



# Annual Activity Report 2022

**annexes**

DG ENVIRONMENT

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

*I declare that in accordance with the Commission's communication on the internal control framework <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 the present annual activity report and in its annexes is, to the best of my knowledge, accurate and complete.*

*e-Signed*


*Gilles GANTELET  
Director*

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

## ANNEX 2 Performance tables

The target date for the delivery of initiatives is based on the planning made at the beginning of the year. During the year, priorities evolve and political decisions are taken with regards to the optimal timing for adopting a specific initiative, launching a public consultation or organising an event. In such cases, the planning was revised and the initial target dates were not achieved. Those initiatives are marked below with an asterisk (\*). In other cases, in the event of substantial delay or when an initiative was cancelled or postponed *sine die*, a specific justification is provided.

Initiatives that are part of the Commission Work Programme 2022 are marked with the following icon: .

<b>General objective 1: A European Green Deal</b>			
<b>Impact indicator 1:</b> Resource productivity			
<b>Source of the data:</b> Eurostat (Eurostat online data code: <a href="#">ENV_AC_RP</a> )			
<b>Baseline</b> (2018)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
133.6 <sup>(2)</sup>	Increase	Increase	135.1 <sup>(3)</sup>
<b>Impact indicator 2:</b> Common birds population index			
<b>Source of the data:</b> European Birds Census Council; Birdlife; Royal Society for the Protection of Birds; Czech Society for Ornithology (Eurostat online data code: <a href="#">sdg_15_60</a> )			
<b>Baseline</b> <sup>(4)</sup> (2018)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
89.3% (Index 1990 = 100)	Curtail biodiversity loss	Curtail biodiversity loss	88.2%
<b>Impact indicator 3:</b> Consumption of hazardous chemicals			
<b>Source of the data:</b> Eurostat (Eurostat online data code: <a href="#">sdg_12_10</a> )			
<b>Baseline</b> (2018)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
Hazardous to health: 219.7 million tonnes Hazardous to the environment: 75.5 million tonnes	Decrease	Decrease	Hazardous to health: 224.8 million tonnes Hazardous to the environment: 86.4 million tonnes

<sup>(2)</sup> Baseline updated by Eurostat

<sup>(3)</sup> Provisional estimate

<sup>(4)</sup> Baseline updated by Eurostat

**Impact indicator 4:** Premature deaths due to exposure to fine particulate matter (PM2.5)  
**Source of the data:** European Environmental Agency Web report on Health impacts of air pollution in Europe (most recent version [Health impacts of air pollution in Europe, 2022](#))

Baseline (2016)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
282 014 (EU 27)	Decrease	Decrease	237 768 (EU 27)

**Impact indicator 5:** Circular materials use rate

**Source of the data:** Eurostat (Eurostat online data code: [sdg\\_12\\_41](#))

Baseline (2017)	Interim Milestone (2022)	Target (2025)	Latest known results (2021)
11.5%	Increase	Increase	11.7%

**Specific objective 1:** Circular Economy: The EU economy is more circular and uses natural resources and products more sustainably

*Related to spending programmes <sup>(5)</sup>:* LIFE, Horizon Europe

**Result indicator 1.1:** Number of EU Ecolabel products

**Source of the data:** DG Environment [[EU Ecolabel facts and figures](#)]

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
77 358 products	Increase	Increase	87485 products

**Result indicator 1.2:** Eco-innovation index

**Source of the data:** DG Environment / Eco-Innovation Observatory (EIO) [[EIO Indicators](#)]  
 (For the baseline: [EIO Brief 2019](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
110 (Index 100 in 2012)	Increase	Increase	121.47 (Scoreboard 2022)

<sup>(5)</sup> Horizon Europe has been added as related to this objective following the enhanced role assumed by DG Environment's in the implementation of the Programme as co-chair of Cluster 6, Food, natural resources, bioeconomy, agriculture and environment.

**Result indicator 1.3: Municipal waste generation and treatment****Source of the data:** Eurostat [Eurostat online data code: env\_wasmun]

<b>Baseline</b> (2019) <sup>(6)</sup>	<b>Interim Milestone</b>	<b>Target</b> (2024)	<b>Latest known results</b> (2021) <sup>(7)</sup>
Generation of municipal waste: 504 Kg/person Recycling & composting: 47.2% Landfilling: 24.6%	N/A	Generation: Reduce Recycling & composting: 50% (65% by 2035)* Landfilling: Reduce (Reduction to 10% by 2035)* *Targets defined for 2035 by the Waste Framework Directive	Generation of municipal waste: 530 kg/person Recycling & composting: 49.6% Landfilling: 22.8%

**Result indicator 1.4: Export of waste outside the EU****Source of the data:** Eurostat [[Eurostat online data code: cei\\_srm020](#)]

<b>Baseline</b> (2019)	<b>Interim Milestone</b>	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
25 467 976 tonnes (EU27)	Reduce	Reduce	27 490 340 tonnes (EU27)

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<sup>(6)</sup> Baseline updated by Eurostat – consulted 27/01/2023

<sup>(7)</sup> Eurostat estimates – consulted 27/01/2023

**Result indicator 1.5:** Proportion of proposed legislative revisions that include burden reduction measures




**Source of the data:** DG Environment analysis

<b>Baseline</b>	<b>Interim Milestone (2022)</b>	<b>Target (2024)</b>	<b>Latest known results (2021)</b>
N/A	Positive trend	Positive trend	1 out of 1 The proposal for a new Regulation on packaging and packaging waste (repealing Directive 94/62/EC.) foresees burden reduction notably due to the harmonisation and measures directly addressed to economic operators. The harmonisation will ensure a coherent approach and streamlined procedures among the Member States. The burden for Member States to develop and establish their national systems as under the current Directive will be reduced.

### Main outputs in 2022:

#### New policy initiatives




<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2022)</b>
Sustainable Products Policy framework (PLAN/2020/7714)	Adoption of legislative proposal by the Commission	2022 Q1	COM(2022)142 Adopted 30/03/2022
Communication on "Making Sustainable Products the Norm"	Adoption of chapeau Communication	2022 Q1	COM(2022)140 Adopted 30/03/2022.
Proposal on substantiating environmental claims (PLAN/2020/7435)	Adoption of legislative proposal by the Commission	2022 Q1	A draft proposal was prepared and its adoption postponed to 2023 to recalibrate its scope and ensure with the proposal on Empowering consumers for the green transition, under development led by DG Justice

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
EU Strategy for Sustainable and Circular textiles (PLAN/2020/8698)	Adoption of Communication by the Commission	2022 Q1	COM(2022)141 Adopted 30/03/2022
 Policy framework for Biobased, Biodegradable and Compostable Plastics (PLAN/2021/11083)	Adoption of Communication by the Commission	2022 Q3	COM(2022)682 Adopted 30/11/2022*
 Measures to reduce the unintentional release of microplastics in the environment (PLAN/2020/8355, in collaboration with DG GROW)	Adoption of legislative proposal by the Commission	2022 Q4	Postponed to 2023 to permit deeper analysis and aligning with recommendations received from the Regulatory Scrutiny Board
 Restriction of microplastics intentionally added to products under REACH (Registration, Evaluation, Authorisation and restriction of chemicals), (PLAN/2021/10271, in collaboration with DG GROW)	Adoption of Regulation by the Commission	2022 Q4	Postponed to 2023 to allow for further discussion and vote in the relevant Committee (led by DG GROW)

### Initiatives linked to regulatory simplification and burden reduction

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Revision of Directive 94/62/EC on Packaging and Packaging Waste Directive in order to reinforce the essential requirements for packaging to be placed on the EU market (PLAN/2019/5396)	Adoption of legislative proposal (Regulation) by the Commission	2022 Q3	COM(2022)677 Adopted 30/11/2022*



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
 Revision of the Restriction of the use of certain hazardous substances in electronics (ROHS Directive 2011/65/EU) (PLAN/2020/10018)	Adoption of legislative proposal by the Commission	2022 Q4	Revision postponed to enable consistency with other ongoing developments (such as the revision of the Regulation on the Registration, Evaluation, Authorisation and restriction of chemicals (REACH) and competences of the European Chemicals Agency (ECHA), as well as the conclusion of the Directive)
 Revision of the end-of-life vehicles Directive and the Directive on the type approval of motor vehicles (PLAN/2020/8644, in collaboration with DG GROW)	Adoption of legislative proposal by the Commission	2022 Q4	Postponed to 2023 to better integrate with the future legislative measures supporting the recovery of critical raw materials, in connection with the new Commission's Critical Raw Materials Act announced for 2023
<b>Evaluations and fitness checks</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
 Evaluation of the Sewage Sludge Directive 86/278/EEC (PLAN/2020/7406)	Finalisation of the evaluation and Staff Working Document	2022 Q2	Evaluation ongoing. Finalisation postponed to improve the report following the opinion of the Regulatory Scrutiny Board

<b>Public consultations</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Measures to reduce the unintentional release of microplastics in the environment (PLAN/2020/8355, in collaboration with DG GROW) <sup>(8)</sup>	Public consultation launched	2022 Q1	Consultation launched 22/02/2022
Review of the Waste Framework Directive 2008/98/EC (PLAN/2021/12032)	Public consultation launched	2022 Q2	Consultation launched 24/05/2022
Evaluation of the Ship Recycling Regulation (PLAN/2021/13186)	Public consultation launched	2022 Q3/Q4	Consultation launch postponed due to an administrative decision to engage support from an external contractor
<b>External communication actions</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Circular Economy communication actions including social media promotion	Number of impressions Number of engagements with DG Environment Social Media accounts	140 000 impressions 5000 engagements	980 000 impressions 30 000 engagements
<b>Other important outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Revision of Directive 2006/66/EC on batteries and batteries waste <sup>(9)</sup>	Participation in the interinstitutional negotiations towards adoption of the legislation by the co-legislators	Political agreement	Political agreement between the co-legislators reached on 9 December 2022

<sup>(8)</sup> Initially planned for 2021, this public consultation was postponed to enlarge the scope of the survey, thereby launched and reported in 2022

<sup>(9)</sup> Important achievement worth including in this report despite its omission in the DG Management Plan 2022

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Revision of Regulation (EC) 1013/2006 on Shipments of Waste (PLAN/2019/5394)	Participation in the interinstitutional negotiations towards adoption of the legislation by the co-legislators	2022 (dates to be defined by the co-legislators)	Codecision ongoing. The European Parliament adopted its position on the Commission proposal in January 2023
Update of concentration limit values of persistent organic pollutants in waste - Amendments to Annexes IV and V on waste of the Regulation on persistent organic pollutants in waste (PLAN/2019/5397)	Participation in the interinstitutional negotiations towards adoption of the legislation by the co-legislators	2022 (dates to be defined by the co-legislators)	Regulation (EU) 2022/2400 adopted on 23 November 2022 and published on 9 December
Circular Economy Stakeholder Conference	Event organised	2022 Q2	Organised 1-2 March (advanced planning to fit with the participation of EVP Timmermans and French Minister of Environment)
New EU Ecolabel criteria for financial products (PLAN/2020/9815)	Adoption	2022 Q4 / 2023 (delivery date depending on the taxonomy criteria by FISMA)	File on hold in order to ensure synergy with relevant legislation, especially the Taxo4 delegated act under the EU Taxonomy Regulation
Development and amendment of Ecolabel criteria for several products (detergents; furniture and bed mattresses; wood-, cork- and bamboo-based floor coverings; tourist accommodation service and indoor cleaning services; growing media, soil improvers and mulch; indoor and outdoor paints and varnishes; absorbent hygiene products (PLAN/2021/13122, 13167 and 13168)	Adoption by the Commission	2022 Q2-Q4	C(2022)4739 and C(2022)4758 adopted in July 2022. Adoption of the criteria for tourist accommodation and indoor cleaning postponed to 2023, to integrate far-reaching comments from the consulted Commission services, notably the Legal Service on the proposed new approach

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Green Public Procurement – development of criteria for Buildings	Publication of Staff Working Document	2022 Q4	Criteria under development. Finalisation postponed pending outcomes of policy developments of the Energy Performance of Buildings Directive (currently being negotiated) and update of Level(s), as the objective of the revision is to align the GPP criteria with these instruments
<b>Restriction of Hazardous Substances in waste (ROHS)</b> – Management of exemptions under Directive 2011/65/EU	Exemptions under Annex III and 22 under Annex IV	2022 Q1-Q4 for publication of 14 Delegated Directives, follow-up to technical evaluations ongoing 2023	14 Delegated Directives amending the Annexes III and IV published. More than 40 exemption requests technically evaluated
<b>Single Use Plastics</b> Guidelines for Extended Producer Responsibility criteria on the costs of cleaning up litter (PLAN/2020/6697)	Adoption by the Commission	2022 Q4	Adoption of these guidelines has been postponed to 2023 due to shifting priorities
<b>Early Warning Reports on waste management</b> Reports on the Member State progress towards meeting WFD and PPWD and LD waste management targets	Finalisation and publication (together with the European Environment Agency)	2022 Q4	Adoption delayed to 2023 due to a complex verification process agreed with Member States that took longer than originally planned
<b>Waste shipments</b> - Report on implementation of the Waste shipments Regulation for 2016-2018 (PLAN/2020/9889) - EU position for the 15th Conference of the Parties of the Basel Convention on the transboundary movement of hazardous waste (PLAN/2021/12333)	Adoption of report by the Commission  Adoption of proposal by the Commission and the Council	2022 Q1  2022 Q2	Postponed to allow directing resources to other urgent priorities  COM(2022)67 COM proposal adopted on 24/02/2022 and Council decision adopted in June 2022 (Council decision 2022/1025)

**Specific objective 2:** Biodiversity and natural ecosystems in the EU are put on the path to recovery by stepping up the protection and restoration of nature

*Related to spending programmes: LIFE, Horizon Europe <sup>(10)</sup>*

**Result indicator 2.1:** Terrestrial and marine areas protected under Natura2000

**Source of the data:** Eurostat [[data code env\\_bio1](#)]

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020) <sup>(11)</sup>
Land: 763 986 Km2 Oceans and seas: 441 001 Km2	Increase	Increase and contribute to the increase to 30% of EU land, oceans and seas protected by 2030	Land: 764 222 Km2 Oceans and seas: 450 752 Km2

**Result indicator 2.2:** Grassland butterfly index

**Source of the data:** Eurostat <sup>(12)</sup> [[data code: SDG\\_15\\_61](#)]

Baseline <sup>(13)</sup> (2017)	Interim Milestone (2022)	Target (2024)	Latest known results <sup>(14)</sup> (2019)
90.13 (Index 100 in 1991)	Increase	Increase	77.84

**Result indicator 2.3:** Net land take

**Source of the data:** European Environment Agency [[Land-take assessment](#)]

Baseline (2012-2018 EU28)	Interim Milestone (2023)	Target (2050)	Latest known results (2012-2018 EU28)
439.94 km2/year <sup>(15)</sup>	Reduce	0 km2/year (No net land take)	No update available

<sup>(10)</sup> Horizon Europe has been added as related to this objective following the enhanced role assumed by DG Environment's in the implementation of the Programme as co-chair of Cluster 6, Food, natural resources, bioeconomy, agriculture and environment.

<sup>(11)</sup> <https://ec.europa.eu/eurostat/databrowser/bookmark/6203a0af-c1c4-4aa7-b4d9-f0fc7c0dfa0a?lang=en> – EU27, Updated by Eurostat 03/01/22, consulted 14/01/23

<sup>(12)</sup> Data source changed from the European Environment Agency to Eurostat as this was found to be more recently updated at the time of drafting – data updated by Eurostat 03/01/2023

<sup>(13)</sup> Baseline updated due to a change of year of reference – index year moved from 1990 to 1991. Data as reported by Eurostat.

<sup>(14)</sup> Updated by Eurostat in 03/01/2023 with data for year 2019, consulted 24/03/2023

<sup>(15)</sup> This updated baseline is correcting an error in the DG Strategic Plan, where the baseline 438.94 was introduced by clerical mistake

## Main outputs in 2022:

### New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Proposal for setting legally binding EU nature restoration targets as per EU Biodiversity Strategy for 2030 (PLAN/2020/8491)	Adoption by the Commission	2022 Q1	COM/2022/304 Adopted 22/06/2022*
Action plan to conserve fisheries resources and protect marine ecosystems ( <i>in collaboration with DG MARE</i> ) (PLAN/2020/9887)	Adoption by the Commission	2022 Q2	Action plan prepared, adoption postponed to 2023 by political decision
Revision of the EU Action Plan against Wildlife Trafficking (PLAN/2020/8696)	Adoption by the Commission	2022 Q3	COM(2022)581 Adopted 09/11/2022*
Revision of the EU Pollinators Initiative (PLAN/2021/11443)	Adoption by the Commission	2022 Q3	Adoption postponed to 2023 linked to the response to the geopolitical situation and potential impacts on food security.
Integrated Nutrient Management Action Plan (PLAN/2020/9816)	Adoption by the Commission	2022 Q4	Adoption postponed to 2023 linked to the response to the geopolitical situation and potential impacts on food security. The DG contributed e.g. to urgent measures on fertilisers and covered relevant issues under the Zero Pollution Monitoring and Outlook.

### Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Evaluation of the EU Action Plan against Wildlife Trafficking (PLAN/2019/6139)	Finalisation of the evaluation and publication of conclusions (Staff Working Document)	2022 Q3	SWD/(2022)354 of 9/11/2022*

<b>Public consultations</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Integrated Nutrient Management Action Plan (PLAN/2020/9816)	Public consultation launched	2022 Q2	Consultation launched 23/05/2022
Soil Health Law (PLAN/2021/13172)	Public consultation launched	2022 Q2	Consultation launched 01/08/2022 (publication delayed in connection with the allocation of resources to the urgent response to the potential impacts of the geopolitical situation on global food security)
New EU Framework for Forest Monitoring and Strategic Plans (PLAN/2022/205)	Public consultation launched	2022 Q2	Consultation launched 25/08/2022 <sup>(16)</sup>
<b>External communication actions</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
#ForOurPlanet campaign	Social media impressions	20 million	70 million (This campaign took the place of the Global Biodiversity Coalition "United for #Biodiversity", which followed staff to RTD)

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<sup>(16)</sup> Additional important deliverable, not planned at the time of finalisation of the DG 2022 Management Plan. A decision to publish this consultation was taken after finalisation of the plan.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Natura 2000 Day and Award celebrating the 30th anniversary of the Habitats Directive (May 2022)	Webpage visits	10 000 visits	31 000 visits Natura 2000 was mentioned 184 000 times in online (blogs, news) and social media, of which 110 000 times in social media
Pollinator Park teaching materials	Institutions using materials	30 institutions using materials	No teaching materials were produced, in the wake of the EP decision to fund a PPPA on awareness raising about pollinators. However 20 000 people visited Pollinator Park in VR and online, with an average time spent of 9 min and full message retention. At in-person events, 80 visitors used it at EU Open Door Days, and 700 people used it at COP15 Montreal
Three Billion Trees	Social media outreach	10 million impressions	impressions 549 687
On The Green Track pre-COP15 campaign for youth (events, website, social media)	Events numbers, website visits, Social Media impressions and engagements	Min. 15 events organised by youth as a result of the call for events Min 3 million people reached via websites, Social Media, events and other outreach activities (networking, meetings etc.)	30 events were organised by young people 17 million people were reached via websites, social media events and other outreach activities
<b>Other important outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Minimising the risk of deforestation and forest degradation associated with products placed on the EU market (PLAN/2019/6251)	Participation in the interinstitutional negotiations towards adoption of the legislation by the co-legislators	2022 (dates to be defined by the co-legislators)	Provisional agreement reached by the co-legislators in December



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Management of Nitrates derogation requests from Member States. (PLAN/2021/12357)	Adoption of relevant decisions by the Commission	2022 Q1	C(2022)2596 Adopted 29/04/2022* C(2022) 6859 Adopted 30/09/2022
Update of the list of invasive alien species of Union concern (PLAN/2020/8838)	Adoption of Regulation by the Commission	2022 Q1	C(2022)4773 Adopted 12/07/2022 Adoption was delayed due to the organisation of the Committee meeting in Q2 2022 to facilitate national delegates attending in person, given the evolution of the Covid-19 pandemic
Forest protection: - Guidelines on closer-to-nature forestry; - Guidelines on biodiversity friendly afforestation and reforestation; - Guidelines on the definition, mapping, monitoring and strictly protecting all EU's remaining primary and old-growth forests (PLAN/2022/1178, 957, 959)	Publication of guidance documents	2022 Q2-Q4	Publication of the three documents was postponed to 2023, to allow for further meetings with Member States Experts, needed to ensure a broad support to the guidelines

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
<p>Management of Natura 2000</p> <ul style="list-style-type: none"> <li>- Guidelines supporting implementation of the Habitats and Birds Directives in relation to climate change impacts</li> <li>- Guidelines supporting implementation of the Habitats and Birds Directives in relation to tourism's impacts</li> </ul> <p>Update of the lists of Sites of Community Importance (PLAN/2021/10210)</p>	<ul style="list-style-type: none"> <li>- Publication of two guidance documents</li> <li>- Adoption of six implementing decisions by the Commission</li> </ul>	2022 Q4	<p>Work on guidance postponed to 2023 due to changes of priorities linked to the the Russia aggression against Ukraine and its effects on the EU, notably in relation to global food security.</p> <p>C(2022)845, 854, 855, 856, 862 and 871 Adopted 16/02/2022</p>
<p>Defining investment priorities for Natura 2000 and green infrastructure (PLAN/2021/12255)</p>	<p>Publication of Staff Working document</p>	2022 Q1	<p>Work still ongoing, publication postponed for further the analysis</p>

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
<p>Global biodiversity – UN Conventions</p> <ul style="list-style-type: none"> <li>- Conference of the Parties of the Biodiversity Convention (BDS COP 15)</li> <li>- Conference of the Parties of the Convention to combat Desertification (UNCCD COP 15)</li> </ul> <p>Meeting of the Parties to of the Nagoya Protocol (MOP4)</p>	Preparation, outreach to parties and EU participation accomplished	2022 Q2	Date changed by the United Nations. CBD_COP15 successfully adopted an ambitious Kunming-Montreal Global Biodiversity Framework with action-oriented targets for 2030 and outcome-oriented goals for 2050, as well as Decision on key issues notably the monitoring framework, resource mobilisation, review of implementation and digital sequence information. DG Environment coordinated the Commission's representation led by the Commissioner. The 4th Conference of the Parties as Meeting of the Parties to the Nagoya Protocol was successful as well.
<p>Forest international policy:</p> <ul style="list-style-type: none"> <li>- 17th session of the United Nations Forum on Forests (UNFF17)</li> <li>- 26th session of the FAO Committee on Forestry</li> <li>- 58th Session of the International Tropical Timber Council (ITTC)</li> </ul>	Preparation and participation accomplished	<ul style="list-style-type: none"> <li>- May 2022 for the United Nations Forum</li> <li>- The dates for the FAO and ITTC events were still to be defined by the relevant bodies at the time of drafting DG Environment 2022 Management Plan</li> </ul>	The DG prepared and participated in the three events, as planned
<p>Preparation of the EU position in the Conference of the Parties to the CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora (COP 19) (PLAN/2021/11267 and 11269)</p>	Two proposals adopted by the Commission and the Council	2022 Q2 and Q4 (ahead of the COP, in November)	<p>COM(2022)116 Adopted 21/03/2022</p> <p>COM(2022)451 Adopted 09/09/2022</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Marine environmental protection: - Development of threshold values for seabed integrity, marine litter and underwater noise Assessment of Member States monitoring programmes	Guidance document delivered under the MSFD common implementation strategy  Staff Working document delivered	2022 Q4	Guidance document delivered in November 2022  Assessment completed, Staff Working Document under discussion with relevant Commission services for finalisation early 2023

**Specific objective 3:** Zero Pollution: Citizens and natural ecosystems are better protected from environmental pressures and risks to health as a result of Europe's zero-pollution ambition and measures for a toxic-free environment

*Related to spending programmes: LIFE, Horizon Europe (17)*

**Result indicator 3.1:** Percentage of urban population exposed to air pollution

**Source of the data:** [European Environment Agency](#)

Baseline (18) (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2020) (19)
<b>Particulate Matter (PM<sub>2.5</sub>)</b> (20) 8.1% Urban population exposed (above EU limit value)	Reduce	<b>Particulate Matter (PM<sub>2.5</sub>)</b> 0.5% Urban population exposed (above EU limit value)	<b>Particulate Matter (PM<sub>2.5</sub>)</b> 0.2% Urban population exposed (above EU limit value)

(17) Horizon Europe has been added as related to this objective following the enhanced role assumed by DG Environment's in the implementation of the Programme as co-chair of Cluster 6, Food, natural resources, bioeconomy, agriculture and environment.

(18) Baselines updated for PM<sub>2.5</sub>, PM<sub>10</sub> and NO<sub>2</sub> following an update done by the European Environment Agency (EEA) downloaded on 16/01/2023 (the EEA regularly revises data based on new measurements or updated methodologies)

(19) See [EEA, Exceedance of air quality standards in Europe](#), published on 19/04/2022. Downloaded on 16/01/2023.

(20) PM<sub>2.5</sub> was added to this indicator table in 2020 to show how results contribute to the fourth impact indicator "Years of Life Lost", which has a focus on PM<sub>2.5</sub>

<b>Baseline <sup>(18)</sup></b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020) <sup>(19)</sup>
<b>Particulate Matter (PM<sub>10</sub>)</b> 18.8% Urban population exposed (above EU limit value, on more than 35 days per year)	Reduce	<b>Particulate Matter (PM<sub>10</sub>)</b> 11.2% Urban population exposed (i.e. above EU limit value, on more than 35 days per year)	<b>Particulate Matter (PM<sub>10</sub>)</b> 10.8% Urban population exposed (i.e. above EU limit value, on more than 35 days per year)
<b>Nitrogen Dioxide (NO<sub>2</sub>)</b> 6.7% Urban population exposed (above EU limit value, on an annual average)	Reduce	<b>Nitrogen Dioxide (NO<sub>2</sub>)</b> 3% Urban population exposed (i.e. above EU limit value, on an annual average)	<b>Nitrogen Dioxide (NO<sub>2</sub>)</b> 0.8% Urban population exposed (i.e. above EU limit value, on an annual average)

**Result indicator 3.2:** Percentage of population in urban areas affected by high road noise levels

**Source of the data:** [European Environment Agency](#)

<b>Baseline</b> (2019) <sup>(21)</sup>	<b>Interim Milestone</b> (2022)	<b>Target</b> (2026)	<b>Latest known results</b> (2021)
More than 91 million people	Reduce	Reduce and approach WHO values <sup>(22)</sup>	No update available <sup>(23)</sup>

**Result indicator 3.3:** Biochemical oxygen demand

**Source of the data:** Eurostat [online data code: [sdg\\_06\\_30](#)]

<b>Baseline</b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2019)
2.71 five-day mg/L <sup>(24)</sup>	Decrease	Decrease	2.50 five-day mg/L

<sup>(21)</sup> The 2019 baseline data refers to data on noise for 2017, reported to the [European Environment Agency](#) at <https://www.eea.europa.eu/data-and-maps/data/data-on-noise-exposure-8>

<sup>(22)</sup> WHO values released on 10/10/2018: below 53dB (road), 53dB (railway), 45dB (aircraft)

<sup>(23)</sup> Noise data is reported by Member States every 5 years, the last deadline was December 2022, but as the EEA will review the data reported in Jan 2024 to allow for late-reported data to be included, the next update of this indicator will only be after January 2024

<sup>(24)</sup> Baseline updated for 2017 by Eurostat, consulted on 14/02/2022 (EU aggregate changing according to the context, regularly updated by Eurostat)

**Result indicator 3.4: Groundwaters polluted by nitrates**

**Source of the data:** European Commission reports on the implementation of the Nitrates Directive: <https://ec.europa.eu/environment/water/water-nitrates/reports.html>

<b>Baseline</b> (2018*)	<b>Interim Milestone</b> (2021*)	<b>Target</b> (2024*)	<b>Latest known results</b> (2021*) <sup>(25)</sup>
13.2% Groundwater monitoring points > 50 mg/L *Reporting period 2012-2015	Reduce  *Reporting period 2016-2019	Reduce  *Reporting period 2020-2023	14.1% Groundwater monitoring points > 50 mg/L *Reporting period 2012-2015

**Result indicator 3.5: Industrial pollution intensity**

**Source of the data:** E-PRTR for emission data /Eurostat for economic data and EEA for air pollution damage costs – DG Environment elaboration

<b>Baseline</b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b>
EU large industry air pollution damage costs intensity (EUR damage per EUR GVA) <b>EUR 0.043</b> EU large industry water pollution intensity (kg per million EUR GVA): <b>2.37 Kg</b>	N/A	To further prevent or reduce environmental industrial pollution	No update available (methodology under discussion for future updates)

**Result indicator 3.6: Proportion of proposed legislative revisions that include burden reduction measures**

**Source of the data:** DG ENVIRONMENT analysis

<b>Baseline</b>	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
N/A	Positive trend	Positive trend	6 out of 6 <sup>(26)</sup> All the legislative proposals adopted in 2022 include measures

<sup>(25)</sup> Update linked to the reporting for the period 2016-2019: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2021%3A1000%3AFIN>

<sup>(26)</sup> The six proposals include three legislative revisions (on air quality, water pollutants and the classification/labelling of chemicals) that are listed as 'New initiatives' below, as they also included important additional new measures. They are however revisions including simplification measures and therefore relevant for result indicator 3.6 on burden reduction. Proposals postponed or cancelled are not taken into account (e.g. the horizontal proposal on chemicals).

<b>Baseline</b>	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
			which aim at reducing administrative burden <sup>(27)</sup> .




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(<sup>27</sup>) Detailed information on burden reduction:


- On Air quality, the Commission is proposing to merge Directive 2008/50/EC and Directive 2004/107/EC into one Directive regulating all relevant air pollutants. The proposed merging of the current Ambient Air Quality Directives, 2008/50/EC and 2004/107/EC, into a single Directive is expected to reduce the administrative burden for public authorities, in particular relevant authorities in the Member States, by simplifying rules, enhancing consistency and clarity, and making implementation more efficient. The proposal also streamlines and simplifies a number of provisions, notably in relation to air quality monitoring of different air pollutants, types of air quality standards for these pollutants, and the requirements that result from them, such as the development of air quality plans.
- The Water Pollutants proposal will reduce reporting burden on Member States authorities and facilitate water quality data collection.
- The CLP Regulation (Classification, Labelling and Packaging of chemicals) proposal creates net savings in recurrent administrative costs on businesses and citizens of EUR 25.6 million per year while imposing net (total) one-off administrative costs on businesses and citizens of EUR 245.2 million. Public authorities will be expected to have slightly increased recurrent administrative costs of EUR 0.7 million and additional one-off administrative costs of 13.5 million.
- The revision of the E-PRTR Regulation (EC) No 166/2006 was designed to minimise additional burden and provide legal certainty, clarity and transparency. The reporting at installation instead of facility level will ensure full coherence with reporting under Directive 2010/75, thereby reducing any administrative burden related to reporting at different technical levels in industrial sites.
- The revision of Directive 2010/75 clarifies provisions on gasification, liquefaction and pyrolysis and replaces the indicative list of pollutants in Annex II with references to other EU legislation, enhancing legal certainty on the applicable rules for all operators. In addition, a separate and lighter permitting regime will be introduced for 20 000 livestock farms currently regulated as well for those that will be newly brought within its scope, reducing the administrative burden by EUR 113 Million per year.
- The Urban Waste Water Treatment revision proposal introduces some clarifications, for instance on what is expected from Member States for rain waters. Some obsolete articles will be removed. Efforts were also made to limit reporting to essential elements. Combined with the use of digital tools, these efforts are expected to limit administrative burden while improving data quality.

## Main outputs in 2022:


### New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
 Revision of Regulation (EC) No 1272/2008 on the hazard classification, labelling and packaging of substances and mixtures (PLAN/2021/10629)	Adoption of legislative proposal by the Commission	2022 Q3	COM(2022)748 Adopted 19/12/2022*
 Integrated water management Revision of pollutants affecting surface and ground waters (PLAN/2020/8554)	Adoption of legislative proposal by the Commission	2022 Q3	COM(2022)540 Adopted 26/10/2022*
 Revision of the Ambient Air Quality Directives 2008/50/EC and 2004/107/EC (PLAN/2020/8962 and PLAN/2020/8636)	Adoption of legislative proposal by the Commission	2022 Q3	COM(2022)542 Adopted 26/10/2022*
Revision of Regulation (EU) 2017/852 on mercury (PLAN/2020/9940)	Adoption of legislative proposal by the Commission	2022 Q4	Impact assessment delivered in November, adoption of the proposal postponed to 2023 for further analysis, following a negative opinion of the Regulatory Scrutiny Board

### Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
 Revision of Directive 2010/75/EU on industrial emissions (PLAN/2020/6608)	Adoption of legislative proposal by the Commission	2022 Q2	COM(2022)156 Adopted 05/04/2022
Revision of the E-PRTR regulation (PLAN/2020/8555)	Adoption of legislative proposal by the Commission	2022 Q2	COM(2022)157 Adopted 05/04/2022
 Revision of the Urban Wastewater Treatment Directive (PLAN/2020/7347)	Adoption of legislative proposal by the Commission	2022 Q3	COM(2022)541 Adopted 26/10/2022*



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
 Horizontal proposal for reallocation of EU technical and scientific work on chemicals to EU agencies (PLAN/2021/11480, in collaboration with DG GROW)	Adoption of legislative proposal by the Commission	2022 Q4	Work in progress for adoption in 2023 Q2. Delay linked to work on the update of the ECHA basic act, to be adopted in parallel, as well as the revision of the Cosmetics Regulation
<b>Public consultations</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
 Targeted amendment of the REACH Regulation (EC) 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (PLAN/2021/10630, in collaboration with DG GROW)	Public consultation launched	2022 Q2	Public consultation launched 20/01/22
<b>External communication actions</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Zero Pollution communication actions	Number of impressions Number of engagements on DG Environment Social Media accounts	140 000 impressions 5000 engagements	350 000 impressions 40 000 engagements
<b>Other important outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Report on the risks posed by polymers and identifying polymers of concern manufactured and imported in quantities of one tonne or more (REACH Article 138(2)) (PLAN/2018/3026)	Adoption by the Commission	2022 Q3	Initiative cancelled. It was considered more useful to integrate the information of the Report in the impact assessment and the prospective proposal for a targeted revision of REACH, due in 2023

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Amendment of Commission Regulation (EC) 440/2008 laying down test methods pursuant to the REACH Regulation on the Registration, Evaluation, Authorisation and restriction of chemicals - 9 <sup>th</sup> Adaptation to technical progress (PLAN/2018/3630)	Adoption by the Commission	2022 Q3	Delay linked to Committee meeting organisation. The proposal was voted in Q3 2022 for adoption in Q1 2023
Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures (CLP) - 19 <sup>th</sup> and 20 <sup>th</sup> Adaptation to Technical Progress (relative to the addition and assignment of notes to substances (PLAN/2021/12224 and 12225)	Adoption of two delegated Regulations by the Commission	2022 Q2 2022 Q3	The two proposals are ready to be delivered, adoption postponed to 2023 linked to the update of the CLP Regulation itself
Commission summary report on the application of the Regulation on Persistent Organic Pollutants (POPs) (PLAN/2020/8477)	Adoption of report by the Commission	2022 Q1	COM(2022)463 Adopted 16/09/2022*

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Amendment of annex I of the POPs Regulation as regards hexachlorobenzene, PBDEs, PFOA, HBCDD and PCBs (PLAN/2021/11324, 12258, 12259, 12261)	Adoption of Delegated Regulations by the Commission	2022 Q3-Q4	PLAN/2021/11324 - HCB was adopted on 8 September 2022 - C(2022)6122 PLAN/2021/12258 - took longer than expected due to comments received. The act is ready for adoption in Q1 2023 PLAN/2021/12259 - PBDEs and PCB need further Member State consultation (planned in June 2023) before going forward for adoption. PLAN/2021/12261 - HBCDD will go forward for adoption in the first half of 2023, based on extended discussions with Member States in the expert group
Report on the application of Regulation (EU) No 649/2012 on the export and import of hazardous chemicals (accompanied by a SWD presenting the complete Union synthesis report) (PLAN/2020/8479)	Adoption of report by the Commission	2022 Q2	COM(2022)412 Adopted 13/09/2022*
Industrial Emissions: adoption of Best Available Techniques (BAT) conclusions for the ferrous metals processing and the textiles sectors (PLAN/2022/40 and 41)	Adoption of two Commission decisions	2022 Q3 and Q4	C(2022)7054 Adopted 11/10/2022 C(2022)8984 Adopted 09/12/2022

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Strategic Approach to International Chemicals Management (SAICM) - Decision to sign/join/support the decisions of ICCM5 (5 <sup>th</sup> International Conference for Chemicals Management) and the High-Level-Declaration beyond 2020	EU representation at the 5 <sup>th</sup> Conference High-level declaration signed	2022, date to be confirmed by international institutions	ICCM 5 was postponed to 25 -29 September 2023. The IP 4.2 meeting in Nairobi at the end of February 2023 is to prepare this meeting
4 <sup>th</sup> Conference of the Parties of the Minamata Convention on Mercury - part II Bali Declaration	Signing the Declaration Successful negotiations of EU position	2022 Q1	In March, the 4th Conference of the Parties of the Minamata Convention adopted a range of Decisions in line with the EU positions. The Bali declaration was signed, including by several Member States
Conference of the Parties of the TEAI Convention on the Transboundary Effects of Industrial Accidents	EU representation	2022 Q4	DG Environment was part of the team representing the EU, participating in meetings online and in person
Third Clean Air Outlook report and Zero Pollution Monitoring and Outlook	Adoption of the reports by the Commission	2022 Q4	COM(2022) 673 and 674, adopted on 08/12/2022 <sup>(28)</sup>

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<sup>(28)</sup> Important achievements, worth reporting on despite their oversight, in the DG 2022 Management Plan

**Specific objective 4:** Environmental concerns are integrated, and biodiversity standards mainstreamed, across EU policies, investments and finance, through existing consultation mechanisms and a proactive approach to coordination

*Related to spending programme:* LIFE

**Result indicator 4.1:** Structural funds interventions

**Source of the data:** DG REGIO <https://cohesiondata.ec.europa.eu/>

<b>Baseline</b> (2018)	<b>Interim Milestone</b>	<b>Target</b> (2024)	<b>Latest known results</b> (2022) <sup>(29)</sup>
<p>Additional waste recycling capacity (CO17): <b>755 400 tonnes/year</b></p> <p>Surface area of habitats supported to attain a better conservation status (CO23): <b>2.8 million hectares</b></p> <p>Total surface area of rehabilitated land (CO22): <b>583 hectares</b></p> <p>Population benefiting from flood protection measures (CO20) <b>4.1 million people</b></p> <p>Additional population served by waste water collection and treatment (CO19): <b>1.9 million people</b></p>	N/A	<p>Additional waste recycling capacity (CO17): <b>4 793 500 tonnes/year</b></p> <p>Surface area of habitats supported to attain a better conservation status (CO23): <b>8.5 million hectares</b></p> <p>Total surface area of rehabilitated land (CO22): <b>13 000 hectares</b></p> <p>Population benefiting from flood protection measures (CO20) <b>16.5 million people</b></p> <p>Additional population served by waste water collection and treatment (CO19): <b>17.7 million people</b></p>	<p>Additional waste recycling capacity (CO17): <b>2 380 769 tonnes/year</b></p> <p>Surface area of habitats supported to attain a better conservation status (CO23): <b>9.5 million hectares</b></p> <p>Total surface area of rehabilitated land (CO22): <b>2 698 hectares</b></p> <p>Population benefiting from flood protection measures (CO20) <b>21.8 million people</b></p> <p>Additional population served by waste water collection and treatment (CO19): <b>5.3 million people</b></p>

<sup>(29)</sup> Reported on [DG REGIO data platform](#) (23/12/2022). The updated results refer to implemented projects, not to projects decided for EU funding, which would give significantly higher numbers (e.g. for the indicator 'Total surface area of rehabilitated land', the projects for which EU funding has been decided would amount to 7 585 hectares instead of 2 698 hectares for already implemented projects).

**Result indicator 4.2: EAFRD support for environment and climate action****Source of the data:** DG AGRI

<b>Baseline</b> (2014-2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
51,3 % (not cumulative, total for both periods 2007-2013 and 2014-2020)	Maintain or increase	Maintain or increase	58.3% (cumulative realised EAFRD expenditure 2014-2022)

**Result indicator 4.3: Structural funds supporting the marine environment****Source of the data:** DG Environment Analysis

<b>Baseline</b> (2014-2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
10% (of the directly managed European Maritime and Fisheries Funds - EMFF)	Maintain or increase	Maintain or increase	10% reached for the EMFF 2014-2020. From 2021, DG Environment is not directly involved in the management of this fund <sup>(30)</sup> and therefore has stopped monitoring this indicator

**Result indicator 4.4: Share of environmental taxes****Source of the data:** Eurostat (online code name [sdg 17 50](#))

<b>Baseline</b> (2018)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020) <sup>(31)</sup>
5.99% <sup>(32)</sup>	Increase	Increase	5.57%

<sup>(30)</sup> Renamed EMFAF, European Maritime Fisheries and Aquaculture Fund

<sup>(31)</sup> While the data shows a decrease respect to 2018, it is difficult to take it as a trend, due to several specific factors, among others, the GDP falls linked to the pandemic, increasing energy prices impact on consumer behaviour/ energy use (e.g. fuels), and the impact of Brexit in reducing totals and restructuring weightings within indicators. An analysis of the trend will therefore require a longer period.

<sup>(32)</sup> Baseline updated by Eurostat (date of update 14/12/2021, last checked on 13/01). Eurostat regularly revises its indicators in the light of e.g data updates from Member States, or improved calculation methods

**Main outputs in 2022:****New policy initiatives**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Environmental Implementation Review 2022 (PLAN/2021/11473)	Adoption of a Communication by the Commission, accompanied by 27 Staff Working Documents	2022 Q3	COM(2022)438 Adopted 08/09/2022
Contribution to the European Semester Process	Environmental recommendations in country reports	2022 Q2 (Spring package)	ECOFIN council adopted the country specific recommendations on 12 July 2022; twenty-seven recommendations were on the energy transition, and ten were on DG Environment's priorities; four annexes of the country reports were dedicated to the green transition
Guidance document on the Strategic Environmental Impact Assessment Directive (PLAN/2021/13182)	Adoption of guidance by the Commission	2022 Q4	The guidance was on hold pending judgment of the Court of Justice of the EU. Work is in progress for adoption in 2023, following delivery of the judgment in late 2022

**Specific objective 5:** There is an enabling framework for implementation based on strong governance and enforcement action, supported by advanced knowledge and digital technologies, close collaboration with cities and citizens' engagement

*Related to spending programme:* LIFE

**Result indicator 5.1:** Proportion of proposed legislative revisions that include burden reduction measures

**Source of the data:** DG Environment analysis

Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
N/A	Positive trend	Positive trend	N/A No legislative revision was adopted in 2022 under specific objective 5 <sup>(33)</sup>

**Result indicator 5.2:** Compliance with EU landfilling rules

**Source of the data:** DG Environment (Internal Infringements Database)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
1753 <sup>(34)</sup> Number of illegal landfills remaining in the EU (as covered in infringement cases)	1963	Significant reduction of illegal landfills across the EU	1995 <sup>(35)</sup>

<sup>(33)</sup> The two initiatives initially planned for adoption in 2022 were postponed, as explained below under the output category 'Initiatives linked to regulatory simplification and burden reduction'

<sup>(34)</sup> Baseline updated in line with corrections operated in the infringements database

<sup>(35)</sup> The increase is due to enforcement action to tackle landfills which do not meet the pretreatment standards of Directive 99/31/EC, as interpreted by the Court in the Malagrotta ruling (C-323/13).



**Result indicator 5.3: Compliance with EU nature rules****Source of the data:** DG Environment (Internal Infringements Database)

<b>Baseline <sup>(36)</sup></b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
13% <sup>(37)</sup> Natura 2000 sites assessed in EU investigation/infringement cases that have not yet been designated as Special Areas of Conservation under Art 4(4) of the Habitats Directive	8%	Significant reduction in the % of sites covered by an investigation, showing progress in compliance with EU nature rules	11%

**Result indicator 5.4: Compliance with Air quality legislation****Source of the data:** DG Environment (Internal Infringements Database)

<b>Baseline <sup>(38)</sup></b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021) <sup>(39)</sup>
<b>91</b> Air Quality zones still in exceedance covered by a PM10 infringement	<b>57</b> Air Quality zones still in exceedance covered by a PM10 infringement	Significant reduction in the number of zones	<b>55</b> Air Quality zones still in exceedance covered by a PM10 infringement
<b>68</b> Air Quality zones still in exceedance covered by a NO2 infringement <sup>(40)</sup>	<b>21</b> Air Quality zones still in exceedance covered by a NO2 infringement	Significant reduction in the number of zones	<b>23</b> Air Quality zones still in exceedance covered by a NO2 infringement

<sup>(36)</sup> Baseline definition updated in line with the infringements database, which focus on the failed designation of conservation areas under article 4.4 of the Habitats Directive.

<sup>(37)</sup> Baseline updated to reflect the situation at the end of 2019 (the original figure published in the DG Strategic Plan 2020-2024 was incorrectly reporting the situation at the end of 2018)

<sup>(38)</sup> Baseline updated in line with corrections operated in the infringements database. Baseline for 2019 is based on latest air quality data available at the time, i.e. for 2017.

<sup>(39)</sup> The update for 2021 is based on latest air quality data available at time of drafting. i.e. for 2020.

<sup>(40)</sup> Initially, the baseline had included the UK (84 zones); this figure is now updated.

**Result indicator 5.5: Compliance with the principles of environmental governance framework**

**Source of the data:** DG Environment (Internal Infringements Database)

<b>Baseline <sup>(41)</sup></b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results <sup>(42)</sup></b> (2022)
<p>a) Number of infringement cases relating to the breach of the EU environmental governance framework: <b>45</b></p> <p>b) Number of infringement cases relating to the breach of access to justice rights in EU environmental rules: <b>15</b></p>	N/A	<p>a) Significant reduction in the number of cases (showing a) improved compliance by Member States with key provisions of EU environmental rules relating to governance and</p> <p>b) Improved access to justice in national courts in environmental matters)</p>	<p>a) <b>16</b> of the <b>45</b> cases were closed. However, in 2020, the total number of cases increased to <b>62</b>, due to the new infringements. End of 2022, this figure is down to <b>48</b></p> <p>b) <b>7</b> of the <b>15</b> cases were closed. However, in 2020, the total number of cases increased to <b>33</b>, due to new infringements. End of 2022, this figure is down to <b>25</b>.</p>

<sup>(41)</sup> The baselines established in the DG Strategic Plan [100 for bullet a) and 25 for bullet b)] were introduced by mistake. The updated baselines are therefore correcting a clerical error. To be noted also that case b) is a sub-case of a).

<sup>(42)</sup> The reported results include both the closure of existing cases and the opening of new infringements. The target reduction of the total number of open infringements, including new cases, will likely commence only after 2024. A series of systemic shortcomings have been identified concerning on-the-ground implementation of access to justice in environmental matters in national legal systems. In order to remedy these problems, the Commission pursues two main strands of action (in line with the commitments made in 2020 under the Communication on access to justice). First, to support the EU's citizens in safeguarding their rights before national courts, the Commission actively pursues infringement cases before the Court of Justice (the number of cases significantly increased to 33 in 2020). In parallel, with a view to ensuring a higher level of legal certainty for citizens, the Commission will include further provisions on access to justice in EU legislative proposals. This is also expected to result in more infringement actions in the future.

**Result indicator 5.6: Number of cities applying for the European Green Capital Award****Source of the data:** DG Environment

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2022 <sup>(43)</sup> )
9 cities	Increase	Increase	8 cities

**Main outputs in 2022:****New policy initiatives**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
8 <sup>th</sup> EAP monitoring Framework	Monitoring framework established	2022 Q3	COM(2022)357 Adopted 26/07/2022

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

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
 GreenData4All – Revision of the Infrastructure for Spatial Information in the European Community (INSPIRE Directive) and the Public Information Directive (PLAN/2021/11441)	Adoption of legislative proposal by the Commission	2022 Q4	Initiative postponed to take into account emerging relevant legislation and work on the development of a Green Deal Data Space. The conclusions of an evaluation of the INSPIRE Directive and parts of the Public Access to Environmental Information Directive, finished in July 2022, will help to shape future developments.

<sup>(43)</sup> The reduction in the number of applications is considered to be linked to the stricter rules established from 2022 (including accepting only application from Member States' cities and higher ambition forms) as well as to the uncertainties created by Russia's aggression against Ukraine.

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Revision of the Regulations implementing the INSPIRE Directive (2007/2/EC), with particular focus on adapting Commission Regulation (EU) No 1089/2010 as regards interoperability of spatial data sets and services, including the adaptation of Annex III to technical and scientific progress (PLAN/2017/1237)	Adoption by the Commission	2022 Q1	Regulation revised in collaboration with Member States and relevant Commission services. Adoption delayed to allow for the 3 months of scrutiny by co-legislators, and also due to a long translation process linked to the complex technical nature of the Act.. Scrutiny by Parliament and Council ended on 7 February 2023 and comments received from Member States are being integrated in the translations

### Public consultations

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Evaluation of the Environmental Liability Directive (PLAN/2021/12649)	Public consultation launched	2022 Q2	Public consultation launched on 12/05/ 2022

### External communication actions

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Direct reach of DG Environment social media channels	Number of followers in Instagram Number of followers in Facebook Number of followers in Twitter Number of followers on LinkedIn	45 000 300 000 140 000 20 000	IG: 45 500 FB: 292 000 TW: 148 600 LI: 25 600
DG Environment website performance DG Environment web transformation	Number of visits Number of webpages transformed	3.5 million 200	4 million 900

## Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2022)
Annual INSPIRE Conference	Organisation of the event	2022 Q4	The annual INSPIRE Conference was not organised in 2022, in agreement with the INSPIRE community and mainly due to the continuing unfavourable sanitary conditions for physical events. Several expert group meetings and webinars were organised in 2022
A new (post-2020) mandate for the Environment Knowledge Community (EKC) to support the European Green Deal	Approval of the mandate at EKC DG-level and kick-off of the first set of actions	2022 Q2	Mandate in discussion
Science News Alert (Science for Environment Policy)	Publication of Science News	Publication of 20 news alerts and 3 future briefs (spread throughout the year)	20 alerts and 2 long future briefs published
Contribution to the implementation of Horizon Europe (work programmes, missions, partnerships) and co-management of cluster 6	Appropriate inclusion of environmental issues In research work programmes and individual calls, partnerships and mission WP	Throughout the year	Appropriate inclusion achieved in work programmes of clusters, in particular as co-chair of cluster 6, missions and relevant partnerships. Information about results of research projects regularly gathered to support preparation or evaluation of EU legislation

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Cooperation Framework Agreement between DG Environment and JRC	Signature of the Agreement	2022 Q1	Building on earlier work since the decision on an MoU was taken on DG level in May 2020, and an agreement was reached between the two DDGs on the text in principle, a number of additional bilateral meetings took place in 2022, and further MoU drafts were shared. However, in late 2022 DG Environment was informed that the JRC has changed its approach on cooperation with DGs; it will in future rely on the coordination of its Work Programme with DGs rather than on a bilateral approach through MoUs. In the absence of an MoU, DG Environment concentrated its efforts on anchoring its priorities in the JRC's Work Programme 2023-24
Commission Opinion on the EEA Single Programming Document 2023-2025 PLAN/2022/298	Adoption by the Commission	2022 Q3	The Commission Opinion on the EEA draft SPD 2023-2025 was adopted on 11.7.2022
Strategic Foresight: - 4 <sup>th</sup> FORENV Cycle (EU Foresight System for the Environment) Contribution to the Commission's foresight work	- Organisation of 4 workshops and publication of a report covering 10 environmental emerging issues (topics to be defined)  Integration of environmental issues into the Commission's annual foresight report	2022 Q4 for the FORENV report. Workshops spread throughout the year, ahead of the foresight report  Contributions to the Commission's foresight work throughout the year	Workshops held in April, Report finalised in December, publication pending  Significant contribution delivered as topic on links between green and digital transitions had strong environmental dimension

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
EU Green Cities Awards: - European Green Capital Award European Green Leaf Award	Titles awarded Award ceremonies organised	2022 Q3/Q4	Award Ceremony organised in the 2022 Green Capital Grenoble on 28 October 2022. The European Green Capital 2024 was awarded to Valencia (ES). European Green Leaf titles for 2024 titles awarded to Elsinore (DK) and Velenje (SL)
Implementation of the Green City Accord (GCA) through workshops with EU Member States to promote the GCA cities support/participation	Organisation of workshops	2022 Q4	Workshops organised with GCA signatory cities on air quality, biodiversity and on waste/circular economy

**Specific objective 6:** Global uptake of the environmental objectives of the European Green Deal is stimulated through participation in multilateral agreements, institutions and fora, EU accession negotiations, engagement with third countries and trade

*Related to spending programme: LIFE*

**Result indicator 6.1:** Progress towards a circular, resource efficient global economy

**Source of the data:** DG Environment analysis

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2021)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
In the 2020 Circular Economy Action Plan, the Commission proposed the establishment of a 'Global Circular Economy Alliance to identify knowledge and governance gaps in advancing a global circular economy and take forward partnership initiatives, including with major economies'. It has also called for stepped up action in multilateral fora, including UNEA	Decisions under UNEA5	A Global Alliance on Circular Economy and Resource Efficiency (GACERE) promotes the sharing of best practice and support discussions on an international agreement on the management of natural resources  Furthermore, Decisions under UNEA and or in other high-level meetings support EU policy objectives linked to EGD	UNEA 5 adopted resolution 5/11 on enhancing circular economy as a contribution to achieving sustainable consumption and production, acknowledging the importance of circular economy approaches  GACERE reached 16 government members and was instrumental in promoting globally the Circular Economy agenda of the European Green

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2021)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
(United Nations Environment Assembly).			Deal

**Result indicator 6.2:** Environmental standards in enlargement and neighbourhood countries

**Source of the data:** DG Environment analysis

<b>Baseline</b> (2020)	<b>Interim Milestone</b>	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
<p>2020 Enlargement package outlining progress of candidate countries and potential candidates in assuming accession obligations</p> <p>For Neighbourhood countries: reports of 2019/2020 environment subcommittee meetings under the Association/Partnership Agreement(s)</p>		<ul style="list-style-type: none"> <li>- Progress in the transposition, implementation and enforcement of EU environmental legislation in candidate countries and potential candidates</li> <li>- Progress towards the adoption of EU standards and norms for environmental protection by countries covered by the EU Neighbourhood policy</li> </ul>	<p>Progress recorded in the 2022 Package on approximation of candidate countries and potential candidates;</p> <ul style="list-style-type: none"> <li>- Ukraine, Georgia and Moldova granted Candidate/Potential Candidate status</li> <li>- Contribution to the implementation of the Green Agenda for the Western Balkans</li> <li>- Engagement with Eastern Neighbourhood countries on the update of the Association Agreements expanding on the environmental acquis with which the countries will approximate;</li> <li>- Contribution to the Renewed Partnership with the Southern Neighbourhood and Arctic Strategy Communications</li> </ul>



**Result indicator 6.3: European Green Deal mainstreamed into bilateral and regional cooperation**

**Source of the data:** DG Environment analysis

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
N/A	European Green Deal mainstreamed into policy dialogues, outreach activities, bilateral and regional cooperation agreements	European Green Deal mainstreamed into policy dialogues, outreach activities, bilateral and regional cooperation agreements	<ul style="list-style-type: none"> <li>- European Green Deal featured as the overarching framework for cooperation in all dialogues and cooperation agreements in 2022</li> <li>- Outreach activities carried out</li> <li>- Conclusion of a Green Partnership with Morocco</li> <li>- Membership in the Latin American and African Circular Economy Alliances</li> </ul>

**Main outputs in 2022:**

**New policy initiatives**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Sustainable Development Goals: Effective promotion of the environmental goals in the world	Participation in 2022 UN High Level Political Forum (HLPF), including organisation of side event/s Organisation of G7/G20 workshops (through a PI project) Contribution to the EU participation in relevant G7 and G20 meetings and summits	July 2022  2-3 workshops organised  Environment contribution delivered	Together with the EU Delegation in New York DG Environment actively engaged in the preparations of the 2022 HLPF and its ministerial declaration
Declaration on plastics co-signed with China	Declarations signed	2022 Q2	Only limited engagement was achieved on circular economy with NDRC (National Development and Reform Commission). Work on a common declaration stalled and is currently put on hold

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Joint Declaration on Circular Economy with South Africa - Summit output	Declaration signed	2022 Q2	Postponed by the parties
Commission joining the African Circular Economy Alliance as strategic partner (PLAN/2021/12211)	African Circular Economy Alliance joined	2022 Q1	Coalition joined in February 2022
Commission decision joining the Latin America Circular Economy Coalition (PLAN/2021/12209)	Coalition joined	2022 Q1	Coalition joined in February 2022
Joint Declaration for a Dialogue on Environment, Climate Action and Sustainable Development between the European Union and the Republic of Colombia	Joint Declaration signed	2022 Q1	Joint Declaration signed in February 2022
High-level Environment dialogues with key EU trade and strategic partners (TSD) on environmental issues	Participation in high-level dialogues	25 high-level dialogues (HLD) and 15 TSD committees	Due to Ukraine war and rich multilateral agenda (COP27 and COP15), 2 HLDs could be held (Colombia, Australia) but this was compensated with an extraordinarily high number of bilateral dialogues at margins of multilateral events and missions (USA, Latin America, Asia)
Enhanced integration of environmental considerations into trade policy	Environment covered in trade agreements including during implementation	2022 Q1 to Q4 (and beyond) 15 trade agreements	Achieved

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2022)
Progress in the environment chapter of accession negotiations with Serbia/Montenegro	Progress in fulfilling the closing benchmarks.	2022 Q4	Montenegro submitted to the Commission its 'Report on the implementation of the Action Plan for fulfilment of the closing benchmarks in Chapter 27 - Environment and Climate Change' for the reporting period August 2021 – February 2022. The Chapter 27 closing benchmarks explanatory meeting with Serbia took place in Brussels on 5 May 2022, dealing with 8 closing benchmarks.
Annual programming of environment related projects under NDICI (Neighbourhood, Development and International Cooperation Instrument), including thematic work under the Global Challenges Programme of NDICI	Annual Action Programme 2022 adopted by the Commission	2022 Q4	Action programme adopted by Commission Decision C(2022) 8146, on 14/11/2022
Multilateral trade meetings including World Trade Organization (WTO) Committee on Trade and Environment (CTE) meetings and OECD Joint Working Party on Trade and Environment (JWPTE) meetings	Preparation and participation accomplished	2022	Achieved
Bilateral Free Trade Agreement negotiations with Chile, Australia, New Zealand and Indonesia	Preparation and participation accomplished	2022	TSD negotiations with Chile and New Zealand concluded. Negotiations are advanced with Australia and ongoing with Indonesia

## ANNEX 3: Draft annual accounts and financial reports

AAR 2022  
Version 3

### Annex 3 Financial Reports - DG ENV - Financial Year 2022

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

**Table 4 : Balance Sheet**

**Table 5 : Statement of Financial Performance**

**Table 5 : Bis: Off Balance Sheet**

**Table 6 : Average Payment Times**

**Table 7 : Income**

**Table 8 : Recovery of undue Payments**

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

**Table 10 : Waivers of Recovery Orders**

**Table 11 : Negotiated Procedures**

**Table 12 : Summary of Procedures**

**Table 13 : Building Contracts**

**Table 14 : Contracts declared Secret**

**Table 15 : FPA duration exceeds 4 years**

**Table 16 : Commitments co-delegation type 3 in 2022**

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

Refresh date : 22/02/2023

ADDITIONAL COMMENTS

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

Refresh date : 22/02/2023

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG ENV					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.00	0.00	0.00 %
<b>Total Title 01</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 02 European Strategic Investments</b>					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
<b>Total Title 02</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 03 Single Market</b>					
03	03 02	Single Market Programme	0.57	0.46	80.60 %
<b>Total Title 03</b>			<b>0.57</b>	<b>0.46</b>	<b>80.60 %</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 07	Emergency support within the Union	0.00	0.00	0.00 %
<b>Total Title 06</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 03	European Agricultural Fund for Rural Development (EAFRD)	0.00	0.00	0.00 %
	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.02	0.00	0.00 %
<b>Total Title 08</b>			<b>0.02</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 09 Environment and Climate Action</b>					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	2.72	2.69	98.99 %
	09 02	Programme for the Environment and Climate Action (LIFE)	44.36	43.50	98.05 %
	09 10	Decentralised Agencies	61.02	60.73	99.52 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	4.75	4.74	99.88 %
<b>Total Title 09</b>			<b>112.85</b>	<b>111.66</b>	<b>98.95 %</b>
<b>Title 14 External Action</b>					
14	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	14.30	14.30	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	3.55	3.55	100.00 %
<b>Total Title 14</b>			<b>17.85</b>	<b>17.85</b>	<b>100.00 %</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00 %
<b>Total Title 15</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 02	Other staff and expenditure relating to persons	0.03	0.03	100.00 %
<b>Total Title 20</b>			<b>0.03</b>	<b>0.03</b>	<b>100.00 %</b>

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

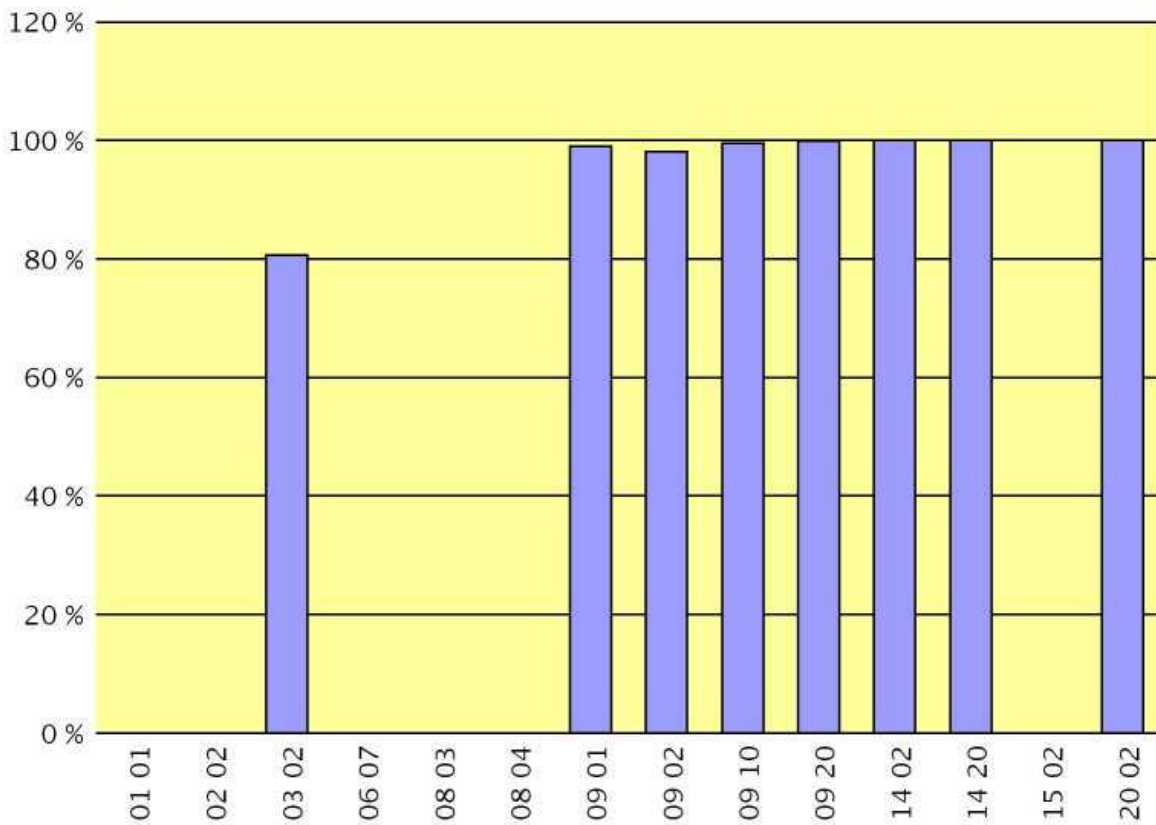
Refresh date : 22/02/2023

**TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG ENV**

	Commitment appropriations authorised*	Commitments made	%
	1	2	3=2/1
<b>Total Excluding NGEU</b>	<b>131.32</b>	<b>130.00</b>	<b>98.99 %</b>
<b>Total DG ENV</b>	<b>131.32</b>	<b>130.00</b>	<b>98.99 %</b>

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

**% Outturn on Commitment Appropriations in 2022 for DG ENV**



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

Refresh date : 22/02/2023

**TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG ENV**

			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.00	0.00	0.00 %
<b>Total Title 01</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 02 European Strategic Investments</b>					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
<b>Total Title 02</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 03 Single Market</b>					
03	03 02	Single Market Programme	0.21	0.10	47.46 %
<b>Total Title 03</b>			<b>0.21</b>	<b>0.10</b>	<b>47.46%</b>
<b>Title 06 Recovery and Resilience</b>					
06	06 07	Emergency support within the Union	0.00	0.00	100.00 %
<b>Total Title 06</b>			<b>0.00</b>	<b>0.00</b>	<b>100.00%</b>
<b>Title 08 Agriculture and Maritime Policy</b>					
08	08 03	European Agricultural Fund for Rural Development (EAFRD)	0.00	0.00	0.00 %
	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	2.62	2.62	100.00 %
<b>Total Title 08</b>			<b>2.62</b>	<b>2.62</b>	<b>100.00%</b>
<b>Title 09 Environment and Climate Action</b>					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	4.09	1.65	40.23 %
	09 02	Programme for the Environment and Climate Action (LIFE)	50.58	49.78	98.42 %
	09 10	Decentralised Agencies	61.02	60.73	99.52 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	7.51	7.50	99.92 %
<b>Total Title 09</b>			<b>123.21</b>	<b>119.66</b>	<b>97.12%</b>
<b>Title 14 External Action</b>					
14	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global)	16.18	16.18	100.00 %
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	3.55	3.55	100.00 %
<b>Total Title 14</b>			<b>19.73</b>	<b>19.73</b>	<b>100.00%</b>
<b>Title 15 Pre-accession Assistance</b>					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.20	0.20	100.00 %
<b>Total Title 15</b>			<b>0.20</b>	<b>0.20</b>	<b>100.00%</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 02	Other staff and expenditure relating to persons	0.03	0.01	39.67 %
<b>Total Title 20</b>			<b>0.03</b>	<b>0.01</b>	<b>39.67%</b>

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Refresh date : 22/02/2023

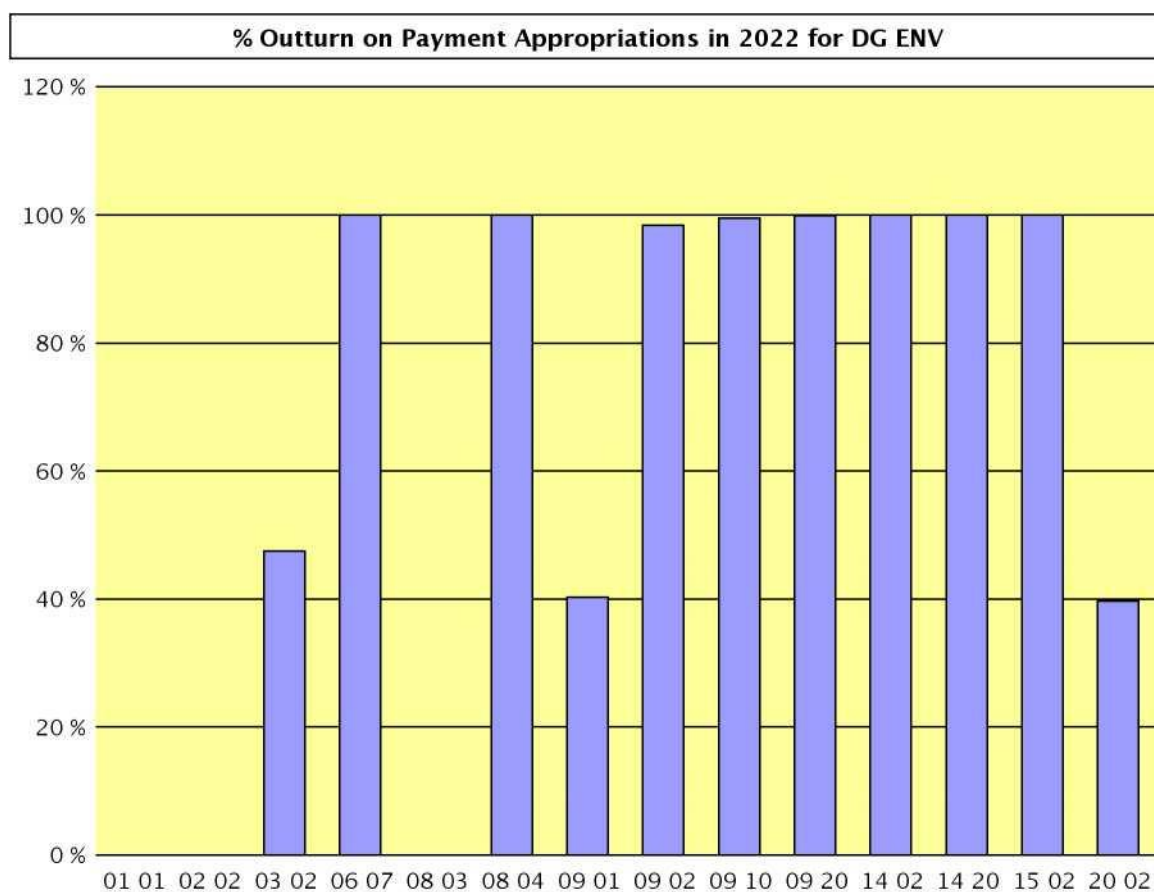


**TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG ENV**

	Payment appropriations authorised *	Payments made	%
	1	2	3=2/1
<b>Total Excluding NGEU</b>	<b>145.99</b>	<b>142.32</b>	<b>97.49%</b>

**Total DG ENV** **145.99** **142.32** **97.49 %**

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



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

Refresh date : 22/02/2023

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
<b>Total Title 01</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	47.36	47.36	47.36
<b>Total Title 02</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>47.36</b>	<b>47.36</b>	<b>47.36</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.46	0.00	0.46	100.00%	0.27	0.73	0.37
<b>Total Title 03</b>			<b>0.46</b>	<b>0.00</b>	<b>0.46</b>	<b>100.00%</b>	<b>0.27</b>	<b>0.73</b>	<b>0.37</b>

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

Refresh date : 22/02/2023

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 07	Emergency support within the Union	0.00	0.00	0.00	0.00%	6.00	6.00	6.00
<b>Total Title 06</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 03	European Agricultural Fund for Rural Development (EAFRD)	0.00	0.00	0.00	0.00%	0.00	0.00	0.35
	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0.00	0.00	0.00	0.00%	4.35	4.35	6.98
<b>Total Title 08</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>4.35</b>	<b>4.35</b>	<b>7.33</b>

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

Refresh date : 22/02/2023

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	2.69	0.27	2.42	89.89%	0.00	2.42	1.38
	09 02	Programme for the Environment and Climate Action (LIFE)	43.50	5.78	37.72	86.72%	83.56	121.28	136.01
	09 10	Decentralised Agencies	60.73	58.23	2.50	4.12%	0.50	3.00	3.00
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	4.74	0.00	4.74	100.00%	14.33	19.07	23.83
<b>Total Title 09</b>			<b>111.66</b>	<b>64.28</b>	<b>47.38</b>	<b>42.43%</b>	<b>98.39</b>	<b>145.77</b>	<b>164.21</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	14.30	0.00	14.30	100.00%	3.52	17.82	18.73
	14 20	Pilot projects, preparatory actions, prerogatives and other actions	3.55	3.55	0.00	0.00%	0.00	0.00	0.00
<b>Total Title 14</b>			<b>17.85</b>	<b>3.55</b>	<b>14.30</b>	<b>80.10%</b>	<b>3.52</b>	<b>17.82</b>	<b>18.73</b>

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

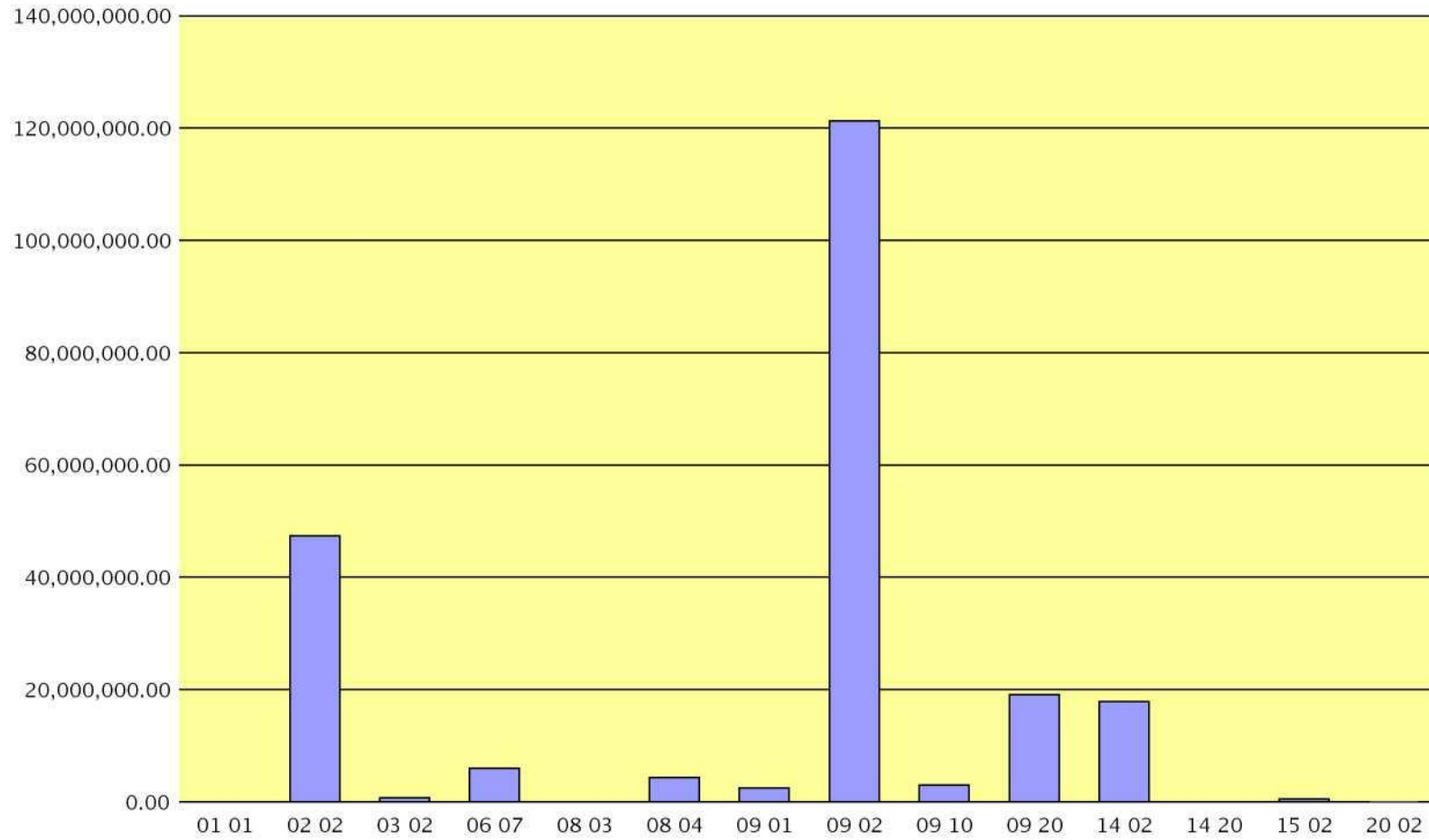
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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00	0.00%	0.54	0.54	0.74
<b>Total Title 15</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.54</b>	<b>0.54</b>	<b>0.74</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.03	0.01	0.02	57.75%	0.00	0.02	0.00
<b>Total Title 20</b>			<b>0.03</b>	<b>0.01</b>	<b>0.02</b>	<b>57.75%</b>	<b>0.00</b>	<b>0.02</b>	<b>0.00</b>
<b>Total Excluding NGEU</b>			<b>130.00</b>	<b>67.84</b>	<b>62.16</b>	<b>47.81%</b>	<b>160.43</b>	<b>222.59</b>	<b>244.74</b>
<b>Total for DG ENV</b>			<b>130.00</b>	<b>67.84</b>	<b>62.16</b>	<b>47.81 %</b>	<b>160.43</b>	<b>222.59</b>	<b>244.74</b>

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

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**Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2022 ENV**



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

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**TABLE 4 : BALANCE SHEET for DG ENV**

<b>BALANCE SHEET</b>	<b>2022</b>	<b>2021</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>32,458,116.88</b>	<b>22,085,014.31</b>
A.I.4. Non-Current Financial Assets	167,018.00	167,018.00
A.I.5. Non-Current Pre-Financing	32,190,123.88	21,817,021.31
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	100,975.00	100,975.00
<b>A.II. CURRENT ASSETS</b>	<b>209,429,769.62</b>	<b>85,576,621.10</b>
A.II.2. Current Pre-Financing	17,086,066.27	20,479,163.84
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	182,536,169.35	55,289,923.26
A.II.6. Cash and Cash Equivalents	9,807,534.00	9,807,534.00
<b>ASSETS</b>	<b>241,887,886.50</b>	<b>107,661,635.41</b>
<b>P.II. CURRENT LIABILITIES</b>	<b>-35,103,410.15</b>	<b>-39,180,434.93</b>
P.II.3. Current Financial Liabilities	-122,669.00	-122,669.00
P.II.4. Current Payables	-7,244,610.99	-4,083,918.19
P.II.5. Current Accrued Charges & Defrd Income	-27,736,130.16	-34,973,847.74
<b>LIABILITIES</b>	<b>-35,103,410.15</b>	<b>-39,180,434.93</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>206,784,476.35</b>	<b>68,481,200.48</b>
P.III.2. Accumulated Surplus/Deficit		1,124,932,811.06
Non-allocated central (surplus)/deficit*	-1,331,717,287.41	-1,209,337,804.62
<b>TOTAL DG ENV</b>	<b>0.00</b>	<b>0.00</b>

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG ENV**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2022</b>	<b>2021</b>
<b>II.1 REVENUES</b>	<b>-172,472,498.98</b>	<b>-161,988,210.30</b>
II.1.1. NON-EXCHANGE REVENUES	-177,210,631.93	-168,898,792.94
II.1.1.5. FINES	-172,140,956.42	-163,793,650.83
II.1.1.6. RECOVERY OF EXPENSES	-111,283.88	-304,818.44
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-4,958,391.63	-4,800,323.67
II.1.2. EXCHANGE REVENUES	4,738,132.95	6,910,582.64
II.1.2.1. FINANCIAL INCOME	-16,930.58	-192,997.00
II.1.2.2. OTHER EXCHANGE REVENUE	4,755,063.53	7,103,579.64
<b>II.2. EXPENSES</b>	<b>125,389,958.45</b>	<b>146,064,417.22</b>
II.2. EXPENSES	125,389,958.45	146,064,417.22
II.2.10. OTHER EXPENSES	3,068,554.67	6,612,772.84
II.2.2. EXP IMPL BY COMMISS&EX.AGENC	65,813,201.38	67,754,401.51
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	60,423,052.37	56,410,976.64
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	-3,921,789.90	14,770,030.34
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)		513,203.00
II.2.8. FINANCE COSTS	6,939.93	3,032.89
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>-47,082,540.53</b>	<b>-15,923,793.08</b>

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

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

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**TABLE 5bis : OFF BALANCE SHEET for DG ENV**

<b>OFF BALANCE</b>	<b>2022</b>	<b>2021</b>
OB.1. Contingent Assets	449,260.00	749,260.00
GR for other		0.00
GR for pre-financing	449,260.00	749,260.00
OB.2. Contingent Liabilities	0.00	-16,938,169.36
OB.2.1. Guarantees given for EU FI	0.00	-14,585,798.00
OB.2.7. CL Legal cases OTHER	0.00	-2,352,371.36
OB.3. Other Significant Disclosures	-192,051,981.38	-192,051,981.38
OB.3.2. Comm against app. not yet consume	-192,051,981.38	-192,051,981.38
OB.4. Balancing Accounts	191,602,721.38	208,240,890.74
OB.4. Balancing Accounts	191,602,721.38	208,240,890.74
<b>OFF BALANCE</b>	<b>0.00</b>	<b>0.00</b>

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

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

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**TABLE 6: AVERAGE PAYMENT TIMES for DG ENV**

Legal Times

Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	234	222	94.87 %	11.83	12	5.13 %	37.00	2,953,348.23	4 %
60	354	342	96.61 %	24.06	12	3.39 %	96.00	1,556,063.37	4 %
90	74	72	97.30 %	38.67	2	2.70 %	93.00	443,663.30	2 %

Total Number of Payments	662	636	96.07 %		26	3.93 %		4,953,074.9	3 %
Average Net Payment Time	23.29			21.44			68.54		
Average Gross Payment Time	30.04			27.89			82.69		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	35	127	19.18 %	662	18,760,060.50	13.22 %	141,907,139.63

Late Interest paid in 2022			
DG	GL Account	Description	Amount (Eur)
ENV	65010100	Interest on late payment of charges New FR	6,939.93
			<b>6,939.93</b>

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

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

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**TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG ENV**

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
40	Revenue from investments and accounts	16,930.58	740.84	17,671.42	16,930.58	0.00	16,930.58	740.84
42	Fines and penalties	146,935,419.38	99,395,278.99	246,330,698.37	43,911,096.57	65,679,782.89	109,590,879.46	136,739,818.91
62	Natural resources and environment	584,730.14	26,751.22	611,481.36	582,503.96	26,751.22	609,255.18	2,226.18
65	Neighbourhood and the world	3,127,000.00	0.00	3,127,000.00	3,127,000.00	0.00	3,127,000.00	0.00
66	Other contributions and refunds	2,129,616.23	0.00	2,129,616.23	2,129,616.23	0.00	2,129,616.23	0.00
67	Completion for outstanding recovery orders prior to 2021	-823,729.00	7,058,737.70	6,235,008.70	-823,729.00	1,381,507.83	557,778.83	5,677,229.87
<b>Total DG ENV</b>		<b>151,969,967.33</b>	<b>106,481,508.75</b>	<b>258,451,476.08</b>	<b>48,943,418.34</b>	<b>67,088,041.94</b>	<b>116,031,460.28</b>	<b>142,420,015.80</b>

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

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**TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG ENV**

<b>EX-ANTE CONTROLS</b>	<b>Irregularity</b>	<b>OLAF notified</b>	<b>Total undue payments recovered</b>
NON ELIGIBLE IN COST CLAIMS	463,370.20		<b>463,370.20</b>
CREDIT NOTES			
RECOVERY ORDERS ON PRE-FINANCING			
<b>Sub-Total</b>	<b>463,370.20</b>		<b>463,370.20</b>

<b>EX-POST CONTROLS</b>	<b>Irregularity</b>	<b>OLAF notified</b>	<b>Total undue payments recovered</b>
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	38,247.59	73,036.29	<b>111,283.88</b>
<b>Sub-Total</b>	<b>38,247.59</b>	<b>73,036.29</b>	<b>111,283.88</b>
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>501,617.79</b>	<b>73,036.29</b>	<b>574,654.08</b>

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

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**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2022 for DG ENV**

	Number at 01/12/2022	Number at 31/12/2022	Evolution	Open Amount (Eur) at 01/12/2022	Open Amount (Eur) at 31/12/2022	Evolution
2012	2	2	0.00 %	554,460.75	554,460.75	0.00 %
2014	1	1	0.00 %	148,803.08	148,803.08	0.00 %
2015	1	1	0.00 %	201,594.00	201,594.00	0.00 %
2016	1	1	0.00 %	8,240.72	8,240.72	0.00 %
2017	2	2	0.00 %	302,141.45	302,141.45	0.00 %
2018	1	1	0.00 %	675,784.40	675,784.40	0.00 %
2019	2	2	0.00 %	1,387,206.39	1,272,936.31	-8.24 %
2020	1	1	0.00 %	304,062.22	304,062.22	0.00 %
2021	4	4	0.00 %	32,236,203.88	32,236,203.88	0.00 %
2022	15	15	0.00 %	103,026,548.99	103,026,548.99	0.00 %
	<b>30</b>	<b>30</b>	<b>0.00 %</b>	<b>138,845,045.88</b>	<b>138,730,775.80</b>	<b>-0.08 %</b>

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

Refresh date : 22/02/2023

**TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for DG ENV**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
3233220073	3241503169	-190,437.00	Private Companies		
3233220125	3241709847	-633,292.00	Private Companies		

<b>Total DG ENV</b>	<b>-823,729.00</b>
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<b>Number of RO waivers</b>	<b>2</b>
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There are 1 waivers below 60 000 € for a total amount of -20

*Justifications:*

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

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**TABLE 11 : Negotiated Procedures in 2022 for DG ENV**

**Internal Procedures > € 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	1	64,388.50
<b>Total</b>	<b>1</b>	<b>64,388.50</b>

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

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**TABLE 12 : Summary of Procedures in 2022 for DG ENV**

**Internal Procedures > € 60,000**

<b>Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Negotiated procedure middle value contract (Annex 1 - 14.2)	1	87,260.83
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	64,388.50
Open procedure (FR 164 (1)(a))	16	14,198,785.36
<b>Total</b>	<b>18</b>	<b>14,350,434.69</b>

**Additional Comments:**

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

Refresh date : 22/02/2023



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**TABLE 13 : BUILDING CONTRACTS in 2022 for DG ENV**

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

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

Refresh date : 22/02/2023

**TABLE 14 : CONTRACTS DECLARED SECRET in 2022 for DG ENV**

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

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

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**TABLE 15 : FPA duration exceeds 4 years - DG ENV**

FPA Local Key (Root)	FPA In Force From Date	FPA Expiry Date	FPA Duration	Duration in Days	FPA Local Identifier	FPA User Reference	FPA Version Type	FPA Status Desc	FPA Type of Change
SI2.3053	01/04/2022	31/12/2027		2,100	ENV.E.4/FPA/2022/002 - ENPE	ENV.E.4/FPA/2022/002 - ENPE - FRAMEWORK PARTNERSHIP AGREEMENT WITH EUROPEAN NETWORK FOR PROSECUTORS FOR ENVIRONMENT (ENPE) ON ENVIRONMENTAL COMPLIANCE AND GOVERNANCE	CURRENT	In Force	New Framework Partnership Agreement
SI2.3055	30/03/2022	31/12/2027		2,102	ENV.E.4/FPA/2022/001 - IMPEL	ENV.E.4/FPA/2022/001 - IMPEL - FRAMEWORK PARTNERSHIP AGREEMENT WITH EUROPEAN UNION NETWORK FOR THE IMPLEMENTATION AND ENFORCEMENT OF ENVIRONMENTAL LAW (IMPEL) ON ENVIRONMENTAL COMPLIANCE AND GOVERNANCE	CURRENT	In Force	New Framework Partnership Agreement

2

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

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# ANNEX 4: Financial scorecard

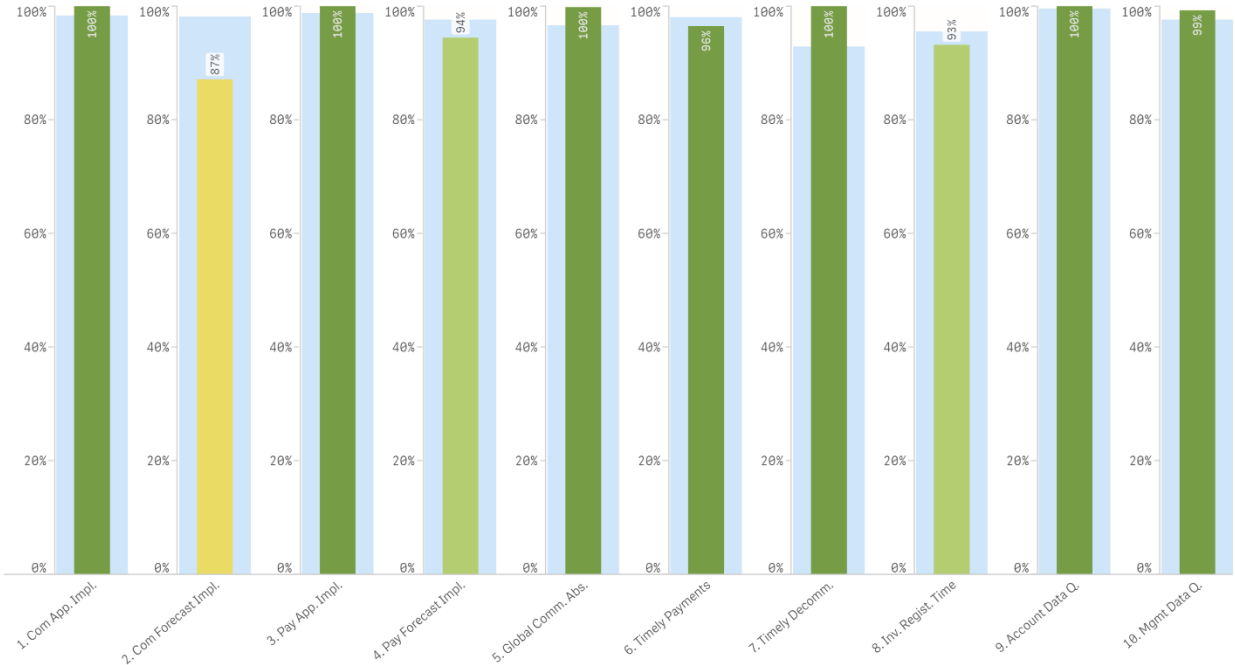
The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2022, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes) <sup>(44)</sup>:

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>- Commitment Appropriations (CA) Implementation</li> <li>- CA Forecast Implementation</li> <li>- Payment Appropriations (PA) Implementation</li> <li>- PA Forecast Implementation</li> <li>- Global Commitment Absorption</li> </ul> | <ul style="list-style-type: none"> <li>- Timely Payments</li> <li>- Timely Decommitments</li> <li>- Invoice Registration Time</li> <li>- Accounting Data Quality</li> <li>- Management Data Quality</li> </ul> |
|---|--|

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

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

ENV Indicator Scores for 2022 12



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

<sup>(44)</sup> If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment <sup>(45)</sup>	ENV Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		87%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		94%	98%
5. Global Commitment Absorption <sup>(46)</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		100%	97%

<sup>(45)</sup> An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

<sup>(46)</sup> Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	The payment deadlines remain above 95% of the target, but they are slightly below the COM average and DG Environment performance of last year. The reasons of this slippage are sundry and not due to a specific weakness, but payment deadlines will be subject to an particularly attentive monitoring in 2023.	96%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		100%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		93%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		99%	98%

## ANNEX 5: Materiality criteria

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

### 1) Qualitative criteria

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

- the nature and scope of the weakness
- the duration of the weakness
- the existence of compensatory measures
- the existence of effective corrective actions to correct the weaknesses
- the residual reputational, financial, operational and legal/regulatory risk

### 2) Quantitative criteria

Since 2019<sup>(47)</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

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<sup>(47)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

### Stage 1: Procurement

#### A: Planning

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>Needs not well clearly specified in a planning stage for those actions not related to requirements of legal framework or for those actions that respond to policy initiatives not earlier planned</li> </ul>	<ul style="list-style-type: none"> <li>Individual standardised fiches to be drafted for all individual actions included in the Man Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Once per year for every envisaged action. Fiche includes objectives and purpose of the action, as well as a short budget estimate.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Low number of changes done to the Management Plan;</li> <li>Procured study/service highly contributes to policy priorities.</li> <li>High percentage of executed Management Plan at the end of the year.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Cost of preparing Man Plan fiches compared to cost of insufficient prioritization and poor definition of needs.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of costs involved (staff involved on the process)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>Prioritization and proper usage of DG's budget.</li> </ul>
<ul style="list-style-type: none"> <li><b>Poor budget planning (over/ under estimating)</b></li> </ul>	<ul style="list-style-type: none"> <li>Revision of each fiche by the finance Unit (FU);</li> <li><b>Briefing to the AOD done by the FU.</b></li> </ul>	<ul style="list-style-type: none"> <li>Once per year for every envisaged action; its validity, choice of procedure and budget line, budget estimate;</li> <li>Once per year for every Directorate.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Low percentage of cancelled procedures and offers of poor quality.</li> </ul> <p><b>Efficiency:</b></p>



Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>Cost of reviewing Man Plan fiches compared to costs from not assuring compliance with Financial Regulation, inefficient budget estimate and selection of wrong procedure.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of costs involved (staff involved on the process)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>Assuring compliance with Financial Regulation, efficient budget estimate and selection of proper procedure</li> </ul>
<ul style="list-style-type: none"> <li><b>Lack of competition</b></li> </ul>	<ul style="list-style-type: none"> <li>Prior information notice (PIN) published;</li> <li>Desk officers consider possible market response before publishing tenders (market research).</li> </ul>	<ul style="list-style-type: none"> <li>Once per year- 1<sup>st</sup> quarter of the year. PIN provides an overview of foreseen contracts; its subject and approximate value.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Higher average number of offers received per procedure.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of costs involved (staff involved on the process)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>Steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players.</li> </ul>
<ul style="list-style-type: none"> <li><b>Insufficient time allocation for financial procedures</b></li> </ul>	<ul style="list-style-type: none"> <li>Management plan launch dates;</li> <li>Financial dashboard;</li> <li>Individual follow-up by</li> </ul>	<ul style="list-style-type: none"> <li>All items in management plan have a target date for launch;</li> <li>Financial dashboards monitor</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Low number of global commitments;</li> <li>High level of budgetary execution;</li> <li>Evenly distributed budgetary execution.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>FU of procedures which are late;</p> <ul style="list-style-type: none"> <li>Planning tool provided on unit A1 Intranet page.</li> </ul>	<p>compliance with target launch dates set in Management Plan. Produced 6 times per year;</p> <ul style="list-style-type: none"> <li>Monitoring covers all items in the management plan;</li> <li>Establishing a time table for every procedure.</li> </ul>	<p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Cost of proper planning and time allocation compared to cost of poor budget/ Man Plan implementation.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of costs involved (staff involved on the process)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>Avoidance of bottlenecks at the end of the year; decrease risks of contracts not signed before end of the year.</li> </ul>

## **B: Needs assessment & definition of needs**

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li><b>Poor quality of tender specifications and selection of wrong procedure</b></li> </ul>	<ul style="list-style-type: none"> <li>Consultation with the FU during preparatory stage and agreement on the final version of the tender specifications;</li> <li>Additional verification and AOSD supervision (upstream control);</li> <li>Training organized by the FU on drafting the tender specifications.</li> </ul>	<ul style="list-style-type: none"> <li>100% of tender specifications for Open Calls, all specifications for contracts above the threshold of 150.000 euro, and negotiated procedures are reviewed and scrutinised;</li> <li>Files above 500.000€; random selection of other projects and all EP Pilots go to ex-ante assessment by ENVAC;</li> <li>Training organised at list</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Very low number of procedures where only one or no offers were received;</li> <li>Average number of requests for clarification per tender.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Cost of financial verification and organization of trainings compared to cost of cancelling or repeating a procedure.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of costs involved</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
		twice per year.	<b>Benefits:</b> <ul style="list-style-type: none"> <li>Better quality tender specifications, limit the risk of litigation, limit the risk of cancellation of tender, better informed desk officers.</li> </ul>

### **C: Selection of the offer and evaluation**

**Main 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)
<ul style="list-style-type: none"> <li><b>Biased, unfair procedure</b></li> <li><b>inaccurate, evaluation</b></li> </ul>	<ul style="list-style-type: none"> <li>Opening Committee and Evaluation Committee;</li> <li>Opinion by consultative committee ENVAC;</li> <li>Standstill period, opportunity for unsuccessful tenderers to put forward their concerns on the decision;</li> <li>Training organized by the FU on evaluation of tenders;</li> <li>Model evaluation report and guidelines;</li> <li>Tenderers able to attend openings;</li> <li>Award decision communicated to</li> </ul>	<ul style="list-style-type: none"> <li>Formal evaluation process; nomination of the Committees by the AOS for every file above 150,000€. Minimum of three members (one from another Directorate);</li> <li>ENVAC assesses full procurement and evaluation process and the draft award decision for all files above 500.000, 00€ and number of files below the amount by a random selection (all documents related to the procurement procedure publications, committee reports, winning offer,</li> </ul>	<b>Effectiveness:</b> <ul style="list-style-type: none"> <li>Low number of files rejected or suspended for comments by ENVAC.</li> </ul> <b>Efficiency:</b> <ul style="list-style-type: none"> <li>Cost of staff involved (opening, evaluation committee members, ENVAC members, FU) compared to cost of possible litigation.</li> </ul> <b>Economy:</b> <ul style="list-style-type: none"> <li>Estimation of costs involved.</li> </ul> <b>Benefits:</b> <ul style="list-style-type: none"> <li>Compliance with FR, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency</li> </ul>

	tenderers.	<p>draft contract);</p> <ul style="list-style-type: none"> <li>• 100% when conditions are fulfilled; Templates and guidelines up-to-date following DG BUDG updates;</li> <li>• For open calls tenderers are able to attend the opening of offers;</li> <li>• Successful and unsuccessful tenderers always informed on the evaluation outcome.</li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Confidentiality issues/ conflict of interest</b></li> </ul>	<ul style="list-style-type: none"> <li>• Opening and Evaluation Committee members' signed declaration of absence of conflict of interests;</li> <li>• Checks by the FU.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of the members of the opening committee and the evaluation committee;</li> <li>• Red flags checked by the FU for every file.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• No or very low amount of indemnities.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of FU staff involved compared to cost of possible litigation.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Potential irregularities/inefficiencies prevented.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Inadequate number of offers/ poor quality offers</b></li> </ul>	<ul style="list-style-type: none"> <li>• Award criteria announced in advance;</li> <li>• FR followed in terms of minimum time granted for preparation of tenders.</li> </ul>	<ul style="list-style-type: none"> <li>• Appropriate selection criteria publishes with the tender</li> <li>• Award criteria in every tender specifications published with the call;</li> <li>• 100% FR respected.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Low number of cancelled procedures.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul>

			<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Ensure better quality offers.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Unreliable contractor/ False declarations</b></li> </ul>	<ul style="list-style-type: none"> <li>• Exclusion criteria determined;</li> <li>• Early warning system (EWS);</li> <li>• Satisfaction certificates.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% checked. The required documents provided by the tenderers are consistent with the specifications and appropriate for evaluation purposes (as required by the FR); Financial turnover and declaration on honour;</li> <li>• 100% of successful contractors checked in the EWS;</li> <li>• Satisfaction certificates are an increasing requirement in tender specifications, especially for high value or sensitive files.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Low number of discontinued contracts.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of staff involved compared to cost of contract discontinuation.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Avoid contracting with excluded economic operators.</li> </ul>

## Stage 2: Contract implementation and Financial transactions

**Main 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)
<ul style="list-style-type: none"> <li>• <b>Contractor fails to deliver all that was contracted in accordance with technical description and terms and conditions of the contracts</b></li> <li>• <b>Business discontinues because contractor fails to deliver.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Operational and financial checks in accordance with the financial circuits;</li> <li>• Operation authorisation by the AO;</li> <li>• Request of bank guarantee;</li> <li>• Non-performance clauses in contract.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of the contracts are controlled;</li> <li>• Riskier operations subject to in-depth controls. High-risk operations identified by risk criteria. Amount and potential impact on the DG operations of late or no delivery (bank guarantees);</li> <li>• Clauses on liquidated damages/ termination of contract are integral part of every contract (general conditions).</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• High % of errors prevented (amount of errors/irregularities averted over total payments).</li> <li>• Low amount of liquidated damages.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of financial checks in place compared to cost of non-performance and discontinuation of contract.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <ul style="list-style-type: none"> <li>• <b>Benefits:</b> Irregularities, errors and overpayments prevented</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Not structured financial and contract monitoring</b></li> </ul>	<ul style="list-style-type: none"> <li>• Payment made on the basis of a deliverable;</li> <li>• FU monitoring tables;</li> <li>• Trainings on contract management organized by the FU.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% payments made on the basis of an accepted deliverable;</li> <li>• Tables monitored and updated on a regular basis (after each payment, amendment, etc.);</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Low number of errors; overpayments.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of financial unit monitoring compared to cost of possible errors and overpayments.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Irregularities, errors and overpayments prevented, better informed desk officers.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>• <b>Fraud not detected</b></li> </ul>	<ul style="list-style-type: none"> <li>• Four eyes principle and written procedures and checklists for initiators and verifiers;</li> <li>• Fraud awareness trainings.</li> </ul>	<ul style="list-style-type: none"> <li>• Four eyes principle applied to 100% of files;</li> <li>• All FU staff and financial correspondents.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Low number of court litigations.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of financial unit staff detecting red flags and issues of non-compliance compared to cost of possible litigation.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Detection of red flags and issues of non-compliance</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Payment delays</b></li> </ul>	<ul style="list-style-type: none"> <li>• FU monitoring tables with special filters signalling latent invoices;</li> <li>• Financial reporting tool;</li> <li>• Optimization of available appropriations;</li> <li>• Global transfer.</li> </ul>	<ul style="list-style-type: none"> <li>• Tables monitored and updated on a regular basis (filters signal invoices inactive for 7 days);</li> <li>• Twice a month identifying Units' current and outstanding invoices;</li> <li>• Monitoring of payment appropriations on a weekly basis.</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Low rate of payment delays;</li> <li>• Low amount of late interest payment and damages paid (by the Commission);</li> <li>• High rate of implementation of the payment appropriations.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Cost of improving financial monitoring tools compared to cost of late interest and damages paid by the Commission.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of costs involved.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Detection of dormant invoices, maximization of budget execution.</li> </ul>

### Stage 3: Supervisory measures and ex post control

**Main 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)
<ul style="list-style-type: none"> <li><b>An error or non-compliance with regulatory and contractual provisions, or an attempt to fraud is not prevented, detected or corrected by ex-ante control.</b></li> </ul>	<ul style="list-style-type: none"> <li>Internal audit and Court of Auditors;</li> <li>Ex-post publication (possible reaction from unsuccessful tenderers);</li> <li>Review of ex post results and implementation of recommendations;</li> <li>Training for staff assigned to sign "Certified correct" (compulsory as of 2014);</li> <li>Review of exceptions reported;</li> <li>Yearly review of procedures;</li> <li>Yearly review and "lessons learnt" based on ENVAC conclusions;</li> <li>Statistics on payment delays at the Directors' meetings.</li> </ul>	<ul style="list-style-type: none"> <li>Representative sample, review of the procedures implemented (procurement and financial transactions);</li> <li>Potentially 100%;</li> <li>100% results reviewed, implementation of recommendations on a yearly basis;</li> <li>Ad hoc/ hands-on trainings;</li> <li>100% once a year; look for any systematic problems in the procurement procedure, in the financial transaction procedure and for weaknesses in the selection process of the ex-post controls (exceptions reported, review of procedures, ENVAC conclusions);</li> <li>Statistic on payment delays on Directors' meeting (six times a year)</li> </ul>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Low number of errors detected (related to fraud, irregularities and error);</li> <li>Increased number of system improvements made.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Cost of staff involved compared to cost of not detecting fraud, irregularities and inadequate systems in place.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Proportion of overall cost of control over total expenditure (payments authorised)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>Detection of possible fraud and errors. Deterrents and systematic weaknesses corrected.</li> </ul>



## Financial Instruments - Indirect management

**IFI** = (entrusted) International Financial Institution (e.g. EIB/EIF, etc.); **FI** = (further entrusted) Financial Intermediaries; **"sub"-FI** = (further) sub-delegated FI; **FR** = Final Recipient

DS = Designated service (competent DGs)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p><b>a) The actions supported through the Financial Instrument do not adequately reflect the policy objectives (no compliance with Fin. Reg. art. 140 and instrument specific objectives)</b></p>	<ul style="list-style-type: none"> <li>• Guidance provided to the IFI for the assessment of projects by the DS;</li> <li>• Prior eligibility confirmation of the DS for every project Technical assistance;</li> <li>• Regular reporting by the IFI to the DS on the operational performance, including the management declaration, and the summary of audits and controls carried out during the reporting year;</li> <li>• Independent audit opinion;</li> <li>• In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub) FI levels;</li> </ul>	<p>If risk materialises, the Financial Instrument would be irregular. Possible impact 100% of funds involved and significant reputational consequences.</p> <p><b>Coverage / Frequency:</b> 100%</p> <p><b>Depth:</b> Checklist on operational reporting includes a list of checks to be done.</p>	<p><b>Effectiveness:</b> Evolution of the specific indicators in the operational reporting compared with benchmarks and evolution over time.</p> <p>Where applicable, opinion by technical assistance (recommendations, actions taken).</p> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the preparation and validation of the operational reporting.</li> <li>• Cost of the technical assistance.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• The (average annual) total value of the Financial Instrument.</li> </ul>

<p><b>b) The IFI (and the (sub)FI) does not have the experience to ensure effective implementation of this type of Financial Instrument.</b></p>	<ul style="list-style-type: none"> <li>• Eligibility standards for IFI established and verified according to the Delegation Agreement and FAFA.</li> <li>• Guidance provided to the IFI for the assessment of projects by the DS;</li> </ul>	<p><b>Coverage / Frequency:</b> 100%</p> <p><b>Depth:</b> In accordance with the Delegation Agreement.</p>	<p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of technical assistance cost.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Reduced risk related to the disbursement of the total amount by selecting the IFI on the basis of the ability to use the funding in the most efficient and effective way.</li> </ul>
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<p><b>Main risks It may happen (again) that...</b></p>	<p><b>Mitigating controls</b></p>	<p><b>How to determine coverage frequency and depth</b></p>	<p><b>Cost-Effectiveness indicators (three E's)</b></p>
<p><b>c) FIs and FRs are not selected on the basis of an open, transparent, justified on objective grounds procedure or there are conflicts of interests in the selection process.</b></p>	<ul style="list-style-type: none"> <li>• Responsibility for selecting FI and FR, lies with the IFI and FI, respectively;</li> <li>• Prior eligibility confirmation of the DS for every FI.</li> </ul>	<p><b>Coverage / Frequency:</b> determined by the IFI/FI in accordance with the delegation agreement (max twice per year for the next 5 years)</p> <p><b>Depth:</b> determined by the IFI/FI in accordance with the Delegation Agreement</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• The selection of FI and FR would (not) be (successfully) challenged.</li> </ul> <p><b>Cost-effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Average cost of preparation, adoption and selection work done (compared with similar cases as benchmark).</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of the cost of staff involved in the monitoring of the Financial Instrument.</li> <li>• Cost of contracted services (Audit costs).</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Reduced risk related to possible conflict of interest and questionable selection procedure.</li> </ul>
<p><b>d) The design of the accounting and reporting</b></p>	<ul style="list-style-type: none"> <li>• Separate records per Financial Instrument are to be kept by the IFI; and</li> </ul>	<p><b>Coverage / Frequency:</b> 100%</p>	<p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of the cost of staff involved in the monitoring of the</li> </ul>

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<b>arrangements would not provide sufficient transparency (True &amp; Fair View)</b>	harmonised reporting has been required by the Commission (cf. FAFA & Das).	<b>Depth:</b> In depth assessment of the statement of expenses	Financial Instrument. Cost of contracted services, if any <ul style="list-style-type: none"> <li>• Training of the concerned staff.</li> </ul>
<b>e) the remuneration of the IFI <sup>(48)</sup>, the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the objective</b>	<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> <li>• Reimbursement of cost for technical assistance and additional tasks to be defined in the FAFA and the delegation agreement;</li> <li>• Review by the designated service of the statement of expenses together with evidence provided by the IFI;</li> <li>• Ex-ante and ex-post controls, On-the-spot verifications (risk-based or representative samples).</li> </ul>	<b>Coverage / Frequency:</b> 100%  <b>Depth:</b> In depth assessment of the statement of expenses Training of the concerned staff	<b>Economy:</b> <ul style="list-style-type: none"> <li>• Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</li> </ul>

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<sup>(48)</sup> Remuneration includes administrative and performance fees.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p><b>f) Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.</b></p>	<ul style="list-style-type: none"> <li>Monitoring or supervision <sup>(49)</sup> of entrusted entities;</li> <li>Regular reporting by the IFI to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year;</li> <li>Independent audit opinion;</li> <li>In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI levels;</li> <li>Regular submission of disbursement and repayment (assigned revenue) forecasts;</li> <li>Reporting on financial risk &amp; off-balance-sheets liabilities;</li> <li>Reporting on treasury management.</li> </ul>	<p><b>Coverage:</b> 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p> <p><b>Depth:</b> depends on risk criteria such as past experience of/with the IFI/FI, complexity or lack of experience on the area of financed actions or the management modalities</p> <p>If needed: suspension or interruption of payments, or even application of exit strategy (winding up)</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Success performance ratios (e.g. "leverage", "co-risk-taking", number of FR supported by the Financial Instrument, disbursement rate)</li> <li>Number of control failures detected; value of the issues concerned prevented/corrected.</li> <li>Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of critical IAS and ECA findings</li> <li>Number of cases submitted to OLAF</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>e.g. Management (fees) and supervision costs (FTE) over assets under management ?</li> </ul> <p><b>Cost-Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Average cost per Financial Instrument; % cost over value delegated</li> <li>Costs/Benefits ratio</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any.</li> </ul> <p><b>Benefits:</b></p>

<sup>(49)</sup> The nature of these measures is similar. We distinguish between those cases in which the Commission has a direct (legal/contractual) say in the management process, such as the right to block ex-ante a transaction (supervision), or can merely flag its disagreement (monitoring), and influence the fundamental options foreseen under the FR related to stopping/suspending/reconfiguring/winding-down the FEI.

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>Value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR.</li> </ul> <p><b>Losses:</b></p> <ul style="list-style-type: none"> <li>E.g. write-offs of equity/loans, loan guarantees called above expectations.</li> </ul>
<p><b>g) the FI, which are pilot initiatives, are not resulting in a number of operations significant to give conclusive results</b></p>	<ul style="list-style-type: none"> <li>Regular reporting by the IFI to the Commission "Designated Service" (=accountable DG and AOD) on the operational and financial performance</li> <li>Mid-term evaluation</li> </ul>	<p><b>Coverage:</b> 100% of the operations are taken into account.</p> <p>If needed: revision of the reporting requirements</p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>The (average annual) total value of the Financial Instrument.</li> </ul>
<p><b>h) the risk sharing mechanism is used in an instrumental way by the IFI</b></p>	<ul style="list-style-type: none"> <li>Check that the Portfolio First Loss Piece will be decreasing with the increase in the number of operations</li> </ul>	<p><b>Coverage:</b> 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p>	<p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>The (average annual) value of the Commission contribution to the Financial Instrument.</li> </ul>

## Grants (direct management) and Contribution agreements (indirect management)

### Stage 1 – Programming, evaluation and selection of proposals

#### **A: Preparation, adoption and publication of the Annual Work Programme and Preparations to launch invitations to submit a proposal**

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

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The annual work programme does not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant.</p>	<p>Hierarchical validation of the contribution to the annual work programme within the authorising department. Careful preparation of short specifications containing the main technical and procedural elements with a view to ensuring that we receive the best proposal possible.</p> <p>Adoption by the Commission of a Financing Decision explaining the reasons why a direct grant has to be given to a certain entity.</p> <p>DG Environment is managing several actions to promote the external dimension of the European Green Deal under the NDICI-Global Europe financing Instrument. A yearly screening group composed of members from DG ENV, DG INTPA and EEAS examines the proposals tabled on the basis of concept notes. Successful concepts to promote global environmental governance are</p>	<p>If risk materialises, the impact of the grant would not be significant for the DG.</p> <p><b>Coverage / Frequency:</b> 100%</p> <p><b>Depth:</b> The check is made for each individual call for proposals or direct grant.</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Budget amount of the work programmes concerned.</li> <li>Success ratios; % of number/value proposals received over number expected / budget available.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>Estimation of cost of staff involved in the preparation and validation of the annual work programme and calls.</li> </ul>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>proposed for financing under the NDICI for grants and contribution agreements with International Organisations and entities.</p> <p>Direct grants are checked by the finance and the technical Units.</p>		<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>The (average annual) total budgetary amount of the annual work programme or calls with prevented, detected and/or corrected errors.</li> </ul>

**B - Selecting and awarding: Evaluation of proposals**

**Main control objectives:** Ensuring that the presented proposals meet the objectives of the financing decision and are well targeted (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The proposal is not properly evaluated by the evaluation committee and the technical or financial aspects are not sufficiently fine-tuned to the objectives</p>	<p>To assign technical and financial staff that can examine the proposal in depth and ask for adjustments in case of need.</p>	<p>100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators.</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>No litigation cases.</li> <li>Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions.</li> <li>Number of supervisory control failures.</li> </ul>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
or priorities of the action.		100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).	<p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>• Average cost per call and/or per (selected) proposal.</li> <li>• % cost over annual amount disbursed in grants.</li> <li>• Time-to grant (inform applicants of the results within 6 months from the call deadline; additional 3 months to make a legal commitment).</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the ex-ante checks</li> <li>• Programme management and monitoring</li> <li>• Budget &amp; accounting</li> <li>• Financial management</li> <li>• General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management</li> <li>• Anti-fraud</li> <li>• Cost of experts.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Amount of expenditures declared ineligible compared to total amount of proposals received.</li> <li>• Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects).</li> </ul>
	Set up of an evaluation committee that contains technical expertise as well as financial expertise so that all the aspects of the proposals are examined.	<p>Coverage: 100% of ranked list of proposals.</p> <p>Supervision of work of evaluators.</p> <p>Depth depends on several risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion.</p>	



## Stage 2 – Contracting

Transformation of selected proposals into legally binding grant agreements

**Main control objectives:** Ensuring that the actions and funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The description of the action in the grant/contribution agreement 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>Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed Adjustments / budget reviews.</p> <p>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.</p> <p>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant/contribution agreements.</p> <p>Depth/Risk may be determined after considering the type or nature of the beneficiary (e.g. Small and Medium Enterprises, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• % of selected proposals with recommendations implemented in grant/contribution agreement.</li> <li>• Amount of proposed costs rejected.</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>• Value of grant agreements completed over budget requested in the corresponding proposals (%).</li> <li>• Time-to-Grant.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls).</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Prevented, detected, corrected errors or irregularities during the evaluation and selection.</li> </ul>

Procedures do not comply with the regulatory or financial framework.	Reinforce financial and contractual circuits. Financial viability checks	total value of the grant. Based on legal nature of the applicant/beneficiary	
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### Stage 3 - Monitoring the execution

This stage covers the monitoring the operational, financial and reporting aspects related to the project and grant agreement

**Main control objectives:** ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine 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/contribution agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.	Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.  Operation authorisation by the AO.  Audit certificates.	100% of the projects are controlled, including only value-adding checks.  LIFE projects are monitored by an external monitoring team.  Riskier operations subject to in-	<b>Effectiveness:</b> <ul style="list-style-type: none"> <li>• % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned.</li> <li>• Number of projects with cost claim errors; budget amount of the cost items rejected.</li> <li>• Number of penalties damages; amount of the penalties damages.</li> <li>• Success ratios; % of value of cost claims items adjusted over cost claims value.</li> </ul>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For LIFE projects: each project is monitored by an external entity.</p>	<p>depth and/or on-site controls.</p> <p>The depth depends on the risk criteria.</p>	<p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>• Cost/benefit ratio % cost over annual amount disbursed.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the actual management of running projects (costs of initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits).</li> <li>• Costs of audit certificates.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary, but rejected by the project officers.</li> <li>• Budget value of the part of the grant not paid out as pre-financing for projects that have been terminated by the Commission.</li> <li>• Budget value of penalties and liquidated damages.</li> </ul>

#### Stage 4 - Ex-Post controls

##### **A: Reviews, audits and monitoring**

**Main control objectives:** Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring appropriate accounting of the recoveries to be made (reliability of reporting, safeguarding of assets and information)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls as such fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits or desk reviews of a representative sample of closed projects to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante-controls).</p> <p>This is complemented by risk based sample and check of time sheets by the monitoring team. If error rate over materiality level, reservation in the AAR and action plan.</p> <p>Recommend recovery order(s) to the AOS. If needed: referring the beneficiary of grant to OLAF.</p>	<p>Representative sample: random or MUS sample sufficiently representative to draw valid management conclusions.</p> <p>Risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise error correction (higher amounts, number of partners, recurrent beneficiaries, poor interim/final financial reporting, files signalled by operational Units).</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Representative error rate.</li> <li>• Residual error rate below materiality level.</li> <li>• Number of supervisory control failures.</li> <li>• Amount of budget of errors concerned.</li> <li>• Number of projects with errors; budget amount of the errors detected.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Total (average) annual cost of audits compared with benefits (ratio).</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the coordination and execution of the audit strategy.</li> <li>• Cost of the appointment of audit firms for the outsourced audits.</li> <li>• Costs of missions.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Amount of expenditures declared ineligible by the auditors and subsequent issue / payment of recovery orders.</li> </ul>

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>If needed management letter on findings of ex-post audits to operational Units.</p> <p>Audit reports included.</p> <p>"Management findings" related to internal errors.</p> <p>Draft audit reports are reviewed and approved by hierarchy. At this stage, hierarchy could be informed of any systematic errors.</p>	<p>Coverage: For each audited project, the random sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Number of supervisory control failures.</li> <li>• Amount of budget of errors concerned.</li> <li>• Number of transactions with errors;</li> <li>• Budget amount of the errors detected by the supervisors.</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>• Total (average) annual cost of supervisors compared with benefits (ratio).</li> <li>• Average cost per programme, call and/or per (running) project.</li> <li>• % cost over annual amount disbursed in grants.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in coordinating and executing the ex-post audit strategy and in the implementation of audits.</li> <li>• Costs of the appointment of audit firms and missions.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Budget value of the errors detected by the supervisors.</li> </ul>

**B: Implementing results from ex-post audits/controls**

**Main control objectives:** Ensuring that the (audit) results from the ex-post controls lead to effective recoveries (legality & regularity; anti-fraud strategy); Ensuring appropriate accounting of the recoveries made (reliability of reporting)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine 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 timely</p>	<p>Systematic registration of audit / control results to be implemented in a database</p> <p>Forecast of revenue issued by Finance Unit together with the audit report.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation of recovery order by the AOD or the AOS.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p>	<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Number/value/% of audit results pending implementation.</li> <li>• Number/value/% of audit results failed implementation.</li> <li>• Success ratio; % of value of the ROs over detected errors by the auditors.</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>• Total (average) annual cost of implementing audits compared with benefits (ratio).</li> <li>• Time-to-recovery.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>• Estimation of cost of staff involved in the implementation of the audit results.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>• Budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).</li> </ul>

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

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

**Indicator:** Estimated risk at closure

**Source of data:** DG Annual Activity Reports

<b>Baseline</b> (2019)	<b>Target</b> (2024)	<b>Latest known results</b> (by 31/12/2022)
0,4% of relevant expenditure	< 2% of relevant expenditure	0,4% of relevant expenditure

### Main outputs in 2022:

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (by 31/12/2022)
Effective controls: Legal and regular transactions	Risk at payment	remains < 2 % of relevant expenditure	0,40%
	Estimated risk at closure	remains < 2 % of relevant expenditure	0,40%
Efficient controls	Budget execution and time-to-pay	remains > 99 % of payment appropriations and increases remains > 97 % of payments (in value) on time	remains > 99% of payment appropriations  96% of payments (in value) on time
Economical controls	Overall estimated cost of controls	remains < 2% of funds managed	2,25%
Effective controls: safeguarding of assets	Number of security incidents confirmed by the CSIRC	0	0
Effective controls: safeguarding of assets	Number of personal data breaches with risk to the rights and freedoms of the data subjects	0	0

**Objective:** The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) <sup>(50)</sup> aimed at the prevention, detection and correction <sup>(51)</sup> of fraud.

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

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

<b>Baseline</b> (2020)	<b>Target</b> (2024)	<b>Latest known results</b> (situation on 31/12/2022)
60% (considering that all anti-fraud measures in the current Anti-Fraud Strategy have been implemented and continue to be applicable)	100% of anti-fraud measures in the new Anti-Fraud Strategy implemented on time	75% of anti-fraud measures implemented on time

### Main outputs in 2022:

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (by 31/12/2022)
Assessment of significant fraud risks, for further improvement in understanding of fraud patterns	Minutes of the annual risk management assessment Internal note on fraud risk assessment	2022 Q4	Minutes registered of the <i>ad-hoc</i> Senior Management Board meeting on planning and risk management; including fraud risk (November 2022)
Channel of cooperation with CINEA to fight against fraud and irregularities	Meetings between DG Environment and CINEA with a focus on fraud related matters and anti-fraud actions	Throughout the year	Antifraud issues addressed in two meetings of the Steering Committee.
Supervision of potential fraudulent cases and cooperation	Meetings with OLAF and with EPPO	Throughout the year	3 meetings with OLAF on specific cases, prior to the issuing of OLAF

<sup>(50)</sup> Communication from the Commission "Commission Anti-Fraud Strategy: enhanced action to protect the EU budget", COM(2019) 176 of 29 April 2019 – ‘the CAFS Communication’ – and the accompanying action plan, SWD(2019) 170 – ‘the CAFS Action Plan’.

<sup>(51)</sup> Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.



<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (by 31/12/2022)</b>
in tackling them jointly (DG Environment, OLAF, European Public Prosecutor's Office and CINEA)			recommendations. 1 meeting between the DG Environment Director-General and the European Prosecutor (to be followed-up with a meeting at services level in 2023).
Training and information on anti-fraud matters	Workshop	1 in 2022	1 specific workshop organised for DG Environment financial colleagues. 3 other workshops on financial issues included antifraud issues.
Reporting to OLAF on the state of play of implementation of both financial and non-financial recommendations.	Written contribution	1 in 2022	Contribution provided in writing on the state of play for all open OLAF cases

## **Management Partners: CINEA, EIB and delegated DGs**

### **European Climate, Infrastructure and Environment Executive Agency (CINEA)**

CINEA manages the bulk of the LIFE 2021-2027 programme, as well as the legacy of the LIFE 2014-2020 programme.

In 2022 CINEA ensured a performant implementation of the budget, measured through key performance indicators and provided valuable insights for the development of the environmental and nature and biodiversity policies

CINEA ensured the preparation and the launch of five calls for proposals (standard action projects; strategic integrated (SIPs) and strategic nature projects SNAPs), policy and legislative priority projects, specific action grants for NGOs, projects for the preparation of SIPs and SNAPs) in line with the LIFE multi-annual work programme 2021-2024. In response to these calls, more than 400 proposals were received from more than 2000 applicant organisations across all EU Member States and LIFE Associated countries, Iceland and Ukraine. They are under evaluation at the time of writing.

Following the call for proposals launched in 2021, more than 130 projects were financed, mainly submitted by private organisations, out of which a third of small and medium-sized enterprises.

Four grant agreements for integrated projects were concluded following the call for proposals launched in 2021.

Taking into account the new grant agreements signed this year, the number of ongoing LIFE-ENV projects managed by CINEA is around 700. After the Covid pandemic that led to significant prolongation of the duration of a number of projects, a relevant number of projects is being actually impacted by inflation and the increase in the costs of materials. CINEA is working in close collaboration with DG Environment to monitor and assess the impact of the current situation on the implementation of the projects and of the programme.

Although increasing the efficiency in the management of the grants, the delegation to the Executive Agency is a challenging process. Beyond the need to get feedback to policies from the actions on the ground, it also requires the flexibility to support new, urgent or upcoming policy needs. Finally, the supervision of the agency is a continuous commitment that may occasionally be resource intensive.

### **European Investment Bank (EIB) in Luxembourg:**

EIB is entrusted with the implementation of the Natural Capital Financing Facility (NCFF), a financing instrument for projects promoting the preservation of natural capital, including adaptation to climate change. The NCFF provides loans and investments in funds to support projects that promote the preservation of natural capital, including adaptation to climate change, in the Member States.

In total, 12 operations have been finalised since 2017 out of which six direct loans, five indirect loan operations and one equity agreement for the Irish Sustainable Forest Fund: (“Rewilding Europe Capital”, “Irish Sustainable Forestry Fund”, “City of Athens”, “Croatian Bank for Reconstruction and Development”, “Wallonia Waster Water”, “Finland conservation services”, “Alzette River Renaturalisation”, “The redevelopment of social housing blocks in the centre of Szczecin”, “the reestablishment of Pearl Mussels”, “Gingko III – Green Infrastructure and “Eau de Paris Biodiversity”, Romania Forest Regeneration SLB) The total amount of payments made to the EIB in previous years is equal to EUR 12,645,000 <sup>(52)</sup>.

The Commission has put in place control and monitoring processes in order to verify whether the internal control system set up by the EIB is efficient and effective. For instance, Commission staff (Directors and Head of Unit) participate in the NCCFF Steering Committee. Financial statements and operational reports provided by the EIB are examined by both the financial and operational units in DG Environment.

### **Co-delegations to other DGs:**

DG Environment has entrusted the implementation of small parts of its budget to other DGs through co-delegations <sup>(53)</sup>. Supervision arrangements are in place, based on a memorandum of understanding with delegated DGs and/or defined reporting obligations.

This arrangement is put in place when another DG is better placed than DG Environment to implement a particular action. Furthermore, some resources of DG Environment are used for the financing of necessary services such as IT tools, IT security and applications (DIGIT), translations (DGT), publications (OP), experts (PMO), communication (COMM), as well as corporate tools (HR), etc.

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<sup>(52)</sup> EUR 3.25 million in 2014, EUR 8.5 million in 2015 and EUR 895,000 in 2017.

<sup>(53)</sup> For co-delegations, the DGs which received the funds report on their use in their own AAR.

**Overview of amounts co-delegated by DG Environment to management partners in 2022:**

Fund Management Center	Committed	Paid
CINEA	413.992.732,61	300.913.411,41
COMM	125.000,00	56.250,00
DEFIS	0,00	0,00
DGT	306.500,00	385.727,58
DIGIT	1.634.669,78	1.962.574,44
ECFIN	2.500.000,00	105.000,00
ESTAT	0,00	3.155.315,21
GROW	0,00	249.600,00
HR	591.928,00	566.098,30
JRC	0,00	572.666,27
MOVE	5.997.547,55	5.997.547,55
NEAR	750.000,00	132.464,35
OP	87.629,11	121.970,65
PMO	4.156.220,21	3.708.118,85
SANTE	160.000,00	0,00
TAXUD	350.000,00	119.872,40
	<b>430.652.227,26</b>	<b>318.046.617,01</b>

- Key control indicators
- **Ex-ante controls (procurement):** The available control resources remained stable in 2022. The introduction of the e-workflows for the negotiated, low and very low procedures into the Public Procurement Management Tool (PPMT) and Qualified Electronic Signature (QES) for signature of contracts and their amendments asked for a change in controls adapted to the increasing digitalisation of the workflows, thus new controls in place, and executed more frequently until the use of the new procedures and workflows become more habitual.
- The assessments of correct application of procurement procedures performed by the **Environment Advisory Committee (ENVAC)** are an important internal control tool. In 2022, ENVAC issued 12 opinions out of 25 selected files foreseen to be assessed by the Committee (this number includes five files that were carried over from 2021). Nine selected ENVAC files were dropped due to cancellations and changes in the respective procedures. Four of the 2022 ENVAC selected files were postponed to 2023..
- Four specific targeted trainings for financial assistants and policy officers managing contracts took place in 2022; they have been organised by ENV.A.4 in order to improve the quality of procurement files and contract management.
- **Ex-post controls:** The ex-post "detected error rate" (on MUS audits) for LIFE remained below 2% (0.16 %). The final error rate was calculated on the basis of 100% of the planned audits (12 MUS). In consequence, the 2022 error rate of 0.16% is considered representative.
- **Payment delays:** Late payments in 2022 accounted for 3.9% of the total payments executed by the DG (1.5% in 2021). This should be a matter of attention in 2023, as explained in Annex 4.

**Estimation of the Detected Error Rate (DER) and Residual Error Rate (RER) on LIFE Grants**

In line with the AAR Standing Instructions, the detected error rate (DER) and the residual error rate (RER) is calculated as follows:

**The detected error rate (DER)**

A multi-annual comparison of the yearly Detected Error Rates shows that the rates are low and relatively stable:

**ERROR RATE CALCULATION BASED ON TOTAL AMOUNT ACTUALLY AUDITED (\*)**

Audit year - AAR year		2020	2021	2022
DER		0.23%	0.07%	0.16%
Auditable population (accepted costs)	amounts	207,277,984	129,184,914	80,332,304
audited amount (accepted costs)	amounts	45,761,962	54,297,630	51,669,483
Recommended ineligible costs	amounts	105,468	37,542	82,634
DER applied to auditable population	B	477,714	89,321	128,474
Recoveries issued the audit year (converted to the corresponding ineligible amount)	C	292,084	37,542	38,248
Net result	B-C=D	185,630	51,778	90,226
RER	D / auditable population	0.09%	0.04%	0.11%

(\*) Clarifications on how the error rate was recalculated in accordance with the IAS recommendations (Note IAS Ref. Ares(2020)1504722 - 11/03/2020).

Since 2019 the total audited amount was used as the denominator for the error rate calculation.

**DER 2022 = 0.16%.**

In case the errors found are of a systemic nature, the error was NOT extrapolated.

	<b>DER</b>	<b>RER</b>
Error rates 2022 (*)	0.16%	0.11 %
Average figure (last 5 years)(*)	0.48 %	0.36 %

The current low error rates are the result of:

- Ex-ante controls, including good guidance from the start of the project, on-the-spot monitoring during the projects, and meticulous checks before final payments;
- Ex-post verifications, which cover a substantial proportion of grants and amounts, thus probably deterring fraudsters.

Good articulation of ex-ante and ex-post controls over time has also been decisive. The best example was when ex-post auditors analysed the causes of errors and detected that personnel costs were the most likely to be at risk: the ex-ante controllers adopted the conclusions and improved their guidance for timesheets.

### The residual error rate (RER) <sup>(54)</sup>

Calculation step	Result	Explanation
A. Detected ex-post error rate LIFE grants	0.16%	Ex-post auditors recommended rejecting EUR 82,634 out of the EUR 51,669,483 they audited.
B. Apply DER of 0.16% to total auditable population of EUR 80,332,304	EUR 128,474	Estimate of amount unduly paid in the auditable population.
C. Deduct recoveries issued the audit year (converted to the corresponding ineligible amount)	EUR 38,248	Recovery orders issued in 2022 related to audits in previous years, which reduce the amount unduly paid in 2022.
D. Net result	EUR 90,226	Net amount unduly paid.
E. Residual error rate (RER)	0.11%	Net result of EUR 90,226 divided by the auditable population of EUR 80,332,304

### Control results

<sup>(54)</sup> Please see clarifications on calculations on previous page

## Economy – Cost of controls

Procurement		Cost of controls	
		FTE officials	Cost
		N	EUR
Procurement procedures/launch of calls		0,5 AST	61.950
Financial operations (ex-ante)		3 AST	371.700
Supervisory checks (ex-post)		0,5 AD	96.100
<b>Overall cost of controls</b>		<b>4</b>	<b>529.750</b>

### **Grants (direct management), financial instruments, contribution agreements to international organisations and contributions to EU agencies (indirect management)**

In order to estimate the cost of controls regarding grants in direct management<sup>(55)</sup>, we have identified all technical staff allocated time, as well as the time for initiation and verification in the financial unit of DG Environment. To this breakdown (please refer to the table below), we added the cost of external monitoring of LIFE and the ex-post audits of LIFE grants carried out by an external contractor.

The cost of supervision of indirect management is shared between several staff members of primarily Units ENV.F.2 and ENV.D.2, but also mainly from ENV.A.4. It represents a small or even a very small part of their time for each of them. The cost of such supervision does not exceed 0.5 FTE, the main part representing the supervision of the European Investment Bank (EIB), work on the entrusted Financial Instruments and the verification of contribution agreements to some international organisations and of subsidies to the 2 decentralised Agencies that DG Environment supports (EEA and ECHA).

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<sup>(55)</sup> Mainly in the framework of the LIFE programme, but also for the grants financed through funds codelegated to DG Environment by other Directorates-General or on pilot projects and preparatory actions.



Grants, Financial Instruments and Indirect Management				Cost of controls		
				FTE officials		Other (external) inputs
				N	EUR	EUR
Stages 1 and 2 - Evaluation, selection, contracting				0,25	AD	48.050
Stage 3 - Monitoring and execution (fin circuits)				1,25	AST	904.875
Stage 4 - ex-post controls and recoveries				1	AST	233.987
Financial Instruments and indirect management				0,25	AD	48.050
				0,25	AST	30.975
<b>Overall cost of controls</b>				<b>3</b>		<b>1.265.937</b>

The total cost of controls, for both procurement and grants stands at: **EUR 1,795,687**. This is 2,25% in ratio to the payments made. The **higher** percentage as compared to 2021 (1,60%) is due to the **important** increase in cost per FTE as well as to the decrease in payments made.

### Benefits of Controls

**Prevented errors** relate to funds that have been saved after the conclusion of procurement and grant procedures and have been re-allocated for use still in 2022. An efficient re-planning and structural re-focus of the DG's financial programme took place with 2 planned reviews, that lead to changes in a number of planned projects. These changes allowed Units to acquire the need contracts with the right content. These reviews and controls and constant re-planning, allowed DG Environment to minimise - to the extent possible – losses through mi-allocation of its resources.

**Detected errors** in procurement relate to mistakes in the pre-award phase (in 2022 for a number of published calls additional clarifications have been provided in form of responses to questions that was made public during the publication of tenders). In 2022, 1 Open Call was not awarded; the Call has been updated and republished with a new content. One corrigendum of the tender specifications in one open call procedure took place.

**Corrected errors** in procurement relate to non-eligible expenditure corrected ex-ante prior to the final payments (can be related to wrong invoicing, but also savings made towards the price quote). Wrong invoices have been rectified through credit notes (in 2021 there has been a very limited number of wrong invoices - just 4); there have also been contracts with unused/unclaimed amounts which led to de-commitment of these unused committed resources. Again in 2022, controls of the final procurement payments lead to reduced invoices of the amount due (due to non-delivery or delays in delivery and, in certain cases, due to early termination of contracts and partial delivery of the services ordered due to the COVID pandemic). Benefits also result for the ex-post discovery of non-eligible expenditures due to irregularities or ineligible costs of in grants for which recovery orders recommended from ex-post auditor or the verifiers are issued.

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

**- Overview of ENV's estimated cost of controls at Commission (EC) level**

**EXPENDITURE**

The absolute values are presented in EUR

ENV	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Procurement	433.650,00 €	48.890.000,00 €	0,89%	96.100,00 €	48.890.000,00 €	0,20%	529.750,00 €	1,08%
Grants (including FIs and IM)	952.925,00 €	30.870.000,00 €	3,09%	313.012,00 €	30.870.000,00 €	1,01%	1.265.937,00 €	4,10%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
	- €	- €	0,00%	- €	- €	0,00%	- €	0,00%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>1.386.575,00 €</b>	<b>79.760.000,00 €</b>	<b>1,74%</b>	<b>409.112,00 €</b>	<b>79.760.000,00 €</b>	<b>0,51%</b>	<b>1.795.687,00 €</b>	<b>2,25%</b>

## **Audit observations and recommendations**

### **Conclusion of the Internal Auditor on the state of internal control in DG Environment**

At this moment, there are no recommendations in the IAS tracking system, which have not been implemented by DG Environment.

Regarding the audits closed by the IAS in 2022, the audit on “LIFE financial instruments: effectiveness and efficiency of the current framework (ENV+CLIMA)” was closed in May 2022. This audit contained one “Very Important” recommendation on visibility and promotion of the EU contribution.

Two very important IAS recommendations were sent for review 31/01/2023, under the audit on *Relations with decentralised agencies (EEA and ECHA) in the Directorates-General for Environment and Climate Action*. The DG Environment feed-back on these recommendations will now be assessed by the IAS. The recommendations in question were the following:

1. DG Environment supervision and coordination mechanisms with the EEA (“Very Important”)
2. DG Environment and DG Climate action’s oversight role in relation to the EEA’s resources (“Very Important”)

In October 2021, the IAS launched an audit on *the implementation of bilateral trade agreements*. The final report was received on 30/01/2023 and contained the following two recommendations, both rated “Important”:

1. Handover notes of geographical desk officers;
2. Objectives and indicators.

DG Environment is now finalising an action plan to address these recommendations and does not consider them having any major impact on the assurance.

The IAS are presently undertaking two audits in DG Environment, which have not yet been finalised:

- Audit on “Horizon Europe governance”
- Audit on “LIFE implementation”

### **European Court of Auditors (ECA)**

DG Environment is principally concerned by chapter 6 ‘Natural Resources’ of the Annual Report 2021. The estimated level of error for the Natural Resources chapter is 1.8%. In line with ECA’s approach, there is no separate assessment of the level of error for underlying

policy areas. Nevertheless, ECA mentions that it audited four direct management transactions for the maritime, fisheries, the environment and climate action areas and found no error.

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

### **Annual assessment of the Internal Control Principles**

#### **1. Annual assessment of the Internal Control Monitoring Criteria**

The ICMC of DG Environment for 2022 consist of 52 indicators (for the 17 principles under its five components). Some minor deficiencies were identified under specific principles in components 1 and 2.

##### **Component 1: Control Environment**

**Mobility, staff and office issues:** (based on the internal staff survey; please see under that section).

##### **Component 2: Risk Assessment**

In relation to the principle on objectives setting, following the reorganisation of the DG end of 2021, not all mission statements have been updated to match the new allocation of tasks. To ensure a systematic update, a sensibilisation campaign should be launched towards the middle managers.

##### **Component 3: Control Activities**

There is a slight raise in the cost of controls over funds managed. This is not a reason for concern and is explained in Annex 7.

Evaluations: The target of completed evaluations has not been reached (40% completed; target 60%). However, 56% is reached when including ongoing evaluations.

##### **Component 4: Information and Communication**

No weaknesses identified

##### **Component 5: Monitoring Activities**

No weaknesses identified

#### **2. The results of the internal DG Environment staff survey**

DG Environment launched a survey which was running between 26/01/2023 and 10/02/2023. The participation rate was rather low; 160 respondents (31%) so it cannot be assumed that the results are representative for the DG.

The survey did not reveal any major areas of concern. However, the following indicators could be mentioned:

- a) Awareness concerning **ethics and integrity**: there is a decrease from 93% to 90%. However, despite the slight decrease, 90% of awareness can be considered very satisfactory.
- b) **Staff mobility**: 47% of staff considers that DG Environment takes appropriate or somewhat appropriate action to promote mobility. An internal Middle Management Mobility exercise was carried out in autumn 2022. In their comments, respondents call for more mobility opportunities for the other categories of staff.
- c) **There were some comments concerning teleworking/office presence and open space working**, while 88% of the respondents consider team work as effective or moderately effective. Taking on board that the DG has recently moved to open space premises, staff is concerned about finding the right balance between flexibility to telework and presence in the office, the impact of open workspaces on concentration and communication and establishing optimal modalities of interaction between units.
- d) **Sensitive personal data flag in ARES**: 57% of the respondents are very or moderately aware. Regular information sessions could be useful.
- e) **IT security & data protection**: Regular refresher trainings on data protection rules and cybersecurity would be welcome in order to improve awareness.
- f) **Internal communication**: Respondents ask for an increased number of debriefings after key meetings.
- g) The awareness of procedures to follow in case of suspect of **financial fraud** should be improved.

### **The annual declarations by the Authorising Officers by Sub-delegation.**

In this declaration, each AOS confirms that the commitments and payments authorised by them in 2022 are legal and regular and that the corresponding funds have been used for their intended purpose and in accordance with the principle of sound financial management. The AOS declarations do not indicate any significant weaknesses in the control system.

- The reporting of **exceptions and non-compliance events** (ICP 12): In 2022, no exception, but one non-compliance event was registered. Previous set up mitigation measures prove to avoid recurrence of earlier incidents.
- **Financial monitoring and reporting tools**, for information, action and supervision. A “**Financial Dashboard**” is regularly sent to senior management. It is based on a set of control indicators notably covering budget implementation, commitments and launches, payment delays, recovery orders, fines to Member

States, forecast of revenue, RAL, and ENVAC. These monitoring reports, provided eight times in the year, are presented beforehand and discussed at senior management level, while they are also disseminated to all the DG. For a pro-active monitoring of payment delays, the twice-monthly **“Financial Priorities Report”** gives to each manager a listing of open invoices under his/her responsibility, with indication of those that are nearing the payment deadline (this monitoring is of particular importance in view of the slight increase of payments exceeding their legal payment deadline in 2022). Furthermore, other tools and reports from DG BUDG are used for monitoring the execution of the management of the LIFE budget and communicate this information to the management.

- DG Environment’s **risk register**: in 2022, DG Environment carried out a general review of the potential risks associated to its activities, linked to the preparation of the 2023 Management Plan. The review covered risks identified as potentially important or above, as well as risks of fraud, whatever their level.

The reported risks were examined by senior management in the context of an ad-hoc meeting on planning. Considering the nature of the issues discussed, none of the potential risks was retained for registration in the DG Risk Register. None of the issues related to fraud.

A risk previously registered as Important was revised and a decision to close it was taken in the light of the success of the associated mitigation plan. The DG Risk Register was updated accordingly (internal reference Ares(2023)309016).

- **Anti-fraud activities and OLAF cases**: during the reporting year, the Finance Unit continued its efforts to raise awareness on fraud prevention. In 2022, the situation with cases transmitted to OLAF by the DG, initiated by OLAF or relating to potential fraud involving EU funds is the following:

- We received information on three notifications on potential fraud coming from third parties and where OLAF decided not to open an investigation.
- We notified one case to OLAF which was subsequently transmitted to EPPO.
- Two investigations were closed by OLAF and two recommendations of recovery of funds were sent to the DG. One of them concerned the recovery of funds and the other recommendation concerned the application of a financial penalty.
- DG Environment reported to OLAF on the state of play of implementation of six OLAF recommendations were being implemented by the DG.
- Out of two recommendations issued by OLAF, DG Environment made the recoveries. DG Environment also implemented a complex recommendation resulting in ten different recovery orders that were all cashed.

- The actions from the Action Plan of the DG have been systematically implemented.
  - An in-house training on zero tolerance against fraud was provided, together with OLAF, at the beginning of the reporting year.
  - In September 2022, a presentation on fraud prevention, detection and correction was given to around 900 beneficiaries of the LIFE programme grants aiming at fraud awareness and potential consequences of corruption.
  - During the specific training for newcomers of the DG in November 2022, an attention to fraud awareness among different financial topics was drawn.
- **The European Ombudsman:** No individual financial cases were brought to the attention of the Ombudsman in 2022. DG Environment has fully implemented the recommendations made by the Ombudsman in its own initiative enquiry on expert groups. The DG also provided replies to nine enquiries by the Ombudsman on the implementation of environmental policies.
  - **Review of sensitive functions:** The Financial Instruments process in place to identify and manage sensitive functions is effective. An extensive risk assessment of the sensitive functions was carried out in collaboration with all Directorates/Units concerned 9th February 2023. This resulted in that the posts of the Head of Unit of ENV.A4-Finance, as also the post of Local Authorisation Manager (LAM) in the same Unit, will be kept as sensitive posts.
  - **HR policy:** In 2022, DG Environment continued to deliver a high number of legal obligations and commitments under the European Green Deal. Delivering in time while maintaining and, if possible, increasing the skills and motivation of staff was very relevant throughout the year especially given that the staff numbers were not significantly increased.

At the end of 2021, DG Environment moved to a new building with open dynamic workspaces. Therefore 2022 was marked by the implementation of these new Commission policies. The hierarchy and colleagues alike needed to adapt to this new way of working, e.g. the logistical hurdle to organise meetings in person when you have a lack of office and meeting room space.

2022, post COVID period, was also marked by the challenge of bringing staff back to the office. Especially in context of the new ways of working in an open and dynamic workspace, it was a challenge for the hierarchy to strike the right balance to implement the guidelines on the return to the office and motivate staff to come back, book a parking space and find a workspace within the vicinity of their Unit. DG Environment applied the recommended 2-days in the office policy, giving management and staff a lot of flexibility to strike the right balance between work duties and private life, to ensure a good work-life balance.



DG Environment also took advantage of the fact that events were allowed again and organised an All Staff Day in the autumn of 2022 with the motto “New ways of working together”. It was an event which was extremely well received by staff, an interactive event with speeches, discussions, and different workshops with the aim of bringing colleagues together again in a playful environment.

The internal Middle Management Mobility exercise in autumn of 2022, which resulted in five managers taking up new duties within the DG, was undertaken to maximize the use of cross-cutting knowledge and experience of managers in the house. It was an exercise done on a voluntary basis, taking into account the background and the wishes for assignments of those concerned and it was considered by all a real success.

**Document management:** Measures taken in 2022 focused on making information and knowledge available as widely as possible, and on ensuring that documents are preserved in accordance with their informational, administrative, legal or historical value. In 2022, DG Environment implemented the use of qualified electronic signatures (QES) for financial documents <sup>(56)</sup>.

The following measures have been taken in 2022:

**Training:** Several short video conference training and coaching sessions for all staff have been organised on document management (in particular on how to use the QES for financial documents), on information security and on personal data to ensure knowledge of latest developments and of best practices;

A total of 16 training sessions on document management/information security and personal data protection were organised in 2022 and 124 staff attended these sessions.

#### **Implementation of e-signatories in the DG:**

In 2022, the use of electronic workflows and signatures has decreased slightly:

In 2021: 6202 registered Documents with e-signatory workflow (78% of all registered documents, 97 % with a SIGN task)

In 2022: 5304 registered Documents with e-signatory workflow (80% of all registered documents, 96 % with a SIGN task)

An important step was implementing the use of QES for financial documents, which has been implemented in the DG in September 2022 (101 documents/contracts have been QES-signed by the end of 2022).

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<sup>(56)</sup> QES is a standard that comes from the eIDAS Regulation (Regulation (EU) No 910/20142) and is recognised to have equivalent legal effect to a handwritten (also known as ‘blue-ink’) signature in all EU Member States. It can therefore also be used by the Commission in its contractual relationships.

### **Review of visibility of HAN files:**

The default visibility for files to be created in ARES has been changed from Environment to Commission visibility since 2018. This allows that data and information in ARES are available, searchable and retrievable as widely as possible across the Commission. In 2022, all new files have been created with the default setting and file access has been restricted in case of legal or security requirements or clear justifications.

### **Reminders and reporting:**

ARES provides limited reporting facilities, but units received regular reminders in relation to registration and filing of documents, latest in December 2022.

### **Improved archiving procedures:**

Additional attention was given to review of e-filing systems in units. This included training and guidance to staff.

- In the coming years, the use of QES for finance documents will further reduce the paper volume stored in DG ENV's archives.
- The number of filed documents in ARES is stable (in 2022: 20.382 documents have been created of which 378 documents are unfiled = around 98% of DG Environment's documents are filed).

### **IT Security:**

Following the Commission Decision 46/2017, which dictates that IT security shall be based on a risk management process, all systems' security plans were reviewed. Previous identified measures continued to be implemented and residual risks remain at acceptable levels. The security information of all systems was updated in the corporate inventory.

### **Conclusion**

DG Environment has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but there is room for some minor improvements related to:

- Possibilities for increasing **staff mobility for non-management staff**;
- Working arrangements and internal communication arrangements under the **"new ways of work"**.

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

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

DG ENV	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing (minus retentions released and deductions of expenditure made by MS) (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC; %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Administrative expenditure	1,66	0,00	0,00	1,66	0,50% - 0,50%	0,01 - 0,01	0,00% - 0,00%	0,00 - 0,00	0,01 - 0,01
LIFE - grants	12,65	- 4,20	36,37	44,82	0,16% - 0,16%	0,07 - 0,07	0,00% - 0,00%	0,00 - 0,00	0,07 - 0,07
LIFE - procurement	36,76	- 1,06	0,74	36,44	0,50% - 0,50%	0,18 - 0,18	0,00% - 0,00%	0,00 - 0,00	0,18 - 0,18
LIFE - contribution agreements with international organisations	0,38	- 0,33	0,32	0,36	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
EU subsidy to the EEA	55,88	- 49,68	45,23	51,43	0,50% - 0,50%	0,26 - 0,26	0,00% - 0,00%	0,00 - 0,00	0,26 - 0,26
EU subsidy to the ECHA	4,84	- 4,84	5,16	5,16	0,50% - 0,50%	0,03 - 0,03	0,00% - 0,00%	0,00 - 0,00	0,03 - 0,03
Multilateral environmental agreements	3,55	0,00	0,00	3,55	0,50% - 0,50%	0,02 - 0,02	0,00% - 0,00%	0,00 - 0,00	0,02 - 0,02
Pilot Projects and Preparatory Actions	7,50	- 0,52	1,11	8,10	0,50% - 0,50%	0,04 - 0,04	0,00% - 0,00%	0,00 - 0,00	0,04 - 0,04
Co-delegation received from DG INTPA	14,71	- 14,48	0,00	0,24	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Co-delegations received from other DGs	4,39	- 1,78	2,71	5,32	0,50% - 0,50%	0,03 - 0,03	0,00% - 0,00%	0,00 - 0,00	0,03 - 0,03
<b>DG total</b>	<b>142,32</b>	<b>- 76,89</b>	<b>91,65</b>	<b>157,08</b>		<b>0,63 - 0,63</b>	<b>0,00% - 0,00%</b>	<b>0,00 - 0,00</b>	<b>0,63 - 0,63</b>
					<b>Overall risk at payment in %</b>	<b>0,40% - 0,40%</b> (7) / (5)		<b>Overall risk at closure in %</b>	<b>0,40% - 0,40%</b> (10) / (5)

#### Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the DG total. Under "Co-delegations received from DG INTPA", an amount of 1.15 MEUR has been erroneously booked on the co-delegated budget line; as a result, it is reported by DG Environment whereas it should have been reported by DG INTPA.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated DGs. For Cross-Sub Delegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department). as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-Sub Delegations.

(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').

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

(6) For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate used is 0.5% as a conservative estimate.

(8) There are no estimated future recovery and corrections. From 2023 on, the ex-post audit activity will be take place in CINEA, which is managing the LIFE projects.

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

### Human Resources

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

**Indicator 1:** Number and percentage of first female appointments to middle management positions

**Source of data:** SEC(2020)146

Baseline (2019)	Target (2022) + 2024)	Latest known results (2022)
50%, 10 out of 20	2022: +1 female appointment 2024: still to be defined	50% (1 female appointment and 2 men appointed as Head of Unit in 2022)

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

**Source of data:** Commission staff surveys 2018 and 2021

Baseline (2019)	Target (2024)	Latest known results (2022)
72%	74% and maintain above the Commission average (72% in 2021)	73% compared to the Commission average of 72%

\*For a description of the main outputs delivered under this objective, please see the 'human resources management' narrative, section 2.2.1 of this annual activity report

## Digital transformation and information management

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

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

**Source of data:** DG Environment

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
50% Average of 3 most expensive solutions	65% Average of 3 most expensive solutions	85% Average of 3 most expensive solutions	71% (1 of the 3 systems is not yet operational, hence not yet fully compliant)

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

**Source of data:** DG Environment

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
60%	50%	80%	88%

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

**Source of data:** DG Environment

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
20% of DG Environment staff followed local training in 2018] 100% of DG Environment controllers followed central training organised by DPO	40% of staff 100% of controllers	80% of staff 100% of controllers	35% of staff 100% of controllers

### Main outputs in 2022:

Description	Indicator	Target	Latest known results (by 31/12/2022)
Implementation of the corporate principles for data governance for the DG key data assets	Percentage of implementation of the corporate principles for data governance for key DG data assets	Interim milestone by mid-2022: 50%	88%
Keeping up to date the Environment data catalogue under the platform "Declare"	Regular meetings among the business and technical DG Environment staff to keep the ENV Data catalogue up to date	Throughout 2022 Meetings with each policy unit	One round of meetings with all policy units was held to update the data sets throughout autumn 2022

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (by 31/12/2022)</b>
Implementation of new guidelines for optimal usage of data, information and knowledge management in the DG	ENV data community survey on optimal usage of new data guidelines	Throughout 2022	The ENV Data community was reconvened for a first meeting after the reorganisation and the state of play of data management in DG Environment was discussed. No formal data community survey took place in 2022, but during the yearly update exercise of DG key data assets, awareness of policy units was raised regarding DG Environment activities on data management.
Implementation of DG DIKM Actions	Tasks accomplished and monitoring progress	Throughout 2022	The DG Environment Data community was reconvened for a first meeting after the reorganisation and the state of play of DKIM actions discussed as a basis for potential next steps.
Waste Shipment Regulation (WSR): Implementing Act for the future EU-wide system for electronic data interchange (EDI)	Available	End 2022	The present version of the proposal for the revised WSR regulation foresees an Implementing Act to be ready 12 months after entry into force of the core regulation, which is estimated now to happen by end 2023, meaning that the final version of the Implementing act is delayed until end 2024. During 2022, technical specifications were anyway elaborated and will be used as input to the Implementing Act
Ensuring IT security follow-up in all our systems	Percentage of DG information systems having an approved security plan	100%	100%
Assessment of Information Systems with a view to identify potential for decommissioning	Percentage of DG information systems with a preservation assessment	50% (100% at the end of the mandate)	100%
Increase staff awareness	Data protection awareness	1	1

Description	Indicator	Target	Latest known results (by 31/12/2022)
on data protection	communication sent to staff		
	General data protection events organised	1	1
	Percentage of DG Environment data controllers having followed training	100%	100%

## Sound environmental management

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

**Indicator 1:** Environmental performance in the Commission

This indicator looks at percentage reductions compared to 2014 levels. It gives the weighted average for eight Commission sites participating in the Eco-Management and Audit Scheme (EMAS) on specific core parameters. The sites are Commission buildings in Brussels and Luxembourg, as well as JRC sites Geel (Belgium), Petten (the Netherlands), Seville (Spain), Karlsruhe (Germany), and Ispra (Italy), along with DG SANTE at Grange (Ireland)

**Source of data:** [Environmental Statement 2019 results](#)

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2022)
Energy consumption of buildings (MWh / person): <b>-8.8%</b>	-5.2%	Achieve greater reduction	Greater reduction was achieved
Water use (m <sup>3</sup> / person): <b>-9.5%</b>	-5.4%	Achieve greater reduction	Reduction achieved
Office paper consumption (sheets / person / day): <b>-32%</b>	-34%	Achieve greater reduction	A reduction of 50% on paper consumption/person/day was achieved
CO <sub>2</sub> emissions from buildings (tonnes / person): <b>-24%</b>	-5.1%	Achieve greater reduction	
Waste generation (tonnes / person): <b>-15%</b>	-9.7%	Achieve greater reduction	More than 20% was achieved in 2021



## Main outputs in 2022:

### I. More efficient use of resources (energy, water, paper):

Description	Indicator	Target	Latest known results (by 31/12/2022)
Staff awareness actions to reduce energy use in the framework of EMAS corporate campaigns and/or awareness actions about DG's total energy consumption in collaboration with OIB where appropriate.	Number of actions	At least 3 awareness actions	One workshop and two information session were organised
	Number or % of staff informed	100 % of staff informed	80% of staff get informed
	Energy consumption reduction	Reduce energy consumption by 5%	The energy consumption was reduced with more than 20% due to smart lighting and the switch off of dock station after use
Participation in the end of the year energy saving action, by closing down DG's buildings during the Christmas and New Year's holiday period.	Number of buildings participating	100 % of DG buildings participating	At least 2 DG's building participated
Staff awareness actions to reduce water use in the framework of EMAS corporate campaigns and/or awareness raising actions about DG's water consumption in collaboration with OIB where appropriate.	Number of actions	1 awareness action	E-mail sent to OIB to cut the time of running tap water
	Number or % of staff informed	100% of staff informed	90%
	Water consumption	Reduce water consumption 15 %	Time reduced in tap water running
Paperless working methods at DG level (such as paperless working: e-signatories, financial circuits, collaborative working tools) and staff awareness actions to reduce office paper use in the framework of EMAS corporate campaigns and/or raise awareness about DG's office paper use in collaboration with OIB where appropriate.	Number of actions	1 action	Recurrent e-mails sent to staff
	Number or % of staff informed	100 % of relevant staff informed	100%
	Paper consumption	Reduce paper consumption by 10%	Target reached

## II. Reducing CO<sub>2</sub>, equivalent CO<sub>2</sub> and other atmospheric emissions

Output	Indicator	Target (2019 as baseline)	Latest known results (by 31/12/2022)
Staff awareness actions on reducing GHG emissions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and/or raise staff awareness on sustainable commuting in collaboration with OIB or OIL (e.g. availability of bike parking facilities, lockers and showers, promote the reduction of parking spaces' use amongst staff).	Number or % of staff informed/participated	100% of staff informed/encouraged to participate	Workshop on "How to repair your bike" was organised at DG level with high participation.
	% of staff participating in VeloWalk	5% increase of staff participating in VeloWalk	Target reached
	% of sustainable commuters <sup>(57)</sup> at DG Environment	Increase by 5% of sustainable commuters	Target reached
Staff awareness on digital pollution and gradual change of behaviours avoiding heavy emails, encouraging the use of ICT platforms, avoiding unnecessary storage of data.	Number of events organised	1 event organised	Communication and IT solution unit organised a webinar in order to raise awareness and to help colleagues use the shared IT platforms. Bilaterals were organised with each unit in order to create a shared Teams platform for sharing unit's documents

## III. Reducing and management of waste

Output	Indicator	Target (2019 as baseline)	Latest known results (by 31/12/2022)
Staff awareness actions about waste reduction and sorting in the framework of EMAS corporate campaigns and/or staff awareness actions about DG's waste generation in collaboration with OIB where appropriate.	Number or % of staff informed/participated	100% of staff informed/participated	100 % of DG Environment staff is aware of waste management
	Waste generation reduction	Reduce waste generation by 10%	Target reached
	Waste sorting increase	Increase waste sorting by 5%	Target reached and overcome.

<sup>(57)</sup> Sustainable commuting refers to environmentally friendly travel modes, such as. Public transport (bus, tram, subway, light rail), walking, cycling, and carpooling.

#### IV. Promoting green public procurement (GPP)

<b>Output</b>	<b>Indicator</b>	<b>Target (2019 as baseline)</b>	<b>Latest known results (by 31/12/2022)</b>
Staff awareness of green procurement criteria	Number of actions	Number of actions: 2	Guidelines were prepared and shared with all staff
	Number of staff informed	50 staff informed/invited to participate in training sessions	70% of staff concerned participated in the training
Gradual introduction of GPP criteria in contracts and starting to monitor the process.	Number of GPP-relevant contracts with green criteria	4 GPP-relevant contracts with green criteria	Target reached. In 2022 more than 10 GPP-relevant contracts were signed online

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

### **1. International information exchange on the use of Best Available Techniques (BAT) to control industrial emissions – Phase III**

1. Programme(s) concerned:

Programme for the Environment and Climate Action (LIFE).

2. Annual budgetary amount entrusted:

EUR 300,000.

3. Duration of the delegation:

36 months (the contribution agreement runs from 01/03/2022 to 28/02/2025).

4. Justification of the recourse to indirect management:

The financing decision <sup>(58)</sup> states that this action may be implemented by the OECD which has been pillar assessed.

5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

For the past 6 years, the OECD has run, with support from the Commission, the two first phases of an international project to exchange good practice on BAT (best available technique) permitting for industrial production activities. OECD is somehow in a situation of monopoly vis-a-vis this action.

6. Summary description of the implementing tasks entrusted to these bodies:

This action which is entitled ‘international information exchange on the use of best Available Techniques (BAT) to control industrial emissions, phase III’ aims to promote international exchanges on the use of Best Available Techniques (BAT) to regulate the environmental performance of large industrial plants. It provides a stage for sharing and spreading EU’s policies at an international level and thereby contributing to levelling the international playing field. The action will contribute to the European Green Deal’s objectives on zero pollution, carbon neutrality and circular economy.

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<sup>(58)</sup> Commission Implementing decision of 17.06.2020, C(2020) 3928 final.

## **2. The transition towards the circular economy-economic and policy analysis**

### 1. Programme(s) concerned

Neighbourhood, Development and International Cooperation Instrument (NDICI- Global Europe) 2021-2027 under co-delegation from DG INTPA.

### 2. Annual budgetary amount entrusted:

EUR 800,000.

### 3. Duration of the delegation:

36 months (the contribution agreement runs from 1/01/2023 to 31/12/2025).

### 4. Justification of the recourse to indirect management:

The financing decision states that this action will be implemented through indirect management with an international organisation, i.e. the OECD.

### 5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.);

The nature of the activities requires a particular type of body on account of its technical competence, its high degree of specialisation in line with article 195 (f) FR.

### 6. Summary description of the implementing tasks entrusted to these bodies:

The overall objective is an increased awareness of the opportunities that are presented by the circular economy globally, as well as support targeted on a number of initiatives that would lead to the implementation of concrete measures that are required for the transition including better policy analysis. The tasks to be implemented are in particular: analysis of economic instruments to reduce the environmental impact of plastics use, analysis of policy recommendations for the circular economy transaction in an specific sector of the economy and sharing of best practice and policy recommendations on policy assessment.

## **3. Strengthening international standards for the sound management of chemicals**

### 1. Programme(s) concerned:

Neighbourhood, Development and International Cooperation Instrument (NDICI- Global Europe) 2021-2027 under co-delegation from DG INTPA.

### 2. Annual budgetary amount entrusted:

EUR 500,000.

### 3. Duration of the delegation:

24 months (the contribution agreement runs from 01/10/2022 to 30/09/2024).

#### 4. Justification of the recourse to indirect management:

The financing decision states that the grant can be given without a call for proposals to the OECD.

#### 5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

The nature of the activities requires a particular type of body on account of its technical competence, its high degree of specialisation in line with article 195 (f) FR.

#### 6. Summary description of the implementing tasks entrusted to these bodies

The action aims to improve the implementation of chemicals management systems in participating countries, in particular developing countries that are setting up such systems. Global chemical production is estimated to double by 2030 and much of the expected rise in chemical production will shift to developing countries. The tasks to be implemented are in particular: the expansion and maintenance of the OECD system of mutual acceptance of data, chemical accident prevention, preparedness and response, and the development of tools to facilitate the development of biopesticides.

### **4. Programme cooperation agreement with UNEP to improve international governance**

#### 1. Programme(s) concerned:

Neighbourhood, Development and International Cooperation Instrument (NDICI- Global Europe) 2021-2027 under co-delegation of DG INTPA.

#### 2. Annual budgetary amount entrusted:

EUR 11,100,000.

#### 3. Duration of the delegation:

72 months (the contribution agreement runs from 16/12/2022 to 15/12/2028).

#### 4. Justification of the recourse to indirect management:

The financing decision states that the United Nations Environmental Programme (UNEP) may implement this action in indirect management. This organisation has been pillar assessed by the Commission.

#### 5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

The nature of the activities requires a particular type of body on account of its technical competence, its high degree of specialisation in line with article 195 (f) FR.

#### 6. Summary description of the implementing tasks entrusted to these bodies:

This action aims to improve international environmental governance by concluding a new cooperation agreement between the Commission and UNEP. It directly contributes to the

externalisation of the European Green Deal by improving international environmental governance and focusing on the promotion of EU strategies adopted in the context of the Green Deal and jointly shared with UNEP. The action consists primarily of a multi-annual EU contribution to a multi-donor trust fund dedicated to the provision of voluntary contributions to the work of UNEP and Secretariats of MEAs.

## **5. Inter-Organisation Programme for the Sound Management of Chemicals (IOMC) Toolbox for decision making in chemicals management – Towards Achieving the SDGs (IOMC IV)**

1. Programme(s) concerned:

Neighbourhood, Development and International Cooperation Instrument (NDICI- Global Europe) 2021-2027 under co-delegation of DG INTPA.

2. Annual budgetary amount entrusted:

EUR 2,000,000.

3. Duration of the delegation:

36 months (the contribution agreement runs from 1/01/2023 to 31/12/2025).

4. Justification of the recourse to indirect management:

The financing decision states that the WHO may implement this action in indirect management. This organisation has been pillar assessed by the Commission.

5. Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis, etc.):

The nature of the activities requires a particular type of body on account of its technical competence, its high degree of specialisation in line with article 195 (f) FR.

The financing decision states that this action may be implemented in indirect management with entities which will be selected by the Commission's services using the following criteria: relevant organisational mandate; technical competence in the respective policy field; organisational competence; projects track record.

6. Summary description of the implementing tasks entrusted to these bodies:

The goal of this action is to improve the sound management of chemicals and waste in countries world wide that use the IOMC toolbox and its content. While updating the Toolbox from a gender and human rights perspective, the Action will also contribute to the achievement of SDG 5 (Gender equality). Activities will foster that i) IOMC Toolbox and its content is increasingly used at national level to develop chemicals management capacities and infrastructure, including control and enforcement and ii) Greater collaboration and networking between countries and IOMC Partner Organizations towards achieving the sound management of chemicals and the implementation of related SDG 12.

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

Not applicable



## Annex 13: Decentralised agencies

**Entity: European Environment Agency (EEA)**

***Role of DG: DG Environment is the parent DG of the EEA. It pays the EU contribution to its operating budget and, together with DG RTD, represents the Commission in the EEA Management Board. DG Environment coordinates with Commission services on any EEA issues, notably on its strategic documents, work planning & programming and any budgetary and administrative questions.***

Policy area concerned	Contribution to the operating (administrative) budget	Contribution to the operational budget
09 - Environment and Climate Action	EUR 49 682 516	N/A

The overall objective of the European Environment Agency and of its European Environment Information and Observation Network (EIONET) as defined in its founding regulation is to provide the European Union and the Member States with: ‘objective, reliable and comparable information at European level enabling them to take the requisite measures to protect the environment, to assess the results of such measures and to ensure that the public is properly informed about the state of the environment, and to that end the necessary technical and scientific support.’ The EIONET connects hundreds of environmental institutions, including public authorities and research institutions, from 32 EEA member and 6 cooperating countries. EEA’s support is indispensable for most of environmental and climate policies (8th Environment Action Programme, European Green Deal initiatives, and sectorial policies such as Nature Directives, water, air quality, noise, coastal and marine environment, Climate Law, climate adaptation, chemicals hazardous to the environment, industrial and carbon emissions, waste, etc.) and covers ca. 130 reporting obligations per year.

**Entity: European Chemicals Agency (ECHA)**

***Role of DG: ECHA is under the overall coordination of DG GROW (lead parent DG). Financially, DG Environment contributes to ECHA's budget for the work it performs in the area of environmental regulations and directives<sup>(59)</sup>. DG Environment works closely with DG GROW and DG SANTE on work planning & programming and administrative questions related to the Agency. For the operational day-to-day work, DG Environment has direct contact with the Agency.***

<b>Policy area concerned</b>	<b>Contribution to the operating (administrative) budget</b>	<b>Contribution to the operational budget</b>
09 - Environment and Climate Action	EUR 4 727 000	N/A

The European Chemicals Agency is implementing the EU's chemicals legislation to protect human health and the environment as well as to enhance innovation and competitiveness.

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<sup>(59)</sup> Regulation concerning the export and import of hazardous chemicals (PIC-Regulation), Regulation on persistent organic pollutants (POPs-Regulation), Waste Framework Directive, Drinking Water Directive, 8th Environment Action Programme.

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

Not applicable

## **ANNEX 15: European Court of Auditors' performance audits targeting DG Environment in 2022**

This annex gives an overview of the work performed in 2022 by DG Environment to collaborate with the European Court of Auditors for their performance audits. These audits focus on policy aspects rather than on financial issues, and lead to publication of Special Reports or Reviews. ECA's increasing focus on environmental sustainability across policies leads to a significant number of performance audits which involve DG Environment. The DG gives the highest attention to ECA's work and makes all efforts to ensure a smooth audit process with correct and timely follow-up of recommendations.

### **ECA Special Reports (SR) published in 2022**

DG Environment was concerned by several special reports published by ECA, relating to performance audits on environmental policies:

**1. *Special report 22/2022: EU support to coal regions – Limited focus on socio-economic and energy transition*** (published 09/11/2022)

Phasing-out coal is essential for achieving the EU climate objectives, and in 2020 the EU established the €19.3 billion Just Transition Fund to support the transition to climate neutrality. To draw lessons for the implementation of this Fund, ECA assessed whether EU support in 2014-2020 had contributed effectively to the socio-economic and energy transition in EU regions where the coal industry had been in decline. ECA concluded that the support had limited focus and impact on job creation and energy transition and that, despite overall progress, coal remains a significant source of greenhouse gas emissions in some Member States.

ECA recommends the Commission to:

- check that the Just Transition Fund is used effectively and efficiently to alleviate the socio-economic impact of the transition to climate-neutrality in coal and carbon-intensive regions; and
- share good practice for measuring and managing methane emissions from closed or abandoned coal mines.

The Commission accepts the recommendations.

**2. *Special report 16/2022: Data in the Common Agriculture Policy – Unrealised potential of big data for policy evaluations*** (published 28/06/2022)

Using an evidence-based approach in policy decisions requires various data from different sources and subsequent analysis. ECA assessed whether the Commission is making good use of data and data analytics for policy design, monitoring and evaluation of the Common Agricultural Policy, which represent more than a third of the EU budget. ECA found that the Commission has taken several initiatives to make better use of existing data. However, barriers to making the best use of collected data remain. Obstacles such as a lack of

standardisation and limitations due to data aggregation reduce data availability and usability.

ECA recommends the Commission to:

- establish a framework for using disaggregated data from Member States; and
- make more use of and develop data sources to meet policy needs.

The Commission fully accepts the recommendations.

### **3. Special report 17/2022: External consultants at the European Commission – Scope for reform** (published 30/06/2022)

The Commission makes extensive use of external consultants, committing almost €1 billion for this purpose each year between 2017 and 2020. ECA analysed whether the Commission manages external consultants' services in a way which safeguards its interests and ensures value for money. External consultants contribute to the development of the Commission's objectives. However, there are significant gaps in the Commission's framework governing the use of these services, bringing risks of overdependence and potential conflicts of interest. The Commission did not manage these risks sufficiently, and its reporting on the use of consultants was weak.

ECA recommend that the Commission should:

- further develop its framework for the use of external consultants' services;
- improve its approach to monitoring and mitigating risks from using such services;
- identify and use the results of such services; and
- report regularly on its use of these services.

The Commission stresses that while external consultancy services may provide the Commission with important technical input, it remains fully responsible for the conduct of its own tasks as defined in the Treaties, including policy development. Consultants, as external resources, are not integrated as such into the Commission's internal staff policy, and they are not a substitute for the core workforce.

### **4. Special report 09/2022 Climate spending in the 2014-2020 EU budget: Not as high as reported** (published 22/05/2022)

In this report, the ECA criticized the Commission's methodology for climate reporting and concludes that the contributions to climate were generally overestimated. The ECA recommended to enhance the accuracy of climate reporting and obtain more scientific evidence to demonstrate the climate contribution made by the EU's agricultural policy. The Commission has already proposed significant changes to the methodology to track climate expenditure in 2021–2027, notably through a more granular and coherent tracking and inclusion of coefficients directly in the basic acts of the most important programmes. The report had a strong reception in the media. DG Environment colleagues closely look at ECA's points of critic in the context of the biodiversity mainstreaming methodology, even though DG Environment is less concerned by climate mainstreaming.

The ECA recommends the Commission to:

- justifying climate relevance of agricultural funding
- enhancing climate reporting
- linking EU budget to climate and energy objectives

The Commission accepts the recommendations.

### **Follow-up of open recommendations**

DG Environment closely monitors the implementation of the audit recommendations stemming from ECA reports, as well as recommendations from the Council and the European Parliament issued in the course of the discharge procedure. By the end of 2022, the DG was Chef de File for 65 open recommendations, meaning that their implementation is ongoing.

### **Follow-up reports**

DG Environment is in the lead for one follow-up report (SR 16/2019: European Environmental Economic Accounts: usefulness for policymakers can be improved) and associated to another one (SR 21/2019: Addressing antimicrobial resistance: progress in the animal sector, but this health threat remains a challenge for the EU). The results of these follow-up reports will be included in ECA's Annual Report 2022.

### **Ongoing audits**

ECA also launched the following audits, which are still on-going or pending publication, and for which DG Environment is involved to a greater or lesser extent:

- Circular Economy;
- Soil and manure management;
- Blue Energy and integrated maritime policy;
- EU's battery value chain;
- Aquaculture;
- Biofuels;
- Review: Hazardous waste (published in Q1 2023).