; roles and responsibilities for antifraud actions; and finally, provisions for implementation, monitoring and updates. The updated action plan was approved by the November 2023 Control Board Meeting and covers the years 2023-2025.

Continuous actions are strengthening the fraud prevention capability, the cooperation with the OLAF, staff awareness (newsletters, training, newcomers' event) or the participation in the different networks. Specific actions aim at building cooperation mechanisms or improving the scrutiny of potentially riskier activities.

The implementation of the anti-fraud strategy is regularly monitored and reported to senior management. Awareness raising actions focussed on the link between Fraud prevention and internal control and legislative initiatives and on cybersecurity. One specific risk screening is currently being performed.

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

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

- the reports by Authorising Officers by Sub-Delegation (AOSDs);
- the reports from Authorising Officers in other Directorates-General managing budget appropriations in cross-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).

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

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

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

1. No cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3)
2. No cases of "confirmation of instructions" (FR art 92.3)
3. No cases of financing not linked to costs (FR art 125.3)
4. One new case of Financial Framework Partnerships >4 years (FR art 131.4) that entered into force during the reporting year in 2024
5. No cases of flat-rates >7% for funding indirect costs (FR art 184.6).
6. No cases of derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation.
7. No cases of financial support to third parties >EUR 60 000 (FR art 207)
8. No cases of non-financial donations provided in the form of services, supplies or works (FR art 244.3)

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

Overview of department 's estimated cost of controls at Commission (EC) level <sup>(42)</sup>:

MOVE	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Segment of expenditure (as in Table X) / Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
RCS 1 - Research Grants	1.476.667,00 €	- €	0,00%	34.745,11 €	not quantified	0,00%	1.511.412,11 €	0,00%
RCS 2 - Transport and Tourism grants	1.441.921,92 €	13.348.735,38 €	10,80%	173.725,00 €	5.976.860,00 €	2,91%	1.615.646,92 €	12,10%
RCS 3 - Procurement and other expenditure	3.865.393,00 €	44.837.159,12 €	8,62%	- €	- €	0,00%	3.865.393,00 €	8,62%
RCS 4 - Horizon Europe - Joint Undertakings	833.882,55 €	143.257.230,68 €	0,58%	- €	- €	0,00%	833.882,55 €	0,58%
RCS 5 - Subsidies to decentralised bodies	1.198.706,00 €	183.905.991,07 €	0,65%	- €	- €	0,00%	1.198.706,00 €	0,65%
RCS 6 - Executive Agencies CINEA & EISMEA	660.157,00 €	75.706.017,00 €	0,87%	- €	- €	0,00%	660.157,00 €	0,87%
RCS 7 Financial Instruments and Provisioning Fund	147.667,00 €	- €	0,00%	- €	- €	0,00%	147.667,00 €	0,00%
Organisational controls (budget and accounting, coordination, antifraud and ICT)	2.049.961,00 €	- €	0,00%	- €	- €	0,00%	2.049.961,00 €	0,00%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>11.674.355,47 €</b>	<b>461.055.133,25 €</b>	<b>2,53%</b>	<b>208.470,11 €</b>	<b>5.976.860,00 €</b>	<b>3,49%</b>	<b>11.882.825,58 €</b>	<b>2,58%</b>

<sup>(42)</sup> Details of the estimated cost of controls related to shared/pooled control activities carried out by REA and hosted by DG RTD (Common Implementation Centre including Common Audit Service) for the Research and Innovation family are reported in the Annual activity reports of REA and RTD. Details about the estimated cost of the control activities provided by REA, are also reported in the Annual activity report of REA.

In 2025, administrative expenses related to salaries and/or missions are reported by the service responsible for the commitment, although the payments were executed by another service, notably the PMO and/or DG HR <sup>(43)</sup> <sup>(44)</sup>, which, until 2024, also reported the corresponding expenditure. This new reporting arrangement was introduced in the context of data rationalisation linked to the implementation of the Commission's new IT accounting system. In 2025, these expenses represented 1.36% % of DG MOVE's total payments.

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<sup>(43)</sup> Type III co-delegation.

<sup>(44)</sup> Details of the estimated cost of the control activities related to payments for salaries and/or missions executed by DG HR/PMO are reported in their respective annual activity report(s).

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

## Audit observations and recommendations

Overall, internal and external audit work contributes significantly to the continuous improvement of DG MOVE systems and operations. Transport policy matters continue to be carefully 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.

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.

### 1. Internal Audit Service (IAS)

The IAS did not issue any recommendation directly addressed to DG MOVE in 2025 and there were no open recommendations from previous audit reports.

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

#### Audit work 2025 – Declaration of assurance (DAS)

In 2025, DG MOVE was subject to the recurring ECA financial audit on the Declaration of Assurance (DAS) including the audit on the annual accounts of DG MOVE. However no important or critical shortcomings were identified for the transport related expenditure. Furthermore, there were no open recommendations from the previous DAS exercises for DG MOVE.

With regard to the 2023 Discharge, the process started with the publication of the Commission's Integrated Financial and Accountability Package published over the summer.. In October, ECA published and presented in CONT its 2023 Annual Report focusing on traditional compliance aspects, including the annual statement of assurance and also covering the performance of the EU budget. As regards the 2023 DAS exercise: DG MOVE was mainly involved in Chapter 5 of ECA's Annual Report – "Competitiveness for Growth and Jobs". ECA also selected military mobility and cohesion transactions covered in Chapter 8 and 6. The

contribution of DG MOVE transactions to the total sample size of the various chapters is 21 transactions, all from the CEF programme, managed by CINEA. The ECA's audit work found two quantifiable errors with 100% (CEF cohesion envelope) and 1.91% error rate respectively. CINEA will proceed with the necessary correction.

Recommendation 8.2 from ECA's 2023 Annual Report was to check and document the technical aspects of military mobility grant applications to CEF (identify whether dual-use infrastructure projects meet the eligibility conditions and ensure that EU financial support does not exceed the level of requirements necessary for dual use). The Commission did not accept the recommendation considering that the current processes already check whether dual-use infrastructure projects meet the eligibility conditions.

## Special Reports published in 2025

### **Special Report 04/2025 “EU military mobility: full speed not reached due to design weaknesses and obstacles en route” [published in February 2025]**

The audit provides an assessment whether Action Plan 2.0 has been built on solid foundations and was on track to reach its objectives, whether it was prepared in consultation with the relevant stakeholders, whether it is underpinned by an evidence-based needs analysis and whether reporting and monitoring arrangements are in place to oversee the implementation of Action Plan 2.0. ECA also assessed whether there are clear responsibilities for military mobility including a coordination function at EU level, and what arrangements exist for oversight by the Council and the European Parliament.

ECA concluded that Action Plan 2.0 lacked sufficiently solid foundations, and progress towards its objectives has been variable. The Commission consulted all key stakeholders to develop the action plan but did not make a robust estimate of the funding required to reach the objectives set. The governance arrangements for military mobility in the EU are complex. There is no single point of contact for military mobility measures. The design of Action Plan 2.0 resulted in limitations regarding monitoring and reporting, and a majority of its actions were not sufficiently operational. Action Plan 2.0 was not focused enough and included too many actions.

ECA made six recommendations to the Commission, whereof eight sub-recommendations. The Commission and EEAS accepted all recommendations, but the recommendations 4 and 5 were accepted partially by the Commission, because recommendations concern future proposals for legislation and programme design in the framework of the next MFF. The Commission cannot prejudge the design of future legislative proposals, instruments and facilities which will need to be tailored to the specific situation and as such cannot be subject to an ex-ante framing.

### **Special Report 06/2025 “EU actions tackling sea pollution by ships: not yet out of troubled waters” [published in March 2025]**

The audit provides an assessment whether EU actions tackling ship-source pollution were well designed, implemented, enforced and monitored. The report focuses on ship-source pollution, which is one of the key sources contributing to contaminating seawater.

ECA concluded that the EU rules addressing ship-source pollution were improving, but that implementation and enforcement had weaknesses and that data was insufficient to measure results. EU legislation incorporates international rules, and the Commission is acting to fill gaps on pollution risks. The European Maritime Safety Agency provided Member States with useful

tools to tackle ship-source pollution, but they did not use them to their full potential. ECA analysis indicated that the implementation and enforcement of EU rules on control and prevention of pollution from ships still have shortcomings. Member States often failed to meet their mandatory target rates for ship inspections. The audit revealed that the EU marine strategy framework has limitations in monitoring ship-source pollution, especially in linking marine contamination and litter to its source.

ECA made four recommendations to the Commission, whereof six sub-recommendations. The Commission accepted all recommendations, but the recommendation 3 was accepted partially, because no single EU fund is dedicated exclusively to ship-source pollution, the Commission argues it cannot apply a "one-size-fits-all" scaling strategy to every single funding stream, as their primary designs may not support the specific technical requirements of maritime pollution technology.

### Follow-up work in 2025

In 2025, there were no follow up audits carried out by ECA.

At the end of 2025, DG MOVE was chef de file for five open recommendations from ECA with due dates by the end of 2025. After the update exercise, three recommendations were closed and two were postponed to the end of 2026. In addition, there are eleven open recommendations with due dates in 2026 and beyond. The status of the followed-up recommendations is reflected in Commission monitoring system (RAD), which will be replaced in 2026 by the new system called 'Respond'.

## Assessment of the effectiveness of internal control systems

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

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

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

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

- evaluation of monitoring indicators;
- evaluation of audit results and the impact of new or outstanding recommendations;
- analysis of available reports, including DG BUDG's validation of local systems; accounting quality AOSD reports from the Directors of DG MOVE;
- risk management;

- assessment of mitigating actions undertaken regarding previous internal control weaknesses, and other corrective measures;
- analysis of control incidents registered during the reporting year.

### Internal Control Self-assessment results for 2025

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

The lack of appropriate controls to mitigate risks related to contract management resulted in one moderate internal control deficiency, affecting ICF Principle 12, identified for 2023-2024. The awareness raising actions towards Authorising Officers and staff focused on the improvement of contract management and monitoring led to a decrease in number of reported non-compliance cases, and the deficiency was closed by end 2025.

### Risk Management

The 2025 risk management resulted in six risks assessed as 'significant' that were included in the DG MOVE Risk Register and followed up through the Control Board meetings throughout the year. The business continuity risk related to the migration to SUMMA was mitigated and closed. Five significant risks were carried over to 2026 with updates considering the most important developments.

### Internal Control incidents

The functioning of the internal control systems was closely monitored and followed up throughout the year by the systematic registration of non-compliance events and exceptions. In 2025, DG MOVE registered 7 exceptions and 13 non-compliance cases. This result shows a decrease in number of cases.

The exception cases do not reveal a weakness in the implementation of the internal control principles. These deviations are of technical nature that were treated in a similar way in the different DGs involved, or correspond to the implementation of simplification measures submitted to the approval of the AOD.

The assessment of non-compliance cases registered in 2025 shows an improvement over the past year. The level of knowledge as regards procurement and contract management improved. DG MOVE will nevertheless be attentive to maintain awareness as regards the correct use of procedures.

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

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

DG MOVE	Payments made (2025,MEUR)	minus new prefinancing (plus retentions made) (in 2025,MEUR)	plus cleared prefinancing (minus retentions released and deductions of expenditure made by MS) (in 2025,MEUR)	Relevant expenditure (for 2025,MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2025,MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2025,MEUR)	Estimated risk at Closure (2025,MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
RCS 1 - Horizon 2020 - Grants (2014-2020)	0,00	0,00	0,00	0,00	1,90% - 1,90%	0,00 - 0,00	0,00% - 2,17%	0,00 - 0,00	0,00 - 0,00
RCS 1 - Horizon Europe - Grants (2021-2027)	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
RCS 2 - Transport grants (prerogative) and support actions (CEF)	12,05	- 7,89	3,03	7,19	1,50% - 2,00%	0,11 - 0,14	0,00% - 0,09%	0,00 - 0,01	0,11 - 0,14
RCS 2 - Tourism grants	1,30	- 0,40	0,32	1,22	1,00% - 2,00%	0,01 - 0,02	0,00% - 0,09%	0,00 - 0,00	0,01 - 0,02
RCS 3 - Procurement, studies and other operational expenditure	44,83	0,00	0,11	44,94	0,00% - 0,50%	0,00 - 0,22	0,00% - 0,09%	0,00 - 0,04	0,00 - 0,18
RCS 3 - SES Advisory bodies (procurements)	6,36	- 4,00	8,00	10,36	0,00% - 0,50%	0,00 - 0,05	0,00% - 0,09%	0,00 - 0,01	0,00 - 0,04
RCS 4 - Horizon Europe - Contribution agreement to SESAR 3 JU	101,85	- 101,85	32,75	32,75	4,38% - 4,38%	1,43 - 1,43	0,88% - 0,88%	0,29 - 0,29	1,15 - 1,15
RCS 4 - Horizon 2020 - Contribution to SESAR 3 JU	0,00	0,00	0,00	0,00	3,83% - 3,83%	0,00 - 0,00	2,76% - 2,76%	0,00 - 0,00	0,00 - 0,00
RCS 4 - Horizon Europe - Contribution to EU Rail	41,41	- 41,41	37,10	37,10	4,38% - 4,38%	1,63 - 1,63	0,00% - 0,00%	0,00 - 0,00	1,63 - 1,63
RCS 4 - Horizon 2020 - Contribution to EU Rail Horizon 2020	0,00	0,00	0,00	0,00	3,83% - 3,83%	0,00 - 0,00	1,99% - 1,99%	0,00 - 0,00	0,00 - 0,00
RCS 5 - EU Decentralised agencies - Subsidies	178,35	- 178,35	167,73	167,73	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,09%	0,00 - 0,15	0,00 - - 0,15
RCS 5 - Horizon 2020 - Contribution agreement to EASA	0,00	0,00	0,00	0,00	3,83% - 3,83%	0,00 - 0,00	1,93% - 1,93%	0,00 - 0,00	0,00 - 0,00
RCS 5 - PPA & prerogative actions under Indirect Management	5,56	- 5,38	8,58	8,75	0,50% - 0,50%	0,04 - 0,04	0,00% - 0,09%	0,00 - 0,01	0,04 - 0,04
RCS 7 - Provisioning of the Common Provisioning Fund	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
RCS 7 - Financial Instruments	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
<b>Total without contribution to EA's operating budget</b>	<b>391,70</b>	<b>- 339,28</b>	<b>257,62</b>	<b>310,04</b>		<b>3,22 - 3,55</b>	<b>0,09% - 0,16%</b>	<b>0,29 - 0,50</b>	<b>2,94 - 3,04</b>
					<b>Overall risk at payment in %</b>	<b>1,04% - 1,14%</b>		<b>Overall risk at closure in %</b>	<b>0,95% - 0,98%</b>
						(7) / (5)			(10) / (5)
RCS 6 - European Climate, Infrastructure and Environment Executive Agency (CINEA)	75,71	- 75,71	128,16	128,16	0,00% - 0,50%	0,00 - 0,64	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,64
RCS 6 - European Innovation Council and SMEs Executive Agency (EISMEA)	0,00	0,00	0,00	0,00	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Sub-total contributions (if more than one)	75,71	- 75,71	128,16	128,16		0,00 - 0,64		0,00 - 0,00	0,00 - 0,64
<b>Total DG (with contributions to EAs)</b>	<b>467,41</b>	<b>- 414,99</b>	<b>385,78</b>	<b>438,20</b>					

## Notes to the table X

- (1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total <sup>(45)</sup>.
- (2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.  
For Cross-Sub Delegations (Internal Rules Article 12), the reporting remains with the Delegating departments.
- (3) New pre-financing actually paid out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department) as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-Sub Delegations.  
Retentions: in Cohesion, the 10% retention applied during the year.
- (4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption'). Retentions: in Cohesion, the retentions released during the year by the Commission.
- (5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.
- (6) In this column, we disclose the detected error rates or equivalent estimates.  
For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g., administrative expenditure), the rate of 0.5% was used as a conservative estimate. Similarly, the subsidy given by DG MOVE to its decentralised agencies as part of their establishment and core tasks are considered error-free and a rate of 0% was applied. For the contribution agreements paid to decentralised agencies for pilot projects & preparatory actions, DG MOVE applied a conservative estimated error rate at 2%. For the contributions to the Joint Undertakings, DG MOVE applied the cumulative representative detected and residual error rates calculated by the research family for Horizon 2020.
- (8) The adjusted average recovery and corrections percentage is mostly based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years as a result of ex post controls. This percentage does not apply to pre-financing, administrative expenditure or payments made to EASA, EMSA, ERA, which are generally not subject to ex-post recoveries. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate.  
The average amount of the implemented corrections over the past five years (2021-2025) is EUR 0.39 million euros (0.11% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of EUR 0.44 million euros (0.13% of the average amount of relevant expenditure of that period). The amount of implemented corrections in 2025 is EUR 0.15 million. The residual deviation (0.02% between the two averages) is considered marginal in comparison to the average relative expenditure of EUR 345.57 million.

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<sup>(45)</sup> RCS 3 covers/includes administrative expenses related to salaries and/or missions previously reported by the PMO and/or DG HR. More information can be found in Annexes 6 and 7.

## B. Reservations

### 1. Reservation fiche

A fiche must be completed for each reservation at the end of the reporting year.

<b>DG</b>	MOVE
<b>Title of the reservation, including its scope</b>	Reservation concerning the rate of the residual error within grant payments in the Horizon Europe Framework Programme (including Euratom), implemented indirectly by DG MOVE
<b>Domain</b>	Indirect management (through EU Rail and SESAR3 JUs) – grants Horizon Europe (including Euratom)
<b>Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme</b>	RCS 4 - Horizon Europe - Contributions to EU RAIL and contributions to SESAR3 JUs Scope Amount (Annual payment of segment): EUR 143.257.230,68
<b>Reason for the reservation</b>	At the end of 2025, the residual error rate is significantly above the 2% materiality threshold foreseen for the multi-annual period: <ul style="list-style-type: none"> <li>• 3.5% (SESAR 3 JU)</li> <li>• 4.38% (EU-Rail JU)</li> </ul>
<b>Materiality criterion/criteria</b>	The materiality criterion is the residual error rate, defined as the level of errors that remain undetected and uncorrected by the end of the management cycle. The control objective is to ensure that the residual error rate in the overall population is below 2% at the conclusion of the management cycle. If the residual error rate remains above 2% at the end of a reporting year within the Framework Programme's management lifecycle, a reservation will be made.
<b>Quantification of the financial impact (amount at risk)</b>	Amount at risk at payment EUR 69.854.577 or 22.53% of total relevant expenditure. Amount at risk at closure EUR 2.771.426,23
<b>Impact on the assurance</b>	Legality and regularity of the affected transactions pre-financings and clearings
<b>Responsibility for the weakness</b>	Most of the errors relate to incorrect claims for actual personnel costs, mainly due to beneficiaries' incorrect application of the Horizon Europe rules, despite the introduced simplifications. Newcomers and small and medium-sized enterprises (SMEs) are more prone to errors compared to more experienced or larger beneficiaries. Due to the relatively small number of ex-post audits and technical reviews completed by the end of 2025, the error rate calculation is highly sensitive to few extreme results. Excluding the latter cases, the Representative Error Rate would be below the materiality threshold of 2%.

**Responsibility for the corrective action**

The action plan focuses on outreach, training, and increased use of lump sums. These actions are designed to minimise errors by enhancing participant understanding and simplifying financial reporting. This includes outreach events addressing participants directly or through the Legal and Financial National Contact Points as well as trainings for EU staff to help them support beneficiaries in the best possible way. In addition, the roll-out of lump sums in Horizon Europe will continue, reaching a 50% share in the call budget by 2027. At this level, lump sums are expected to lower the programme's error rate significantly. These actions are all ongoing and will continue throughout Horizon Europe. The services responsible for these actions are RTD.H.3 and RTD.H.1.

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

NOT APPLICABLE

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

## Human Resource management

<b>Objective:</b> DG MOVE employs a skilled, diverse and motivated workforce to deliver on the Commission's priorities		
<b>Indicator 1: Percentage of female middle managers</b>		
<b>Source of data:</b> SYSPER		
<b>Baseline</b> (2024)	<b>Target</b> (2029)	<b>Latest known results</b> <b>(situation on 31/12/2025)</b>
40.9%	Attain at least 50%	45.5%
<b>Indicator 2: Staff engagement index</b>		
<b>Source of data:</b> Commission staff survey [data to be provided by DG HR]		
<b>Baseline</b> (2023)	<b>Target <sup>(46)</sup></b> (2029)	<b>Latest known results <sup>(47)</sup></b> (situation on 31/12/2025)
77%	Maintain	New staff engagement index (2025): 83% Old staff engagement index (2023): -1 percentage points

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

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

## Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Statistics on female representation provided to the DG; identifying possibilities and talented female ADs to reach the DG's gender target and ensure balanced first appointments at middle management level once the target is reached	Frequency of the statistics provided to the DG	Quarterly and when Head of Unit positions become vacant	The DG received regular reporting on female representation
Organise internal training courses and (online/physical/hybrid) on job-specific and transport & mobility topics	Number of courses	At least 10 courses by December 2025	39 courses organised by December 2025
Set up an informal job shadowing scheme within the DG	Scheme in place	By the end of 2025	Scheme advertised on MOVE Hub in September 2025
Continue the bi-annual new-comers welcoming sessions	Number of sessions	Two sessions by December 2025	Two sessions organised in 2025: on 19 June and 15 December
Video debriefs after the senior management meetings	Number of debriefs	After each senior management meeting (usually on a weekly basis)	A video debrief was organised after each senior management meeting
Online staff meetings with the Director-General	Number of meetings	After each management meeting (includes middle and senior management; usually on a monthly basis)	An online staff meeting was organised after each management meeting
Regularly informing staff of key events within MOVE by e-mail or intranet updates	Intranet kept up to date	Weekly	MOVE hub has been kept up to date throughout the year. Furthermore, the Director-General sent e-mails to all staff around key moments.

## Digital transformation and data management

<p><b>Objective:</b> DG MOVE is using innovative, trusted digital solutions for better policymaking, data management and administrative processes to build a digitally transformed, user-focused and data-driven Commission</p>			
<p><b>Indicator 1: Digital Culture: % of statutory staff that has completed at least one IT training course</b> <sup>(48)</sup></p>			
<p><b>Source of data:</b> Digital Commission Dashboard (data measured at DG-level)</p>			
<b>Baseline</b> (2024)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (situation on 31/12/2025)
37%	50%	80%	29% <sup>(49)</sup>
<p><b>Indicator 2: Seamless digital environment: cloud adoption – % of IT systems utilising cloud infrastructure services compared to the total number of IT systems</b></p>			
<p><b>Source of data:</b> Digital Commission Dashboard (data measured at DG-level)</p>			
<b>Baseline</b> (2024)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (situation on 31/12/2025)
29%	61%	71%	65%
<p><b>Indicator 3: Maturity level in implementing corporate data policies across four key areas: data management, ownership and responsibilities, data quality, and data skills (basic, developing, established, advanced, or trendsetting).</b></p>			
<p><b>Source of data:</b> [each department]</p>			
<b>Baseline</b> (2024)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (situation on 31/12/2025)
Basic	Developing	Established	Basic

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

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

<b>Indicator 4: Compliance indicator <sup>(50)</sup>: percentage of staff trained on data protection compliance combined with the percentage of public records of processing operations reviewed within the last two years.</b>			
<b>Source of data:</b> [department-specific]			
<b>Baseline</b> (2024)	<b>Interim milestone</b> (2027)	<b>Target</b> (2029)	<b>Latest known results</b> (situation on 31/12/2025)
90%	>90%	100%	90%
<b>Main outputs in 2025:</b>			
<b>Digital transformation</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2025)
Digital Culture	Training sessions on Digital Skills	Organise at least 6 sessions in the year	4 sessions organised. (11/03, 10/04, 19/05, 02/06)
	Cybersecurity awareness trainings	100% of DG MOVE new staff in 2025 to be invited for the cybersecurity training At least 1 cybersecurity training session for all staff	1 cybersecurity and information security training was organised; all staff was invited.
Digital Transformation	Digital Strategy Roadmap established for 2025	Items which are exclusively dependent on DG MOVE staff must not be delayed further than 1 quarter of a year	Most of the Digital Strategy items planned for 2025 have been done with only few exceptions that were not fully completed.
Digital-Ready EU policymaking	Awareness action about innovative technologies to be considered by policy units	At least 1 awareness session	01/072025 online 22/10/2025 online (interoperability regulatory sandboxes)

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

<b>Data management and Data Protection</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2025)
Data Management	Data Catalogue covering of Local Systems	35% of DG MOVE applications to be part of the Data Catalogue	Despite the delays faced during the recruitment of a new Local Data Correspondent, some progress has been achieved with his first actions. We expect that in 2026 this action will achieve even higher numbers. (Visible in the EC data catalogue)
	Data Roles and assignment of people	Proposal of data roles definition for DG MOVE and suggested people to be in charge	Despite the delays faced during the recruitment of a new Local Data Correspondent, some progress has been achieved with his first actions.  The data owner and data steward roles have been identified in this a pilot phase, as stipulated in the data governance framework of the Commission, with the LDCs coordinating its local deployment.
Business-driven Digital transformation	Number of IT Local Systems making use of AI	1 as a proof of concept	3 achieved (DAREBO, PRB Reporting Tool and Passenger Rights eSurveillance tool)
Data Protection awareness	Information session on data protection	At least 1 information session per year	Information session on data protection basics (records and private statement)
	Percentage of updated corporate instructions /guidelines published on the Data Protections Corner	100%	100%
	Percentage of records for new identified processing operations	100%	100%
	Percentage of updated records	90%	90%

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2025)
Information Management	Percentage of registered documents that are systematically filed	Above 98%	98,44% of registered documents are filed.
	Integration of IT systems with the corporate records management system HAN (HermesAresNomcom)	At least one IT system identified in the inventory of preservation needs integrated by the end of 2025	SES (Single European Sky) fully integrated in HAN
	Workshops/trainings	At least 2 sessions per year	More than 2 General Ares Individual Trainings + New functionalities in Q-SIGN Ext workflow
MOVE IT systems with a security plan	Percentage of IT systems with a security plan	100% IT systems with a security plan	100% IT systems with a security plan
MOVE IT SNC systems using Multiple Factors Authentication (MFA)	Percentage of IT SNC systems using MFA	100% IT systems SNC using MFA	100% IT systems SNC using MFA
MOVE IT systems onboard in the Governance Risk and Compliance tool (GRC)	Percentage of IT systems onboarded on GRC	100% IT systems onboarded on GRC	100% IT systems onboarded on GRC
Raising cybersecurity awareness	Number of local awareness initiatives	At least one training on Information and IT security. At least 6 articles in SPO	One training on Information and IT security. 6 newsletters

## Sound environmental management

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

**Indicator:** % reduction in emissions from staff professional travel (t CO<sub>2</sub>eq).

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

<b>Baseline</b> (2019)	<b>Target</b> (2030)	<b>Latest known results</b> (situation on 31/12/2025)
1.355,49	50% of reduction (baseline 2019)	592,69 (-56%) <sup>(51)</sup>

<sup>(51)</sup> The final figure will only be available at the end of March; minor adjustments may still occur.  
DG MOVE\_aar\_2025\_annexes

## Main outputs in 2025:

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Actions to reduce emissions from staff missions <sup>(52)</sup>	Number of actions to reduce emissions from staff emissions	<ul style="list-style-type: none"> <li>• At least 3</li> <li>• Reduced number or % of missions in business class (air travel)</li> <li>• Reduced number of staff going to the same event</li> </ul>	<ul style="list-style-type: none"> <li>• 3 actions: <ul style="list-style-type: none"> <li>- Circulation of the new Missions Guidelines ensured via the DG intranet (16/05), and following reminder (10/09);</li> <li>- Presentation of the new Missions Guidelines during Management Meeting, ensuring circulation and awareness at managerial level.</li> </ul> </li> <li>• -28,6% missions in business class (baseline 2024)</li> <li>• -4,5% in the average number of staff attending the same event (baseline 2024)</li> </ul>
Actions to reduce emissions from experts' travel under the administrative budget	Number of actions to reduce emissions from experts travel under the administrative budget	<ul style="list-style-type: none"> <li>• At least 1</li> <li>• Increased number or % of events with remote attendance</li> </ul>	<ul style="list-style-type: none"> <li>• Circulation of the new Missions Guidelines ensured via the DG intranet (16/05 and 10/09)</li> <li>• No experts travel under the administrative budget in 2025</li> </ul>
Energy saving actions	% of Department buildings participating in the annual BEST energy saving actions	2 buildings: DM24 and DM28 (100% of DG MOVE buildings)	100 % of DG MOVE buildings

<sup>(52)</sup> DG/department emissions report from MIps+. Emissions from staff whose place of assignment is one of the Commission's sites: [EMAS](#).  
DG MOVE\_aar\_2025\_annexes

Description	Indicator	Target	Latest known results (situation on 31/12/2025)
Staff awareness actions	Number of staff awareness actions in line with EMAS/greening corporate campaigns	At least 2 in 2025 in the domain of energy saving, water saving, recycling and EMAS initiatives.	<ul style="list-style-type: none"> <li>• More than 10 communications were published on the DG's intranet to:               <ul style="list-style-type: none"> <li>- raise awareness on EMAS/greening topics and initiatives;</li> <li>- disseminate information on EMAS/greening corporate campaigns, training and activities.</li> </ul> </li> </ul>
Sustainable events	% Department's events organised in line with the <a href="#">EC Guidelines for sustainable events</a>	100%	100%

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

## European Investment Bank (EIB)

	Requirement	Information
1.	Programme concerned	Indirect management - delegation to an entrusted entity for the CEF Debt Instrument (CEF DI)
2.	Annual budgetary amount entrusted (commitment appropriations)	N.A. Payments to EIB have been completed in 2020
3.	Duration of the delegation	End of the approval period 31/12/2022; end of the signature period 31/12/2023
4.	Justification of the recourse to indirect management	Current activities are limited to managing the existing portfolio.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	Implementation of a guarantee instrument ensuring the support to TEN-T. The nature of the instrument justified the recourse to an IFI.
6.	Summary description of the implementing tasks entrusted to this body	The CEF debt instrument (CEF DI) is a legacy financial instrument that was established in 2015 to facilitate greater private sector involvement in the long-term financing of transport, energy and telecommunication projects. The commitment period ended in 2020. The Instrument consists of bond portfolio guaranteeing loans supporting transport infrastructure actions. CEF DI includes a portfolio of active projects.
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the CEF DI Delegation Agreement, DG MOVE received on 13/02/2026: Management Declaration, Financial Statements and an audit opinion on the statement of accounts (13/02/2026)

<sup>(53)</sup> Implementing partners other than EU institutions or Union bodies.

## Organisation for Economic Cooperation and Development (OECD) (I)

Requirement	Information
<b>1.</b> Programme concerned	Single Market Programme (SMP) - Improving the competitiveness of enterprises, particularly SMEs, and supporting their access to markets (E.03020200) "Improving socio-economic knowledge of the EU tourism sector"
<b>2.</b> Annual budgetary amount entrusted (commitment appropriations)	EUR 400 000 in 2023 by DG GROW. Commitment transferred to DG MOVE in 2025. Payments: EUR 161 102.13 in 2024; EUR 158 897.87 in 2025 (pre-financings); RAL = EUR 80 000. SUMMA PO 4500056664
<b>3.</b> Duration of the delegation	From 01/11/2023 to 31/03/2026
<b>4.</b> Justification of the recourse to indirect management	The action is implemented by the OECD to provide socio-economic knowledge of the EU tourism sector and its main competitors. The OECD is pillar assessed and signed a financial framework partnership agreement with the European Commission on 13 May 2022, amended on 09 March 2023.
<b>5.</b> Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The OECD has been selected based on its knowledge of the EU tourism sector and its main competitors. Many of the main EU competitors are Members or Partners of the OECD. The organisation's members are advanced tourism economies and account for over half of total international tourist arrivals.
<b>6.</b> Summary description of the implementing tasks entrusted to this body	The general objective of the Action is to further develop evidence-based tourism policy and ensure greater coherence between tourism and other policy areas to support a faster and more balanced recovery of the tourism ecosystem in the short term, and the development of a more sustainable, innovative, resilient and competitive tourism ecosystem in the long term. Main activities: (i) Drafting the 'OECD Tourism Trends and Policies 2024' Report; (ii) Preparatory phase for the 'OECD Tourism Trends and Policies 2026' Report; (iii) Improving the timeliness of tourism data to monitor performance by using new data sources and tools; (iv) Analysing tourism policy trends in EU Member State.
<b>7.</b> Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	In line with the Contribution Agreement, DG MOVE received on 07/07/2025: <ul style="list-style-type: none"> <li>• A signed management declaration of assurance</li> <li>• The first interim financial report</li> </ul> The technical report was approved by the technical manager on 09/07/2025.

## Organisation for Economic Cooperation and Development (OECD) (II)

	Requirement	Information
1.	Programme concerned	Single Market Programme (SMP) - Improving the competitiveness of enterprises, particularly SMEs, and supporting their access to markets (E.03020200) "Improving socio-economic knowledge of the EU tourism sector"
2.	Annual budgetary amount entrusted (commitment appropriations)	EUR 500 000 in 2025 No payment. SUMMA PO 4500137548
3.	Duration of the delegation	From 01/11/2025 to 31/10/2027
4.	Justification of the recourse to indirect management	The action is implemented by the OECD to provide socio-economic knowledge of the EU tourism sector and its main competitors. The OECD is pillar assessed and signed a financial framework partnership agreement with the European Commission on 13 May 2022, amended on 09 March 2023.
5.	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The OECD has been selected based on its knowledge of the EU tourism sector and its main competitors. Many of the main EU competitors are Members or Partners of the OECD. The organisation's members are advanced tourism economies and account for over half of total international tourist arrivals.
6.	Summary description of the implementing tasks entrusted to this body	<p>The general objective of the Action is to further develop evidence-based tourism policy and ensure greater coherence between tourism and other policy areas to support the development of a more sustainable, innovative, resilient and competitive tourism ecosystem.</p> <p>This Action will finance the production of the OECD biennial reports on "Tourism Trends and Policies" and TSI Tourism Flagship projects to support tourism recovery and resilience.</p> <p>It should allow in-depth analysis, sharing of best practices and peer learning to support the tourism policy and reform agenda in countries.</p> <p>The action will link tourism with other policy areas (transport, environment, trade in services, statistics, innovation, digitalisation, financing, local development, and SMEs and entrepreneurship), and contribute to improving the effectiveness of tourism policies in the EU by enhancing socio-economic and market intelligence, and highlighting good practices, major reforms and potential responses to the latest challenges and the importance of coherence with other policy areas.</p>
7.	Specify if you received for the reporting year Management Declaration, Audit Opinion or Audit Conclusion	N/A

# **ANNEX 12: EAMR of the Union Delegations**

NOT APPLICABLE

## ANNEX 13: Decentralised agencies and other Union bodies

Name of the entity	Role of the DG	Policy area concerned	Amount paid in 2025 in €			
			Contribution to			Contribution agreement
			Operating (admin) budget	Operational budget	Total in €	
<b>European Aviation Safety Agency (EASA)</b>	Lead DG	Mobility and Transport - Aviation	45,561,164		45,561,164	5,977,000
<b>European Railway Safety Agency (ERA)</b>	Lead DG	Mobility and Transport - Rail	30,559,810		30,559,810	1,338,224
<b>European Maritime Safety Agency (EMSA)</b>	Lead DG	Mobility and Transport - Maritime	102,227,347		102,227,347	265,537
<b>Subtotal</b>			<b>178,348,321</b>		<b>178,348,321</b>	<b>7,580,761</b>
<b>SESAR 3 JU</b>	Lead DG	Mobility and Transport - Aviation	3,260,077	98.584.949	101.845.026	99,767,917
<b>Europe's Rail JU</b>	Lead DG	Mobility and Transport - Rail	2,517,643	38.894.562	41.412.205	99,972,346
		<b>Total</b>	<b>184,126,041</b>	137.479.511	<b>321,605,552</b>	<b>207,321,024</b>

# **ANNEX 14: Reporting on the Recovery and Resilience Facility**

NOT APPLICABLE