



Annual Activity Report 2020

OFFICE FOR INFRASTRUCTURE AND LOGISTICS
IN LUXEMBOURG

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THE OFFICE IN BRIEF

The Office for Infrastructure and Logistics in Luxembourg (hereafter OIL) was established in 2003¹. Its core mission is to ensure a functional, safe and comfortable workplace for all those working for the Commission in Luxembourg and to provide good quality support and well-being services in an environmentally friendly and cost-effective way.

OIL carries out all activities associated with:

- the **housing of staff**, including the acquisition, leasing and maintenance of the moveable and immovable property of the Commission and the organisation of removals and space management;
- **logistics and related services** such as transport services for staff and goods for internal purposes, management of incoming and outgoing mail, office supplies and conference facilities;
- the compliance with **health and safety requirements** within the Commission's buildings, as well as with environmental legislation and the **Eco-Management Audit Scheme** (EMAS);
- the provision and the management of the **social infrastructure** for the staff of the European Union institutions in Luxembourg covering the restaurants and cafeterias; the interinstitutional venue *Foyer européen*; the interinstitutional children's centres.

OIL is an administrative office with around 430 staff members. It is structured in seven units, which all contribute to fulfil the above-mentioned set of actions. OIL's Head of Service receives from the Commission the powers of Authorising Officer by Delegation. The Office works together with the Directorate-General for Human Resources and Security (DG HR) and regularly reports on its activities to the Commissioner and to its Management Committee, chaired by DG HR's Director-General. The Management Committee's main role is, under the authority of the College of the Commission, to supervise the activities of the OIL, define its terms of reference and ensure that they are properly implemented.

Given the Commission-wide and interinstitutional reach of OIL's services, a number of joint consultative committees are in place, where the interests of all stakeholders (European institutions, Commission's services, staff etc.) are represented.

OIL manages exclusively administrative expenditure in the direct management mode. The appropriations for which OIL is responsible are OIL's own appropriations, centralised appropriations and appropriations received from other Commission services².

¹ [2003/524/EC](#): Commission Decision of 6 November 2002 establishing the Office for infrastructure and logistics in Luxembourg.

² From the Publications Office (OP), the Office for Administration and Payment of Individual Entitlements (PMO), the European Personnel Selection Office (EPSO), DG Informatics (DIGIT) and DG Communication (COMM).

In May 2020, Marc Becquet, who had been Head of Service since 2016, left the Office for a new assignment. He was replaced by Thomas Kirchner, as acting Head of Service, pending the appointment of a new Director.

EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Head of Service of OIL to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties³.

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

Given its coordination and support nature in the logistics and infrastructure domains, OIL's strategy for the period 2020-2024 is above all focused on general objective 7, assigned by the von der Leyen Commission: 'A modern, high-performing and sustainable European Commission'.

The services delivered by OIL facilitate the functioning of the Commission in Luxembourg by offering the best working conditions and social infrastructure possible while respecting the financial and regulatory constraints. The three main pillars of OIL's activities are: i) buildings and office space; ii) logistics-related services and iii) social infrastructure and services.

OIL contributes to shaping a green, flexible and healthy working environment.

Many objectives in the 2020 management plan and the strategic plan 2020-2024 were affected by the health crisis and the subsequent lockdown and may need to be reviewed.

The progress made in 2020 is summarized below. Actions specifically conducted by OIL in response to the COVID-19 crisis are mentioned in a specific section.

A Appropriate and satisfactory building and office space management

Building management

- The time schedule of the Commission's major construction project in Luxembourg, the Jean Monnet 2 (JMO2) building (originally planned for 3 700 persons) has been impacted by the COVID-19 outbreak and will have to be updated. The excavation works and the demolition of JMO1 were completed by May 2020. The structural

³ Article 17(1) of the Treaty on European Union

works are now in progress;

- The Fischer building, located in the main railway station area, now hosts the new Commission's training centre. Substantial renovation works were completed in May 2020;
- The project for a new interinstitutional childcare centre in Kirchberg encountered some delays due to uncertainty linked to the future of the crèches (managed by the European Parliament);
- Meetings with owners of two buildings to align the end date of the lease contracts with the delivery of JMO2 were postponed due to the COVID-19 crisis;
- OIL helped to prepare the space for the European Public Prosecutor's Office. Staff moved in end-2020.

Office space management

- OIL continued to work closely with the DGs and services based in Luxembourg with a view to making the best use of the available office space and take appropriate action in the context of the COVID-19 crisis;
- Substantial refurbishment works were ongoing to create new collaborative spaces for DG DIGIT in the Helios building.

B Provision of performant, safe, secure and sustainable logistics-related services

Health and safety

- While OIL continued to take and monitor efficient health and safety measures in all Commission buildings, several actions (e.g. training for first aiders, evacuation exercises) could not be (or were only partially) implemented as planned;
- OIL started additional actions in relation to the management of sanitary and drinking water.

Environment-related actions

- In its role as coordinator for Luxembourg, OIL manages and continuously improves the Eco-Management Audit Scheme (EMAS). Most office buildings are EMAS-registered. The Helios building, wing E-2 was registered in 2020;
- Further measures aiming at reducing energy consumption continued to be taken;
- Since 1 March 2020, OIL, in cooperation with PMO, has managed the subsidies of public transport subscriptions of Commission staff based in Luxembourg who are commuting from Germany, France or Belgium;
- Specific bins for office supplies and recycling stations were made available in all buildings.

Good quality of logistics services

- Despite the sanitary situation, OIL managed to maintain the quality of its logistics

services in 2020. The logistics proximity teams were involved in COVID-19-related actions (see section E below);

- In 2020, OIL and DG SCIC agreed that, in addition to the management of conference rooms, OIL would upgrade a number of meeting rooms in Luxembourg on behalf of DG SCIC.

C Good social infrastructures continue to be provided at all Luxembourg sites

Restaurant, canteen and cafeteria facilities

- OIL started to implement a new catering production system, grouping the production of canteen meals in two sites (Kirchberg, Cloche d’Or), instead of six previously;
- In June 2020, OIL introduced payment by bank card (including contactless) in all catering sites;
- An online reservation system for meals and snacks was rolled out in the last quarter of 2020;
- Preparations for an audit of the *Foyer européen* operation mode and governance were undertaken. The contract with the audit firm was signed in December 2020.

Childcare

- OIL successfully organised the reenrolment campaign for the 2020/21 school year for children attending the Interinstitutional Children’s Centre (CPE). For the first time this year, the campaign for new enrolments took place completely paperless;
- The first follow-up actions resulting from the latest (2019) parents’ satisfaction survey were implemented;
- Due to COVID-19, there was a loss of income from parental contributions in 2020.

B Key Performance Indicators (KPIs)

Delivery of the major real estate projects within deadline and budget – JM02 phase 1 moving operation to be completed⁴ within deadlines and budget;

Result indicator:

Explanation: Progress and achievement of the objective to move staff to JM02 according to phase 1 schedule,

Source of data: OIL

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known result (2020)
Excavation works	Concrete structure completed	Completed	Ongoing, but with delays (to be quantified) due to COVID-19

⁴ The completion of this objective also affects the JM02 phase 2 work progress.

Overall staff satisfaction with the quality of services provided by OIL.

Result indicator:

Explanation: Percentage of staff satisfaction in biennial staff opinion survey conducted by DG HR related to the services of OIL: (very satisfied + satisfied)

Source of data: HR Staff Opinion Survey on the services provided by the administrative offices: PMO, OIB and OIL

Baseline (2017 – latest year available)	Interim milestone (2022)	Target (2024)	Latest known result (2020)
72%	Positive trend	Continued positive trend	No survey was held in 2020

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

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

To ensure the achievement of policy and management objectives, the Commission has adopted a set of internal control principles, based on international good practice. The financial regulation requires that the organisational structure and the internal control systems used to implement the budget be set up in accordance with these principles. OIL has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall. Only minor deficiencies were identified, related mainly to the updating of procedures, the follow-up of audit recommendations, and the analysis of exceptions and non-compliance reporting. Please refer to AAR section 2.1.3 for further details.

In addition, OIL has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to section 2.1 for further details.

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

Financial management and Internal control main indicator:

Estimated risk at closure

Result indicator:

Explanation: This indicator is the best, conservative estimation of the expenditure authorised during the year, which would be still in breach of applicable regulatory and contractual provisions, in value terms. It is calculated by subtracting the estimated future corrections from the estimated overall risk at payment. The indicator is expressed in % of the relevant expenditure (or revenue).

Source of data: OIL ex post control report

Baseline (2019)	Target (2024)	Latest known result (2020)
0,5%	≤ 0,5%	≤ 0,5%

D Provision of information to the Commissioner

In the context of the regular meetings during the year between OIL and Commissioner Hahn, responsible for Budget and Human Resources, on management matters, the main elements of this report and assurance declaration have been brought to the attention of the Commissioner.

E Specific actions on COVID-19

In 2020, Europe was strongly impacted by the COVID-19 pandemic. The Commission has proposed a strong and coordinated response to the health crisis as well as to the impact on Europe's economy and society. COVID-19 has also posed challenges as regards performance, control, audit and assurance in relation to the 2020 EU budget. In an exercise coordinated at corporate level, all Commission services have promoted the consistent and rigorous protection of the EU budget ensuring that appropriate mitigating measures were put in place.

At its level, OIL took a wide range of initiatives, of which the main ones are:

- Implementation of measures in management, communication and finance in relation to the confinement and various phases of deconfinement;
- Buildings adapted to create a safe working environment for staff (ventilation, physical distancing measures, purchase of protective equipment etc.);
- Specific actions for the catering service (e.g. adapted offer provided to clients and implementation of payment by credit cards) and at the Interinstitutional Children's Centre (e.g. specific enrolment campaigns for the reopening of the centres after the lockdown, dedicated organisation, new ways of working for the educators, opening time schedules adjusted, operational procedures revised to comply with educational health guidelines, medical protocols updated etc.).

1. Key results and progress towards the achievement of the Commission's general objectives and DG's specific objectives

Section 1 provides information on the key results and progress towards the achievement of general and specific objectives set in the OIL 2020-2024 Strategic Plan and towards the achievement of the outputs set in the OIL 2020 Management Plan (see Annex 2 for further details and follow-up indicators).

The OIL activities listed in this report highlight the Office's contribution to the work environment of Commission staff, i.e. building and office environment, health and safety, logistic services, environmental impact, and social facilities such as canteens, cafeterias, and childcare services.

A subsection has been added at the end of section 1 to report on how OIL contributed to the Commission's response to the COVID-19 pandemic.

A. Appropriate and satisfactory building and office space management

Building management

In its strategic plan 2020-2024, OIL identified the following main specific objective in the area of real estate management:

Specific objective 1: The Commission's buildings and infrastructure in Luxembourg are in line with the Commission policy in the building sector and with guidelines referring to the modernisation of the Commission and facing security threats, while taking care of the financial interests of the Commission.

In December 2020, the OIL Management Committee adopted the Multi-Annual Policy Framework (MAPF) 2022-2031 for building policy in Luxembourg.

As concerned the main real estate projects described in the OIL's 2020 Management Plan, the situation is as follows:

Transformation of the Fischer building

The Fischer building, located in the main railway station area, now hosts the new Commission's training centre, previously situated in the Helios (ex-Drosbach) building.

Substantial renovation works finished in May 2020, after which staff and material were moved. The training centre is ready to open when the situation allows it.

Publications Office's move preparations

The Publications Office's (PO) staff are hosted in the Mercier/Eurooffice, located close to the main railway station. This building will be demolished in the medium term. A new building owned by Luxembourg Post and located in the same area will be occupied by the PO from end 2022.

In 2020, some preparatory works for the move took place (inventory of stocks, decommissioning). In the meantime, OIL is working to maintain and to improve the current building, where financially possible and in agreement with the building owner.

Progress with the construction of the Jean Monnet 2 building

The Commission's main building project in Luxembourg is the construction of the Jean Monnet 2 (JMO2) building in the Kirchberg district, on a plot donated by the Luxembourg authorities, who are contracting authority (*maître d'ouvrage*) and prefinance the project.

The provisional space planning for JMO2 provided 3 400 workstations for 3 700 staff. The final number of staff to be accommodated in the building will depend on the Commission's policy on office accommodation and the DGs' needs in terms of workstations. In this respect, the lessons to be drawn from the COVID-19 crisis will be a key element to consider.

The construction of OIL's main building project, JMO2, is planned in two phases:

- phase 1: delivery of a seven-floor building with offices, a canteen, a conference centre, a fitness centre and other services (initial delivery date February 2023);
- phase 2: delivery of a 23-floor tower with offices and a medical centre (initial delivery date February 2024).

The COVID-19 outbreak had a significant impact on the progress of the construction and on the publication and award of the associated calls for tenders:

- a total shutdown of the works for 33 days between March and April 2020;
- a slower pace of the construction works since the return to work in April 2020;
- unexpected additional costs (in particular related to protection measures).

The project schedule must therefore be updated. A study on the financial impact of the COVID-19 epidemic on site expenditure is underway.

Structural works for phase 1 and phase 2 are in progress, further to the completion of the excavation works in May 2020. Temporary modular site offices were completed and are operational, as is general logistics.

The demolition of JMO1 was completed in May 2020.

Concerning the contractual arrangements, 16 calls for tenders were published, awarded or in the execution phase.

The JMO2 building should receive the “Excellent” rating from BREEAM (Building Research Establishment Environmental Assessment Method). At this stage of the project, the score obtained is well over the 70% minimum required.

Construction of a new building for the interinstitutional childcare centre (CPE VI)

OIL is working with the Luxembourg authorities on the construction of a new building for the interinstitutional childcare centre in Kirchberg (CPE VI). This will replace CPE I and (possibly) CPE II.

Luxembourg’s Administration des bâtiments publics (ABP) will be in charge of the project, including the selection of the architect. OIL will check the files, validate the technical specifications and establish the construction programme.

In 2020, the project encountered some delays, notably due to the uncertainty linked to the future of the crèches, managed by the European Parliament.

The aim is to reach informal agreements by the end of 2021 with both DG BUDG and the Luxembourgish authorities.

Please refer to Part 1.C, for all other CPE activities.

Commission’s real estate portfolio and surface allocation

The measurement code applicable to buildings by all institutions and other bodies of the European Union. It was adopted end 2019 and became applicable in 2020.

OIL continued to cooperate actively on the revision of the real-estate prospection procedure, led by DG HR.

New organisation of buildings and offices

The Commission is currently rethinking its buildings and offices. The aim is to create an attractive, smarter and greener working environment. With an expected growing number of people teleworking, there is a need for a more dynamic use of office spaces and places for meetings, project work and social interaction.

In 2020, OIL continued to actively participate in in-depth reflections aiming at identifying the most appropriate working methods in the new “post COVID” normality.

OIL provided regular contributions to the housing conditions manuals for the Commission’s buildings in Brussels and Luxembourg, as well as other relevant policy and guidance documents that need to be aligned with the *Workplace of the Future* Communication.

The experience of the pilot dynamic spaces area in the Helios (ex-Drosbach) building has been successfully finalised in close cooperation with DG DIGIT (see below).

Other real-estate projects

a) Extension of lease contracts (Bech and Ariane)

Meetings with the owners of the Bech building (current end date of lease contract being April 2023) and of the Ariane building (currently with a lease contract with tacit annual renewal after end 2021) were postponed due to the COVID-19 crisis.

b) Data centre: possible extension of lease contract

DIGIT has expressed the need to increase the capacity of the Windhof data centre. Negotiations with the owner resumed in early 2021, in view of finalising a contract amendment for the extension of the lease period in 2021.

c) European Public Prosecutor's Office (EPPO) premises

OIL was actively involved in the preparation of adequate provisional housing in the Hemicycle building for some 30 staff from EPPO starting from November 2019. This concerned among others the supervision of fitting-out and cabling works, office furniture provision and other related logistic services.

OIL participated in site meetings related to EPPO's definitive premises in tower B of the "Portes de l'Europe" building in Kirchberg. The EPPO staff moved into the new premises at the end of 2020. Meeting rooms are scheduled to be finalised in early 2021.

d) Maison de l'Europe

The European Parliament Liaison Office in Luxembourg and the European Commission Representation in Luxembourg have been located in the Maison de l'Europe building since 2006. The European Parliament will leave the premises at the latest mid-2021.

The Commission is reflecting on whether to maintain this building, whose current lease contract expires in June 2021, in its portfolio or join the Parliament in its new KAD building.

e) Follow-up of the European Court of Auditors' recommendations

See section 2.12.

f) GEPI (facility management IT tool)

OIL and OIB continued to cooperate on the preparation of a new framework contract for maintenance and future developments of their respective facility management tools for the period 2021-2024. The call for tenders was launched in November 2020 and the opening of tenders took place on 12 January 2021. The evaluation process is ongoing.

For further details on GEPI, see section 2.2.2.

Office space management

Specific objective 2: Good quality office space and related services are provided in Commission buildings in Luxembourg.

Maintaining good relations with clients and stakeholders

OIL continued to work closely with the DGs and services based in Luxembourg with a view to making the best use of the available office space.

The management of the COVID-19 crisis has raised a number of questions in the organisation of work and workspaces (e.g. evolution of teleworking, of shared offices, maintenance costs of partially occupied buildings, physical distancing measures etc.). From the very beginning of the crisis, OIL consulted its clients in order to take the most appropriate action.

Larger-scale works in existing buildings

As the Commission's training services moved to the Fischer building, substantial refurbishment works were completed to create new collaborative spaces for DG DIGIT on floors A0 and D2 of the Helios (ex-Drosbach) building. OIL provides collaborative spaces with meeting rooms, 'quiet' rooms and a kitchen on each floor. The workstations are separated with high-quality acoustic absorption panels. New refurbishment also started on floors A1, A2 and D3 and should be finalised during the first quarter of 2021.

OIL also worked on the preparation of new office spaces:

- for OLAF staff in the T2 building, works were completed and people moved in July 2020;
- for EuroHPC⁵ staff in the Helios building, wing E: OIL first provided technical support to the project. Refurbishment works were finished early 2020. The move of staff will start when the situation allows.

OIL prepared a call for tenders regarding renovation works of the EUFO building roof. Over the past years, water has ingressed in several places through the roof. Full renovation of the roof is necessary. Works are expected to start in the second quarter of 2021.

⁵ [EuroHPC Joint Undertaking](#)

B. Provision of performant, secure and sustainable logistics-related services

Health and safety-related activities

OIL's "Health and safety at work" team (Santé et Sécurité au Travail, SST) ensures that the buildings occupied by the Commission comply with all requirements of the Luxembourgish legislation and the Commission's regulations in this domain.

Specific objective 3: Office space respects the Health and Safety Rules applicable to the Commission sites in Luxembourg and OIL's service-oriented culture is enhanced.

OIL's 2020 objectives in this field were impacted by the COVID-19 crisis:

- Training for first aiders or for fire wardens could not be provided, as it is not suitable for e-learning;
- Evacuation exercises could not take place, as an insufficient number of staff was present in the Commission buildings to practice the evacuation procedure on the spot. Although the necessary preparations were done and the evacuation exercises were planned for the second half of the year, as the epidemiological situation did not improve, the exercises were not carried out;
- Not all risk assessment exercises related to workplaces, typically involving on the spot visits and observation of staff at work, could be carried out as planned. Five out of existing 16 types of posts were nevertheless analysed⁶.

OIL continued actions in relation to the management of sanitary and drinking water (ongoing revision procedure).

Environment-related actions

Specific objective 4: Reduction of the Commission's carbon and ecological footprint in Luxembourg consistent with the objectives of the EU Green Deal, notably a climate-neutral Commission by 2030.

In its role as coordinator for Luxembourg, OIL manages and continuously improves the Eco-Management Audit Scheme (EMAS)⁷, including:

- better energy efficiency;
- fewer greenhouse gas emissions from buildings and transport activities;
- less water use and paper consumption; and;

⁶ Concerning CPE staff: educator, nurse, Logistic Proximity Team member, administrative post and educational psychologist. Final conclusions are to follow.

⁷ <https://ec.europa.eu/environment/emas/>

- less waste production (and better sorted).

This also covers the set-up and implementation of the EMAS Global Action Plan, the follow-up of audit/verification findings and the elaboration of the environmental statement for the whole site of Luxembourg.

The main actions planned for 2020 were the following.

Exemplary building management through the implementation of the Eco-Management and Audit Scheme (EMAS)

Most of OIL's office buildings are EMAS-registered. Helios, wing E-2 was registered in 2020.

The EMAS verification took place in particular conditions. The documentary verification took place remotely on 9 and 10 June 2020. The on-site verification in buildings was carried out on 11 September.

Further measures aiming at reducing the energy consumption continued to be taken, as illustrated by the following two examples:

- the piping insulation in the CPE III boiler room was improved;
- a new low-energy chiller system was installed in the Mercier building.

Office temperature was reduced to 19°C during the end of the year period in closed buildings.

In 2020, for the first time, EMAS building performances were published on flatscreens and on OIL's intranet. Data available for each office building in Luxembourg for the period 2017-2019 cover energy and water consumption, waste production as well as a comparison with the average performance of office buildings in Luxembourg. The data will be updated every year.

Promoting soft mobility

Regular awareness and communication campaigns were continued. The annual "VeloMai" event was postponed and took place in October 2020. Around 35 service bikes are at the staff's disposal for short-distance trips. In December 2020, OIL's Management Committee approved an interinstitutional agreement to provide free subscriptions to the city electric bike system.

Given that public transportation became free of charge in Luxembourg on 1 March 2020, the Commission ceased its support programmes for the Jobkaart (to travel in the capital city) and the mPass (to travel within the country) at the end of February.

Since 1 March 2020, in cooperation with PMO, OIL has managed the subsidies of the public transport season passes of Commission staff based in Luxembourg who are commuting from Germany, France or Belgium.

Waste management and promotion of circular economy

Actions related to the promotion of the circular economy included the promotion of eco-friendly office supplies and the recycling of old office equipment.

In addition, some new actions were implemented (or deployed) in 2020, including:

- ECOBOX action (system of reusable containers to take away food and leftovers) implemented in all canteens;
- New specific bins for office supplies available in all buildings from June 2020;
- Deployment of “recycling stations” as a pilot project in Ariane and partially in the Helios building. The action will be extended to all buildings in 2021.

The CPE teams are also committed in this area through regular initiatives aiming at reducing waste, paper and supplies consumption, promoting the use of renewable materials in daily activities and raising awareness among the children.

Other logistics services

OIL provides Commission services and other EU institutions in Luxembourg with a variety of logistics services, such as:

- collecting and distributing internal and external mail between Commission departments and between institutions in Luxembourg;
- providing office supplies and equipment for Commission staff;
- providing cleaning services for Commission buildings; and
- moving furniture, boxes and belongings when staff change assignment.

Specific objective 5: The best working conditions are created through the good quality of logistics services while ensuring their sound financial management.

The logistics proximity teams were extensively involved in a series of COVID-19-related actions (see below).

Despite the sanitary situation, OIL managed to maintain the quality of its logistics services in 2020.

The services catalogue for clients of the Logistics Proximity Teams, initially planned for 2020, will be made available in 2021.

Management of conference and meeting rooms

OIL is responsible for the management of conference rooms in the Commission buildings in Luxembourg and in the European Convention Center Luxembourg.

In 2020, OIL and DG SCIC agreed that OIL will upgrade a number of meeting rooms in Luxembourg on behalf of DG SCIC.

C. Provision of modern and high quality social services and infrastructures

Catering services and Foyer européen

Catering services include canteens, cafeterias, a restaurant (currently in the Foyer européen), banqueting, meeting room refreshments and vending machines in the Commission buildings in Luxembourg. OIL manages all catering services internally.

Specific objective 6: To offer catering services (restaurants, self and cafeterias facilities) corresponding to the needs of the staff working in Luxembourg, taking into account the effective use of resources and integrating the requirements of EMAS and the Green Deal.

Specific actions undertaken by OIL's catering team in the context of the COVID-19 crisis are described under paragraph D below.

In the last quarter of 2020, OIL started to implement a new catering production system, which consists in grouping the production of canteen meals in two sites (Kirchberg, Cloche d'Or), instead of six previously. In the future, another centralised location will be set up in the main railway station district.

The lessons learnt from this new organisation will be carefully analysed with the aim of optimising the expected benefits:

- improved control of stocks, orders and unsold goods leading to economies of scale (workforce, budget and deliveries);
- training of teams for the future move to the JMO2 building and working in a very large kitchen, and;
- environment-related benefits through reduction of waste and rationalisation of the use of resources (water, electricity, cleaning products).

A centralisation of foodstuff orders for cafeterias is envisaged too, based on the results of the experience with canteen meals.

In June 2020, OIL introduced payment by bank card (including contactless) in all sites. In addition to cash, staff can pay by debit and credit card as well as by mobile phone. Hygiene, budget (reduced cash management), image and serviceability benefits are expected.

Development of an online reservation system

In order to improve general effectiveness, but also to mitigate the impact of the COVID-19 pandemic, an online reservation system for meals and snacks was set up in the last quarter

of 2020. New modules will be added for the reservation of tables at the *Foyer européen*, meeting-room refreshments and banqueting orders (implementation planned in 2021).

Actions postponed or cancelled

- Some communication actions (e.g. promotion campaigns, “Chef d’un jour” event, focus groups etc.) as well as the increase of the number of organic, vegetarian and fair-trade products were not implemented. After the pandemic, these actions will be rescheduled accordingly;
- Vegan dishes were to be introduced in 2020, but the supplier withdrew from the market due to the sanitary crisis.

Progress on tender/contract procedures

- The technical specifications for the new point-of-sale software and hardware were published, but no offers were received. The procurement procedure will therefore be resumed in the first quarter of 2021 (see section 2.2.2);
- Introduction of a dynamic purchase system for foodstuff. The technical specifications will be ready for a procurement procedure in the first semester of 2021.

Foyer européen

The lunch and dinner restaurant at *Foyer européen* closed on 16 March 2020 and reopened on 8 June, in conformity with the national authorities’ decision regarding the restaurants.

Starting from 30 November the Foyer européen was closed again, further to the host country’s decision.

A contract for an audit of the Foyer européen’s functioning and governance was signed in December 2020. The audit will take place in 2021.

Childcare infrastructures

Specific objective 7: Appropriate child-care infrastructures and good quality, attractive and up-to-date services are offered to staff working in Luxembourg.

OIL runs the Interinstitutional Children’s Centre (Centre Polyvalent de l’Enfance interinstitutionnel-CPE) on behalf of the European Commission. The CPE includes a day nursery (garderie) and a study/recreation centre. The CPE in Luxembourg is located in Kirchberg and Mamer, in proximity of European schools.

OIL successfully organised the reenrolment campaign for the 2020/21 school year for children attending the CPE. For the first time this year, the campaign for new enrolments took place completely paperless.

A number of follow-up actions resulting from the latest (2019) parents' satisfaction survey were implemented:

- Various suggestions for improving the future IT management tool eKidWeb (see section 2.2.2);
- A new communication plan to be developed;
- The menus for children's meals are now available for parents in the current IT tool e-Kidreg;
- A new organisation of replacements, which was put in place to provide for a better stability of groups etc.

Further follow-up actions are planned.

The COVID-19 crisis deeply affected the operational management of the CPE educational facilities in 2020. Close collaboration with the European schools in Luxembourg and the CPE's paediatrician was required to be able to respond effectively to the difficult sanitary situation. See further information under paragraph D below.

A particular focal point has been the CPE budget, following the loss of income from parental contributions in 2020 (see in section 2.1.1, "Administrative expenditure and revenue").

The planned update of the rules on admission and of the implementing procedures was postponed.

The latest development of the future common IT tool for OIB and OIL childcare facilities can be consulted in sections 2.2.2 and 2.2.4.

D. OIL's response to the COVID-19 pandemic

Implementation of measures in relation to the confinement and various phases of deconfinement

Management

The OIL management team sought the implementation of - and support to - extensive teleworking within the Office.

To accompany and steer the transition from the confinement to the first deconfinement phase in May 2020, OIL prepared and implemented respectively the OIL and CPE exist strategies.

In the finance and budget areas, OIL facilitated file management, e.g. through simplified procedures to allow pdf signatures in contracts. In procurement procedures, the deadlines for submission of proposals or tenders were extended.

In order to facilitate the management of maintenance and service contracts, case-by-case decisions were taken where the COVID-19 crisis prevented implementation of part of a

contract. OIL also analysed the conditions for application of the terms on “Force majeure” in the contracts, in consultation with DG BUDG and OIB.

Communication

OIL was actively involved, in cooperation with DG HR, in various communication actions providing guidance to staff on recommended hygiene measures.

Furthermore, OIL communicated with staff on new services and procedures (e.g. closure and reopening of buildings, cleaning, cooking recipes disseminated to staff, etc.).

Purchase of equipment

OIL made purchases for a total amount of around 480 000 EUR.

This mainly concerned:

- Hydroalcoholic gel and disinfectants for Luxembourg and Brussels;
- Specific protective masks for catering staff and first aiders, in addition to protective masks purchased by DG SANTE and DG HR;
- Information/COVID-19 indication panels;
- Separation panels in vehicles for OIL drivers, in the canteens for cashiers, etc.

Equipment settings in buildings and reorganisation of services

OIL organised the closure of buildings, through adapted decision-taking, appropriate communication to stakeholders and reorganisation of some services.

In each office building, the *Logistics Proximity Teams* were involved in various tasks, such as:

- display of posters on physical distancing, wearing masks, washing hands etc.;
- installation of floor markings for physical distancing and canteen signage;
- placing dedicated bins to collect used masks and gloves at strategic points (entrance, parking, near elevators);
- installation of Plexiglas protections for services in regular physical contact with staff;
- distribution of masks, gloves, sanitizer etc.

OIL decided to adapt the cleaning service in all buildings with a dedicated procedure on how to intervene in case of a suspected or confirmed case of COVID-19 contamination.

All planned conferences and events were cancelled in agreement with the organisers.

The organisation of the central mail service was adapted. In addition, OIL and the European Parliament jointly agreed on the organisation of a daily shuttle (from Monday to Thursday) between Luxembourg and Brussels during the confinement period.

Specific actions for the catering service

Since the very beginning of the COVID-19 crisis, OIL provided extensive information on recommended instructions related to access, closure, reopening of, and new services available in canteens and cafeterias.

Closure and reopening of catering sites

While all canteens and the restaurant at the Foyer européen had to be closed as of 16 March 2020, all cafeterias remained initially open but started to close progressively due to the lack of clients. Two cafeterias remained open for critical staff throughout Phase 0⁸.

OIL provided catering support to the Medical Service by organising (between March and June) a special offer and delivery also for staff coming for their annual medical check-up.

Starting with phase 1 on 22 May, all other five cafeterias and canteens progressively reopened, respecting corporate and Luxembourgish sanitary norms and recommendations. At the end of June, all canteens and cafeterias were operational.

Catering personnel was properly trained to respect the new rules and the sanitary restrictions by a specialised training provider.

From November on, some cafeterias and canteens have closed again, following the move back to phase 0 and new sanitary measures taken by the Luxembourgish authorities.

Adapted catering offer during the health crisis and beyond

The catering offer adapted to falling demand. A daily main dish and a vegetarian meal accompanied by a dessert was served in the canteens during phases 0 and 1. ECOBOXes were made available for takeaway.

To avoid pollution and wasting resources, goods close to the expiry date were identified and donated to the Red Cross.

To help colleagues in confinement and teleworking, the catering service sent to all staff in Luxembourg recipes twice a week.

In addition to the specific measures taken in the context of the COVID-19 crisis, OIL remains very vigilant regarding hygiene checks performed by external contractors, their follow-up and the implementation of recommended (preventive and corrective) actions.

Foyer européen

The restaurant at *Foyer européen* closed mid-March for almost three months, in conformity with the national authorities' decision regarding restaurants.

⁸ Phase 0: Teleworking as a rule; Phase 1: Cautious first lifting of confinement; Phase 2: Progressive deconfinement; Phase 3: "New normal": general deconfinement

The restaurant reopened for some time, before closing again, but meeting and workshops rooms remained closed.

The activities of the *Cercle Culturel* restarted end of June and had to close again in November.

Specific actions in the Interinstitutional Children's Centre

Closing and reopening

OIL had to close down the CPE on 16 March 2020, due to the lockdown decided by the Luxemburgish authorities. This implied the organisation of telework for some 150 educators, with the assignment of new specific tasks, works and projects.

CPE partially reopened on 2 June for a limited number of children, focused primarily on single families and households where parents could no longer telework, with educators present in shifts.

The new situation triggered:

- the organisation of a specific enrolment campaign, with adapted IT developments in e-KidReg, the establishment of a specific health protocol, actions within the CPE buildings to respect physical distancing and other measures required by the Luxembourgish Ministry of Education;
- communication with parents to explain the organisational changes and answer questions;
- cooperation with the two European schools;
- constant monitoring of the health regulations and protocols;
- specific procedures needed to deal with COVID-19-related situations involving children and educational staff so as to protect the safety of staff, children, and parents;
- frequent exchanges with the Luxembourgish health authorities.

New operating mode to implement

OIL's CPE units established a new specific organisation for the summer holidays, with an updated health protocol, modified opening hours, fewer children enrolled per group etc.

2. Modern and efficient administration and internal control

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

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

The second subsection deals with the other aspects for a modern and efficient administration: human resources, digital transformation and information management, and sound environmental management. It also provides examples of initiatives to improve the economy and efficiency of OIL activities.

2.1. Financial management and internal control

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

This examination is carried out by management, who monitors the functioning of the internal control systems on a continuous basis, and by internal and external auditors. The results are explicitly documented and reported to the Head of Service. The following reports have been considered:

- the reports by authorising officers by sub-delegation (AOSDs);
- the contribution by the Head of unit in charge of Risk Management and Internal Control, including the results of internal control monitoring at the OIL level;
- the reports of the ex-post controls;
- the limited conclusions of the Internal Audit Service (IAS);
- the IAS audit observations and recommendations;
- the observations and recommendations reported by the European Court of Auditors (ECA);
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (FR art.92.3);
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation (not applicable to OIL in 2020).

These reports result from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Head of Service of OIL.

This section covers the control results and other relevant elements that support management's assurance. It is structured into: (a) Control results, (b) Audit observations

and recommendations, and (c) Effectiveness of internal control systems, resulting in (d) Conclusions on the assurance.

Budget implementation tasks entrusted to other services and entities

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of OIL's supervisory controls on the budget implementation tasks carried out by other Commission services.

The activities concerned by co-delegation mechanisms concerned the following Commission services: DG COMM, DG DIGIT, EPSO, DG JUST for EPPO; OIB, OP and PMO⁹. Details about these co-delegations can be consulted in Annex 7 - Specific annexes related to "Financial Management".

No specific issues were reported by the Authorising Officers from any of the concerned DGs/services regarding the cross-sub-delegated credits. As the budget cross-sub-delegated to other Commission Authorising Officers was managed under the same Commission rules, OIL relies on the internal control systems of the DGs/services concerned and concludes that there are no control weaknesses affecting the assurance in terms of internal control objectives.

2.1.1. Control results

This section reports and assesses the elements identified by management, which support the assurance on the achievement of the internal control objectives¹⁰. The DG's assurance building and materiality criteria are outlined in Annex 5. Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

There were:

- no cases of 'confirmation of instructions' (FR art 92.3);
- no cases of financing not linked to costs (FR art 125.3) – no such cases for OIL;
- no Financial Framework Partnerships >4 years (FR art 130.4) – no such cases for OIL;
- no cases of flat rates >7% for indirect costs (FR art 181.6) – no such cases for OIL;
- no cases of "Derogations from the principle of non-retroactivity of grants pursuant to Art no 193 FR" (FR art 193.2) – no such cases for OIL.

⁹ Office for the Administration and Payment of Individual Entitlements.

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

No reputational event or critical risk identified by management, which could have a significant impact on the achievement of the internal control objectives and therefore on assurance, occurred.

Main financial data

The financial circuit model in use at OIL is the partially decentralised model with counterweight. In this model, the financial unit is in charge of financial initiation and ex-ante verification tasks, while the operational units are responsible for operational initiation and verification and for the authorising role.

For catering activities in Luxembourg, managed internally by OIL, accounting is performed in accordance with the special delegation granted by the Commission's Accounting Officer.

Administrative expenditure and revenue

OIL managed a budget of 154 million EUR in 2020.

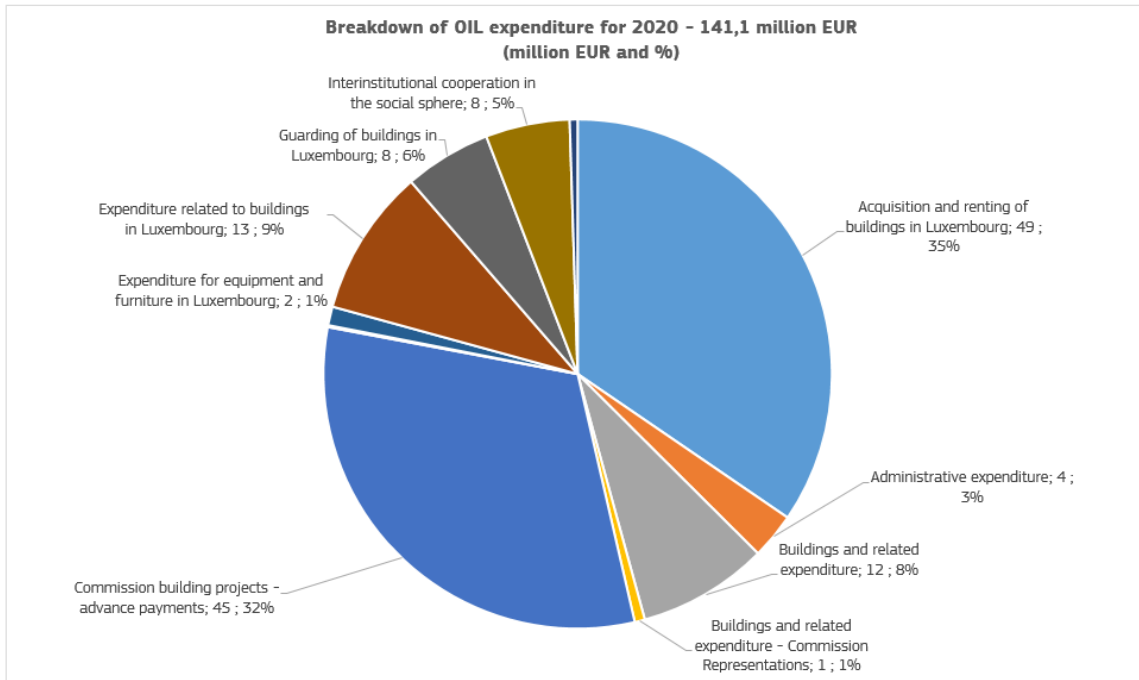
The sources were:

- budget appropriations;
- appropriations from internally assigned revenue;
- appropriations from externally assigned revenue;
- revenue from the catering activity.

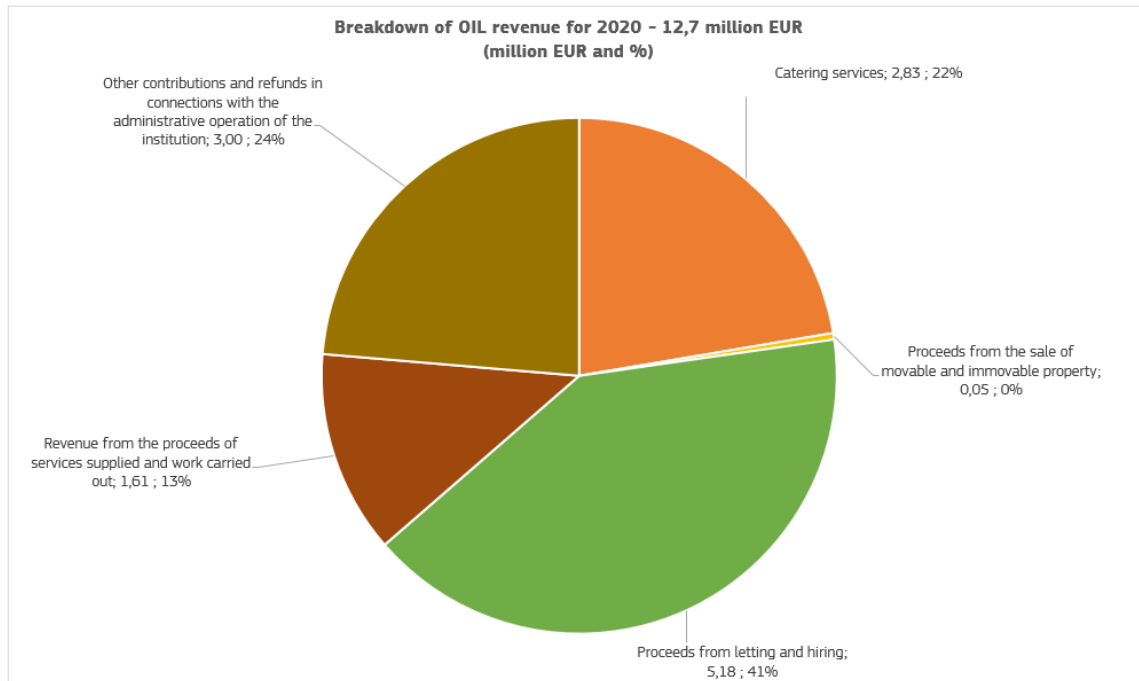
The main figures for 2020 as regards resources available and payments are as follows:

Type of activity funding source	Commitment appropriations authorised (EUR)	Execution	Ratio	Execution	Ratio
		Commitments (EUR)	Com/ Final Budget	Payments (EUR)	Pmt/ Com
Budget appropriations (own credits and co-delegated or sub-delegated credits)	132 795 160	132 234 645	100%	129 583 104	98%
Appropriations from internally assigned revenue	11 490 085	8 330 929	73%	7 847 700	94%
Appropriations from externally assigned revenue (parental contributions to the CPE)	6 504 523	5 587 785	86%	3 668 077	66%
Total budgetary	150 789 768	146 153 359	97%	141 098 881	97%
Catering activity	3 211 414	3 211 414	100%	3 211 414	100%
Grand total	154 001 182	149 364 773	97%	144 310 295	97%

The implementation of commitment appropriations (budget appropriations, appropriations from internally assigned revenue and from externally assigned revenue) was as follows in 2020:



OIL had a total revenue of 12,7 million EUR¹¹. The breakdown of OIL revenue per source is as follows:



¹¹ This amount is comprised of 9 852 766,63 € "Revenue and income cashed from, Total" (Annex 3, table 7) and 2 834 602,41 € revenue from the catering activity managed by OIL.

Detailed information about OIL's financial data is available in Annex 3 - "Draft annual accounts and financial reports" and in Annex 7 - "Specific ANNEX related to "Financial Management".

The completeness of coverage per relevant control system is illustrated in the overall conclusions table below:

Risk-type / Activities	Procurement € million	NEI, e.g. Revenues, Assets, [(in)tangible or financial assets & liabilities] € million	Independent info from auditors (IAS, ECA) on assurance or on new/overdue critical recommendations available?	Any reservation?
Administrative Expenditure	141,10 M €	Assets: 195,60 M€ Liabilities: 101,06 M€ Off balance sheet: 597,95 M€ Revenue ¹² : 12,69 M€	Y	NO
<i>Internal Control Objectives¹³ - related indicators available at this level</i>	L&R: OK RER est.=0,5% 3Es: Conclusion on the Cost-effectiveness of controls: = Positive AFS: Number of OLAF investigations= 0. AFS: Number of IDOC investigations=0	SAI: OK. Physical vs theoretical inventory: 92,2% of items found TFV = yes AFS: OK	SFM: No critical issue detected. AFS: OLAF Overdue audit recommendations: 0	NO
<i>Links to AAR Annex 3</i>	Overall total = 141,10 M €; see Annex 3 Table 2 - payments made	See Table 4 – assets	n/a	
<i>Legend for the abbreviations: NEI = non-expenditure item(s), OBS= off-balance sheet, ICO = internal control objective, L&R = legality and regularity, SFM = sound financial management, AFS = anti-fraud strategy measures, SAI = safeguarding assets and information, TFV = true and fair view, RER = residual error rate, CEC = cost-effectiveness of controls.</i>				

¹² This amount is comprised of 9 852 766,63 € "Revenue and income cashed from, Total" (Annex 3, table 7) and 2 834 602,41 € revenue from the catering activity managed by OIL.

¹³ Art 36.2 FR: a) effectiveness, efficiency and economy of operations; b) reliability of reporting; c) safeguarding of assets and information; d) prevention, detection, correction and follow-up of fraud and irregularities; and e) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

OIL's management concludes that the control results, their completeness and reliability, are satisfactory, and that they provide reasonable assurance about the achievement of the relevant internal control objectives.

1. *Effectiveness = the control results and benefits*

In order to be considered effective, controls are expected to meet the internal control objectives detailed hereafter and, for each of those control objectives, result in benefits.

- *Legality and regularity of the transactions*

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

Procurement – administrative expenditure

Ex-ante controls

The ex-ante controls focused in particular on compliance with the financial contract clauses, the consistent application of procedures, the quality of data encoded in ABAC and other systems and the clarity of the supporting documentation in the financial transactions.

GAMA activities

OIL participates in the GAMA (*Groupe d'Analyse des Marchés Administratifs*), the inter-service group on public procurement regrouping DG HR, DIGIT, IAS, OIB, OIL, PMO, EPSO and EUSA. Feedback received from the GAMA contributed to the ongoing improvement of procurement processes.

Ex-post controls

The objective is to ensure that the estimated annual risk of errors in payments at the time of the authorisation of the transactions is less than 2% of the allocated budget. The residual risk of error is estimated using the residual error rate obtained from an examination of a representative sample of transactions less any corrections made resulting from the supervisory and control systems in place.

The results of the ex-post control are discussed with the units concerned and the recommendations for correction are drawn up. Reports are issued two times a year and are addressed to the authorising officer by delegation. Ex-post checks were slowed down in 2020 following the departure of the ex-post controller in February and the arrival of the replacement only in September.

The ex-post sample for procurement – administrative expenditure for 2020 was composed of 38¹⁴ payments (0.9 % of the total number of payments, including catering payments), amounting to 57,5 million € (40,7%) in terms of value of payments made. No important or substantial errors have been highlighted for procurement – administrative expenditure in 2020. As a precautionary measure, however, OIL set the average error rate at a level at 0,5%, based on historical levels of error rates for this type of expenditure at the Commission.

The results of the ex-post controls of procurement-administrative expenditure are summarised in Annex 7, subpart “Ex-post controls – details”.

Revenue

Financial procedures are in place for all types of revenue. The ex-ante verifying agents continued to streamline their controls on financial transactions in 2020. They focused in particular on compliance with the financial clauses (contracts, SLAs and other administrative arrangements), the quality of the data encoded in ABAC and other systems and the clarity of the supporting documentation in the financial transactions.

Ex-post controls

OIL's ex-post methodology includes a specific sample for revenues. The ex-post sample for 2020 was composed of 38 transaction (4,8% of all revenue or recovery transactions), for a total of 7,3 million € checked (56% in terms of value). No important or substantial errors have been highlighted by ex-post controls for revenue in 2020. The average error rate was 0%.

The details of the ex-post controls of revenue are available in Annex 7, subpart “Ex-post controls – details”.

Benefits of controls

OIL's portfolio consists of segments with a relatively low error rate, i.e. $\leq 0,5\%$. This is, respectively, thanks to the inherent risk profile of the transactions – products and services are paid after delivery – and to the performance of the related control systems. The procurement procedures are subject to strict regulatory requirements and the controls put in place are necessary in order to mitigate the risks mentioned in Annex 6.

Although the quantifiable benefits related to controls are difficult to measure, there are significant unquantifiable benefits, such as "better value for money", compliance with the Financial Regulation and other public procurement rules; deterrent and preventive effects, fraud and/or corruption risk reduction, transparency and competition, as well as system improvements and efficiency gains.

¹⁴ The sample had 46 hit-euros. Since some of the payments were bigger than the sampling interval, they were selected several times during the sampling. This explains the total number of 38 checked transactions.

Conclusion

Based on the information, which is complete and reliable to the best of our knowledge, the controls are effective and there are no significant weaknesses to be addressed.

OIL's relevant expenditure, estimated overall risk at payment, estimated future corrections and risk at closure are disclosed in Table [X] below.

The estimated overall risk at payment for 2020 expenditure amounts to 0,7 M€, representing 0,5% of OIL's total relevant expenditure for 2020. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

This expenditure will subsequently be subject to ex-post controls and part of the underlying errors will be detected and corrected in subsequent years. The conservatively estimated future corrections for 2020 expenditure amount to 0 M€. This is the amount of errors that OIL conservatively estimates will be identified and corrected by controls planned to be carried out in subsequent years.

The difference between those two amounts results in the estimated overall risk at closure of 0,7 M€, representing 0,5% of OIL's total relevant expenditure for 2020.

The estimated amount at risk for revenue in 2020 is 0 €.

In the context of the protection of the EU budget, OIL's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated at Commission level in the AMPR.

In conclusion, OIL's estimated error rate remained stable at 0,5% of the relevant expenditure. This result allows us to conclude that the overall risk at closure is stable, at a low level, and that, given all the internal control measures already existing, no additional management action is needed in this respect.

Impact of COVID-19 on OIL's control activities

The COVID-19 health crisis had no measurable impact on OIL's control activities. The transition to 100% paperless ex-ante and ex-post controls went smoothly thanks to the major steps towards working in a paperless environment, which were taken by OIL during the past three years. Physical inventories continued on a regular or ad-hoc basis as planned, with the adaptations brought by the new sanitary measures.

Therefore, OIL considers that the level of assurance obtained through the control activities is sufficient.

Table X - Estimated risk at closure

OIL	"payments made" (FY; m€)	<i>minus new prefinancing [plus retentions made*] (in FY; m€)</i>	<i>plus cleared prefinancing [minus retentions released* and deductions of expenditure made by MS] (in FY; m€)</i>	= "relevant expenditure" (for the FY; m€)	Average Error Rate (<i>weighted</i> AER; %)	estimated overall risk at payment (FY; m€)	Average Recoveries and Corrections (<i>adjusted</i> ARC; %)	estimated future corrections [and deductions] (for FY; m€)	estimated risk at closure (FY; m€)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Procurement (non-catering)	141,10	n/a	n/a	141,10	0,5	0,7	0	0	0,7
Overall, total	141,10	n/a	n/a	141,10	0,5	0,7	0	0	0,7
Catering payments	3,21	n/a	n/a	3,21	0	0	0	0	0
OIL total	144,31	n/a	n/a	144,31	0,5	0,7	0	0	0,7

Notes to the table X

(1) [*if possible*] differentiated for the relevant portfolio segments at a level which is lower than the DG total

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle. In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are covered by the Delegated DGs. For Cross-Sub Delegations (Internal Rules Article 12), they remain with the Delegating DGs.

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

* In Cohesion, the (10%) retention made.

(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').

* In Cohesion, the retention which is now released by the Commission.

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

(6) In order to calculate the weighted Average Error Rate (AER) for the total relevant expenditure in the reporting year, the detected error rates have been used – or an equivalent. [*Equivalents might be e.g. the "adjusted error rates" [AGRI] or the "residual total error rates" [REGIO, EMPL, MARE]. In other cases [e.g. DEVCO and NEAR], they are derived by a backwards calculation based on results from advanced residual error studies; i.e. by adding the estimated future corrections (if not assumed to be zero) to the risk at closure.*] 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 subsidies to agencies*), it is nevertheless recommended that 0.5% be used as a conservative estimate.

(8) Even though to some extent based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective capacity of the ex-post control systems implemented by the DG over the past years, the AOD [*has adjusted or replaced*] this historic average [*from ... to ...*]. Any ex-ante elements, one-off events, (partially) cancelled or waived Recovery Orders, and other factors from the past years that would no longer be relevant for current programmes (e.g. higher ex-post corrections of previously higher errors in earlier generations of grant programmes, current programmes with entirely ex-ante control systems) [*have been adjusted*] in order to come to the best and most conservative estimate of the ex-post future corrections to be applied to the reporting year's relevant expenditure for the current programmes. [*+ summarize here the approach taken by the DG. [This may include considering less and more recent years than the full 7-years-period [e.g. AGRI, MARE, DEVCO, NEAR], using an alternative estimation basis [e.g. AGRI, REGIO, EMPL, Research family], or even assuming that the ex-post future corrections would be 0.0% [e.g. DGs with entirely ex-ante control systems].*]

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

- **Fraud prevention, detection and correction**

OIL has developed and implemented its new anti-fraud strategy since June 2020, on the basis of the methodology provided by OLAF. It is updated on a yearly basis. Its implementation is being monitored and reported to management on a yearly basis. All necessary actions have been implemented.

OIL also contributed to the Commission anti-fraud strategy (CAFS). There were no OLAF financial or administrative recommendations to follow up on.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows.

The main achievement in 2020 was the adoption of OIL's anti-fraud strategy (OIL AFS) 2020 – 2022, corresponding to the CAFS action plan measure n° 11. The three objectives of the new strategy concern: OIL's procedures, awareness-raising and collaboration with Commission services and EU institutions or bodies. These objectives can be consulted in Annex 7 – subpart "Fraud prevention, detection and correction – additional information".

The strategy includes an action plan, which started to be implemented in 2020. OIL's new AFS will be reviewed in 2021 and 2022.

OIL's main actions in the fraud risk management area concerned:

- The annual risk management exercise;
- Awareness-raising and communication activities;
- Participation in the Fraud Prevention and Detection Network (FPD Net) (CAFS action plan measure n° 10).

OIL also supported the setting-up of the EPPO by providing it with logistics services during the setting-up of its new offices, and administrative assistance, based on a service-level agreement (SLA) (CAFS action plan measure n° 52).

Details about fraud risk management and the latest status of outputs and indicators in this area is available in Annex 7 – Specific annexes related to "Financial Management".

On the basis of the available information, OIL has reasonable assurance that the anti-fraud measures in place are effective.

- **Other control objectives: safeguarding of assets and information, reliability of reporting**

Concerning the safeguarding of Commission assets, OIL carried on its activities on a regular or ad hoc basis, by performing inventory checks, as foreseen in the Financial Regulation. 2020 marked the end of the latest 3-year inventory cycle. A new inventory cycle will begin in 2021. Its progression will depend on the evolution of the COVID-19 situation and its impact on the scanning operations.

More details and figures about the safeguarding of assets can be found in Annex 7 - Specific annexes related to "Financial Management".

Although the quantifiable benefits related to controls covering the safeguarding of assets and information as well as the reliability of reporting are difficult to measure, there are significant unquantifiable benefits, such as fraud and/or corruption risk reduction, optimal stock management and avoidance of non-necessary purchases, "better value for money", deterrent and preventive effects and compliance with the Financial Regulation and other public procurement rules.

Taking into account the control methods and results described above, their completeness and reliability, OIL considers that they provide reasonable assurance about the achievement of the internal control objective for safeguarding of assets.

2. Efficiency = the Time-to-... indicators and other efficiency indicators

The Commission introduced in 2020 a new financial management tool, the Financial Scorecard, with an aim to standardise the measurement of financial indicators. The values for OIL and the definitions of the six indicators available for 2020 can be consulted in Annex 4 -"Financial Scorecard".

The OIL score values of three of the six indicators were equal to or above the EC value:

- Commitment Appropriations (CA) Implementation (OIL 100% vs. EC average 99%)
- Global Commitment Absorption (OIL 99% vs. EC average 98%)
- Timely Payments (OIL 99% vs. EC average 99%)

The other three indicators achieved 80% or less of the target in 2020:

- Payment Appropriations (PA) Implementation (OIL 71% vs. EC average 99%)
- CA Forecast Implementation (OIL 65% vs. EC average 98%)
- PA Forecast Implementation (OIL 80% vs. EC average 99%)

As regards the "Payment Appropriation Implementation" score, execution on payment appropriations expiring in 2020 was largely due to the fact that budgetary commitments for expenditure related to buildings in Luxembourg were kept at a conservatively high level, in anticipation of final invoicing for 2019 (energy, for example). OIL continues its effort to make precise estimates and decommit any unused budgetary appropriations.

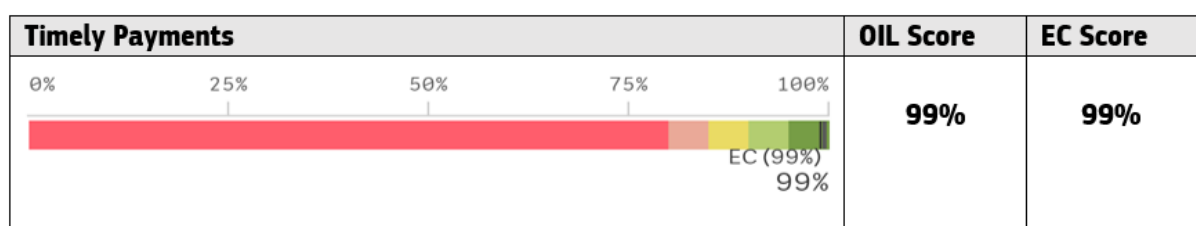
As regards the "CA Forecast Implementation" and "PA Forecast Implementation" scores, the framework contract for the future Jean Monnet 2 building includes an option for advanced payments. The annual amount of these payments is not known in advance but is made available to OIL via an ad-hoc budgetary re-allocation at CE level only in the last quarter of the year, on top of OIL's initial budget. When this amount is substantial enough, as was the case in 2020, the actual levels of budgetary execution deviate significantly from the forecast based on the monthly consumption of the initial OIL budget.

Based on the information above, we consider that efficiency indicators give a fair and true view of transactions.

OIL Payment Time Statistics

The main indicator used by OIL to monitor the respect of its contractual obligation with regard to payments is the corporate indicator “Timely payments” which reflects the payment accepted amount on time as a percentage of total payment amounts. As OIL does not provide grants, we do not use Time-to-inform and Time-to-grant (Art 194.2) indicators.

OIL’s “Timely payments” indicator for 2020 shows a score of 99%, i.e. 99% of payment accepted amounts were paid on time. The score at EC level was 99%.



The evolution of the “Timely payments” indicator over the last three years, available in the Annex 7 table “Time-to-pay indicators (2018 – 2020)”, indicates a slight efficiency gain from 98% to 99% timely payments and proves that OIL’s financial circuit is functioning effectively, although a marginal improvement from 99% to 100% is still possible.

Time-to-procure

Following the introduction of the Public Procurement Management Tool (PPMT) in 2019, OIL decided to use a “time-to-procure” indicator in order to measure the average duration of the procurement procedures, based on data existing in PPMT. The results achieved in 2020 show an average time-to-procure of 6 months, compared with the target value of 9 months.

Many of the controls put in place at OIL are labour-intensive, because of the management of multiple contracts and contractors, the high volume of low-level transactions and the necessity to ensure compliance with the Financial regulation and other public procurement rules.

The ARES e-signatories for financial transactions have been generalised to all financial transactions, a fact which allowed OIL to rapidly cope with the COVID-19 teleworking measures.

Other efficiency actions can be consulted in Annex 7, subpart “Efficiency = the Time-to-... indicators and other efficiency indicators”.

Based on the information above, OIL considers that efficiency indicators give a fair and true view of transactions.

3. Economy = the estimated cost of controls

OIL continued to analyse the costs and benefits of its main control processes, i.e. procurement procedures, ex-ante controls of financial transactions and ex-post controls. However, since a quantitative estimate of the volume of errors prevented or detected and corrected during the control processes is not available, it is not possible to quantify the related benefits, other than the amounts recovered as a result of these controls (see Annex 3, Table 8). Therefore, it is not possible to determine the cost-effectiveness of controls by comparing costs with benefits in a quantitative way; it is also necessary to consider the non-quantified benefits and efficiency indicators such as the above-mentioned “time-to-pay” and “time-to-procure” indicators.

The cost estimates below are based on the overall cost of an official or contract agent, per job-type subcategory, as provided by the Commission.

Details about the estimated cost of controls, for procurement-administrative expenditure and for revenue, can be consulted in Annex 7, subpart “Economy = the estimated cost of controls – details”, which includes the table Y.

For **procurement-administrative expenditure**, an estimated 2,64 million € was invested in controlling procedures in 2020, which represents 1,81% of total procurement spending.

An estimated 0,4 million € was invested in controlling **revenues**, which represents 3,08% of the total amount of the corresponding financial transactions. The relatively higher cost-ratio for revenue is due to the specificities of some revenue generating activities, such as the catering activity with its cash payments and dedicated accounting software (CIEL), cash management and control procedures, and a high volume of small transactions to be processed, all of which are important cost-drivers for revenue.

Overall, in 2020, **for financial transactions related to procurement and revenue** (including commitments, payments and recovery orders), an estimated 3,04 million € was spent to control 5650 financial transactions worth 159,22 million €.

Thus 1,91% of the total amount of financial transactions carried out during the year was dedicated to controls. The decrease of the costs of control ratio compared to 2019 is mainly explained by two exceptional payments in advance for the JMO 2 building project, totalling 44,5 million €.

The control costs per financial transaction were on average 539 €. The increase compared to 2019 is mainly explained by a decrease of the total number of transactions in 2020.

The table below compares 2020 and 2019 figures for the cost of controls.

Year of estimation	2019	2020
Total cost of controls	2,97 mil. €	3,04 mil. €
Number of financial transactions	6672	5650
Value of controls/ value of transactions	2,38 %	1,91%
Cost per transaction	445 €	539 €

4. Conclusion on the cost-effectiveness of controls

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

Due to the difficulty of quantifying with precision the probability and magnitude of an adverse event in the absence of controls, there is an inherent difficulty in estimating the benefits of existing controls in an accurate way.

However, given the abovementioned quantified and non-quantified elements, the completeness and reliability of controls, OIL's management considers its controls cost-effective and efficient. Also, given the fact that: a) the types of transactions performed at OIL did not change during the reporting year; and b) no critical risks were identified during the risk assessment exercise, including the specific COVID-19 risk assessment exercise, OIL's management estimates that the control environment and the control strategy remained stable as compared to 2019.

2.1.2. Audit observations and recommendations

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

OIL is audited by both internal and external auditors: the Commission's Internal Audit Service (IAS), the European Court of Auditors (ECA) and auditors for the financial statements of the catering activities (including self-service restaurants, cafeterias and restaurants).

There were no critical or very important issues outlined by the European Court of Auditors, the Internal Audit Service or OLAF in 2020 and no critical or very important issues pending from earlier years.

Internal Audit Service and DG BUDG audits

At a general level, in its note “Internal Audit Service contribution to the 2020 Annual Activity Report process”¹⁵, the IAS concluded that “the internal control systems in place for the audited processes are effective”.

There were no audits carried out by the IAS at OIL in 2020. As regards IAS audits from previous years, according to the note “2020 final overview report: draft implementation tracking report – OIL”¹⁶, the Office has only one open recommendation, concerning an in-depth analysis of sickness absences at Office level. The implementation of this recommendation, qualified as important, is ongoing, and is expected to be carried out by end June 2021.

Concerning the 2019 IAS limited review on the effective implementation of the Internal Control Framework in OIL, the two recommendations issued, both qualified as important, were implemented in 2020.

European Court of Auditors (ECA) audits

OIL continues to collaborate with DG HR, DG BUDG and OIB on the implementation of the recommendations from the European Court of Auditors 2018 special report on the Efficiency of EU spending on office accommodation:

- A working group including all EU institutions, where the Commission has the lead, continued to meet in 2020 on the harmonisation of cost indicators and the development of a common methodology and presentation of the data. However, due to the pandemic situation, work has not progressed as originally expected. Therefore, the working group will finalise its conclusions by mid-2021 (instead of end-2020).
- Furthermore, the Commission is currently reviewing its real estate strategy, including the development of its large construction and renovation projects, in the light of the new situation (Objectives of the Green Deal, new MFF 2021-2027, lessons learned during the Covid-19 crisis,). The related ECA recommendation is expected to be closed by the end of 2021 instead of end-2020.

As regards the Statement of Assurance 2016, the ECA identified a transaction, which did not comply with the principle of sound financial management (SPF n°8309 of 14 March 2017). The ECA therefore invited OIL to renegotiate the rental contract of the Windhof Data Centre in Luxembourg with the owner. The action started after the publication (in autumn 2018) of a strategic note on the evolution of data centre rooms in Luxembourg. On the

¹⁵ [Ares\(2021\)1210093](#)

¹⁶ [Ares\(2021\)344088](#)

basis of new priorities defined by DIGIT, negotiations resumed in January 2021 (with the participation of DIGIT).

Audit of the Foyer européen

An audit of the Foyer européen is ongoing. Further to a tender procedure, the contract with the selected audit firm was signed in December 2020. The fieldwork started in February 2021, despite the closure of the building (linked to the COVID-19 crisis).

Conclusion

As a result of the assessment of the risks underlined in auditors' observations and of the measures taken in response, including the revised implementation deadlines, OIL's management concludes that none of the IAS or DG BUDG recommendations raises an assurance issue.

The absence of ECA remarks in the discharge procedure adds to the assurance on the state of internal control. OIL will continue its efforts to implement the action plans resulting from the audit recommendations and to take measures to mitigate the issues raised, as part of the ongoing effort of continuous improvement.

2.1.3. Assessment of the effectiveness of internal control systems

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

OIL uses the organisational structure and the internal control systems suited to achieving its policy and internal control objectives in accordance with the internal control principles and has due regard to the risks associated with the environment in which it operates.

Sources and methodology for the assessment

The assessment of the effectiveness of the internal control systems was performed in compliance with the methodology established in the "*Implementation Guide of the Internal Control Framework of the Commission*". The assessment was based on three main pillars: 1) evaluation of internal control monitoring criteria (ICMC); 2) desk review of information from various sources; 3) meetings and discussions with representatives of management and specialised functions.

The approach also took into account:

- the reports by authorising officers by sub-delegation (AOSDs);
- the contribution by the Head of unit in charge of Risk Management and Internal Control, including the results of internal control monitoring criteria at the OIL level;

- the results of audits and follow-up engagements performed by IAS and ECA in 2020 or in previous years and the status of implementation of action plans results from previous IAS/ECA audit work;
- the reports on recorded exceptions, non-compliance events and any cases of confirmation of instructions (FR art.92.3);
- the monitoring of the implementation of OIL's anti-fraud strategy;
- the results of the ex-post checks;
- the Accounting Officer's reports on the validation of local financial management systems;
- the results of the corporate indicators reported in the Annex 4 to OIL's Annual Activity Report (AAR) 2020.

Internal control assessment results for 2020

The assessment was carried out based on the revised Internal Control Framework. All five control components and 17 principles were evaluated. The results show that the five control components and the 17 principles are present and functioning well, with only minor improvements needed.

The exercise did not result in the identification of any further weaknesses, errors or actions that could jeopardise the overall effectiveness of OIL's internal control system. The results of the internal control assessment for 2020 were discussed and approved at OIL's management meeting of 9 February 2021.

OIL therefore assesses that the internal control systems are effective. They notably include the ex-ante and ex-post controls, the analysis of the registry of exceptions, and the results of IAS and ECA audits.

Risk management

OIL has put in place a risk assessment process ensuring an appropriate coverage of all its activities. The risk assessment exercise comprised: an evaluation by each unit of the 2019 risk mitigation action plan; input collected regarding new or emerging risks and a final workshop with OIL management where the findings were discussed and the risk register was validated.

The potential risks stemming from the COVID-19 outbreak were assessed during a stand-alone exercise in June 2020 and during the general risk assessment mentioned in the previous paragraph.

No critical risks were identified during both risk assessment exercises. Lower-level risks related to the COVID-19 pandemics were integrated in the general risk register.

Two types of risks were identified:

1) Main risks: these risks if they materialize, could significantly affect the objectives of OIL. Eleven risks of this type were identified, out of which 4 were COVID-19-related.

2) Secondary risks: these risks are characterised by a less important overall residual level, but they remain of interest because of their possible impact at strategic level or for OIL's reputation. Seven risks of this type were identified, out of which 4 were COVID-19-related.

An action plan to reduce the likelihood of occurrence of these risks or to mitigate their impact was adopted and is being implemented. Monitoring of the risks and implementation of the action plan will be done on an ongoing basis in 2021.

Exceptions and non-compliance events

The reporting of exceptions and non-compliance events is part of the regular reporting of the Heads of Units to the Head of Service. The evolution over the last 3 years is as follows:

Type	2018		2019		2020	
	Number	Amount (€)	Number	Amount (€)	Number	Amount (€)
Non-compliance events (NCE)	13	235 482	6	32 092	9	210 246
Exception <i>ex ante</i>	3	19 818	8	52 375	7	855 792
TOTAL	16	255 299	14	84 467	16	1 066 037 ¹⁷

The causes of the nine non-compliance events (NCE) detected in 2020 were the lack of budgetary or contractual coverage for the subsequent transactions and non-compliance with the thresholds relating to low-value contracts or with the principle of annuality of appropriations. The necessary remedial actions are carefully considered to mitigate the occurrence of these cases.

Regarding the exceptions duly authorised ex-ante, seven cases were recorded. Three cases were related to access to IT financial applications for some specific categories of staff (interim or intra-muros) with no financial impact and the other cases were related to procurement procedures, mainly non-compliance with the thresholds relating to low-value contracts. The largest event as regards the amounts concerned was the extension of an existing buildings maintenance contract in order to guarantee the optimal functioning of technical facilities.

¹⁷ The total amount varies from year to year more significantly than the number of events because a small number of events involving high amounts may have an important impact on the total amount.

Conclusion on the internal control system

OIL 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 as intended.

The improvements or remedial measures implemented or envisaged are the updating of the relevant procedures, the follow-up and where possible the closure of outstanding audit recommendations. These measures will be complemented by an analysis of exception and non-compliance cases in order to identify if some of them have a common root cause and find the appropriate solutions in order to avoid such events in the future.

Based on the result of the current assessment, as described above, we conclude that there is currently no need to apply changes to the internal control architecture and to the financial circuits, aside from the mitigating actions identified.

2.1.4. Conclusions on the assurance

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

The information reported in section 2.1 stems from the results of management and auditor monitoring mentioned above and from a systematic analysis of the evidence available. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the Head of Service of OIL.

OIL only manages direct centralised expenditure, which has a low inherent risk. For 2020, the budget implementation indicators reached the targets for commitments and for payment times.

Processes, systems and workflows for the whole range of activities managed by the Office are documented in procedures, which are updated on a regular basis. The reports submitted by the Authorising Officers by sub-delegation cover both operational and financial objectives.

No major issues were reported in terms of the legality and regularity of the underlying transactions and sound financial management.

OIL implemented its new anti-fraud strategy action plan as planned. There were no investigations by OLAF or IDOC.

Assets were managed according to established rules and the 3-year rolling inventory and the results were in line with forecasts.

The conclusions of the ex-post controls for 2020 did not bring to light any issues with significant financial impact. The overall error rate for OIL is 0,5% of the total value of expenditure. This result confirms the effectiveness of OIL's controls.

The management estimates that the internal control system is functioning as intended. In particular, the risk analysis carried out in the context of the Management Plan showed that risks are appropriately managed and mitigating actions are put in place if needed.

Overall Conclusion

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

2.1.5. Declaration of Assurance

I, the undersigned, Thomas KIRCHNER,

Acting Head of Service of the Office for Infrastructure and Logistics in Luxembourg

In my capacity as authorising officer by delegation,

Declare that the information contained in this report gives a true and fair view¹⁸.

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

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

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

Luxembourg, 5 May 2021

(signed)

Thomas KIRCHNER

¹⁸True and fair in this context means a reliable, complete and correct view on the state of affairs in OIL.

2.2. Modern and efficient administration – other aspects

This subsection reports on key achievements in the fields of human resources, digital transformation and information management, and sound environmental management, and provides examples of initiatives to improve the economy and efficiency of financial and non-financial activities.

A complete report on outputs of the 2020 management plan and on objectives and indicators of the 2020-2024 strategic plan is available in Annex 9 “Reporting – Human resources, digital transformation and information management and sound environmental management”.

2.2.1. Human resource management

In order to ensure effective human resource (HR) management and optimise its capacity to deliver on priorities described in its strategic plan, OIL has developed a local HR strategy with a medium- to long-term outlook (2020-2025) which will be adapted where necessary to the forthcoming corporate HR strategy. Its main aims are to:

- maintain/improve staff engagement and motivation;
- continuously adapt its staffing distribution to needs; and
- maintain technical competence.

The COVID-19 crisis has put a particular strain on OIL’s activities. Many OIL staff have to be physically present to do their work. OIL does the utmost to keep all staff safe and supports them by paying particular attention to each staff member’s individual situation.

Moreover, the COVID-19 crisis significantly reduced the number of specific training events and stalled the series of consultations OIL had started to follow up on the latest staff opinion survey results. At the same time, OIL’s staff engagement index, as measured by the latest results of the Commission’s Pulse Surveys end 2020 and beginning 2021, has increased from 61% to 68%¹⁹.

One of the main actions as regards human resource management for OIL is to prepare the future move into the JMO2 building and therefore reinforce the teams involved in the JMO2 project. For 2020-2021, tasks and posts have been adjusted where needed. Detailed discussions on the staffing implications of the move to JMO2 were started.

OIL continued to motivate and provide development opportunities to its staff by:

- supporting staff to take on higher responsibilities. OIL has consistently followed a policy of motivating interested staff by giving them a lot of responsibility and

¹⁹ The 2020 result of the staff engagement index was computed based on data drawn from pulse surveys 13 (end 2020) and 14 (early 2021). These surveys included the same seven questions that would normally have been included in the Staff Survey. The next Staff Survey is currently planned for the second half of 2021.

supporting them accordingly. Non-management AD staff in particular are generally closely involved in the running of their unit and have significant responsibility for their (often large and diverse) sectors.

- launching a second upgrade round for educational coordinators and finalising an upgrade round for selected FG I contract agent staff; and
- preparing another round of recruitment of educators to replace interim staff.

OIL's Head of Service was transferred to OIB on 1 May 2020. The post has been vacant since. One Head of Unit retired in 2020. The selection procedure for her replacement is ongoing.

Internal communication activities

Communication with staff remained a priority for OIL in 2020, especially given the COVID-19 outbreak, which had an important impact on internal communication activities.

OIL's internal communication team focused on promoting OIL's services, actions and events and on cooperating with DG HR as domain leader for corporate internal communication.

The main activities in terms of internal communications in 2020 are listed below. Concrete examples of communication actions can be consulted in Annex 9.

- Regular or specific communication campaigns supporting corporate or local initiatives;
- Develop and provide OIL's intranet with up-to-date and useful information, in particular related to the COVID-19 developments;
- Contribute with news, videos and photos and other communication material to corporate communication activities, in particular related to the COVID-19 developments;
- Participate in meeting and working groups on the subject of internal communication.

2.2.2. Digital transformation and information management

OIL contributed to the Commission's digital transformation and information management by implementing the relevant decisions and initiatives stemming from the Commission's digital strategy and the Commission's 2020-2021 work programme on data, information and knowledge management.

The COVID-19 health crisis demonstrated the benefit of the major steps towards working in a paperless environment, which were already implemented by OIL during the past three years.

1. As regards digital transformation, the main actions implemented by OIL were the following:

- further development of the GEPI software with the activation of two new modules – waste management and intervention request modules; however, as the contractor

was unable to correct the last errors in time due to the COVID-19 pandemic, both deployments were postponed to Q2-2021;

- implementation – in collaboration with OIB - of the LOGIPAX software for the transport service. Logipax is planned to be put in production for Q1/2021;
- further cooperation with OIB in developing a common tool (eKidWeb) for the childcare facilities (CPE). This project is covered in detail in part 2.F “Examples of initiatives to improve economy and efficiency of financial and non-financial activities”;
- implementation, promotion and training of Microsoft 365, starting with MS Teams, to enhance collaborative working methods between OIL colleagues.

Further examples can be consulted in Annex 9 of the present report.

In the development of the above-mentioned IT solutions, the guiding principles defined in the EC data governance and data policies were followed, to ensure proper data management and data quality.

2. Data, information and knowledge management was implemented according to the 2016 Communication²⁰, the Commission’s 2020-2021 work programme on data, information and knowledge management and the European Strategy for Data²¹, as well as the Data Strategy@EC action plan. One of OIL’s actions in 2020 in this domain was its input to the development of a Commission-wide Data Catalogue, following the identification of the key data assets in 2019.

3. As regards data protection, OIL continued to implement the relevant measures of the Commission Data Protection Action Plan. The main outputs for 2020 in this domain were: a) converting all remaining legacy notifications into new records while b) raising staff awareness regarding data protection issues. OIL also carried out an inventory and assessment of processing agreements in particular involving transfers of personal data to non-EU/EEA countries, including the processing agreements involving transfers of personal data to the US under the invalidated Privacy Shield. OIL did not identify any such agreements involving transfer of data to non-EU/EEA countries. In addition, procedures for data subjects’ rights were reviewed in accordance with the applicable regulatory framework.

In addition, at the start of 2021, OIL appointed its own Data Protection Coordinator (DPC). The main tasks and future activities of the DPC are mentioned in Annex 9.

OIL also continued to encourage sharing registers of useful financial or contractual information across its finance and operational units, ensured compliance with E-Domec filing rules and made sure that information is shared with and made available to stakeholders as appropriate.

²⁰ [C\(2016\) 6626 final](#)

²¹ [C\(2020\) 66 final](#)

2.2.3. Sound environmental management

In addition to the actions deployed by OIL at corporate level (see part 1.B), OIL took the following actions at Office level in 2020:

- raising OIL staff awareness on sound environmental management topics by using all communication means at its disposal;
- full use of the functionalities of the Public Procurement Management Tool (PPMT) in order to have a 100% paperless management of the planning and preparation of these procedures;
- inclusion of green procurement and circular economy provisions, where applicable, in procurement contracts signed by OIL, when needed with support provided by the Interinstitutional GPP Helpdesk.

The latest status as regards outputs and indicators in this area is available in Annex 9.

2.2.4. Examples of initiatives to improve the economy and efficiency of financial and non-financial activities

Several initiatives were under way in 2020 to improve OIL's functioning and to make the best possible use of its resources.

One of them is the joint development with OIB of the future common IT tool eKidWeb for the management of childcare facilities (CPE), in order to help childcare activities in their day-to-day operations and provide parents/clients with a modern application. During 2020, the development by OIB of all OIL must-have functionalities of the eKidWeb application proceeded as planned and the delivery of a test/training environment of 'eKidWeb Back and Front office' to OIL in order to perform testing was implemented.

Another example is the Logipax fleet and dispatching management tool purchased jointly by OIB and OIL. It will be used for the management of the Commission's vehicle fleet in Brussels and Luxembourg and is expected to generate important savings. In 2020, OIL and OIB worked together to implement new functionalities, like the importation of fuel data from the application of the fuel supplier, to implement EU login for authentication and to implement SSL on the website. The application is expected to be operational by mid-2021.