



Annual Activity Report 2021

Annexes

DIRECTORATE-GENERAL FOR MOBILITY AND
TRANSPORT (DG MOVE)

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ANNEX 1: Statement of the Director(s) in charge of Risk Management and Internal Control

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

I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.

I hereby certify that the information provided in Section 2 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2022

Anne MONTAGNON

e-signed

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

I hereby certify² that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete.

Brussels, 31 March 2022

Mona BJÖRKLUND

e-signed

¹ C(2017)2373 of 19.04.2017

² On the basis of the AOSD reports submitted by the Directors in DG MOVE

ANNEX 2: Performance tables

General objective 1: A European Green Deal

Impact indicator 1: Greenhouse gas emissions³

Source of the data: European Environmental Agency (Eurostat online data code: sdg_13_10)

Baseline (2018)	Interim Milestone (2020)	Target (2030) [The target is set by the EU 2030 Climate Plan ⁴]	Latest known results (2021)
-20.7%	-20%	-55% of net GHG emissions	- 31% of GHG emissions - 34% of net GHG emissions (i.e. including emissions and removals from land use, land use change and forestry)

³ This indicator measures man-made emissions of the so-called 'Kyoto basket' of greenhouse gases, which are integrated into a single indicator expressed in units of CO₂ equivalents using each gas' global warming potential. It shows changes in percent of the emissions compared to 1990 levels.

⁴ Art.4: In order to reach the climate-neutrality objective set out in Article 2(1), the binding Union 2030 climate target shall be a domestic reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55 % compared to 1990 levels by 2030.

Impact indicator 2: Climate mainstreaming in the European Union budget

Source of the data: European Commission Draft Budget Reports

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
21% ⁵	30%	30%	32.5%

Impact indicator 3: Rail and inland waterways as a percentage of total freight transport

Source of the data: Eurostat (Eurostat online source code: sdg_09_60)

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2019)
24.7%	Increase	Increase	23.7%

⁵ Proportion of climate related spending (mainstreaming) in the EU budget

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

Related to spending programme(s): Connecting Europe Facility

Result indicator: Share of CEF Transport invested into sustainable modes of transport

Source of the data: CINEA

Baseline (2014-2020)	Interim Milestone	Target (2024) [The target has been defined taking into consideration the performance of the CEF 2014-2020 programme (around 70%) and considering an increased contribution due to the focus of the new CEF 2021-2027 programme on sustainable transport modes]	Latest known results (2021)
0	on path	80% of CEF II Transport committed expenditures	0 - no commitments have been made so far. The 1st CEF 2021-2027 call for proposals has been published on 17 September 2021 and the first commitments are expected in Q2 2022 upon signature of the Grant Agreements.

Result indicator: Number of alternative fuel supply points built or upgraded with the support of CEF

Source of data: CINEA

Baseline (2014-2020)	Interim Milestone	Target (2024) [The target has been defined considering the budget allocated to the Alternative Fuels Infrastructure Facility (AFIF) and the Unit contribution identified in the Decision on Unit Contributions ⁶]	Latest known results (2021)
13000 alternative fuel supply points built or upgraded	NA	Support provided for building at least 50000 additional alternative fuel supply points	N/A ⁷

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

⁶ Decision authorising the use of Unit contributions to support the deployment of ERTMS, electric vehicles recharging infrastructure and the retrofitting of noisy wagons under the Connecting Europe Facility (CEF) – transport sector (Ares(2021)4721320)

⁷ This indicator refers to the CEF 2021-2027 programme which has only started to be implemented as from 2021

Source of data: DG MOVE

Baseline (year)	Interim Milestone (2022)	Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2021)
N/A	Positive trend	Positive trend	No initiatives adopted that would lead to net burden reduction The following initiatives include certain burden reduction or simplification measures: Revision of the Intelligent Transport Systems Directive 2010/40/EU (COM/2021/813 final); Revision of the Alternative Fuels Infrastructure Directive 2014/94/EU (COM/2021/559 final); Revision of the Regulation on Union guidelines for the development of the trans-European transport network, amending (COM/2021/812 final)

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Input into Maritime ETS Proposal, including Impact Assessment	Commission proposal	Q2 2021	Commission proposal adopted on 14 July 2021 (COM(2021)550), together with the impact assessment (SWD(2021)601).
 FuelEU Maritime - Green European Maritime Space (legislative proposal)	Commission proposal	Q1 2021	Commission proposal adopted on 14 July 2021 (COM(2021)551).
Input to the Taxonomy Delegated Acts, based on an external study	Input delivered	Q1 2021	Study on development of a methodology to assess the 'green' impacts of investment in the maritime sector published in May 2021. Taxonomy Climate Delegated Act, including the criteria for maritime transport, adopted in June 2021. Directorate D continues to assist the Platform on Sustainable Finance, which has been tasked to develop additional criteria.
 ReFuel EU aviation	Commission proposal	Q1 2021	Commission proposal adopted on 14 July 2021 (COM(2021)561).

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Common framework for the harmonised measurement and reporting of transport and logistics carbon emissions	Launch of the impact assessment	Q2 2021	Due to procedural reasons the launch of the impact assessment was postponed to Q1 2022.
Naiades III - An inland waterway transport agenda for Europe 2021-2027	Commission proposal	Q2 2021	Commission proposal adopted on 24 June 2021 (COM(2021)324).
 Revision of the Alternative Fuels Infrastructure Directive 2014/94/EU	<p>Commission proposal</p> <p>Finalisation of the Commission Staff Working Document on the impact assessment for the revision of AFID</p> <p>Finalisation of the Commission Staff Working Document on the evaluation of AFID</p>	Q2 2021	Commission proposal adopted on 14 July 2021 COM (2021)0559), together with the Commission Staff Working Document on the evaluation of AFID (SWD(2021)637) and the Commission Staff Working Document on the impact assessment for the revision of AFID (SWD(2021)638).
	Delegated Act on recharging points for electric buses	Q1 2021	Commission Delegated Regulation (EU) 2021/1444 published in the OJ on 6 September 2021.
	Delegated Act on European standard for wireless recharging points for motor vehicles	Q4 2021	Postponed to 2022 due to outstanding clarification needs.
 Revision of the Intelligent Transport Systems Directive 2010/40/EU	<p>Commission proposal</p> <p>Finalisation of the Commission Staff Working Document on the impact assessment for the revision of ITS Directive</p>	Q3 2021	Commission proposal adopted on 14 December 2021 (COM(2021)813), together with the Commission Staff Working document on the impact assessment for the revision of ITS Directive (SWD(2021)474).
Revision of the Urban Mobility Package 2013	<p>Communication on urban mobility</p> <p>Impact assessment for Urban Vehicle Access Regulations (tbc)</p>	Q3 2021	<p>Communication on the new Urban Mobility Framework published on 14 December 2021 (COM(2021)811).</p> <p>No impact assessment will be launched. Instead a dedicated study on digital and technical solutions will be undertaken in 2022.</p>

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Commission proposal on rail capacity and traffic management, aimed at boosting international rail freight and optimising rail infrastructure use for all types of traffic	Commission proposal	Q4 2021	Implemented through TEN-T proposal in December 2021, second part to be delivered in 2022
Action plan to boost passenger rail	Publication of action plan	Q3 2021	Action plan published on 14 December 2021 (COM2021)810).
Impact assessment for the amendment of Combined Transport Directive EU	Conclusion of impact assessment	Q4 2021	Due to procedural reasons the launch of the impact assessment was postponed to Q1 2022.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Revision of the EU Emissions Trading System (ETS), including maritime, aviation and CORSIA as well as a proposal for ETS as own resource (legislative, incl. impact assessment)	Legislative proposal	Q2 2021	Commission proposal adopted on 14 July 2021.
Charging of heavy goods vehicles for the use of certain infrastructures (Eurovignette) (2017/0114 (COD)) – “Joint Declaration”	Adoption by the co-legislators	2021	Agreement between co-legislators reached in trilogue on 16 June 2021, confirmed by the European Parliament in a vote on 2 nd reading position on 17 February 2022.
Streamlining and aligning rail freight corridors’ investment planning with TEN-T policy, in line with the amendment of the TEN-T Guidelines	Commission proposal	Q4 2021	Commission proposal adopted on 14 December 2021 (COM(2021)812).
 Revision of the EU Emissions Trading System (ETS), including maritime, aviation and CORSIA as well as a proposal for ETS as own resource (legislative, incl. impact assessment)	Legislative proposal	Q2 2021	Commission proposal adopted on 14 July 2021.

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Back to back evaluation and impact assessment for revising the Ship-source pollution Directive	Conclusion of the work	Q4 2021	Evaluation study still ongoing, finalisation expected in Q3 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Revision of the Urban Mobility Package 2013	Staff Working Document on the evaluation of the Urban Mobility Package 2013	Q4 2020	Staff Working Document on the evaluation of the Urban Mobility Package 2013 published on 24 February 2021 (SWD(2021)47).
Ex post evaluation of the Roadworthiness Package (2014/45, 2014/46/EC and 2014/47/EC)	Staff Working Document	Q4 2021	Evaluation ongoing. Publication of Inception Impact Assessment completed and feedback analysed. Terms of Reference for a support study finalised in view of launching of the tender procedure.
Evaluation of Regulation 913/2010 concerning a European rail network for competitive freight (Rail Freight Corridor Regulation)	Staff Working Document	Q1 2021	Results of the evaluation published on 2 June 2021 (SWD(2021)134 and SWD(2021)135).
Evaluation of Implementing Regulation (EU) 2015/429 on noise-differentiated track access charging schemes	Staff Working Document	Q1 2021	Results of the evaluation published on 26 March 2021 (SWD(2021)71).

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultation in the framework of the impact assessment for the amendment of the Combined Transport Directive	Completion of the public consultation	Q2 2021	Due to procedural reasons the public consultation was postponed to Q1 2022, completion is foreseen for Q2 2022.
Public consultation as regards the framework for the harmonised measurement and reporting of transport and logistics carbon emissions	Completion of the public consultation	Q4 2021	Due to procedural reasons the public consultation was postponed to Q1 2022, completion is foreseen for Q2 2022.
Public consultation on fitness check of market access legislation in inland waterway transport	Completion of the public consultation	Q4 2021	Public consultation launched on 17 December 2021, open until 11 March 2022.

Enforcement actions

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
-	-	-	-

External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Participation in the European Mobility Week –campaign	Number of participating cities	2 800	3 148
	Number of hashtag mentions (Twitter)	7000	15000
 European Year of Rail	Adoption by co-legislators and implementation of related projects and communication campaign Reach of target audience Further indicators will be measured through i.a. a baseline and final survey, social media analytics (e.g. Engagement, Awareness, Recall, Positive image, Behavior change)	Decision adoption end 2020 Campaign throughout 2021 Min. 50 %	Decision (EU) 2020/2228 adopted on 23 December 2020. <u>Interim results:</u> 500+ events across Europe, Social media: 44mio Reach, 65mio impressions Media partnerships: 900k Impressions

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Draft Commission Implementing Regulation concerning a Union Risk-Based Targeting (RBT) mechanism for inspection of ships calling at a Union port with regard to the delivery of waste	Commission proposal	Q2 2021	Commission Implementing Regulation (EU) 2022/90 adopted on 21 January 2022.
Draft Commission Implementing Regulation concerning the methods to be used for the calculation of the sufficient dedicated storage capacity	Commission proposal	Q2 2021	Commission Implementing Regulation (EU) 2022/89 adopted on 21 January 2022.
Draft Commission Implementing Regulation defining monitoring data methodologies and the format for reporting passively fished waste	Commission proposal	Q2 2021	Commission Implementing Regulation (EU) 2022/92 adopted on 21 January 2022.
Draft Commission Implementing Regulation concerning criteria for determining that a ship produces reduced quantities of waste, and manages its waste in a sustainable and environmentally sound manner	Commission proposal	Q4 2021	Commission Implementing Regulation (EU) 2022/91 adopted on 21 January 2022.
EMSA Guidelines for Onshore Power Supply (OPS)	Publication of guidelines	Q2 2021	Guidelines expected to be published in Q1 2022. ⁸
Evaluation and award decisions to the transport projects selected under the Green Deal Call of the Horizon 2020 Work Programme 2018-2020	Horizon 2020 grants, delegations, contributions signed for transport projects and programmes	Selection of transport projects under the Green Deal Call in 2021 for a total amount of approximately EUR 100 million	5 transport projects selected under the Green Deal Call in 2021, with a total EU contribution of EUR 125 million.
CEF Transport 2014-2020-Implementation (last call)	Adoption of the Commission selection decision	Q3	Commission selection decision adopted on 4 August 2021 (C(2021)5754).

⁸ During 2021, EMSA continued its work on the Guidelines for the use of onshore power supply (OPS) for vessels at berth in ports and conducted extensive consultations with relevant stakeholders. Following a last round of consultations on the final draft, it is now expected that the guidelines can be published early 2022.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
1st Call for proposals CEF 2021-2027	Publication of the Call	Q2	1st CEF 2021-2027 call for proposals published on 17 September 2021.
CEF Transport Blending Facility 2014-2020- Implementation	Adoption of the Commission selection decision 4th cut-off date	Q2	Commission selection decision adopted on 21 May 2021 (C(2021)3199).
1st Call for proposals CEF 2021-2027 – selection of actions supporting climate objectives	Adoption of the Commission selection decision	60%	Postponed to Q2 2022 due to the delayed adoption of the CEF 2021-2027 legal basis and the publication of call for proposals.
Regulation of the European Parliament and of the Council amending Regulation (EU) 2020/1429 as regards the duration of the reference period for the application of temporary measures concerning the levying of charges for the use of railway infrastructure	Commission proposal	Not planned	Commission proposal adopted on 22 December 2021 (COM2021)832).

General objective 2: A Europe fit for the digital age

Impact indicator 1: Aggregate score in the Digital Economy and Society Index (DESI)⁹

Source of the data: [DESI](#)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
		[Digital Economy and Society Index is calculated as the equally weighted average of the four main DESI dimensions - Human Capital, Connectivity, Integration of Digital Technology and Digital Public Services]	
52.45	Increase	Increase	50.7

Impact indicator 2: Enterprises selling online (transport and storage sector)

Source of the data: Eurostat (Eurostat online data code: [isoc_ec_eseln2](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
17%	Increase	Increase	19%

⁹ EU28 data. EU27 data not available.

Impact indicator 3: The share of companies adopting artificial intelligence

Source of the data: European Commission Study on AI

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
8%	Increase	Increase	8%

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

Related to spending programme(s): N/A

Result indicator: Creating a European mobility data space

Source of data: Relevant Commission initiatives

Baseline (2020)	Interim Milestone (2022)	Target (2024) [The target is derived from the specific objective of the Sustainable and Smart Mobility Strategy]	Latest known results (2021)
Deliver initiatives listed in the EU data strategy for 2020	Data sets established as foreseen in the Regulation on Maritime Single Window and in the Regulation on electronic freight transport Regulatory framework for interoperable data-sharing in rail transport reviewed	Operational All activities mentioned in the EU data strategy are completed Several projects are co-funded by EU programmes such as Digital Europe Programme	The adoption of the data set in the context of the Regulation on the European Maritime Single Window environment is foreseen for Q2/Q3 2022. The adoption of the data set in the context of the Regulation on electronic freight transport information is foreseen for Q1 2023.

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

Source of data: DG MOVE

Baseline (2020)	Interim Milestone (2022)	Target (2024) [The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	Latest known results (2021)
N/A	Positive trend	Positive trend	No initiatives adopted that would lead to net burden reduction

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Measures on electronic tools for inland crew and vessels – smart tachograph (MOVE.D3)	Commission proposal	Q3 2021	Impact assessment support study finalised in April 2020. Proposal postponed to end 2023. A study to provide complementary assessment and data in the context of the IA will be launched in 2022.
Setup of the SESAR 3 Joint Undertaking	Transit from current SJU to the SESAR 3 JU	Q4 2021	Single Basic Act adopted on 19 November 2021, formally establishing SESAR 3 JU. Transit arrangements undertaken.
Revision of Regulation on Telematics applications for Rail Freight (TAF TI)	Adoption of the revised implementing regulation	Q2 2020	Commission Implementing Regulation (EU) 2021/541 adopted on 26 March 2021.
Common Project 1 Regulation	Adoption by Single Sky Committee	Not planned	Commission Implementing Regulation (EU) 2021/116 adopted on 1 February 2021.
Revision of Implementing Regulation (EU) 2017/373 as regards reporting requirements and reporting channels between organisations, and requirements for meteorological services	Adoption by the College	Not planned	Commission Implementing Regulation (EU) 2021/1338 adopted on 11 August 2021.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Possible revision of the Regulation on the CRS Code of Conduct 80/2009	Commission proposal	Q4 2021 – Q2 2022	Delayed pending assessment of the impact of COVID-19 on the aviation sector

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Evaluation of the EU Driving Licence Directive (2006/126/EC)	Staff Working Document	Q2 2021	Evaluation completed and finalisation procedure launched in January 2022.

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultation on the revision of the Directive on Harmonised River Information Services	Completion of the public consultation	Q4 2021	Open public consultation is expected to be launched in Q2 2022 after the signature of the contract for the IA support study.
 Public Consultation on a possible revision of	High quality data to inform the work on the	Q4 2020 – Q1 2021	Delayed pending assessment of the impact of COVID-19 on the aviation sector

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Regulation 80/2009 on a CRS Code of Conduct	impact assessment.		
Public Consultation in the context of the impact assessment for a possible revision of the EU Driving Licence Directive (2006/126/EC)	Completion of the consultation	Q4 2021	Delayed to Q1 2022 due to slower progress of the support study work.
Consultations in the context of the development of the Master Plan for the European Railway research Joint Undertaking.	Completion of the consultation	Q2 2021	Consultations with the Council and the Parliament completed on 12 and 24 January 2022 respectively. The delay in consultations resulted from the delayed establishment of the ERJU.
Enforcement action			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Setting of revised Union-wide performance targets for RP3 under Regulation (EC) No 549/2004	Adopting COM Implementing Decision	Q2 2021	Commission Implementing Decision (EU) 2021/891 adopted on 2 June 2021.
Implementing act on IMI for posting of drivers	Commission proposal	2021	Implementing Regulation (EU) 2021/2179 adopted on 9 December 2021.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
EC (DG MOVE) participation at the 2021 World ATM congress (if maintained)	Realisation of a common stand with Eurocontrol, SESAR deployment manager, SESAR Joint Undertaking, EASA, EDA	Q4 2021	It was decided not to have any stand or DG MOVE presence in view of the epidemiological situation.
	Journalist media seminar	15 journalists participating	
	Number of press clippings	20	
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Delegated and Implementing Regulations	Commission proposal	Q3 2021	Adoption of both acts is foreseen for Q2/Q3 2022 ¹⁰ .

¹⁰ The Delegated Regulation is being drafted and under discussion with Member States' experts. The draft Implementing Regulation has been presented to the Committee in October 2021, comments are currently being incorporated.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
defining the specifications of the European Maritime Single Window environment (EMSWe)			
Corridor freight information systems	DTLF interim report	Q3 2021	A draft interim report was finalised in November 2021, the final version is expected to be published in Q1 2022.
Update of two annexes of Directive (EU) 2016/1629 laying down technical requirements for inland waterway vessels	Adoption of delegated act	Q2/Q3 2021	Delegated Regulation (EU) 2021/1308 adopted on 28 April 2021.
Inland navigation IT Ecosystem	The IT systems ERDMS 2, ECDB and EHDB 2 in operation	Q2-Q4 2021	ECDB is in full operation from 18 January 2022. The ERDMS-2 and the EHDB-2 will become operational over the course of 2022.
 Amended proposal for a Regulation on the implementation of the Single European Sky (SES2+ recast) COM(2020) 579 Proposal for a Regulation amending Regulation (EU) 2018/1139 as regards the capacity of EASA to act as PRB (COM(2020) 577)	Council General Approach, EP report approved, start of trilogue Council General Approach, EP report approved, start of trilogue	Q4 2021 Q4 2021	The Council adopted its General Approach at the TTE Council on 3 June 2021, and the European Parliament adopted its negotiation position on 17 June 2021. Subsequently, two formal and six technical trilogues took place during the Slovenian Presidency.
1st Call for proposals CEF 2021-2027	Publication of the Call	Q2 2021	1st CEF 2021-2027 call for proposals published on 17 September 2021.
Report on impacts of automated driving technologies on road transport legislation	Report with recommendations	Q4 2021	Delayed, recommendations now foreseen for Q3 2022.

General objective 3: An economy that works for people

Impact indicator 1: Real GDP growth rate

Source of the data: Eurostat (Eurostat online data code: [TEC00115](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
1.8%	Increase	Increase	-5.9%

Impact indicator 2: Investment share of GDP

Source of the data: Eurostat (Eurostat online data code: [sdg_08_11](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
21.49%	Increase	Increase	22.33%

Impact indicator 3: European Union trade openness

Source of the data: Eurostat (Balance of payments, National Accounts data); Table (Eurostat online data code: bop_gdp6_q)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
42.7%	Increase	Increase	40.4%

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

Related to spending programme: Connecting Europe Facility

Result indicator: Number of cross-border and missing links addressed with the support of

Source of the data: CINEA

Baseline -	Interim Milestone (2024)	Target (2030)	Latest known results (2021)
0	10	300	N/A ¹¹

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

Source of the data: DG MOVE

¹¹ This indicator refers to the CEF 2021-2027 programme which has only started to be implemented as from 2021.

Baseline	Interim Milestone	Target	Latest known results
-	(2022)	(2024)	(2021)
N/A	Positive trend	Positive trend	Several elements of the TEN-T revision proposal will lead to burden reduction (e.g. integration of RFC and Core Network Corridors, streamlining of reporting and monitoring).
Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)
Impact Assessment on the revision of the TEN-T Regulation Legislative Proposal  on a revised TEN-T Regulation	Publication of Staff working document Commission proposal	Q2 2021 Q3 2021	Commission proposal adopted on 14 December 2021 (COM(2021)812), together with the Commission Staff Working Document on the impact assessment for the revision of the TEN-T Regulation (SWD(2021)472).
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)
External communication actions			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)
Announcement of CEF call results	Number of hashtag mentions (Twitter)	250	Due to the delayed adoption of the CEF 2021-2027 legal basis and the publication of call for proposals, call results will only be available in Q3 2022.
	Number of press clippings	50	
TEN-T Regulation Revision	Number of hashtag mentions (Twitter)	250	
	Number of press clippings	50	
Enforcement actions			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)
Implementing decisions for major cross border projects on the core network (Lyon-Turin, Brenner Base Tunnel and Fehmarn Belt)	Adoption of implementing decisions	Q4 2021	Preparatory work has started, implementing decisions are expected to be adopted in 2022.
Other important outputs			
Output	Indicator	Target	Latest known results
			(situation on 31/12/2021)

1st Call for proposals CEF 2021-2027	Publication of the Call	Q2 2021	1st CEF 2021-2027 call for proposals published on 17 September 2021.
Last Call for proposals CEF 2014-2020	Adoption of the Commission selection decision	Q3 2021	Commission selection decision adopted on 4 August 2021 (C(2021)5754).

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

Related to spending programme(s): N/A

Result indicator: Transposition rate in transport legislation (%)

Source of the data: DG MOVE.A4

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
99.8%	NA	99% of Directives to be transposed in any given year (target used by the Commission for the Single Market Scoreboard)	98.6%

Result indicator: Number/share of women in the transport sector

Source of the data: Eurostat, Labour Force Survey

Baseline (2017)	Interim Milestone (2022)	Target (2024)	Baseline (2017)	Latest known results (2020)
22%	Maintain or increase percentage	Maintain or increase percentage	22%	22%

Result indicator: Passengers' awareness of their rights and passengers' complaints to enforcement authorities

Source of the data: Eurobarometer surveys and National Enforcement Bodies' (NEB) activity reports as far as available¹² Europe Direct Contact Centre (EDCC) 2019 Annual Activity Report, DG GROW (Figures for the Your Europe passenger rights website)

¹² Eurobarometer Standard No 91, Spring 2019, and Eurobarometer Special No 485 on passenger rights, January 2020.

Baseline (2019)	Interim Milestone	Target (2024)	Baseline 2019	Latest known results (2021)
6,615 questions to EDCC (7th most popular subject)	increase	increase	6,615 questions to EDCC (7th most popular subject)	4,947 questions between January-November 2021 6,947 questions in 2020 (7th most popular subject)
Visits of the Your Europe passenger rights website: 2.9 million	Increase	Increase	Visits of the Your Europe passenger rights website: 2.9 million	During the 3 months of the summer campaign (June, July, August), there were over 3.3 million clicks on the Your Europe passenger rights landing page.
35% of European citizens benefited from strengthened air passenger rights (annual Standard Eurobarometer Spring edition)	+2%/year	45%	35% of European citizens benefited from strengthened air passenger rights (annual Standard Eurobarometer Spring edition)	Spring Eurobarometer 2021 contains no data on this.
43% of Europeans citizens who travelled long-distance know the EU has established passenger rights (outcome of the next Special Eurobarometer on passenger Rights planned for 2022 with field work in 2023)	+1.5%/year	50%	43% of Europeans citizens who travelled long-distance know the EU has established passenger rights (outcome of the next Special Eurobarometer on passenger Rights planned for 2022 with field work in 2023)	Data to be available only in 2023.

Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Proposal for a Regulation of the European Parliament and of the Council	Adoption by EP and Council	2021	The proposal has been delayed due to the need to first ascertain the impact of the COVID-19

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
on common rules for the allocation of slots at European Union airports ¹³			pandemic on the aviation industry.
Impact assessments for the possible revision of three Regulations on passenger rights: Air PRM, Waterborne and Bus and Coach	Launch of the Impact Assessment work	Q2 2021	Launched Q2 2021 Launch of the Call for Evidence on 21 December 2021.
Impact assessment for options and benefits to go further with a multimodal framework for passenger rights that is simplified, more consistent and harmonised, including to ensure its resilience to extensive travel disruptions, and including options for multimodal tickets.	Launch of the Impact Assessment work	Q2 2021	Launched Q2 2021 Launch of the Call for Evidence on 21 December 2021.
Impact Assessment on the options and for an adequate financial protection scheme to protect passengers against the risk of a liquidity crisis or an insolvency regarding the reimbursement of tickets and if needed their repatriation.	Launch of the Impact Assessment work	Q2 2021	Launched Q2 2021 Launch of the Call for Evidence on 21 December 2021.

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Evaluation of passenger rights Regulations on Air PRM, Waterborne and Bus and Coach	Three Staff Working Documents	Q2 2021	Staff Working Documents finalised on 10 December 2021.

Public consultations

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public Consultation on a possible revision of the Air Services Regulation (1008/2008)	High quality data to inform the work on the impact assessment.	Q2 2021	The call for evidence was launched in November 2021 and ended on 6 December 2021. Results of the consultation are being analysed.
Public Consultation on a possible legislative initiative on cross-border exchange of odometer data	Completion of the consultation	2021	Postponed so to be included in the revision of the Roadworthiness Package, in the part addressing odometer fraud.
Public Consultation on options and benefits to go further with a multimodal framework for passenger	Launch of the OPC	Q4 2021	Planned for Q2 2022.

¹³ Follow-up to the Strategy on sustainable and smart mobility, COM(2020) 789

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
rights that is simplified, more consistent and harmonised, including to ensure its resilience to extensive travel disruptions, and including options for multimodal tickets.			
Public Consultation on the options and for an adequate financial protection scheme to protect passengers against the risk of a liquidity crisis or an insolvency regarding the reimbursement of tickets and if needed their repatriation.	Launch of the OPC	Q4 2021	Planned for Q2 2022.

External communication actions

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Communication on passenger rights	Visits to passenger rights-pages on Your Europe	3,108 million (2020 level increase by 5%)	During the 3 months of the summer campaign (June, July, August), there were over 3.3 million clicks on the Your Europe passenger rights landing page.

Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Amendment of Directive (EU) 2017/2397 on the recognition of professional qualifications in inland navigation to allow for transitional provisions for the recognition of third countries professional qualifications (MOVE.D3)	Commission proposal	Q1 2021	Commission proposal adopted on 18 February 2021 (COM/2021/71). Directive (EU) 2021/1233 adopted by co-legislators on 14 July 2021.
Revision of Regulation No 261/2004 on air passenger rights	General Approach	Q4 2021 (if debate taken up by Council Presidency).	Not taken up by the Council in 2021; remains a priority pending file for the Commission WP 2022.
Report to Parliament and to the Council evaluating whether more appropriate rules on driving and rest times for drivers in occasional carriage of passengers can be adopted	Report	Q4 2021	Delayed as the evaluation has not yet been delivered by consultant.
MOVE Equality Work Plan	Adoption of the Plan	Q1 2021	Adopted in Q2 2021.
Study on horizontal aspects of the impact on automation and digitalisation on the workforce in the transport sector	Publication	Q1 2021	Study published on 4 November 2021.
Set up an informal group of experts on horizontal social issues in transport to strengthen dialogue	Launch	Q3 2021	Invitation to appoint experts sent on 15 September 2021, first meeting took place on 10

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
amongst and with Member States on social issues in transport relevant for all modes of transport			November 2021.
Contribute to promoting gender equality in the context of the "Platform for Change - Women in Transport"	Actions under the Platform, signatures of the Declaration, increase members of the Platform	Increase 10%	3 meetings of the Platform organised in March, June and November 2021. 2 new Platform members. Launch of 'Women in Rail' award together with the rail industry (CER).
Promote diversity in transport by supporting a network of diversity ambassadors	Number of diversity ambassadors	50	Initiative postponed to early 2022 due to unavailability of appropriate support contract.
Educational toolkits for fighting gender stereotypes based on the example of the transport sector	Publication of the toolkits	Q3 2021	Toolkits published on 15 October 2021.
Dissemination of good rostering and staff scheduling practices to improve the work-life balance of all transport workers	Number of downloads/reading Publication	Average downloads for MOVE studies Publication on the Commission website Q1 2021	Publication on the Commission website on 15 October 2021. Dissemination of study results started.
Revision of Commission Implementing Regulation (EU) 2018/767 on the fees and charges payable to the EU Agency for Railways and their conditions of payment	Adoption and publication	Not planned	Commission Implementing Regulation (EU) 2021/1903 adopted on 29 October 2021. The Regulation ensures that the revenue is sufficient to cover the full cost of the services provided by the Agency.

Enforcement action

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Mobility package I: - social and market rules	Commission proposal	Q3 2021	Published on transport website on 28 April 2021.
Technical specifications for the second generation of smart tachograph			Commission Implementing Regulation (EU) 2021/1228 adopted on 30 July 2021.

General objective 4: A stronger Europe in the world

Impact indicator 1: Readiness of enlargement countries on economic criteria

Source of the data: European Commission

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
2.64	Increase	Increase	2.02

Impact indicator 2: European Union preferential trade and investment agreements

Source of the data: DG TRADE based on Eurostat data (datasets: ext_lt_intertrd,bop_its6_tot, bop_fdi6_geo) [for the raw indicators (goods, services and FDI stocks); DG Trade for the list of countries covered by trade and investment agreements

Baseline (Goods: 2016-2018 average Services and FDI: 2015-2017 average)	Interim Milestone (2022)	Target (2024)	Latest known results (year)																																																																																	
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Specific objective 4: A European Union that acts united in cooperation with key partners and neighbours to improve connectivity links, open-up new market opportunities and promote high safety and security standards

Related to spending programme(s): N/A

Result indicator: Number of international comprehensive air transport agreements signed with partner countries

Source of the data: MOVE.E2

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
8 (Western Balkan countries, Morocco, Jordan, Georgia, Moldova, Israel, United States and Canada)	15 (End-2019 + United Kingdom, Ukraine, Qatar, Armenia, ASEAN, Tunisia, and Oman = end-2022)	19 (End-2022 + Azerbaijan, Colombia, India and the Republic of Korea = end-2024)	In October 2021, EU air transport agreements with Ukraine and Qatar were signed which were followed by the signature of an agreement with Armenia in November 2021. In December 2021, the EU-Oman CATA was initialised.

Main outputs in 2021:			
New policy initiatives			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Public consultation in the framework of an impact assessment for an EU Regulation setting a framework for EU Exclusive Competences in Maritime Transport Commitments in International Agreements.	Closure after 12 weeks	Q2 2021	Discussions with the Legal Service ongoing, with consideration to not pursue a Regulation but to handle requests on an ad hoc basis.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Carry out the necessary supporting studies and start exploratory discussions with EU Member States and potentially interested third countries in view of the development of new negotiating mandates for EU Aviation Agreements	Expressions of interest from Member States	2021	Draft proposals for Council Decisions authorising the Commission to open negotiations with Colombia, India and the Republic of Korea under preparation.
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Entry into force of a the EU – UK Agreement, which includes ambitious provisions on international maritime transport services. (MOVE.D1)	Council adopts the final decision to adopt the Agreement.	Q1 2021 (negotiations with third country where DG MOVE is not in the lead. This timeframe may vary)	Agreement signed on 30 December 2020, provisionally applied as of 1 January 2021 and entered into force on 1 May 2021. It contains an ambitious chapter on maritime transport services

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Position papers and proposals for Council decisions to establish EU positions for IMO meetings. Union submissions to bring forward detailed and concrete proposals on environment and safety-related topics. (MOVE.D2)	Council agrees or adopts these documents	Position papers and Union submissions in all quarters of 2021. Proposals for Council decisions in Q1 and Q3 2021 (timing subject to IMO meeting schedule).	equivalent to other trade deals. All achieved.
Signature and ratification of the Interbus agreement by the EU	Signature and ratification of the Interbus agreement by the EU	Q2 2021	Finalised, publication in the OJ pending.
Proposal for a Council decision establishing the position to be adopted on behalf of the EU at the 15th General Assembly of the Intergovernmental Organisation for International Carriage by Rail (OTIF)	Council's adopted decision based on Commission's proposal	Not planned	Published in the OJ.
Proposal for a Council decision on the position to be taken on behalf of the EU at the 13th meeting of the Committee of Technical Experts of the Intergovernmental Organisation for International Carriage by Rail (OTIF) for the adoption of modification to UTP locomotives and passenger rolling stock, UTP rolling stock – freight wagons, UTP concerning accessibility of the rail system for persons with disabilities and persons with reduced mobility, the adoption of the UPT applicable to train composition and route compatibility checks and the UTP applicable to the subsystem infrastructure, the upgrade of the references to the Technical Documents of TAF TSI listed in Appendix I of UTP TAF, and for the revision of ATMF with regard to Entities in Charge of Maintenance (ECM)	Council's adopted decision based on Commission's proposal	Not planned	Published in the OJ.
Adoption of Regulation (EU) 2021/1701 of the European Parliament and of the Council of 21 September 2021 amending Regulation (EU) 2020/2222 to extend the period of validity of safety certificates and licences of railway undertakings operating through the Channel Fixed Link	Adopted Regulation	Not planned	Published in the OJ

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Commission Decision of 6.8.2021 establishing, pursuant to Article 14(4) of Directive 2012/34/EU, the Commission's conclusions on the intention of France to enter into negotiations with the United Kingdom on a new agreement for the purposes of Article 10(9) of Directive (EU) 2016/798	Adopted Decision	Not planned	Decision adopted and notified to France
Commission Implementing Decision of 22.12.2021 authorising France to conclude a new agreement pursuant to Article 14(5) of Directive 2012/34/EU for the purposes of Article 8 of Directive 2007/59/EC	Adopted Decision	Not planned	Decision adopted and notified to France
Commission Delegated Regulation establishing common safety methods for assessing the safety level and the safety performance of railway operators at national and Union level	Draft document	Not planned	Final draft delivered by ERA, formal adoption in process

General objective 5: Promoting our European way of life

Impact indicator 1: Avoidable mortality

Source of the data: Eurostat (Eurostat data code: [sdg_03_42](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2017)
<i>Preventable deaths:</i> 162.48 per 100 000 inhabitants	Decrease	Decrease	<i>Preventable deaths:</i> 252.09 per 100 000 inhabitants
<i>Treatable deaths:</i> 93.16 per 100 000 inhabitants	Decrease	Decrease	<i>Treatable deaths:</i> 92.09 per 100 000 inhabitants

Impact indicator 2: Investment share of GDP

Source of the data: Eurostat (Eurostat online data code: [sdg_08_11](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
21.49%	Increase	Increase	22.33%

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

Result indicator: Total number of road fatalities in the EU

Source of the data: CARE database

(https://ec.europa.eu/transport/road_safety/specialist/statistics_en)

Baseline (2020 ¹⁴)	Interim Milestone (2024)	Target (2030)	Latest known results (2021)
		[The target is set out in the EU policy framework for road safety 2021-2030 and in line with the UN General Assembly Resolution on road safety of August 2020]	
N/A	Reduction by 24% (proportionate to 10-year target)	Reduction by 50%	Preliminary data expected in Spring 2022

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

Source of the data: DG MOVE

Baseline	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
		[The target corresponds to the aspirations set out in the EU's Better Regulation Agenda]	
N/A	Positive trend	Positive trend	No initiatives adopted that would lead to net burden reduction (2021)

Main outputs in 2021:

New policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Revision of existing legislation to adapt to emerging threats in civil aviation	Adoption of implementing legislation under Regulation 300/2008	Q4 2021	Delayed to Q2 2022
Joint action in the area of passenger ship security	Adoption of guidance material	Q3/4 2021	Delayed to Q2 2022
Joint action on rail passenger security	Adoption of best practices/guidance materials, decision about the future of the Rail Security Platform	Q4 2021	Delivered in Q3 2021

¹⁴ The fatality reduction target for 2030 was set in the EU Road Safety Policy Framework 2021-2030 (COM(2018) 293 final). Due to containment measures during the COVID-19 crisis, leading to extreme decreases in road traffic, it is clear that 2020 will be an outlier year. A possible option would be to refer to the 2019 figure instead (tbc). In 2019, there were 22.800 road fatalities in the EU.

Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Prevention of threats to the security of transport (drones, cybersecurity)	Adoption of implementing legislation/guidance materials	Q3/4 2021	Transport cybersecurity toolkit published
Stability Requirements for ro-ro passenger ships (revision of Directive 2003/25/EC)	Commission proposal	Q3/4 2021	Under finalisation, adoption foreseen in Q1 2022.
Marine Equipment, Implementing Regulation	Adoption of Implementing Regulation	Q3 2021	Commission Implementing Regulation (EU) 2021/1158 adopted on 22 June 2021.
Initiatives linked to regulatory simplification and burden reduction			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Delegated act on standards for safe and secure parking areas	Commission proposal	2021	Delayed, adoption foreseen in February 2022.
Evaluations and fitness checks			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
 Evaluation of Fishing Vessel Safety Directive	Staff Working Document	Q4 2021	Study about to start, expected finalisation in Q4 2022.
Public consultations			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)

Enforcement actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Launch of EU-Pilots regarding conformity of Rail Safety Directive (EU) 2016/798 transposition	Launch of EU Pilots	Not planned	7 EU-pilots were launched in 2021 and replies received. Currently under COM scrutiny for further enforcement action.
External communication actions			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Announcement of annual road safety statistics	Number of press clippings	50	50
Air Safety List	Unique page views of the Air Safety List	500 000	148 000
Other important outputs			
Output	Indicator	Target	Latest known results (situation on 31/12/2021)
Revision of the EMSA mandate, launch of study for an I.A.	Start of the IA work	Start of work	Study launched, IA and proposal are planned for Q1 2023.
Transport Community Treaty (TCT): implementation of the regional action plans and budgetary decisions		Ongoing contacts with Secretariat and in TC meetings. Budgetary decisions in accordance with budget exercise.	All budget related decisions were taken in time for the RSC meeting of mid-December
China - Joint Study on sustainable rail-based corridors	Launch of the Study	Q2 2020, (pending contractual arrangements to be signed by DG DEVCO)	Preliminary results are expected in Q4; study is expected to be completed in Q2 2023
Launch of new cross-modal Transport Dialogues with Australia, RoK and Mexico	First meeting	Q1 2020	Delayed to 2022 due to the epidemiological situation
Extension of the trans-European transport network (TEN-T) to neighbouring third countries	Adoption	2021	Adopted 14/12/2021 COM/2021/820 final
Impact assessment on the revision of the Cross-Border Enforcement Directive (Directive (EU) 2015/413)	Conclusion of impact assessment	Q4 2021	Ongoing, slower progress than planned due to delay in contracted support work.

Grant agreement "Enhancing the cooperation between Railway Stakeholders for improving safety culture" – Twinning II	Adopted grant	Not planned	Grant agreement signed. Action will start in January 2023.
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ANNEX 3: Draft annual accounts and financial reports

AAR 2021 Version 2

Annex 3 Financial Reports - DG MOVE - Financial Year 2021

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

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

Refresh date : 23/03/2022

Additional comments

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

Refresh date : 23/03/2022

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG MOVE					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	15.45	12.18	78.84 %
	01 02	Horizon Europe	113.93	0.00	0.00 %
Total Title 01			129.38	12.18	9.41 %
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.25	10.15	99.08 %
	02 02	InvestEU Fund	0.01	0.00	0.00 %
	02 03	Connecting Europe Facility (CEF)	26.10	25.21	96.61 %
	02 10	Decentralised agencies	156.54	152.49	97.42 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	25.54	24.31	95.20 %
Total Title 02			218.43	212.17	97.13 %
Title 03 Single Market					
03	03 02	Single Market Programme	0.03	0.03	100.00 %
Total Title 03			0.03	0.03	100.00 %
Title 04 Space					
04	04 02	Space programme of the Union	0.00	0.00	0.00 %
Total Title 04			0.00	0.00	0.00 %
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the "Regional Development and Cohesion" cluster	6.47	6.47	100.00 %
	05 03	Cohesion Fund (CF)	8.28	8.18	98.82 %
Total Title 05			14.76	14.66	99.34 %
Title 06 Recovery and Resilience					
06	06 07	Emergency support within the Union	2.28	2.28	99.93 %
Total Title 06			2.28	2.28	99.93 %
Title 07 Investing in People, Social Cohesion and Values					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.00	0.00	0.00 %
Total Title 07			0.00	0.00	0.00 %
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the "Environment and Climate Action" Cluster	6.60	6.60	100.00 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 09			6.60	6.60	100.00 %

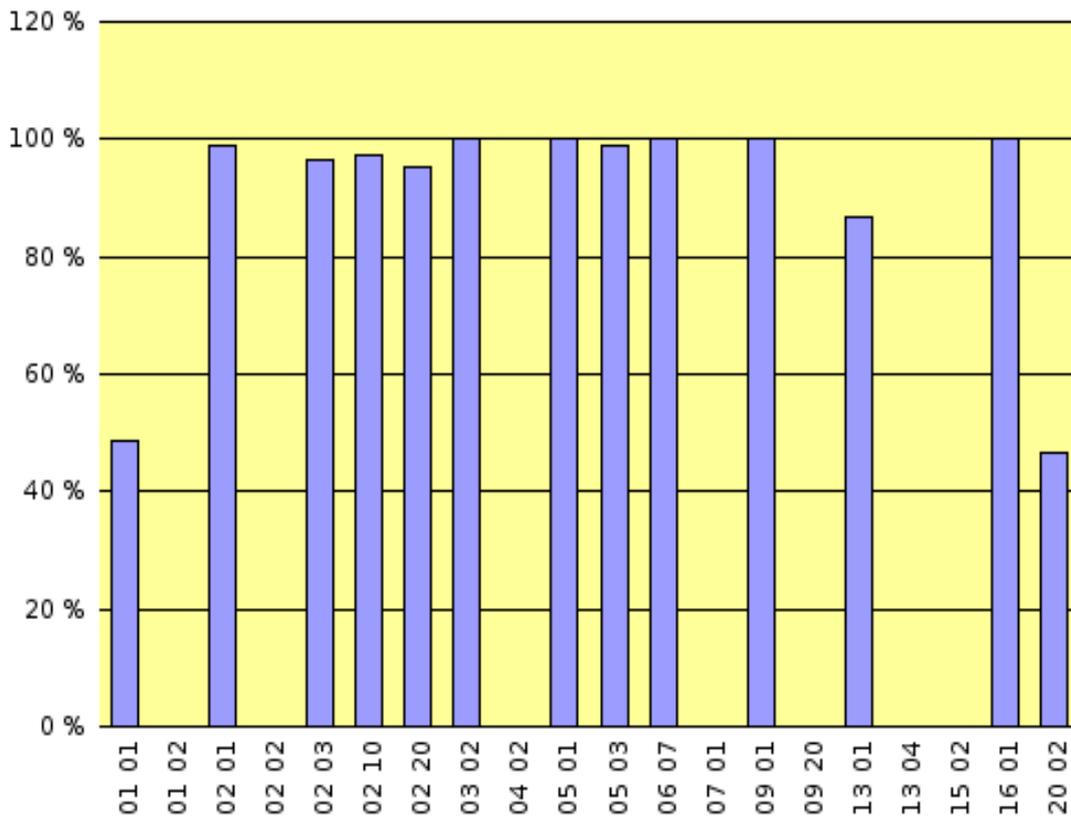
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 23/03/2022

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2021 (in Mio €) for DG MOVE					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 13 Defence					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.11	0.96	86.93 %
	13 04	Military mobility	0.00	0.00	0.00 %
Total Title 13			1.11	0.96	86.93 %
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	2.44	0.00	0.00 %
Total Title 15			2.44	0.00	0.00 %
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	3.14	3.14	100.00 %
Total Title 16			3.14	3.14	100.00 %
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.04	0.02	46.60 %
Total Title 20			0.04	0.02	46.60 %
Total Excluding NGEU			378.20	252.04	66.64 %
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	12.38	1.37	11.06 %
Total Title 01			12.38	1.37	11.06 %
Total NGEU Only			12.38	1.37	11.06 %
Total DG MOVE			390.58	253.40	64.88 %

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

% Outturn on Commitment Appropriations in 2021 for DG MOVE



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

Refresh date : 23/03/2022

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG MOVE					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	16.06	11.60	72.21 %
	01 02	Horizon Europe	124.42	87.26	70.14 %
Total Title 01			140.48	98.86	70.38%
Title 02 European Strategic Investments					
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.83	10.54	97.34 %
	02 02	InvestEU Fund	2.53	0.00	0.00 %
	02 03	Connecting Europe Facility (CEF)	24.42	22.15	90.69 %
	02 10	Decentralised agencies	156.54	152.49	97.42 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	20.38	17.51	85.95 %
Total Title 02			214.70	202.70	94.41%
Title 03 Single Market					
03	03 02	Single Market Programme	0.00	0.00	0.00 %
Total Title 03			0.00	0.00	0.00%
Title 04 Space					
04	04 02	Space programme of the Union	0.11	0.11	100.00 %
Total Title 04			0.11	0.11	100.00%
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the `Regional Development and Cohesion' cluster	6.47	6.47	100.00 %
	05 03	Cohesion Fund (CF)	6.86	5.97	87.00 %
Total Title 05			13.33	12.44	93.31%
Title 06 Recovery and Resilience					
06	06 07	Emergency support within the Union	1.11	1.11	100.00 %
Total Title 06			1.11	1.11	100.00%
Title 07 Investing in People, Social Cohesion and Values					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.00	0.00	100.00 %
Total Title 07			0.00	0.00	100.00%
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the `Environment and Climate Action' Cluster	6.60	6.60	100.00 %
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
Total Title 09			6.60	6.60	100.00%

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

Refresh date : 23/03/2022

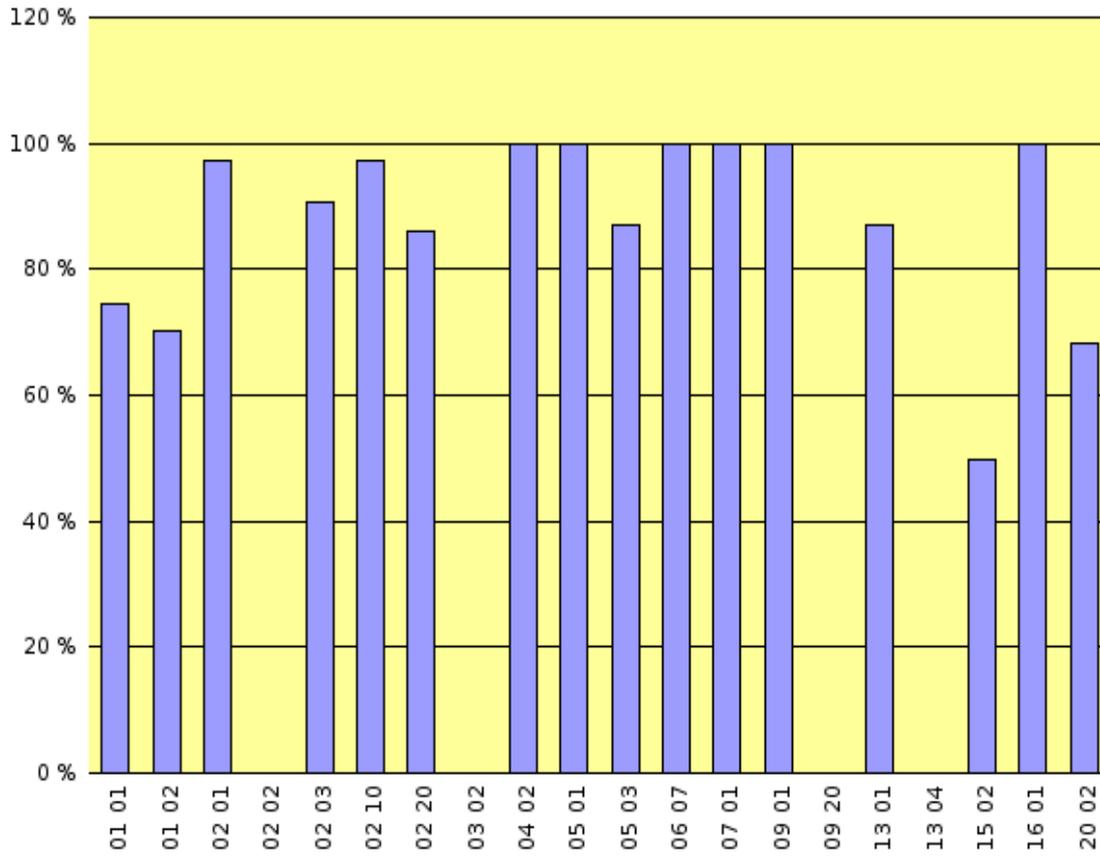
TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2021 (in Mio €) for DG MOVE					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 13 Defence					
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	1.11	0.96	86.93 %
	13 04	Military mobility	0.00	0.00	0.00 %
Total Title 13			1.11	0.96	86.93%
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	4.84	2.40	49.62 %
Total Title 15			4.84	2.40	49.62%
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	3.14	3.14	100.00 %
Total Title 16			3.14	3.14	100.00%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.62	0.42	68.26 %
Total Title 20			0.62	0.42	68.26%
Total Excluding NGEU			386.04	328.75	85.16%
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	1.37	1.37	100.00 %
Total Title 01			1.37	1.37	100.00%
Total NGEU Only			1.37	1.37	100.00%
Total DG MOVE			387.40	330.12	85.21 %

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

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

Refresh date : 23/03/2022

% Outturn on Payment Appropriations in 2021 for DG MOVE



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

Refresh date : 23/03/2022

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	12.18	11.00	1.18	9.70%	0.00	1.18	0.79
	01 02	Horizon Europe	0.00	0.00	0.00	0.00%	167.02	167.02	254.63
Total Title 01			12.18	11.00	1.18	9.70%	167.02	168.20	255.42

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 01	Support administrative expenditure of the "European Strategic Investments" cluster	10.15	10.01	0.14	1.38%	0.00	0.14	0.58
	02 02	InvestEU Fund	0.00		0.00	0.00%	0.00	0.00	0.00
	02 03	Connecting Europe Facility (CEF)	25.21	0.14	25.07	99.44%	41.17	66.24	63.40
	02 10	Decentralised agencies	152.49	116.77	35.73	23.43%	0.00	35.73	35.73
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	24.31	2.18	22.13	91.03%	10.75	32.88	26.82
Total Title 02			212.17	129.10	83.07	39.15%	51.92	134.99	126.53

Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors
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Refresh date : 23/03/2022

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 02	Single Market Programme	0.03		0.03	100.00%	0.00	0.03	0.00
Total Title 03			0.03		0.03	100.00%	0.00	0.03	0.00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04 02	Space programme of the Union	0.00	0.00	0.00	0.00%	0.00	0.00	0.11
Total Title 04			0.00	0.00	0.00	0.00%	0.00	0.00	0.11
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	6.47	6.47	0.00	0.00%	0.00	0.00	0.00
	05 03	Cohesion Fund (CF)	8.18	4.40	3.78	46.23%	5.16	8.94	7.14
Total Title 05			14.66	10.87	3.78	25.81%	5.16	8.94	7.14

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

Refresh date : 23/03/2022

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 07	Emergency support within the Union	2.28	0.61	1.67	73.24%	0.00	1.67	0.50
Total Title 06			2.28	0.61	1.67	73.24%	0.00	1.67	0.50
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
Total Title 07			0.00	0.00	0.00	0.00%	0.00	0.00	0.00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the "Environment and Climate Action" Cluster	6.60	6.60	0.00	0.00%	0.00	0.00	0.00
	09 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00		0.00	0.00%	0.00	0.00	0.00
Total Title 09			6.60	6.60	0.00	0.00%	0.00	0.00	0.00

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

Refresh date : 23/03/2022

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Support administrative expenditure of the "Security and Defence" cluster	0.96	0.96	0.00	0.00%	0.00	0.00	0.00
	13 04	Military mobility	0.00		0.00	0.00%	0.00	0.00	0.00
Total Title 13			0.96	0.96	0.00	0.00%	0.00	0.00	0.00
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Instrument for Pre-accession Assistance (IPA III)	0.00	0.00	0.00	0.00%	2.17	2.17	4.57
Total Title 15			0.00	0.00	0.00	0.00%	2.17	2.17	4.57
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	3.14	3.14	0.00	0.00%	0.00	0.00	0.96
Total Title 16			3.14	3.14	0.00	0.00%	0.00	0.00	0.96

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

Refresh date : 23/03/2022

			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Other staff and expenditure relating to persons	0.02	0.00	0.01	74.45%	0.00	0.01	0.58
Total Title 20			0.02	0.00	0.01	74.45%	0.00	0.01	0.58
Total Excluding NGEU			252.04	162.29	89.74	35.61%	226.27	316.01	395.80

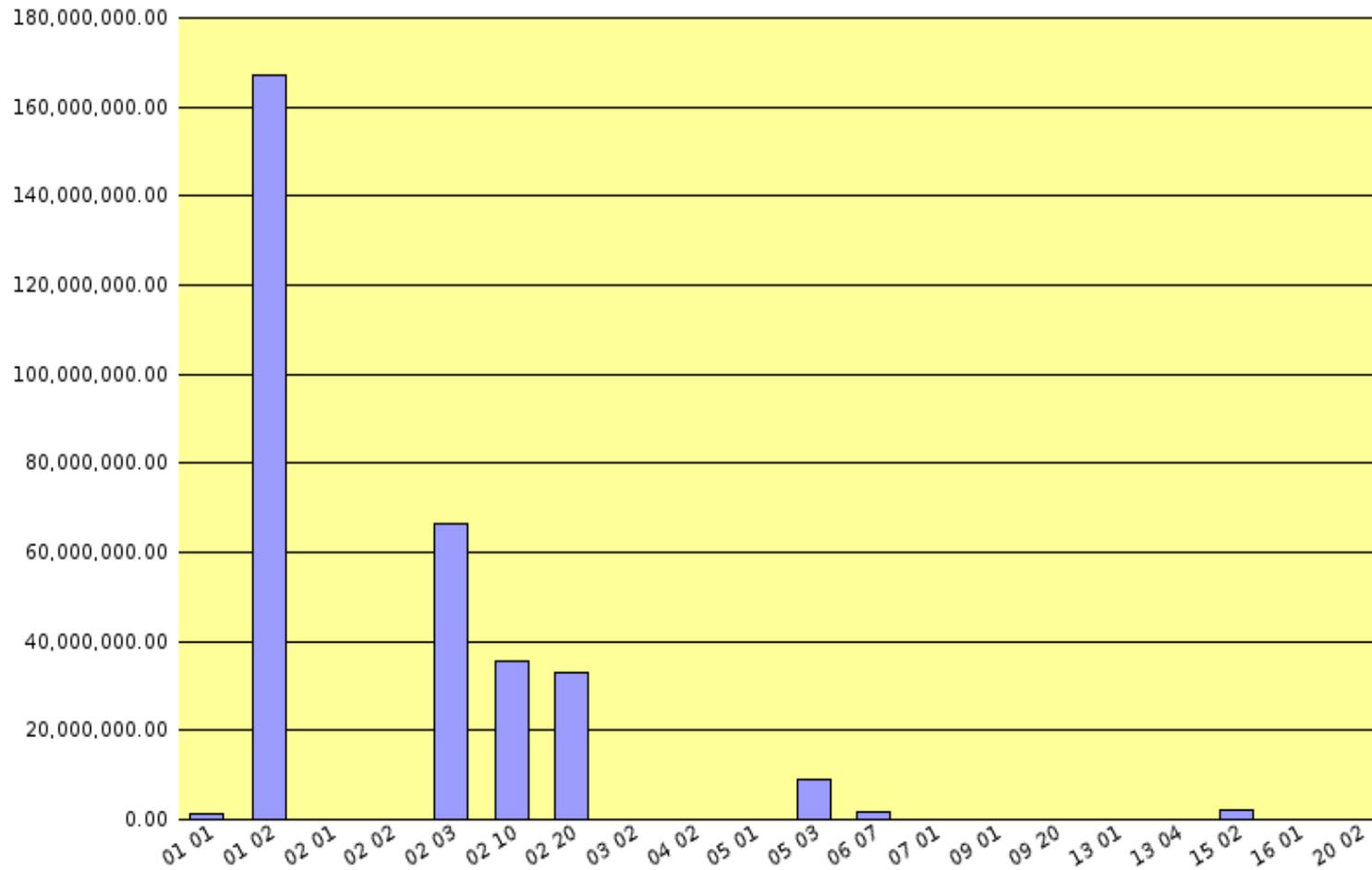
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2021 (in Mio €) for DG MOVE

			Commitments to be settled				Commitments to be settled from financial years previous to 2020	Total of commitments to be settled at end of financial year 2021	Total of commitments to be settled at end of financial year 2020
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	1.37	1.37	0.00	0.00%	0.00	0.00	0.00
Total Title 01			1.37	1.37	0.00	0.00%	0.00	0.00	0.00
Total NGEU Only			1.37	1.37	0.00	0.00%	0.00	0.00	0.00
Total for DG MOVE			253.40	163.66	89.74	35.42 %	226.27	316.01	395.80

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

Refresh date : 23/03/2022

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2021 MOVE



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

Refresh date : 23/03/2022

TABLE 4 : BALANCE SHEET for DG MOVE

BALANCE SHEET	2021	2020
A.I. NON CURRENT ASSETS	652,012,105.52	627,571,416.88
A.I.1. Intangible Assets	0.00	0.00
A.I.3. Invstmnts Accntd For Using Equity Meth	0.00	0.00
A.I.4. Non-Current Financial Assets	627,933,229.30	627,571,416.88
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	24,078,876.22	
A.II. CURRENT ASSETS	62,324,699.42	58,728,596.45
A.II.1. Current Financial Assets		0.00
A.II.2. Current Pre-Financing	55,102,120.49	53,442,416.96
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	7,222,578.78	5,286,179.34
A.II.6. Cash and Cash Equivalents	0.15	0.15
ASSETS	714,336,804.94	686,300,013.33
P.III. NET ASSETS/LIABILITIES	0.00	-3,008,086.39
P.III.1. Reserves	0.00	-3,008,086.39
P.II. CURRENT LIABILITIES	-31,370,651.57	-4,324,966.58
P.II.3. Current Financial Liabilities	-27,431,044.06	
P.II.4. Current Payables	-3,939,607.51	-4,324,966.58
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
LIABILITIES	-31,370,651.57	-7,333,052.97
NET ASSETS (ASSETS less LIABILITIES)	682,966,153.37	678,966,960.36
P.III.2. Accumulated Surplus/Deficit	2,660,260,079.26	2,280,829,788.08
Non-allocated central (surplus)/deficit*	-3,343,226,232.63	-2,959,796,748.44
TOTAL DG MOVE	0.00	0.00

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

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG MOVE

STATEMENT OF FINANCIAL PERFORMANCE	2021	2020
II.1 REVENUES	-5,268,520.77	-35,749,450.41
II.1.1. NON-EXCHANGE REVENUES	-3,424,651.03	-24,426,509.10
II.1.1.6. RECOVERY OF EXPENSES	-3,389,199.38	-24,426,238.60
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-35,451.65	-270.50
II.1.2. EXCHANGE REVENUES	-1,843,869.74	-11,322,941.31
II.1.2.1. FINANCIAL INCOME	-5,605,644.62	-6,442,238.14
II.1.2.2. OTHER EXCHANGE REVENUE	3,761,774.88	-4,880,703.17
II.2. EXPENSES	327,733,240.18	418,187,827.98
II.2. EXPENSES	327,733,240.18	418,187,827.98
II.2.10. OTHER EXPENSES	48,265,974.88	39,324,335.13
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	38,357,397.44	47,742,263.67
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	234,865,912.34	331,043,020.12
II.2.6. STAFF AND PENSION COSTS	-385,030.00	-151,570.00
II.2.8. FINANCE COSTS	6,628,985.52	229,779.06
STATEMENT OF FINANCIAL PERFORMANCE	322,464,719.41	382,438,377.57

Explanatory Notes :

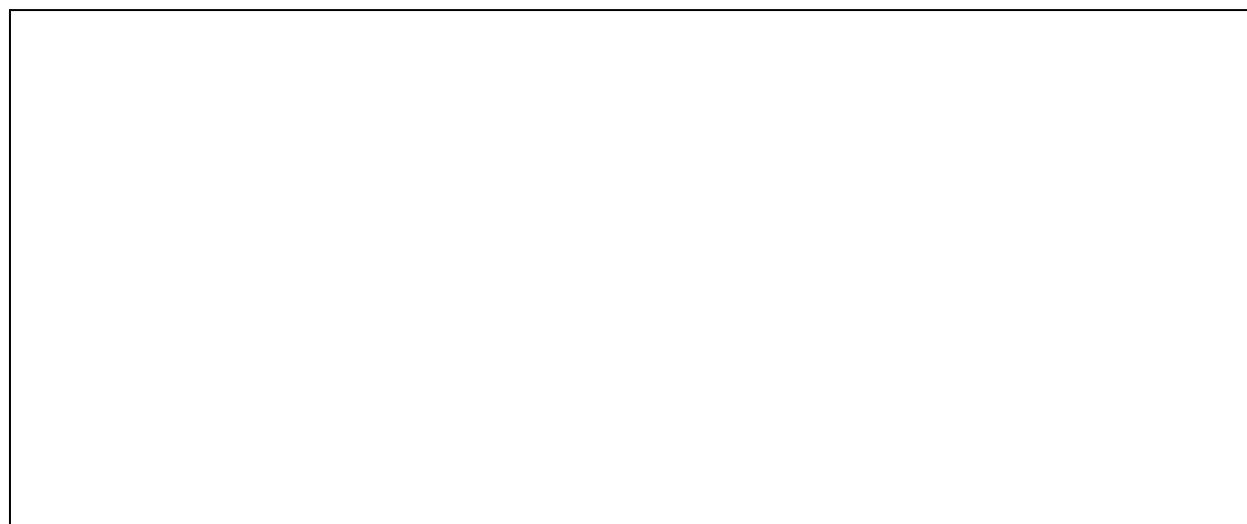
The accounting situation presented in the Balance Sheet and Statement of Financial Performance does not include the accruals and deferrals calculated centrally by the services of the Accounting Officer

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

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

TABLE 5bis : OFF BALANCE SHEET for DG MOVE

OFF BALANCE	2021	2020
OB.1. Contingent Assets	39,629.60	0.00
GR for pre-financing	39,629.60	0.00
OB.2. Contingent Liabilities	-522,000,216.21	-533,187,216.21
OB.2.1. Guarantees given for EU FI	-522,000,216.21	-533,187,216.21
OB.4. Balancing Accounts	521,960,586.61	533,187,216.21
OB.4. Balancing Accounts	521,960,586.61	533,187,216.21
OFF BALANCE	0.00	0.00



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

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

TABLE 6: AVERAGE PAMENT TIMES FOR DG MOVE

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	316	316	100.00 %	14.51				0	0. %
60	117	116	99.15 %	26.97	1	0.85 %	78	40,641.75	0. %
90	24	24	100.00 %	54.88				0	0. %

Total Number of Payments	457	456	99.78 %		1	0.22 %		40,641.75	0. %
Average Net Payment Time	19.93			19.80			78		
Average Gross Payment Time	23.95			23.75			114		

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	22	84	18.38 %	457	11,560,531.53	3.52 %	328,253,038.31

DG	GL Account	Description	Amount (Eur)

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

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2021 for DG MOVE

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
33	Other administrative revenue	441,415.58	109,751.75	551,167.33	405,963.93	0.00	405,963.93	145,203.40
60	Single market, innovation and digital	425,700.44	0.00	425,700.44	172,567.37	0.00	172,567.37	253,133.07
61	Cohesion, resilience and values	91,981.66	0.00	91,981.66	91,981.66	0.00	91,981.66	0.00
65	Neighbourhood and the world	2,436,440.32	0.00	2,436,440.32	2,436,440.32	0.00	2,436,440.32	0.00
66	Other contributions and refunds	4,124,729.27	0.00	4,124,729.27	4,124,729.27	0.00	4,124,729.27	0.00
67	Completion for outstanding recovery orders prior to 2021	577,349.19	1,862,787.87	2,440,137.06	222,832.72	673,718.41	896,551.13	1,543,585.93
Total DG MOVE		8,097,616.46	1,972,539.62	10,070,156.08	7,454,515.27	673,718.41	8,128,233.68	1,941,922.40

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

Refresh date : 23/03/2022

**TABLE 8 : RECOVERY OF PAYMENTS in 2021 for DG MOVE
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2021	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2008	1	61,827.80	1	61,827.80	2	68,010.58	50.00%	90.91%
2009	1	292,688.67	1	292,688.67	2	321,957.54	50.00%	90.91%
2015	8	325,589.59	8	325,589.59	9	417,571.25	88.89%	77.97%
2016	5	234,444.86	5	234,444.86	5	234,444.86	100.00%	100.00%
2017	2	38,208.14	2	38,208.14	4	94,248.61	50.00%	40.54%
2019					2	797,770.14		
2020					10	6,163,613.48		
Sub-Total	17	952,759.06	17	952,759.06	34	8,097,616.46	50.00%	11.77%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	6	35,841.91			6	35,841.91	11	297,495.51	54.55%	12.05%
CREDIT NOTES	6	1,287,853.93			6	1,287,853.93	20	3,172,879.31	30.00%	40.59%
Sub-Total	12	1,323,695.84			12	1,323,695.84	31	3,470,374.82	38.71%	38.14%

GRAND TOTAL	29	2,276,454.90			29	2,276,454.90	65	11,567,991.28	44.62%	19.68%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors
move_aar_2021_annexes_final

Refresh date : 23/03/2022

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2021 for DG MOVE

	Number at 01/01/2021	Number at 31/12/2021	Evolution	Open Amount (Eur) at 01/01/2021	Open Amount (Eur) at 31/12/2021	Evolution
2011	4	4	0.00 %	81,637.58	81,637.58	0.00 %
2016	4	4	0.00 %	387,333.09	387,333.09	0.00 %
2017	5	5	0.00 %	765,091.79	765,091.79	0.00 %
2018	1	1	0.00 %	64,758.75	64,758.75	0.00 %
2020	4		-100.00 %	673,718.41		-100.00 %
2021		10			643,101.19	
	18	24	33.33 %	1,972,539.62	1,941,922.40	-1.55 %

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

Refresh date : 23/03/2022

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2021 for DG MOVE

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG MOVE	
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Number of RO waivers	
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 23/03/2022

TABLE 11 : Negotiated Procedures in 2021 for DG MOVE

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	1	159,948.95
Total	1	159,948.95

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

Refresh date : 23/03/2022

TABLE 12 : Summary of Procedures in 2021 for DG MOVE

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	159,948.95
Open procedure (FR 164 (1)(a))	8	20,498,580.82
Total	9	20,658,529.77

Additional Comments:

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

Refresh date : 23/03/2022

TABLE 13 : BUILDING CONTRACTS in 2021 for DG MOVE

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

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

Refresh date : 23/03/2022

TABLE 14 : CONTRACTS DECLARED SECRET in 2021 for DG MOVE

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

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

Refresh date : 23/03/2022

TABLE 15 : FPA duration exceeds 4 years - DG MOVE

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

Refresh date : 23/03/2022

TABLE 16 : Commitments co-delegation type 3 in 2021 for DG MOVE

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

Refresh date : 23/03/2022

ANNEX 4: Financial Scorecard

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2021, 10 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)¹⁵:

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments
- Timely Decommitments
- Invoice Registration Time
- Accounting Data Quality
- Management Data Quality

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

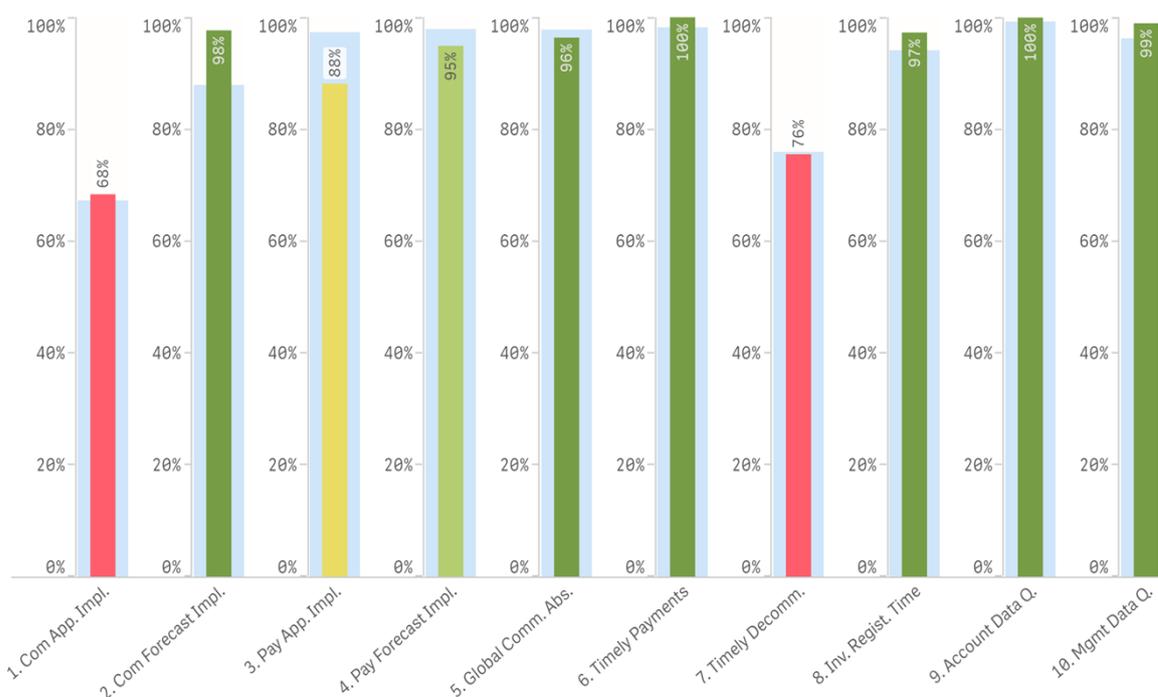
- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red

The Commission services are invited to provide commentary for each indicator's result in the dedicated comment section below the indicators scores as this can help the reader to understand the Commission's service context. In cases when the indicator's value achieves 80% or less of the target, the comment becomes mandatory.

The detailed definitions of the indicators are available on the internal DG BUDG site (BudgPedia) and managed by unit BUDG.C5 Financial Reporting.

¹⁵ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

MOVE Indicator Scores 2021



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

Indicator	Objective	Comment ¹⁶	MOVE Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year	The 2021 commitment appropriations (CA) could not be consumed due to the late adoption of the Single Basic Act for the Joint Undertakings at the end November 2021. As a result, EUR 113 million CA concerning SESAR 3 and Europe Rail Joint Undertakings were carried-over from 2021 to 2022 and will be committed by end March 2022. Not taking into account the carried-over CA for the SESAR 3 and Europe Rail, the remaining CA were implemented at 99.88%.	68%	67%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		98%	88%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year	The 2021 payment appropriations (PA) could not be consumed due to the late adoption of the Single Basic Act for the Joint Undertakings at the end November 2021. As a result, EUR 33 million PA concerning SESAR 3 and	88%	97%

¹⁶ An explanation behind the indicator result can be provided, e.g. the comment about the achievement itself, reference to the whole Commission performance (better or worse), reasons behind this achievement. The comment is mandatory for the 'Timely payments' indicator. For the rest of indicators the comment is mandatory only if the score is equal or below the target of 80%.

		Europe Rail Joint Undertakings were carried-over from 2021 to 2022 and will be paid before end 2022. Not taking into account the carried-over PA for the SESAR 3 and Europe Rail, the remaining PA were implemented at 97.39%		
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		95%	98%
5. Global Commitment Absorption ¹⁷	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	The situation was closely monitored and acted upon through weekly reporting to senior management and early warnings about transactions at risk	96%	98%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	DG MOVE closely monitors the payments and issues weekly reports about outstanding invoices.	100%	98%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	In 2021 priority was given to budget execution and timely commitments and payments (despite new MFF and COVID constraints). Decommitments and extension of FDIs, which have no budget impact, were given second priority. A task force was set up in February 2022 to remedy the situation and proceed to the decommitments of expired commitments. A parallel exercise for the extension of FDI will be launched in March 2022. The objective is to reach the Commission target of 100% at the end of 2022.	76%	76%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	Evolution of the situation was closely monitored on a monthly basis through accounting controls.	97%	94%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts	DG MOVE implemented consistently its accounting quality plan.	100%	99%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		99%	96%

¹⁷ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

ANNEX 5: Materiality criteria

DG MOVE's expenditure is composed of (in order of importance), directly managed grants, indirectly managed grants and financial instruments and other direct spending mostly of an administrative nature. The error rate affecting payments is estimated yearly and per management system, following a methodology that takes into account the risk associated to the type of expenditure (in terms of probability and final financial impact)..

Research framework programmes – common aspects

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

Assessment of the effectiveness of controls

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

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

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

This results in a residual error rate, which is calculated as follows:

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

where:

ResER% residual error rate, expressed as a percentage.

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

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

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

The Common Representative Sample (CRS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each FP as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of the Seventh Framework Programme (FP7)/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

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

Should a calculation of the residual error rate based on a representative sample not be possible for a FP for reasons not involving control deficiencies,¹⁸ the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would then be considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

Multiannual approach

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

Because of its multiannual nature, the effectiveness of the Research and Innovation family services' control strategy can only be fully measured and assessed at the final stages in

¹⁸ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

the life of the framework programme, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

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

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

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

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

Adequacy of the audit scope

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

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

2020 Revised Methodology for the calculation of the error rate for Horizon 2020

European Court of Auditors' observations

The European Court of Auditors observed in its 2018 and 2019 Annual Reports that the error rate of Horizon 2020 was understated due to the fact that the “*ex-post audits aim for maximum coverage of the accepted costs, but rarely cover all the costs. The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited. This means that the denominator in the error calculation is higher, so the error rate is understated. In case the errors found are of a systemic nature, the error is extrapolated which partially compensates for the above-mentioned understatement. However, since extrapolation is not performed for non-systemic errors, the overall error rate is nevertheless understated. The understatement of the error rate cannot be quantified. It is, then, impossible to determine whether the impact of this understatement is significant*”.

In response to this observation, in 2020 the Commission re-defined its methodology for calculating the Horizon 2020 error rate. In order to quantify any potential understatement mentioned by the Court, the Commission applied a new methodology for all audits closed as from 01 January 2020. The main change in the methodology is that, the denominator used in the error calculation is the sum of costs actually audited and not the sum of all accepted costs.

In this respect, a 0.37% (calculated on 1 304 H2020 audit participations by difference with the previous methodology) has been used to top up the detected error rate 2021.

IAS limited review on the 2020 error rate calculation for H2020

The IAS has carried out a limited review on the methodology for calculation of the error rates of Horizon 2020 in the year 2020. The findings of this limited review confirmed that there is no weakness in the calculation of the detected error rate and that the impact of these findings on the accuracy of the calculation of the residual error rate is minor. The IAS recommended that:

1. The Common Implementation Center (CIC) should:

1.1 Calculate the corporate H2020 residual error rate based on the actual level of implementation of audit results and extension of audit findings stemming from data encoded by the Authorising Officers;;

1.2 Considering that there is no data on the sampled amounts for audits closed before 2020, estimate the amount actually audited by calculating the ratio of costs actually audited to the total amount of the related accepted cost claims for all the audits closed since 1 January 2020 ('A' parameter in the formula for calculating the residual error rate) and adapt parameter 'E' accordingly;

1.3 Formalise the changes in the residual error rate calculation (e.g. in a written CAS procedure).

2. The Common Audit Service (CAS) should:

2.1 Change the audit report template to include a line in the table of Annex 1 with the audited amounts (sampled);

2.2 Include fields in AUDEX to encode the audited amounts per participation and cost category and any other IT tool used to register the ex post audits' data which feed the Microsoft Access database for the calculation of the representative detected error rate;

2.3 Calculate the top-up automatically in the Microsoft Access database. For Horizon Europe, the calculation will be in line with the new methodology and no top up calculation will be required.

Recommendations 1.1 to 2.1 were implemented in 2021. Recommendations 2.2 and 2.3 will be implemented in time within 2022.

Research Framework programmes – specific aspects

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

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

Horizon 2020 Framework Programme

The Commission's proposal for the Regulation establishing the H2020 framework programme¹⁹ states that

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

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

Further, it explains also that

¹⁹ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-102.

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

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

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

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

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

Horizon Europe Framework Programme

For Horizon Europe, the general control objective, following the standard quantitative materiality threshold proposed in the standing instructions for Annual Activity Reports, is to ensure that the cumulative residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2%²⁰.

Other directly managed expenditure

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

²⁰ No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme will start at the earliest end of 2023

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

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

As regards the SESAR Deployment Manager, a framework partnership agreement under CEF, an estimate of the residual error rate is calculated on the base of the audits carried out according to the yearly audit work plans.

$$RER = \frac{(DER \times (P - A)) + NI}{P}$$

- RER* *Residual error rate, expressed in percentage*
- DER* *Detected error rate for the same period, expressed in percentage*
- P* *Auditable requested EC contributions*
- A* *Actually audited amounts*
- NI* *Audit results not implemented*

De minimis threshold for financial reservation

Since 2019²¹, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

²¹ Agreement of the Corporate Management Board of 30/4/2019.

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

Grants implemented directly by DG MOVE are split in two RCSs. RCS 1a covers research programme Horizon 2020 and Horizon Europe for which the controls are very similar although they have different materiality criteria. There were no new Horizon Europe grants in 2022. The Control Strategy for Horizon Europe is under preparation. However, the new Horizon Europe controls already in place are reported in section 1 “Ex-ante controls” (sub-sections A, C and D). RCS 1b covers other directly managed grants (CEF Programme Support Actions and specific grants under other operational expenditure).

RCS 1a) Grants under direct management (Horizon 2020 and Horizon Europe)

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The work programmes and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.</p> <p>The Horizon 2020 and Horizon Europe implementation (procedures, monitoring arrangements, communication with beneficiaries, budget planning, etc.) has serious shortcomings.</p>	<p>For Horizon 2020 and Horizon Europe, hierarchical validation within the authorising department Inter-service consultation, including all relevant services.</p> <p>Adoption by the Commission</p> <p>Explicit allocation of responsibility. Under Horizon Europe, the work programmes proposed by the Directors' Groups according to the Commission decision C(2021)4472 are co-created with the work of the various instances and with the processes established in this decision.</p> <p>In particular, the Common Implementation Centre (CIC) in DG Research and Innovation provides all DGs involved in the implementation of Horizon 2020 and Horizon Europe research with harmonised procedures, guidance and IT tools.</p> <p>The Common Policy Centre (CPC) in DG Research and Innovation under Horizon Europe centralises the budget planning and the monitoring of the Horizon Europe and Horizon 2020's budget implementation.</p> <p>The CIC/CPC governance structure ensures that programme implementation experience gathered feeds back to the programme design.</p>	<p>Coverage / Frequency: 100%</p> <p>Depth:</p> <p>All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects and all underlying implementation tools are defined and developed according to common rules.</p> <p>Under Horizon Europe, all business processes follow a governance system under the due supervision of instances like the Steering Board, the Executive Committee, the Directors Groups and key user groups.</p>	<p>Effectiveness:</p> <p>The work programmes are adopted by the Commission.</p> <p>Success rates in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.</p> <p>Qualitative Benefits:</p> <p>A good Work Programme and well publicised calls should generate a large number of good quality projects, from which the most excellent can be chosen. There will therefore be real competition for funds. Optimised procedures, common approach on multiple issues (audits, fraud, legal aspects, reporting...); better reporting on</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			the whole programme – better management of the programme ²² .

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

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

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the work programme and subsequent calls for proposals.</p> <p>Conflict of interest regarding the expert evaluators</p>	<p>Selection and appointment of external expert evaluators</p> <p>Conflict of interest checks</p> <p>Assessment by independent experts</p> <p>Comprehensive IT system supporting the evaluation of proposals and allowing better monitoring of the process</p> <p>Validation by the AOSD of ranked list of proposals. In addition, if applicable: Opinion of advisory bodies; comitology; inter-service consultation and adoption by the Commission; publication</p>	<p>100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)</p> <p>100% of proposals are evaluated.</p> <p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>100% of contested decisions are analysed by redress committee</p>	<p>Effectiveness:</p> <p>Number of proposals evaluated</p> <p>Efficiency Indicators:</p> <p>% of Time-To-Inform on time.</p> <p>% of number of (successful) redress challenges upheld / total number of proposals evaluated</p> <p>Qualitative benefits:</p> <p>Expert evaluators from outside the Commission bring independence, state of the art knowledge in the field and a range of different opinions. This will have an impact on the whole project cycle : better planned, better implemented projects</p>

²² The mutualisation of the support services represents a quantitative benefit which is certain but not accurately quantifiable in the context of reorganisations, new programme's setting up, general HR offsetting through the Commission.

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
	Systematic checks on operational and legal aspects performed before signature of the Grant Agreement Redress procedure		

C - Contracting

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; Sound Financial Management (optimal allocation of the budget available); Compliance; Prevention of fraud and other horizontal priorities (ethics, gender balance, security aspects)

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>The evaluation stage has not detected a potentially fraudulent proposal/beneficiary.</p> <p>The project implementation might not comply with Ethics requirements</p> <p>Sensitive/classified information in future deliverables of a selected projects might not be handled with the adequate Security measures</p>	<p>Validation of beneficiaries (financial capacity checks on demand).</p> <p>Systematic checks on operational and legal aspects performed before signature of the grant agreement</p> <p>Risk assessment and risk based checks before the grant agreement signature and reinforced monitoring flagging if necessary</p> <p>Ad hoc anti-fraud checks for riskier beneficiaries</p> <p>Signature of the grant agreement by the AO.</p> <p>Financial verification where necessary</p> <p>Mutual Insurance Mechanism (MIM) (ex Horizon 2020 Participants Guarantee Fund (PGF)).</p> <p>An ethics review is carried out systematically in all HE calls, starting with an ethics pre-screening, which results in detailed</p>	<p>100% of the selected proposals and beneficiaries are scrutinised.</p> <p>Coverage: 100% of draft grant agreements.</p> <p>Depth will be differentiated following the conclusion of the risk assessment</p> <p>Controls implemented when justified by the call/proposal content</p>	<p>Effectiveness: Number of grants signed</p> <p>Efficiency Indicators:</p> <p>% of Time-to-grant on time</p> <p>Average Time-to-grant</p>

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
	screening or assessment if necessary Ad hoc security checks and screenings Security review is carried out systematically in all HE calls, starting with pre-screening, which may result in detailed security scrutiny.		

D - Monitoring the implementation

Main control objectives: Ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant for examples deliverables, open access to results and publications)</p> <p>The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims and or deliverables are irregular or fraudulent.</p>	<p>Kick-off meetings and "launch events" involving the beneficiaries in order to avoid project management and reporting errors</p> <p>Specialized webinars targeting reduction of errors</p> <p>Specialized aid with web based tools to inform most error-prone beneficiaries (i.e SMEs who participate first time) about cost calculation practices</p> <p>Effective external communication about guidance to the beneficiaries (eg Funding and Tender portal, info days for the calls)</p> <p>Anti-fraud awareness raising training for the project officers</p> <p>IT Plagiarism detection tool for deliverables</p> <p>Enhanced family approach (anti-fraud cooperation; common legal and audit service; comprehensive and common IT system</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>Riskier operations subject to more in-depth controls.</p> <p>The depth depends on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <p>High risk operations identified by risk criteria.</p>	<p>Effectiveness:</p> <p>Number of payments (interim and final)</p> <p>Efficiency:</p> <p>Time-to-pay: % of payments (in value) made on time</p> <p>Time-to pay: Average number days net/gross + suspension days</p> <p>Qualitative Benefits:</p>

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>Lack of harmonised approach within the family with the consequence of unequal treatment of the beneficiaries</p> <p>Ethics requirements are not fulfilled.</p>	<p>for all the family)</p> <p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>For riskier operations, reinforced monitoring</p> <p>Selection and appointment of expert for scientific reviews of intermediate and/or final reporting</p> <p>If needed: application of Suspension/interruption of payments, Referring grant/beneficiary to OLAF/EPPO</p>	<p>Red flags: suspicions raised by staff, audit results, EDES, individual or "population" risk assessment</p> <p>Audit certificates required for any beneficiary claiming more than: EUR 375 000 (FP7), EUR 325 000 (Horizon 2020).</p> <p>EUR 430 000 (Horizon Europe)</p>	<p>Projects are executed and produce benefits for the community</p>

Overall economy for ex-ante control

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			<p>Economy</p> <p>a. <u>Estimation of cost of staff involved in the ex-ante checks</u></p> <ul style="list-style-type: none"> -Programme management and monitoring -Financial management -Budget and accounting -General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management

			-Anti-fraud -Development and support of IT systems linked to managing funding programmes <u>b. Estimation of other costs linked to ex-ante checks</u> - Cost of experts and costs of experts management - Costs of IT external contracts of CIC
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2. Ex-post controls

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

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

A - Reviews, audits and monitoring

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

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the audit strategy within the family.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary, same programme:</p>	<p>Common Ex-post control strategy for the entire Research and Innovation family (Horizon 2020), implemented by a central service ((Common Audit Service (CAS) part of the Common Implementation Centre, DG Research and Innovation):</p> <ul style="list-style-type: none"> - At intervals carry out audits of a representative sample of operations to measure the level of error in the population after ex-ante controls have been performed. - Calculates the representative error rate for the R&I programme. 	<ul style="list-style-type: none"> - Common Representative audit Sample (CRaS): MUS sample across the programme to draw valid management conclusions on the error rate in the population. - Research and Innovation risk-based sample, determined in accordance with the selected risk 	<p>Effectiveness:</p> <p>Representative and residual error rate identified</p> <p>Number of audits finalised % of beneficiaries & value coverage</p> <p>Efficiency:</p> <p>Percentage of implementation of</p>

Main risks It may happen (again) that...	Mitigating controls	coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
reputational risk and high administrative burden on the beneficiaries' side.	<ul style="list-style-type: none"> - Additional sample to address specific risks - When relevant, joint audits with the Court of Auditors Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned. Validate audit results with beneficiary In case of systemic error detected, extrapolation to all the ongoing projects run by the audited beneficiary (or closed within two years).	criteria aimed to maximise deterrent effect and prevention of fraud or serious error	CAS audit plan

B - Implementing results from ex-post audits/controls

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

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

Overall economy for ex-post control

Main risks It may happen (again) that...	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (effectiveness, efficiency, economy)
			<p>Economy</p> <p>Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategies and in the implementation of audits</p> <p>Costs of the appointment of audit firms and missions</p>

RCS 1b) Grants under direct management (CEF support actions and other specific grants)

Stage 1 – Ex-ante

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives and priorities; are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the	<ol style="list-style-type: none"> 1) Hierarchical validation within the authorising department 2) Inter-service consultation, including all relevant services 3) Adoption by the Commission 4) Explicit allocation of responsibility 	<p>Coverage / Frequency: 100% annually</p> <p>Depth: All work programmes are thoroughly reviewed at all levels, including for operational and</p>	<p>Effectiveness</p> <p>Success ratios in terms of budget implementation: commitments implemented / commitments allocated.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>evaluation of the proposals.</p> <p>The annual work programmes are not consistent with the policy framework.</p>		<p>legal aspects.</p> <p>Depth All the underlying implementation tools are defined et developed at family level.</p>	

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<ol style="list-style-type: none"> 1) Selection and appointment of expert evaluators 2) Assessment by independent experts 3) Comprehensive IT systems supporting the evaluation and monitoring of the process 4) Validation by the AOSD of ranked list of proposals and, if applicable: <ul style="list-style-type: none"> - Opinion of advisory bodies; - comitology; - inter-service consultation; - adoption by the Commission; - publication 5) Redress procedure 	<p>Coverage / Frequency: - 100% vetting (including selecting) of experts for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion)</p> <ul style="list-style-type: none"> - 100% of proposals evaluated - 100% of contested decisions are analysed by redress committee. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> - % of number of (successful) redress challenges / total number of proposals received. - number of litigation cases <p>Efficiency:</p> <ul style="list-style-type: none"> - Average time to publication of selection results - % of Time-To-Inform on time

C – Contracting (new grant agreements and amendments)

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p> <p>A potentially fraudulent proposal/beneficiary was not detected in the evaluation phase.</p>	<p>1) Project Officers implement evaluators' recommendations in discussion with selected applicants²³</p> <p>2) Hierarchical validation of proposed adjustments</p> <p>3) Validation of beneficiaries before the signature of GA, including systematic checks on operational and legal aspects</p> <p>4) ad hoc anti-fraud checks for riskier beneficiaries</p> <p>5) Signature of the grant agreement by the AO</p>	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - 100% of the selected proposals and beneficiaries - 100% of draft grant agreements. <p>Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.</p>	<p>Efficiency:</p> <p>Average time to grant</p> <p>% of Time-to-grant on time</p>

D – Monitoring the implementation and Financial Management

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed what is</p>	<p>1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors</p> <p>2) Effective external communication / guidance to beneficiaries</p> <p>3) Anti-fraud awareness raising and training for project officers</p>	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - 100% of the payments (op. and fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls. 	<p>Effectiveness:</p> <p>% and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed</p> <p>Efficiency:</p>

²³ Given the constraints on the time to grant set out in the Horizon 2020 legislation, negotiation with applicants is kept to a minimum, as far as possible the positively evaluated projects are accepted without modification.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>due in accordance with the applicable contractual and regulatory provisions.</p> <p>The cost claims are irregular or fraudulent.</p>	<p>4) Operational and financial checks in accordance with the financial circuits</p> <p>5) Operation authorisation by the AO</p> <p>6) For riskier operations:</p> <ul style="list-style-type: none"> - Enhanced ex-ante controls - Selection and appointment of expert for scientific reviews of intermediate and/or final reporting - On-site verification visits <p>7) If needed, application of</p> <ul style="list-style-type: none"> - Suspension/interruption of payments - Penalties or liquidated damages - Referring grant/beneficiary to OLAF 	<p>Depth: depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum</p> <ul style="list-style-type: none"> - Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or 'population' risk assessment 	<p>Average number and value of running projects managed 'per' staff FTE</p> <p>Time-to-pay: % of payments made on time</p> <p>Time-to pay: Average number of days</p> <p>Cost of control from contracting and monitoring the execution up to payment included/ amount paid (%)</p>

Stage 2 – Ex-post

E - Reviews, audits and monitoring

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p> <p>Lack of consistency in the ex-post audit strategy</p>	<p>1) ex-post audit planning in line with programme lifecycle and based on risk analysis</p> <p>2) In case of fraud suspicion, referring the beneficiary or grant to OLAF.</p>	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - Risk-based selection of projects, determined in accordance with the selected risk criteria, aimed to maximise deterrent effect and prevention of fraud or serious error. 	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised and value coverage</p> <p>Representative / detected error rate.</p> <p>Residual error rate</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk		Depth: common audit ex-post methodology	

F - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.	<ol style="list-style-type: none"> 1) Systematic registration of audit / control results to be implemented and actual implementation. 2) Validation of recovery in accordance with financial circuits. 3) Authorisation of recovery by AO. 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries 	<p>Coverage: 100% of final audit results with a financial impact</p> <p>Depth: All audit results are examined in-depth in making the final recoveries</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> % of adjustments recovered /offset Number/value/% of audit results pending implementation Number/value/% of audit results implemented Funding adjustments <p>Efficiency:</p> <ul style="list-style-type: none"> - total (average) annual cost of implementing audit audits compared with benefits

RCS 2) Grants under direct management (SESAR Deployment Manager)

Stage 1 – Ex-ante controls

A - Preparation, adoption and signature of Framework Partnership agreement

Not applicable – the framework partnership agreement already in place covers the period 2015-2020

B – Specific Grant Agreement (contracting)

Main internal control objectives: Ensuring that the specific grant agreement meets the policy objectives; Compliance; Prevention of fraud

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The description of the actions / tasks in the specific grant agreement includes tasks that do not contribute to the objectives of the SES.</p> <p>The planned budget overestimates the costs necessary to carry out the action(s).</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with regulatory framework.</p>	<p>The tasks, actions and the responsibilities of the SDM are agreed in the framework partnership agreement, which in turn is based on the SES policy objectives defined by DG MOVE.</p> <p>The grant agreement is approved through a hierarchical validation process.</p> <p>Grant agreement is signed by AO</p> <p>The financial and operational viability of the beneficiary assessed before the signature of the framework partnership agreement.</p>	<p>Coverage: all specific grant agreement signed under the framework partnership agreement</p>	<p>Effectiveness: contribution to the achievement of SES policy objectives and the SESAR deployment targets</p> <p>Economy: costs of staff involved in the process</p>

C – Monitoring the execution and Financial Management

Main internal control objectives: Ensuring that the operational results (deliverables) from the project are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The planned actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement.</p> <p>The amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>Reinforced monitoring through the operational Directorate in charge of SES</p> <p>If needed: suspension / interruption of payments; penalties, liquidated damages</p> <p>Referring fraud suspicions to OLAF</p>	<p>Coverage: all payments subject to standard operational and financial verification</p> <p>Depth depends on risk criteria.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Number of control failures - Number of projects with cost claim errors - Budget amount of errors / cost items rejected <p>Efficiency : Timely payment</p> <p>Economy : total EC cost / funds managed</p> <p>Economy: cost of staff involved</p>

Stage 2 – Ex-post

E - Reviews, audits and monitoring

Main internal control objectives: Detect and correct errors after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules; fraud detection.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.</p>	<ol style="list-style-type: none"> 1) Ex-post audit strategy 2) Annual ex-post audit planning in line with programme lifecycle and based on risk analysis 3) In case of fraud suspicion, referring the beneficiary or grant to OLAF 	<p>Coverage / Frequency:</p> <ul style="list-style-type: none"> - up to 90% of the budget over the lifecycle of the project - systematic coverage (100%) of all participants with eligible costs 	<p>Effectiveness:</p> <p>Audit coverage: number of audits finalised and value coverage</p> <p>Representative / detected error rate.</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>Lack of consistency in the ex-post audit strategy.</p> <p>Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk</p>		<p>over EUR 100k</p> <p>Depth: in line with the ex-post audit methodology of DG MOVE</p>	<p>Residual error rate</p> <p>Efficiency : Evolution of the adjustments made and of the corrective actions</p> <p>Economy : Cost of audits</p>

F - Implementing results from ex-post audits/controls

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely and effective manner.</p>	<ol style="list-style-type: none"> 1) Systematic registration of audit / control results to be implemented and actual implementation 2) Validation of recovery in accordance with financial circuits. 3) Authorisation of recovery by AO. 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries 	<p>Coverage: 100% of final audit results with a financial impact</p> <p>Depth: All audit results are examined in-depth in making the final recoveries</p>	<p>Effectiveness: % of adjustments recovered /offset Number/value/% of audit results pending implementation Number/value/% of audit results implemented</p> <p>Efficiency Funding adjustments</p> <p>Economy - total (average) annual cost of ex-post controls vs. total value audited or vs relevant expenditure</p>

RCS 3) Directly managed procurement

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

Stage 1 – Ex-ante controls

A - Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
<p>The needs are not well defined (operationally and economically) and the decision to procure was inappropriate to meet the operational objectives</p> <p>Discontinuation of the services provided due to contracting issues</p> <p>The required technical financial capability is not adequately planned</p>	<p>Coordinated planning exercise (preparation of Vigie fiches), incl. economic and operational justification of new procurements</p> <p>Validation by AO(S)D of justification and planning</p> <p>Documented discussions / decisions</p>	<p>100% of the forecast procurements (open procedures with prior notification and use of framework contracts) are justified and validated through the Vigie system and the CEF Work Programme.</p> <p>All key procurement procedures formally approved by the Legal Cell and in line with the Financial Regulation.</p>	<p>Effectiveness: Number of projected tenders cancelled.</p> <p>Economy: average cost per tender.</p>

B – Needs assessment and definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
The Commission does not receive	AOSD supervision and approval of tender specifications / terms	100% of specifications drafted	Effectiveness

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
good offers or cannot select good experts for the required specific expertise.	of reference	by technical experts. All specifications for open call for tenders validated by AOSD. Depth: 100% of tenders above financial threshold (>60k)	- Number of open procedures or tenders where only one or no offers were received. - Number of requests for clarification regarding the tender.

C – Selection of the offer and evaluation

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
The most economically advantageous offer is not being selected, due to a biased, inaccurate or 'unfair' evaluation process. The offer retained does not present the required technical expertise or is financially not sustainable	Formal evaluation process, including Opening Committee and Evaluation Committee Opinion by consultative committee ('CCAM') Declaration of absence of conflicts of interest by members of Opening and Evaluation Committee Documented evaluation and exclusion criteria	100% of offers analysed Depth: all documents submitted 100% of opening/evaluation committee members sign declaration 100% criteria checked	Effectiveness - Number of valid complaints or legal cases opened - Contract signed in time to implement the action Economy - Cost of control vs amount paid

D – Receipt of services and financial transactions

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
The products/services/works delivered do not meet the technical description and requirements foreseen in the contract.	Monitoring and assessment of deliverables. Regular implementation report on the fulfilment of the contracted tasks. Request of supporting documentation for claimed costs / link between deliverables and payments.	100% of the contracts are controlled. Follow-up of all actions by the technical officer in charge	Effectiveness: - number and amount of payment made - issues regarding legality and

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-effectiveness indicators (three E's)
Insufficient performance or timeliness of the contractor Invoices received do not correspond to the services delivered or to the actual performance of the contractor	Financial checks in accordance with the financial circuits Operational authorisation by AO(S)D.		regularity Efficiency: - Timely payment Economy - Cost of control vs amount paid

Stage 2 – Ex-post controls

E – Supervisory measures

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Desk review of procurement and financial transactions and their conformity with the FR and the Vade mecum Review of exceptions reported and/or lessons learned	Risk based	Effectiveness: Amounts associated with errors detected

RCS 4+5+6) Indirect entrusted management

This combined RCS covers: (1) the operating (administrative) budget of the executive agency INEA / CINEA²⁴, (2) the SESAR and S2R joint undertakings (3) the operating (administrative) budget of the decentralised agencies ERA, EASA and EMSA.

Stage 1: Ex-ante controls

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The establishment (or prolongation) act of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).</p> <p>For PPPs: the evaluation method of the in-kind contributions provided by the industry partners is not clear.</p>	<ol style="list-style-type: none"> 1) Ex-ante evaluation of the entity 2) Widespread consultation, with internal and external stakeholders 3) Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting. 4) Inter-service consultation, including all relevant DGs 5) Mandate adopted by the Commission. 6) Allocation of supervision responsibility within the DG 	<p>Coverage/Frequency: 100%/once and partial for amendments or extensions.</p> <p>Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied</p>	<p>Effectiveness: Timely establishment of the delegation or contribution agreements Number of IAS, ECA, OLAF or discharge criticism</p> <p>Economy: Overall supervision cost per (type of) entrusted entity / total budget entrusted (%) Ratio FTEs/funds entrusted.</p>

²⁴ In fact only the operating (administrative) budget of the executive agency is actually paid by DG MOVE. The operational budget is directly allocated to the Agency —in this case DG MOVE does not strictly have a financial responsibility, but does still have a responsibility to supervise the agency in terms of the achievement of results.

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 Internal Control Objectives (ICOs)	<ol style="list-style-type: none"> 1) DG internal or independent external ex-ante assessment before granting budget autonomy 2) Hierarchical validation within the authorising department; 3) Use of Model-or Framework- financial rules (MFF or FFF); 4) Requiring justification and prior consent for any deviating financial rules; 5) Standard business processes and IT tools; 6) Secondment and selection of key staff of entrusted entities 7) Review of audit reports (IAS, ECA). 	<p>Coverage/frequency: 100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements.</p> <p>Depth: determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget concerned.</p>	<p>Effectiveness:</p> <p>Number of IAS, ECA, OLAF or discharge criticism</p> <p>Number of recommendations to EE as result of ex-ante or later assessment</p> <p>Establishment of risk fiches for the EE(Decentralised Agencies and Jus)</p> <p>Economy:</p> <p>Included in the overall supervision costs</p>

C – Operations: monitoring, supervision, reporting

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The Commission is not informed of relevant management issues encountered by the entrusted entity in	<p>CINEA</p> <ol style="list-style-type: none"> 1) DG MOVE's Monitoring Strategy is integrated into the Memorandum of Understanding The MoA specifies the 	<p>Coverage: as determined by the MoA</p> <p>Frequency: as determined in the</p>	<p>Effectiveness:</p> <p>Number of critical / very important IAS and ECA</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>a timely manner.</p> <p>The Commission does not react upon and mitigate notified issues in a timely manner.</p> <p>Inconsistent application of supervision/control arrangements within different EEs</p>	<p>modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including:</p> <ul style="list-style-type: none"> • DG MOVE representation in Steering Committee; • Liaison meetings at hierarchical level; • Ad hoc meetings and regular contacts at working level; • Quarterly operational reports from the agency; • Regular updates on the achievements of the delegated programmes' objectives; • Budgetary control via commitment and payment appropriations process; • Formal opinion and consultation on key documents (annual work programme and the annual activity report) <p>2) Review of</p> <ul style="list-style-type: none"> • Annual Activity Report of CINEA • Audit reports of the IAS and ECA 	<p>MoA</p>	<p>recommendations issued to INEA / DG MOVE</p> <p>Regularity of meetings and reporting flows between INEA and the parent DGs (INEA only)</p> <p>Economy</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>
<p>As above</p>	<p>SESAR JU</p> <p>1) DG MOVE is a member of and chairs the SESAR JU Administrative Board; participates directly (in many cases with an effective veto right, particularly when acting in concert with Eurocontrol) in all the decisions affecting the budget, accounts, staff and progress of the JU</p> <p>2) All documents related to above issues are evaluated by DG MOVE in cooperation with several other services to establish Commission's position in the Board (line-to-take)</p> <p>3) Audit issues are coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR JU</p> <p>4) Regular financial and technical reporting and operational meetings to discuss the progress of the technical programme</p> <p>5) DG MOVE participates in the Programme Committee chaired by the JU's Executive Director</p> <p>6) DG MOVE officials regularly participate in working groups and evaluations (calls for tender, calls for proposals and staff selection) organised by the SESAR JU</p>	<p>Coverage:</p> <p>As determined by the Statutes of the JU</p> <p>Frequency:</p> <p>As determined by the Statutes of the JU</p>	<p>Effectiveness:</p> <p>Number of critical / very important IAS and ECA recommendations issued to INEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p> <p>Regularity of the Governing Boards meetings and of the reporting flows between the Agencies and Jus and the Commission</p> <p>Economy:</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	<p>S2R JU</p> <p>1) Monitoring through participation in the Governing Board (in which the Commission holds 50% of voting rights)</p> <p>2) Regular evaluations by external experts (every 3 years and at the end of the programme, under the supervision of the Commission)</p> <p>3) Operational and financial reporting provisions set out in the Statutes of the S2R JU</p>		
As above	<p>Decentralised Agencies</p> <p>1) The governance and supervision approach determined by the 'Common approach to the decentralised agencies'. Measures in place include:</p> <ul style="list-style-type: none"> - DG MOVE membership in the Management/Administrative Board; - Budgetary control via the commitment and payment appropriations; - Quarterly indicators on budgetary and administrative performance of the Agency; - Regular contacts at all levels (Director-General, Director, Head of Unit, staff); - Formal opinion and formal consultation on key documents of the Agencies (annual work programme, multi-annual staff policy plan); - External and internal audits as well as procedures against fraud; - DG MOVE involvement in audit and discharge procedures. 	<p>Coverage: all agencies / as determined by founding act</p> <p>Frequency:</p> <ul style="list-style-type: none"> - Annual Work Programme and Annual Activity Report - Quarterly operational reports - Regular contacts - at least biannual Board meetings 	<p>Effectiveness:</p> <p>Number of critical / very important IAS and ECA recommendations issued to INEA / DG MOVE</p> <p>Number of discharge criticism issued to the JU</p> <p>Economy:</p> <p>Overall supervision cost per (type of) entrusted entity (%)</p>

D – Commission contribution: payment or suspension/interruption

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
Bad cash forecast leading to the Commission paying too much compared to the EE's needs	<ol style="list-style-type: none"> 1) Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting 2) Management review of the supervision results. 3) Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy 4) Good internal communication to ensure that issues are known and dealt with (see stage 3) 	<p>Coverage: 100% of the contribution payments</p> <p>Frequency: following the rhythm of the payments</p>	<p>Effectiveness : existence or not of legality and regularity issues , effective payment of the Commission contribution</p> <p>Economy : cost of control vs budgetary support</p>

Stage 2 – Ex-post

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
The Commission has not received sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the	<p>INEA</p> <ol style="list-style-type: none"> 1) Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by ECA 2) DG MOVE analysis of audit reports as an element of the supervision of these bodies 3) Interim evaluations by independent experts of achievement of policy objectives 	<p>Coverage:</p> <ul style="list-style-type: none"> - Audits performed on sample as needed (e.g. random/representative, value targeted, risk based) - evaluation covers all programmes entrusted 	<p>Effectiveness: Assurance being provided (via management /audit reporting)</p> <ul style="list-style-type: none"> - residual error rate reported for programmes managed by entrusted entity - number of serious IAS and ECA findings of control failures.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
Commission's governance reputation and quality of accountability reporting.	<p>Joint Undertakings</p> <p>4) Statutes specifying audit rights by the IAS / ECA</p> <p>5) DG MOVE analysis of audit reports as an element of the supervision of these bodies</p> <p>6) Every three years Commission evaluation of the functioning and the results of the JU</p> <p>Decentralised Agencies</p> <p>7) Subject to audit by IAS and ECA</p> <p>8) DG MOVE analysis of audit reports as an element of the supervision of these bodies</p>	<p>Frequency:</p> <ul style="list-style-type: none"> - audits – determined by audit bodies - evaluations – determined in legal base - annual ECA report on JUs <p>Depth depends on the type of entity and the level of risks assessed</p>	

RCS 7) CEF Debt Instruments

This ICT covers: Financial Instruments (FIs) entrusted to International Financial Institutions (IFIs) under indirect management (2014-2020), i.e. the Delegation Agreement (DA) signed by DG MOVE with the **European Investment Bank (EIB)** for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI), including PBI and LGTT as from 2016. Stage 1 was completed as of end December 2015 and is no longer applicable – it is listed here for completeness.

Stage 1 – Ex-ante controls

A - Set-up/design of the Financial Instrument and designation of International Financial Institution

Main internal control objectives:

- Ensuring that the FI is adequate for meeting the policy or programme objectives (effectiveness); Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy).
- Ensuring that the most promising IFI is pre-determined or selected to ensure that the FI is implemented effectively and efficiently; Sound financial management; Legality and regularity; Fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
<p>The IFI does not have the experience and financial capacities as well as the administrative and control capacities to ensure effective and sound implementation of the FI.</p> <p>The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).</p>	<p>1) The selection of the EIB as entrusted entity was:</p> <ul style="list-style-type: none"> • In line with Art. 58.1(c) (iii) FR. • Explicitly indicated in the CEF Regulation as a potential entrusted entity. (recitals 41 and 50 and annex I, part III only) <p>2) Ex-ante assessment of the EIB in accordance with articles 61(1) and 60(2) FR ('six pillar assessment') successfully carried out prior to the signature of the FAFA by DG ECFIN.</p> <p>3) Formal signature of Financial and Administrative Framework Agreement (responsibility of DG ECFIN)</p> <p>4) Periodic evaluations (see also Stage 3) of EIB operations Mid-term evaluation of CEF.</p>	<p>Coverage/Frequency for DA: once</p> <p>Depth: In-depth control, full engagement of operational and financial unit resources.</p>	<p>Effectiveness: Where applicable, opinions by advisory or audit bodies (recommendations, actions taken).</p> <p>Economy : costs vs. net assets managed</p>
<p>The DA with the IFI is inadequate to cover operational and management risks</p>	<p>1) The main principles of the DA are based on the FAFA.</p> <p>2) Draft DA was reviewed in inter-service consultation (including all relevant DGs, horizontal and operational).</p> <p>3) Hierarchical validation (incl. at DG level) of the delegation agreement (DA), formal adoption by Commission decision</p> <p>4) Detailed provisions in DA with regards to:</p> <ul style="list-style-type: none"> • Operational and policy objectives; • Obligations and tasks of the Bank • Governance provisions • Operational and financial reporting obligations <p>Control, monitoring and audit provisions</p>	<p>Coverage/Frequency: 100% / once</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - Findings in audit reports - Observations in the audit certificate supporting the financial statements and management representations
<p>The Commission's interests are not protected by the DA, including</p> <ul style="list-style-type: none"> - the RSM (Risk-Sharing Mechanism) is too generous to the IFI (risk of unbalanced risks) - the fees paid to the IFI are not in line with the implementation of the FI 	<p>1) Alignment of interest is provided through:</p> <ul style="list-style-type: none"> • Standardized risk-sharing model between EIB and Commission agreed in DA, in line with horizontal guidance from DG BUDG and ECFIN. • A fee structure designed to compensate the EIB for the implementation of the financial instruments linked to the achievement of the policy objectives. <p>2) Each agreement between EIB and beneficiaries covers control (e.g. audit rights of the EC) and reporting obligations</p>	<p>Coverage/Frequency: 100 % / once</p> <p>Depth: In-depth control, full engagement of operational and financial unit resources.</p>	<p>Effectiveness:</p> <p>Findings in audit reports Observations in the audit certificate supporting the financial statements and management representations</p>

B – Implementation of the FI, incl. commitments and payments

Main internal control objectives:

- Ensuring that the funds allocation is optimal (best value for public money; effectiveness, economy, efficiency) to meet the policy objectives (effectiveness).
- Ensuring that the remuneration paid to the IFI is adequate (cost-effectiveness).
- Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view).

Main risks	Mitigating controls	Coverage frequency and depth	Cost-effectiveness indicators (three E's)
Final Recipients / Projects selected may not be eligible	1) Annual approval of CEF FI work programme by the CEF Coordination Committee. 2) Policy guidance, review of proposed pipeline of projects by CEF Steering Committee (chair ECFIN, with MOVE, ENER and CNECT) 3) EIB applies evaluation and selection criteria and process set out in Annex 1 of DA	Coverage/Frequency: 100% - all agreements signed by EIB	Effectiveness: - number of monitoring reports
Undue or erroneous payments Undue or erroneous recoveries/re-payments	1.a) Ex-ante controls by Commission: all payments made to EIB are subject to the normal financial circuit of DG ENER, including independent ex-ante verification. 1.b) Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance. 2) Due diligence: The EIB has to - set up and operate an internal control system - apply effective and proportionate anti-fraud measures - carry out ex ante and ex post controls, including on-the-spot checks on representative and/or risk-based samples of transactions, in accordance with Annex 8 of DA - require the Final Recipients to repay any amount unduly paid	Coverage/Frequency: Ex-ante verification of commitments: 100% Ex-ante verification of payments: 100% Verification of EIB transactions on sample checks	Effectiveness: - number of erroneous operations - number of findings from external auditor Efficiency : Rate of recovery / % of corrections of errors
The remuneration or the	1) Fees, any incentives and any exceptional costs are defined in	Coverage: 100% of fees and	Effectiveness:

reimbursement of any exceptional costs or additional tasks are unjustifiably high	the FAFA and the Delegation Agreements, including an overall cap. 2) Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement. 3) Review of the statement of expenses together with evidence provided by the EIB.	eligible expenses are verified before payment against contractual conditions and supporting documentation required under the DA	- existence of documented checks - number of findings from external auditor
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Stage 2: Ex-post controls

C – Monitoring and assurance building

Main internal control objectives:

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E’s)
The actions supported do not reflect the policy objectives for the CEF DI	1) Commission Services monitor the implementation of the FI on the basis of a documented approach. 2) The Commission has several monitoring instruments that include: <ul style="list-style-type: none"> • the CEF FI Steering Committee • review of the pipeline of projects • operational reports • financial statements • risk and performance reports • pipeline reports • summary of audits and controls carried out during the reporting year 	Coverage/Frequency: as per documented control approach. Steering Committee: at least 2x/year. Operational reports 2x/year Financial statements: monthly. Risk and performance reports: quarterly.	Effectiveness: on the basis of success ratios and KPIs defined for CEF policy objectives: <ul style="list-style-type: none"> - leverage - co-risk taking - number of FRs supported by the Financial Instrument - disbursement rate Economy <ul style="list-style-type: none"> - Total cost of monitoring and supervision by DG staff over value delegated

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-effectiveness indicators (three E's)
	3) Interim and ex-post evaluations are carried by EIB and Commission services.		- Management fees over value of budget delegated to EIB
Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not achieving the policy objectives and are in non-compliance with applicable regulations.	<p>1) EIB maintains internal control system and applies anti-fraud measures.</p> <p>2) EIB annual report is audited by independent auditor, which covers the internal control system.</p> <p>3) The Commission carries out controls and monitoring by means of:</p> <ul style="list-style-type: none"> - participation in the Steering Committee; - the financial statements provided by the Bank; - representative and/or risk-based on-the-spot checks on the final recipients. 	<p>Coverage: 100% of the portfolio.</p> <p>Depth: depends on risk criteria such as past experience with the IFI, complexity or lack of experience on the area of financed actions or the management modalities.</p>	<p>Effectiveness:</p> <p>1) - Existence of EIB policies to prevent and deter fraud</p> <p>2) - absence of qualification on the grounds in the auditor's opinion</p> <p>3) Assurance being provided If any, analysis of 'issues' reported in management declarations: Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings</p> <p>4) Number of cases submitted to OLAF.</p>

For All RCS :

Overall economy indicators

Estimation of cost of staff involved in the ex-ante checks		Estimation of other costs linked to ex-ante checks
<ul style="list-style-type: none"> • Programme management and monitoring • Financial management • Budget and accounting 	•	<ul style="list-style-type: none"> • Cost of experts

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

ANNEX 7: Specific annexes related to "Financial Management"

2.1.1. Control results

1. Effectiveness of Controls

a) Legality and regularity of the transactions

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

Direct management

This section provides details on the control effectiveness for some of the expenditures made under direct management (H2020, the SESAR Deployment Manager, the CEF PSA, the SES Advisory Bodies, the Administrative Agreements) as well as for the cross sub-delegations given to other Commission's services.

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

The Horizon 2020 Programme (H2020)

During 2021 there were insignificant payments related to H2020 grants of EUR 0.1 million which represent 0.03% of the total payments made by DG MOVE for the year and cleared pre-financing of EUR 0.41 million, which combined with the payments made leads to EUR 0.51 million or 0.17% of DG MOVE's relevant expenditure. Due to the limited amounts of H2020 payments, this program will not be covered in detail in this AAR.

- Ex-ante monitoring and checks

This stage concerns the management of the project and the grant agreement and comprises the technical monitoring and also ex-ante checks of participants' cost claims. The purpose of these ex-ante checks is to ensure that the transactions authorised are in compliance with the applicable rules.

Every cost claim over EUR 375 000 is accompanied by a certificate on the financial statement (CFS), issued by a qualified auditor or a Certified Public Official.

- Ex-post controls and recoveries

This stage includes the ex-post audits as well as the recovery of any amounts found to have been paid in excess of the amount due.

↳ Common ex-post audit strategy of the Research Directorates General

The ex-post control for grant management is largely centralised in the Common Implementation Centre (CIC), in particular in the Common Audit Service (CAS) for the whole Research and Innovation Family.

Since 2007, the Research and Innovation Family of DGs and Executive Agencies²⁵ (R&I Family) has adopted a common audit strategy intended to ensure the legality and regularity of expenditure on a multi-annual basis, including detection and correction of non-systematic and systematic errors.

For Horizon 2020 CAS carries out all audits, including those concerning grants concluded by the Executive Agencies and the Joint Undertakings. This is a major step forward in ensuring a harmonised approach, legal certainty, equality of treatment and minimising the audit burden on beneficiaries.

The main indicators on legality and regularity²⁶ of EU Framework Programmes for Research and Innovation are:

Representative detected error rate, based on errors detected by ex-post audits on a Common Representative Sample (CRS) of cost claims across the R&I Family.

Cumulative residual error rate, which is the extrapolated level of error after corrective measures have been implemented by the Commission services following the audits, accumulated on a multi-annual basis.

The general objective of this control system for H2020 is to ensure that the cumulative residual error rate remains within a range of 2-5 % aiming to be as close as possible to 2%..

Progress against these objectives is assessed annually based on the results of the implementation of the ex-post audit strategy and taking into account the frequency and importance of the detected errors along with cost-benefit considerations regarding the effort and resources needed to detect and correct the errors. The general objective for Horizon Europe, to ensure that the cumulative residual error rate does not exceed 2%²⁷.

It should be noted, however, that due to its multi-annual nature, the effectiveness of the control strategy of the R&I Family can be measured and assessed fully only in the final stages of the EU Framework Programme, once the ex-post control strategy has been fully implemented and errors, including those of a systematic nature have been detected and corrected.

²⁵ DG AGRI, DG CNECT, DG DEFIS, DG EAC, DG MOVE, DG ENER, ERC, DG GROW, DG HOME, CINEA, JRC, REA and DG R&I.

²⁶ These indicators are described in point 1.1 of Annex 5.

²⁷ No representative error rate for Horizon Europe will be available in 2022 and 2023 as the ex-post audit campaign for the Programme is planned to be launched by the end of 2023, at the earliest.

Due to the COVID-19 pandemic crisis and related travel limitations during 2021, the CAS – in line with the instructions of the Commission – could not carry out the necessary on-the-spot missions and had to postpone some of them. To minimise the impact of COVID-19 on the implementation of the audit campaign, the CAS converted as many traditional audit assignments as possible into desk audits, in line with international best practices and auditing standards.

Despite travel restrictions, and other objective challenges due to the COVID-19 pandemic, the foreseen audit target was achieved. The CAS managed to finalise audits on 514 participations corresponding to 104.3% of the planned most probable scenario for the 2021 target²⁸.

	H2020 Ex-post audits
Representative detected error rate	2.29%
Cumulative residual error rate for DG MOVE	1.63%

Results of the Horizon 2020 ex-post audits

In 2020 the Commission refined its methodology for calculating the Horizon 2020 error rates in line with European Court of Auditors' (ECA) observations in its 2018 and 2019 Annual Reports²⁹. The methodology applied is described in Annex 5 'Materiality criteria'. As of January 2020, DG R&I applied the revised methodology on a sample of 1 304 audit conclusions. This results in the following error rates for Horizon 2020³⁰ on 31 December 2021:

- Representative detected error rate: 2.29%³¹,
- Cumulative residual error rate for the Research and Innovation Family DGs: 1.60% (1.63% for DG MOVE³²).

In line with the Financial statement³³ accompanying the Commission's proposal for the Horizon 2020 regulation, a reservation is not necessary for the related expenditure if the

²⁸ Given the COVID-19 pandemic and related restrictions, the CAS developed several scenarios for the closure of audit targets

²⁹ When calculating the multi-annual error rate, the Commission took into account the results of the audit re-performed by the ECA as part of Module 2 of the DAS 2018-2019

³⁰ The Horizon 2020 audit campaign started in 2016. At this stage, four Common Representative Samples with a total of 629 expected results have been selected. By the end of 2021, cost claims amounting to EUR 31.8 billion have been submitted by the beneficiaries to the services. In addition to the Common Representative Samples, Common Risk Samples and Additional Samples have also been selected. The audits of 3 424 participations were finalised by 31/12/2021 (out of which 514 in 2021).

³¹ Based on the 418 representative results out of the 629 expected in the four Common Representative Samples.

³² It has to be noted that in 2021 many H2020 actions managed by DG MOVE were transferred to Executive Agencies. Hence, this figure is based only on the actions that remained with DG MOVE at the end of 2021.

cumulative residual error rate for the programme falls within the target range. In 2021, and despite the above-mentioned caveats, the cumulative residual error rate for Horizon 2020, calculated at 1.63% more than fulfils this condition and is below the materiality threshold. Despite the absence of reservation, the root causes of errors have been identified and targeted actions taken to address any identified weaknesses.

Since H2020 is a multi-annual programme, the error rates, and the residual error rate in particular, should be considered within a time perspective. Specifically, the cleaning effect of audits will tend to increase the difference between the representative detected error rate and the cumulative residual error rate, with the latter finishing at a lower value.

These error rates are calculated on the basis of the audit results available when drafting the Annual Activity Report. They should be treated with caution as they may change subject to the availability of additional data from audit results.

The decrease of the error rates in year 2021 could be due, among other reasons, to the beneficiaries' increased knowledge of the eligibility rules and its inherent learning curve, as well as to the results of the communication campaigns, targeted webinars and trainings, addressed in particular to newcomers and SMEs.

Given the results of the audit campaign up until 2021, and the observations made by ECA in its 2018 and 2019 Annual Reports, the CIC, in close cooperation with DG BUDG, SecGen and the IAS, are defining actions aiming at significantly simplifying the rules, and paving the way for a significant reduction of the error rate in Horizon Europe. Actions include further simplification, increased use of simplified forms of funding (including lump sums and unit costs), focused communication campaigns to more "error-prone" types of beneficiaries with higher than average error rates, such as SMEs and newcomers, and enhanced training to external audit firms performing audits on behalf of the Commission (the last three measures also target H2020 grants and beneficiaries). Focusing on the most common errors, these events will be short and simple, reaching more participants and achieving higher impact.

In the context of further reducing the error rates, the CIC will revisit the existing tools for ex-ante controls. It will consult the stakeholders in order to collect their views on what improvements should be developed in the grant management risk module.

Horizon Europe

2021 was the first year of implementation of the Horizon Europe framework programme. The adoption of its Regulation later than initially planned, delayed the starting of its

³³ The legislative financial statement accompanying the Commission's proposal for the Horizon 2020 regulation states: "The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5% is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research projects. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, corrections and recovery measures will have been taken into account is to achieve a level as close as possible to 2%."

implementation³⁴. By the end of 2021, only a very limited number of payments was executed (only pre-financings in DG R&I).

Consequently, taking into account the absence of relevant expenditure, the low-risk nature of the implemented transactions and the absence of ex-post audit results for grants, no detected error rate can be reported for Horizon Europe in 2021.

Implementation of audit results

For H2020 in total, over the period 2014-2021, the results of the H2020 audits relate to 15 participations with funding adjustments of EUR 139 556

Implementation of extrapolated audit results

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

By the end of 2021, six such participations were found and the beneficiaries were asked to rectify the errors in DG MOVE projects and submit revised cost statements. At the end of 2021 there are three participations that remain to be implemented³⁵.

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

Liquidated damages

Liquidated damages are due where a beneficiary has overstated expenses and has in consequence received unjustified EU contribution. Liquidated damages will only be applied where the unjustified contribution exceeds 2% of the total contribution claimed and accepted for the given period(s) ('de minimis' rule corresponding to the materiality level of the Court of Auditors). By the end of 2021 DG MOVE identified no liquidated damages for under H2020:

The SESAR Deployment Manager (SDM)

The SESAR project is part of an innovation cycle that brings innovative air traffic management (ATM) concepts from their definition, through their development and validation to their deployment into the operational environment. In this cycle, the essential SESAR solutions developed and validated by the SESAR Joint Undertaking (SESAR JU) are then deployed as 'common projects' through the SESAR deployment framework.

³⁴ End 2021, for the R&I family 64 calls for proposal had been fully evaluated and only 19 grant agreements had been signed (zero for DG MOVE.)

³⁵ Cases to be implemented are those for which the Commission has written to the beneficiaries requesting them to submit revised cost statements to correct the systematic issues detected.

The SDM³⁶, a body that pursues the synchronised and timely deployment of common projects, assists the Commission, mainly translating common projects into a detailed deployment programme and ensuring its implementation and monitoring.

The SESAR Deployment Alliance consortium (SDA), which comprises 19 partners, including major European air navigation service providers, airlines and airports, was selected to fulfil these tasks³⁷.

A framework partnership agreement was signed between the Commission and SDA in December 2014. The Commission supported financially the work of SDA as deployment manager through specific grant agreements as Programme Support Actions under the 2014-2020 CEF multi-annual work programme. This support was extended until mid-2022 in order to ensure the continuity with the successor mechanism. Each specific agreement defines the detailed work programme, cost estimation, deliverables and reporting requirements for the period covered by the agreement.

In 2021, payments made to the SDA amounted to EUR 1.91 million.

Payments made to major³⁸ partners against the SDM specific grant agreements were systematically audited in 2018-2021.

The audits finalised or to be finalised in the first quarter of 2022 covered 96% of the expenditure related to the first four specific grant agreements (SGA1 to SGA4). For these audits, the amounts actually audited correspond to the entirety of the cost categories for which a higher risk of error was observed and typically represent 87 to 100% of the requested contributions.

In 2021, significant progress was made on the coverage of SGA4, in effect compensating the delay incurred in 2020 due to the emergence of the COVID-19 crisis. As of 31 December 2021, finalised audits covered 90% of the SGA4 participations as well as 12.5% of the more recent SGA5.

Corrections in 2021 amounted to EUR 0.31 million. The audits finalised to date resulted in cumulated adjustments of EUR 2.34 million. In total EUR 1.8 million³⁹ were recovered or being recovered at this stage. Four of the audit results are still under implementation, corresponding to EUR 0.19 million of additional audit corrections.

The amount at risk at payment was estimated using the error rate measured against audited participations. Although the detected rate remains high at 8.06% (vs 8.89% in 2020), it is favourably impacted by the results of SGA4 audits, for which the observed errors are minimal. The main source of error is related to the complex staffing structure of

³⁶ Commission Implementing Regulation (EU) N°409/2013.

³⁷ Article 9 of Regulation (EU) 409/2013.

³⁸ The consortium includes some minority partners for which cost claimed are too limited to justify a specific audit.

³⁹ The audits include both adjustments in favour of the beneficiary and in favour of the Commission. The detected error rate only take into account adjustments in favour of the Commission, whereas the amounts recovered take into account the balance of these adjustments, and may therefore be inferior to the detected errors.

the SDM. The coordinator undertook significant steps to simplify this setup. The definition of the financial aspects of SDA's work and the reporting requirements were improved.

The amount at risk at closure was estimated by extrapolating the errors observed in the audits carried out to date to the current expenditure and taking into account the level of implementation of corrections. For 2021, the equivalent RER⁴⁰ is estimated 2.48% (vs up to 4% in 2020). The amount at risk at closure is estimated at EUR 86.36.

The assurance drawn in this respect stems from the monitoring of SDM's activities, the implementation reports received from SDA and from the comprehensive ex-post audit coverage. The cumulated amount of corrections is significant in respect of payments made but limited in scope as it concerns a single grant agreement. Significant cost statements are audited to ensure a level of correction as comprehensive as possible. The implementation of the adjustments limits the effective residual exposure as regards EU funds and this translates into a limited contribution to DG MOVE's overall amount at risk at closure. Corrective actions were undertaken at beneficiary level to solve the underlying issues. The structure is now simpler and thus less exposed to future errors. This allows DG MOVE to consider that there should not be any significant undetected errors and to build the necessary degree of assurance as regards the legality and regularity of the payments made to the SDM.

SES Advisory Bodies

The SES initiative establishes a regulatory framework that includes common binding rules on Air Traffic Management (ATM) safety, on ATM services, on airspace management and on interoperability. That framework includes a technological pillar, 'SESAR project' (Single European Sky ATM Research) that is managed through the eponymous Joint Undertaking. The 2009 revision of the regulations introduced a performance scheme, a revised charging scheme and the requirements for functional airspace blocks. It also created support bodies to the SES: the Network Manager⁴¹ (NM) that performs the design of the European Route Network and the coordination of air traffic resources and the Performance Review Body (PRB)⁴² that assists the Commission in the implementation of the SES performance and charging schemes.

Eurocontrol was appointed as the Network Manager for the SES until the end of 2019 and was re-appointed for the period 1 January 2020 - 31 December 2029⁴³. It addresses performance issues strategically, operationally and technically. Its overarching mission is to contribute to the delivery of the ATM's performance in the pan-European network in the areas of safety, capacity, environment/flight efficiency and cost-effectiveness. The European ATM network includes all the European Union's and Eurocontrol's 41 Member States, as well as other states that have concluded bilateral agreements with the NM.

⁴⁰ The RER is calculated on the base of the audits carried out on SGA1 to 4, for which reliable and sufficient data sets exists.

⁴¹ Commission Regulation (EU) No 677/2011

⁴² Commission Implementing Regulation (EU) No 390/2013

⁴³ Commission Implementing Decision (EU) 2019/709.

The PRB is an expert group of the Commission and made-up of nine members, including a chair. Eurocontrol and EASA collect performance data that is in a pre-analysed form used by the PRB. The PRB assists the Commission and national supervisory authorities in the implementation of the performance scheme for air navigation services. The PRB cooperates with the European Aviation Safety Agency in the performance of its tasks when they relate to safety.

The Commission appointed three new PRB members in May 2021, following the publication of an application notice, and the mandate of 6 members was renewed. The current mandate of the PRB runs from 2021 until 2023. An open call was published in September 2021 for a new framework contract to deliver support to the PRB in the execution of their tasks.

In 2021, payments made in this respect totalled EUR 7.14 million.

The control activities performed with respect to the PRB in 2021 included the following:

- Weekly Coordination Group meetings;
- Regular contract management meetings;
- Financial checks in accordance with the established financial circuits;
- Ensuring that operational results from this project are of good value and meet the objectives and that the related financial operations comply with regulatory and contractual provisions;
- Operational authorisation by AOSD.

In addition, performance monitoring results undergo a validation with the Member States.

These support actions are implemented through service contracts and are considered as low risk regarding legality and regularity. Moreover, the individual amounts are relatively limited. No ex-post audits are performed as the costs of such controls would exceed the potential benefits.

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

Other Operational Expenditure

This segment represents an array of diverse initiatives, including directly managed procurements servicing the activities (studies, specific contracts, etc.) as well as Administrative agreements with other EU institutions. These activities are considered as low-risk, due to the nature of the transactions (procurements) or of the beneficiaries (other EU Institutions).

Cross sub-delegations

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

In 2021, DG MOVE gave cross sub-delegations to DG DIGIT, DG GROW, DG REGIO, DG COMM for the following amounts and purposes:

- To DG DIGIT: EUR 6.01 million of commitment appropriations from CEF Transport were committed for works related on eGrants, SEDIA and eProcurement as well as other technical expertise, with no payments in 2021.
- DG COMM: EUR 0.68 million from CEF transport were committed, but with no payment yet for a contribution to the corporate communication activities in 2021.
- DG GROW: EUR 0.19 million were committed for a study related to the use Europe's single emergency number for serious road accidents. No payments were made in 2021.
- DG REGIO: EUR 5.5 million were committed for support activities related to JASPERS, with EUR 2.75 million of pre-financings made in 2021.

Indirect management and direct management by other services

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

- Co-delegations;
- The CINEA Executive Agency;
- Joint Undertakings (SESAR JU and S2R JU);
- Decentralised Agencies (EASA, EMSA, ERA);
- The European Investment Bank (for financial instruments)

For all these cases, DG MOVE's supervision arrangements are based on the principle of controlling 'with' the relevant entity. For details, please refer to Annex 7, section on indirect management.

Co-delegations

The Commission may delegate powers concerning a given budget line to one or more authorising officers by delegation, i.e. various AODs are responsible for the same item of expenditure, but each one for a specific type of transaction. Being Commission services

themselves, these DGs are required to implement the appropriations subject to the same rules, responsibilities and accountability arrangements as DG MOVE. In 2021, there were not payments made through co-delegations.

CINEA

Under the new Multi-annual Financial Framework 2021-2027, on 1 April 2021, the Innovation & Networks Executive Agency (INEA) became the European Climate, Infrastructure and Environment Executive Agency (CINEA). DG MOVE is the leading DG and here are six other parent DGs (ENER, R&I, CLIMA, ENV, MARE and REGIO).

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

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

As to DG MOVE, the Agency mandate covers the transport part of CEF programme and the transport part under the Horizon Europe programme (including the H2020 legacy) The Agency implements, in the framework of CEF, the SESAR related trans-European air traffic management (ATM) network projects. DG MOVE defines the policy, the strategic objectives and the priority areas of action while CINEA manages the entire project life cycle, communicates and interacts with beneficiaries and gives key feedback to DG MOVE. DG MOVE is responsible for implementing the supervision and monitoring arrangements towards CINEA regarding DG MOVE delegated programmes.

In 2021, DG MOVE contributed EUR 45 million to the Agency's running costs in commitments from which EUR 39.21 million were actually paid. CINEA has duly justified the use of the subsidy and any unused appropriations will be recovered by the parent DGs.

No commitments were transferred for CEF and Horizon 2020 in 2021. For the newly delegated EU programmes (MFF 2021-2027, as of 1 April 2021), DG MOVE will only be responsible for the transfers to CINEA concerning the CEF. The commitments transferred were in total EUR 3.42 billion.

Supervision arrangements

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

The working relations between the Parent DGs and CINEA for all delegated programmes are defined through Memorandums of Understanding (MoUs). A general MoU including the General provisions, common to all Agencies and Parent DGs, and sectorial provisions specific to each delegated programme is currently under finalisation. The sectorial MoUs are being agreed between each DG and CINEA and the ones for CEF, LIFE and EMFAF already in force. In their supervision of CINEA, the Parent DGs review in particular the objectives and performance indicators in the Annual Work Programme in accordance with the Delegation decision and the MoU.

DG MOVE Director-General held monthly meetings with CINEA's Director on the Agency's governance and programme management. These meetings ensure a timely exchange of information on the assurance and supervision matters, and reinforce the coordination on common issues. In 2021, a CINEA Budget and Finance Network was set up, where representatives both from parent DGs and DG BUDGET discuss finance and budget matters with CINEA. Finally, in 2021 regular meetings took place between the other Parent DGs and CINEA on the implementation of the respective programmes.

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

Under the Council Regulation on Executive Agencies, the Commission conducts an evaluation of the Agencies every three years and submits the evaluation report to the other EU institutions. The remaining INEA evaluation concerning the period from January 2017 until March 2021 will start soon as part of the evaluation of all agencies.

Additional sources of assurance

CINEA reports on the implementation of budget in its own Annual Activity report. According to the draft 2021 report, most of the KPIs have met their target. For the two that remained very closely below the target, the reasons were due to unavailability of credits and procedural issues in the transferring of EASME programmes. CINEA's Management considers that suitable controls are in place and working as intended. In addition, the residual error rate for the CEF Transport is 0.59%, while for Horizon 2020, the residual

error rate is calculated at 1.83%⁴⁴. As regards the implementation of the operating budget, the residual error rate is estimated at 0.5%, significantly below the target of 2%.

However, it should be noted that the residual error rate for the CEF Energy programme was estimated at 2.53% in 2021, which is above the materiality threshold of 2% for the multi-annual period. Since this programme does not meet the cumulative criteria to fall within the 'de minimis rule' (⁴⁵), the Agency has issued a quantifiable reservation. An Action Plan has already been developed and is under implementation to mitigate the risk of further errors occurring and reduce the residual error rate to within tolerable limits. This reservation is not related to actions falling within the remit of DG MOVE.

Consequently, CINEA's Director, in his capacity as AOD, has signed the declaration of assurance albeit qualified by a reservation concerning the CEF Energy sector residual error rate.

The audits of the IAS and of ECA provide additional elements of assurance. DG MOVE follows closely the proceedings and conclusions of their audits concerning CINEA primarily.

Concerning the IAS work, in 2021, seven assurance engagements were relevant to CINEA. A number of recommendations (none of them critical and only one very important deriving from a 2020 audit (⁴⁶)) were the object of dedicated action plans agreed with the IAS. Some of these recommendations were implemented by the Agency throughout 2021 and the remaining ones will be put into effect in 2022. With regards to the very important recommendation, it was successfully implemented as attested by the dedicated IAS follow-up audit.

ECA found the 2020 annual accounts presented fairly, in all material respects, the financial position of the Agency, the results of its operations, its cash flows, and the changes in net assets. No important or critical shortcomings were identified. Furthermore, the Agency provided support to its parent DGs in the context of five ECA special audits and one review.

Conclusion

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

⁴⁴ For H2020, the error rate is established within the range of 2%-5%.

⁴⁵ According to DG BUDG guidelines, since 2019, quantified reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of the Agency's total payments and with a financial impact below EUR 5 million. In such cases, reservations in AAR are no longer needed.

⁴⁶ In the context of the IAS audit on the "Effectiveness of the design and of the implementation of the ex-post control strategy for the CINEA"

Joint Undertakings (JU)⁴⁷: SESAR 3 JU and Europe Rail JU

DG MOVE is responsible for the SESAR 3 Joint Undertaking (S3JU), a public-private partnership developing operational and technical improvements for the modernisation of the European and global air traffic management system.

DG MOVE is also responsible for the Europe Rail Joint Undertaking, established under Horizon 2020, whose objective is to provide a platform for pooling together and better coordinating research and innovation efforts in the rail sector.

For both JUs, the duration of the delegation was foreseen until 31 December 2024.

Following adoption on 19 November 2021 of the Single Basic Act⁴⁸ (SBA) establishing the new generation JUs under Horizon Europe, SESAR 3 JU and Europe's Rail JU become the legal successors of SESAR JU and Shift2Rail JU (S2R JU). The new JUs are set up as Union bodies for the period ending on 31 December 2031 and financed under the new Multiannual Financial Framework until 2027.

Preparatory discussions with the new generation JUs on the financial framework partnership agreement (FFPA) under Horizon Europe have started and are expected to be concluded early 2022. The FFPA will set up the framework for the S3JU to receive EU funds and will be signed once for the duration of the entire partnership (2021-2031).

DG MOVE plays a key role in the monitoring of the JUs and relies on the JUs to achieve their policy objectives. DG MOVE is a member of the Administrative Board (SESAR JU) and Governing Board (S2R JU).

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

In December 2017, DG MOVE adopted a strategy on DG's relations with decentralised agencies and JUs. It encompasses governance, core businesses, management and financial issues to ensure that the necessary processes are in place. It clarifies roles and responsibilities, internal coordination and aligns JUs with key EU political priorities.

The supervision strategy is implemented through a regular follow-up of the JUs' businesses, management and financial issues. A risk profile is established for each entity.

⁴⁷ Ex-Article 185 initiatives – Article 71 of the Financial Regulation.

⁴⁸ Council Regulation (EU) 2021/2085 of 19 November 2021 establishing the Joint Undertakings under Horizon Europe and repealing Regulations (EC) No 219/2007, (EU) No 557/2014, (EU) No 558/2014, (EU) No 559/2014, (EU) No 560/2014, (EU) No 561/2014 and (EU) No 642/2014

These elements have been regularly updated in 2021 and are closely followed by Senior Management with regard to the higher level risks.

- ***The Single European Sky Air traffic management Research Joint Undertaking (SESAR JU) and its legal successor The Single European Sky Air traffic management Research 3 (S3JU)***

In 2021, the Single Programming Document of the SESAR JU for the 2021-2023 period was adopted by the Administrative Board. It provides multi-annual (2021 to 2023) and annual (2021) programming components and forms the multi-annual and annual work programmes of the SESAR JU.

While SESAR JU was set up under Article 70 of the Financial Regulation, its legal and universal successor, SESAR 3 JU, is set up under Article 71 of the Financial Regulation. The new JU does not require the adoption of a Single Programming Document but of an Annual Work Programme. Consequently, at the end of 2021, following the adoption of the Single Basic Act (SBA) establishing SESAR 3, the 2022 Annual Work Plan was limited to the H2020 administrative and operational commitments to be incurred in 2022. In 2021, DG MOVE did not provide additional H2020 commitment appropriations since under the previous MFF 2014 – 2020 the JU was financed until 2020. The amount paid to the JU in 2021 amounted to EUR 41.29 million. The SESAR JU execution rates were 92.61% for commitment appropriations and 92.59% for payment appropriations. The vacancy rate was 7.5%.

Under the Horizon Europe programme, the 2021 commitment appropriations (EUR 40million) and payment appropriations (EUR 20 million) have been carried over to 2022, in accordance with Articles 12(2)(b) and (c) of the Financial Regulations.

Supervision

The SESAR JU Founding Regulation⁴⁹ and General Agreement define the governance and supervision requirements.

The Commission, represented by DG MOVE, supervises the SESAR JU through its participation in the Administrative Board (the main governance body, chaired by DG MOVE) and through specific arrangements. DG MOVE participates directly (in many cases with an effective veto right) in all the decisions affecting the budget, accounts, staff and performance of the JU. In order to establish the Commission's position in the Administrative Board, relevant documents are evaluated by DG MOVE's unit in charge of the Single European Sky (SES) in cooperation with several other Commission services.

With the setting up of the S3JU as from 30/11/2021, the overall governance and supervision arrangements remained the same (NB: the Administrative Board of the SESAR JU became a Governing Board, which met for the first time on 14/12/2021).

⁴⁹ Reg. (EC)219/2007

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

The SESAR JU is audited (like other EU bodies) by the IAS and by ECA. Moreover, audit issues are further coordinated through the Permanent Audit Panel assembling all the auditing bodies of the SESAR JU, to which DG MOVE participates. At the end of 2021, there were no open critical or very important recommendations stemming from audits performed by ECA, the IAS, evaluations or the Internal Audit Capability.

The SESAR JU is subject to a standard ECA audit to ensure the adequacy of its control arrangements. ECA found that the 2020 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

One of ECA's observations related to the very high amount of cash contributions for the SESAR 1 programme which at the end of 2019 amounted to EUR 30.77 million. Following the adoption (in October 2020) of the Decision 09-2020 by the SESAR JU Administrative Board, DG MOVE recovered the amount of EUR 23.99 million corresponding to the share of the EU financial contribution by SESAR 1 that was in excess of its needs. The bi-lateral agreements foreseen in the Administrative Decision to be signed with all Members other than the EU were sent to the Members in November 2020. On 31 December 2021, all payments were done to the Members. Consequently, the SESAR 1 programme closed.

ECA noted that the additional Connecting Europe Facility funds of six million euro under the U-Space Delegation Agreement (second and final instalment) received by the JU from DG MOVE were not entered into the 2020 budget by means of an amending budget, nor had the JU considered them when planning actual needs for the respective budget. The JU acknowledged the observation and informed ECA that the activity was monitored and reported on by way of yearly Implementation Reports and in the 2020 Annual Activity Report.

In 2020, the IAS assessed the adequacy of the design and the efficiency and effectiveness of the internal control system in place in SESAR JU for the implementation of grant agreements under Horizon 2020. The audit concluded that the internal controls put in place by the JU for the implementation of grant agreements under Horizon 2020 were overall adequately designed and efficiently and effectively implemented. The IAS identified room for further improvement in adapting ex-ante controls to the projects' different risk levels, monitoring dissemination, exploitation and communications obligations, definition and documentation of roles, and reporting on key indicators. Four recommendations were issued. SESAR JU prepared the action plan to mitigate the identified risks. Following this, IAS performed in 2021 a follow-up audit of open recommendations, which concluded that all recommendations were adequately and effectively implemented and consequently were closed.

Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems, which could have a material impact on assurance.

• *The Shift2Rail Joint Undertaking (S2R JU) and its legal successor Europe's Rail JU*

The core objective of the Shift2Rail Joint Undertaking is to enable a faster and cheaper transition to a more attractive, competitive, efficient, integrated and sustainable European rail system, thereby supporting the achievement of the Single European Railway Area and the competitiveness of the rail sector as a whole. It brings together the coordination, programming and execution of rail-related research and innovation activities under the responsibility of a single, dedicated structure.

S2R JU aimed at ensuring a significantly higher leverage effect of EU funds by making EU funding (of up to EUR 450 million between 2014-2020) conditional to firm financial commitments from the rail industry (of at least EUR 470 million between 2014-2020).

The JU achieved its operational and financial autonomy in 2016 and the subsequent delegation agreement was signed between the Commission and the JU in May 2016. In 2021, DG MOVE did not provide additional commitment appropriations. The amount paid to the JU in 2021 reached EUR 41.45 million.

Under Horizon Europe programme, the 2021 commitment appropriations (EUR 73 million) and payment appropriations (EUR 13 million) have been carried over to 2022, in accordance with Articles 12(2)(b) and (c) of the Financial Regulations.

Supervision

As an EU body under Article 71 of the Financial Regulation⁵⁰, S2R JU functions under strict monitoring rules. The main JU's bodies are the Governing Board (in charge of strategic decision-making) and the Executive Director (responsible for day-to-day management). Monitoring is performed through the supervision of the Governing Board (in which the Commission holds 50% of voting rights, corresponding to a blocking vote).

The Commission chairs the S2R Governing Board. The supervision of the S2R JU is ensured through a regular involvement of the Commission in the usual planning and reporting of the JU (budget request, calls' definition, financial planning, Annual Work Plans). Any decision taken by the Governing Board (incl. on budget, staff, etc.) is subject to the consultation of an inter-service group within the Commission.

The coordination between DG MOVE and the JU's Executive Director is organised on a monthly basis. Moreover, quarterly coordination meetings between DG MOVE, the European

⁵⁰ Official Journal of the European Union, L 193, 30 July 2018.

Railway Agency (ERA) and S2R JU are organised. In addition, responsible staff in DG MOVE contact S2R JU on a daily basis in case of specific needs (preparation of key documents, meetings, etc.). Updates on administrative issues (incl. staff and budget) and the progress on the pipeline of projects are regularly presented to the Governing Board. All S2R JU reports and decisions are scrutinised by the Parent DGs and by DG MOVE in particular as the lead service. A set of key performance indicators were identified and used in the JU's Annual Report.

With the setting up of the EU Rail JU as from 30/11/2021, the overall governance and supervision arrangements remained the same (the Governing Board met for the first time on 21/12/2021).

The S2R JU is audited (like other EU bodies) by the IAS and by ECA to ensure the adequacy of its control arrangements. ECA found the 2020 annual accounts present fairly, in all material respects, the financial position of the JU, the results of its operations, its cash flows, and the changes in net assets.

ECA noted that only a few of the Governing Board (GB) members duly submitted the information on conflict of interest (CoI), none submitted the conflict of interest declarations and only half of the CVs could be published by the end of 2020. The JU took measures to address the problem and follows up on the submission of the documents by the GB members.

Finally, following an ex-post audit report performed by the Commission's Common Audit Service at the end of 2020, a finding in respect of the absence of the beneficiary's validation procedure for hours declared was identified, without financial adjustments required. The observation is being addressed by the JU.

In 2021, the IAS Audit on H2020 grant implementation and closing has started and will continue in 2022. No audit results are available yet. All audit recommendations from previous years have been properly addressed and implemented (as reported in the JUs 2020 AAR).

The observations made do not impair the assurance received from the JU.

Conclusion

DG MOVE's involvement in the governance of the entrusted entity through the Commission participation did not identify any events, issues or problems, which could have a material impact on assurance.

Decentralised Agencies: EASA, EMSA, ERA

DG MOVE is a parent DG for three decentralised agencies:

- The European Aviation Safety Agency (**EASA**) is based in Cologne (DG MOVE paid in 2021 a subsidy of EUR 38.95 million). The main objective of EASA is to maintain a high uniform level of civil aviation safety in Europe and to ensure the proper functioning and

development of civil aviation safety. This is achieved through opinions and recommendations to the Commission, certification specifications and guidance material, decisions regarding airworthiness and certifications of aviation products and the oversight of approved organisations and EU Member States. In addition to the subsidy, DG MOVE awarded several grants to the Agency in support of its actions in key policy fields. These grants are considered as low risk given the nature of the actions and of the beneficiary. In 2021, the IAS carried out its follow-up of outstanding recommendations from past audits and concluded that all followed-up recommendations were properly implemented.

- The European Maritime Safety Agency (**EMSA**) is based in Lisbon (DG MOVE paid in 2021 a subsidy of EUR 84.79 million). EMSA provides technical assistance and support to the European Commission and Member States to ensure maritime safety, maritime security, efficiency of maritime traffic and transport, prevention and response to pollution from ships, response to marine pollution from oil and gas installations. It has also been given operational tasks in the field of oil pollution response, vessel monitoring and in long-range identification and tracking of vessels. In addition, EMSA cooperates with Frontex and the European Fisheries Control Agency (EFCA) on coast guard functions.
- The European Agency for Railways (**ERA**), based in Valenciennes (DG MOVE paid in 2021 a subsidy of EUR 27.76 million), provides technical assistance to the Commission and Member States in the area of railway safety and interoperability. It involves the development and implementation of Technical Specifications for Interoperability and a common approach to questions concerning railway safety. The Regulation (EU) 2016/796 of the European parliament and of the Council (into force since June 2016), provides ERA with new authorisation and certification tasks. Since June 2019, ERA acts as an EU body for rail vehicle authorisation and single safety certification.

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

Supervision

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

In 2017, DG MOVE adopted the strategy on the DG's relations with decentralised agencies and JUs. This mechanism covers the relation between DG MOVE and its partner agencies and joint undertakings. To ensure supervision and monitoring, DG MOVE is involved in numerous contacts at working level, coordination meetings, providing opinions on

annual/multiannual work programmes, draft budget, staff policy plan and reporting. Whenever necessary, bilateral meetings between DG MOVE and the Agencies are organised. In addition, DG MOVE is involved in the audit and discharge procedures of the three agencies.

The agencies have full responsibility for the implementation of their budget, while DG MOVE is responsible for the regular payment of the contributions established by the Budgetary Authority. The working arrangements with the agencies have been clarified by either Memoranda of Understanding or working methods of the committees which were set up by each agency with the objective to advise the Administrative/Management Boards on all issues related to drafting and implementation of the budget as well as staff-related issues within the Agencies. DG MOVE is also represented in the meetings of these committees, which take place prior to the Administrative/Management Board meetings.

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

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

DG MOVE closely monitors the risks identified in the framework of its supervision of ERA, EASA, and EMSA. In 2021, the key risks related to budgetary matters, to the implementation of the interagency agreements and to the fees and charges schemes were identified. Appropriate actions were taken to mitigate these risks.

Audits by the IAS

By the end of 2021, EASA did not have critical or very important recommendations from audits by the IAS. Only two actions remain in progress from the last report issued by the IAS in 2020 for actions planned in connection with the IAS. At the end of 2021, no critical or very important recommendations from the IAS addressed to EMSA were still open or subject to the auditors review.

The IAS audit report on data management and IT security addressed to ERA four very important recommendations concerning data governance framework, data interoperability and quality, data and IT security, and resilience and disaster recovery plan. ERA accepted all recommendations and established an action plan to mitigate the identified risks by end of 2023.

Audits by the European Court of Auditors (ECA)

In the Declaration of Assurance 2020, ECA found the annual accounts of EASA, EMSA, and ERA legal and regular in all material aspects and that they present fairly in all material

respects the financial position of the Agencies.

ECA addressed several observations to EASA and recommended the Agency to improve its IT financial systems and the design of framework contracts to allow fair competition and ensure value for money. It acknowledged that in 2020 additional measures were put in place to introduce electronic processing at different stages of the procurement.

As regards EMSA, ECA noted that 11% of payments were made beyond the prescribed timeframes in 2020. Higher levels of delays were observed in 2019, 2018 and 2017. Most late payments concerned the reimbursement of travel costs for participants to workshops. The Agency took measures to address the problem and follows up on the delay of payments on a monthly basis.

ECA addressed to ERA an observation on framework contract procedures (not sufficiently detailed contractual and financial data); the inclusion of SME criteria in Fees and Charges is also being addressed.

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

Audits by EASA Internal Audit Capability

The very important recommendations from EASA Internal Audit Capability service are still open.

Conclusion

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

The EIB for CEF Debt instruments

The CEF debt instrument (CEF DI) aims to facilitate greater private sector involvement in the long term financing of transport, energy and telecommunication projects. The objective is to contribute to Trans-European Network (TEN) goals by addressing market failures. DG MOVE uses innovative financial instruments for leveraging⁵¹ EU investment.

The CEF DI implementation has been running since July 2015, when the Delegation Agreement (DA) with the European Investment Bank (EIB) was signed⁵² and they become the entrusted entity for the implementing tasks of this financial instrument (debt) under the Connecting Europe Facility Regulation (EU) 1316/2013.

⁵¹ The EC contribution contributes to cover present or future first losses on a portfolio of operations. The amount of the contribution is invested in an asset portfolio and serves as a collateral for the loans supporting the investments.

⁵² According to the latest DA for CEF DI, the EIB shall be responsible for managing the financial instruments in accordance with the Legal Basis, the Financial and Administrative Framework Agreement (FAFA) and the DA, in particular supporting projects aligned with the TEN-T policy eligible under the CEF regulation.

All operations under the CEF DI are supported by a risk sharing mechanism with the EIB where the EU takes 95% to 100% of the first loss piece (FLP) of the portfolio of such operations (100% only in the case of non-securitised financing).

The CEF DI (both the products and budget) has been used effectively to deliver projects of EU added value. By the end of 2021, the CEF DI portfolio (including the legacy LGTT and PBI instruments) has grown to 23 active projects in 10 Member States for a total investment realised of EUR 14.9 billion. In 2021, new contributions to the CEF transport portfolio amounted to EUR 31 million.

The CEF DI (both the products and budget) has been used effectively to deliver projects of EU added value. By the end of 2021, the CEF DI portfolio (including the legacy LGTT and PBI instruments) has grown to 24 active projects in 10 Member States for a total investment realised of EUR 14.9 billion. The instrument continued its roll-out in 2021 with the signature of two operations bearing on the deployment of battery trains and on the greening of airport infrastructure. In parallel, the pipeline under the high-risk "Future Mobility" product remains strong, covering various sectors contributing to the transition to green and sustainable mobility (including Mobility-as-a-Service, autonomous vehicles, electric vehicles and associated charging infrastructure, waterborne transport as well as H2 trains).

Governance and supervision arrangements

The bi-annual Steering Committee between the Commission (DG MOVE, DG ENER, DG CNECT, DG CLIMA and DG ECFIN) ended in 2020 with the end of the commitment period. Regular contacts take place with the EIB on the pipeline of projects for the financial instrument (including through to the formal pipeline report submitted twice a year) on the objectives in terms of policy prioritisation use of NER 300 funds, and on state of advancement of specific projects or leads. It includes the policy check of the new operations proposed by the EIB (based on checklist) in coordination with DG CLIMA for the assessment of eligibility to NER300 fund contributions.

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

Managing risk exposure

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

Support from the NER300 Programme

In 2021 the roll-out of the CEF debt Instrument to support green mobility projects continued and the pipeline of operations remains strong.

All contributions to the Financial Instrument become an integral, non-divisible and jointly and severally liable part of the respective portfolio (CEF Debt Portfolio and the NSF Portfolio). Consequently, the NER300 Programme unspent funds contributed to CEF DI will participate, pro-rata with the other contributions, in the risk and revenue sharing and asset management arrangements.

EIB manages NER300 Programme funds through an ad-hoc fiduciary account, and reports on the amounts attributable to that contribution in the notes to the CEF DI financial statements.

Financial Data

The Asset portfolio generated a negative economic result. DG MOVE’s share in this economic result, as reported by the unaudited financial statements, amounted to EUR (0.5) million. This result is due to unrealised loss of EUR (6.6) million, which stems out of the evolution of the fair value of the portfolio after revision of the accounting policies.

Economic result of the CEF Debt Instrument (Share attributable to DG MOVE)

DG MOVE share of results in portfolio	2021 (in EUR thousand)
Remuneration received for guarantee given	5 606
Fair value change of financial asset	
Other operational and financial revenue (Restatement of fees from 2020)	+1439
Fees paid to EIB	-917
Net portfolio income	-6 629
Realised losses	0
Economic result	-501

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

DG MOVE’s share in the net assets of the funds at year-end was EUR 627.93 million.

The underlying debt portfolio is, by nature, exposed to creditor risk that is covered by the FLP mechanism. There was no significant change in that respect in 2021.

The EIB deploys specific fraud prevention and detection processes and reports directly to OLAF. In 2021, the EIB’s Inspectorate General reported no fraud case related to CEF operations.

Assurance received

The EIB provided its financial statements and management declaration on 15 February 2022. The declaration covers the EU funds engaged in the current financial instruments and the unaudited statements for 2021. The EIB gave reasonable assurance that:

- the information set out in the Financial Statements was in accordance with the accounting principles and is complete and accurate;
- the funds contributed by or on behalf of the Commission had been used for the intended purposes;

- the EIB had applied a professional degree of care and diligence to the management of the Financial Instruments;
- the control systems and procedures put in place provided reasonable assurance as to the legality and regularity of the related financial operations.

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

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

Conclusion

DG MOVE's supervision of the financial instruments did not identify any particular issues that would need to be included in this report. Consequently, DG MOVE considers that their supervision is effective and appropriate.

b) Fraud prevention, detection and correction

The current DG MOVE anti-fraud strategy covers the definition of fraud, potential fraud risks in DG MOVE's activities and its environment; main objectives and measures for the period of 2021-2027; roles and responsibilities for antifraud actions; and finally provisions for implementation, monitoring and updates.

In 2021, 17 actions out of 20 were implemented. Continuous actions are organising the fraud prevention capability, the cooperation with the OLAF, staff awareness (internal control newsletters, training, newcomers' event) or the participation in the different networks. Specific actions aim at building cooperation mechanisms or improving the scrutiny of potentially riskier activities. The two remaining actions are related to programmes that are still in their inception phase, or are delayed due to the constraints resulting from the COVID 19 crisis, in particular the requirement to retain extended remote working arrangements.

The implementation of the anti-fraud strategy is regularly monitored and reported to senior management (progress of antifraud actions is tracked since December 2020 through performance indicators from the Internal Control Monitoring Criteria).

DG MOVE also contributes to the Commission anti-fraud actions. In addition to the actions mentioned above, it monitored and followed up OLAF requests and recommendations, maintained a local anti-fraud correspondent function and participated in the peer reviews chaired by OLAF.

State of implementation of the anti-fraud indicators mentioned in the Strategic Plan 2020-2024

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy ⁵³ aimed at the prevention, detection and correction ⁵⁴ of fraud			
Indicator 1: Implementation of the actions included in DG MOVE Anti-Fraud strategy over the whole strategic plan lifecycle (2020-2024)			
Source of data: DG MOVE annual activity report, DG MOVE antifraud strategy, OLAF reporting			
Baseline (2020)	Target (2024)		Latest known results (2021)
95%	100% of actions implemented on time		95% of the actions planned for and achievable in 2021 were implemented, representing 85% of all actions for 2020-2024
Indicator 2 : Update of DG MOVEs Anti-Fraud strategy on the basis of the methodology elaborated by OLAF			
Source of data: OLAF guidelines			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2021)
Date of the last update: 2017	AFS strategy revised in 2020 and 2022	The Action Plan accompanying the Anti-Fraud Strategy will be updated every two years. The Anti-Fraud Strategy will be revised no later than 12 months after major changes in the Commission approach or in the fraud environment of DG MOVE.	Both the antifraud strategy and the accompanying action plan was revised in 2020. A revised action plan will be issued in 2022.

State of implementation of the anti-fraud indicators mentioned in the Management Plan 2021

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS) ⁵⁵ aimed at the prevention, detection and correction ⁵⁶ of fraud			
Main outputs in 2021:			
Output	Indicator	Target	
Awareness raising campaign	% of staff reached through workshops, conferences or other direct methods	> 80%	> 80%
	% of newcomers completing mandatory training on Ethics	> 90%	Newsletters and webinars are available to 100% of staff

⁵³ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan

⁵⁴ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

⁵⁵ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM(2019) 176 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD(2019) 170 – 'the CAFS Action Plan'.

⁵⁶ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

			Data is not available from the HR BC. Trainings have been organised and the target group was fully invited
Reporting to management	Number of reports on the implementation of the antifraud strategy	At least two times per year	3 x (Control Boards)
Implementation of Anti-fraud Action Plan items, as planned for 2021	% of implementation	100% by December 31, 2021	95% of the actions planned for and achievable in 2021 were implemented, representing 85% of all actions for 2020-2024

c) Other control objectives

Safeguarding of assets and information

DG MOVE is a delegated service for the Management of the CEF Debt Instrument. The management of these financial instruments was, as discussed above, delegated to the EIB. The off balance sheet postings include contingent liabilities that correspond to the guarantees given under the 'first loss piece mechanism' for the CEF financial instruments. The CEF facility receives an operational revenue to remunerate the underlying risks. As of 31 December 2021 these guarantees amounted to EUR 572.1 million. The increase is due to the evolution of the underlying fair value of the bond portfolio and, as regards the NSF portfolio, to the adoption a new accounting rule (EAR 11), that introduced the forward-looking 'expected credit loss' model. No significant losses were reported in this respect.

Reliability of reporting

DG MOVE implements a significant part of its budget through indirect management. It therefore relies on the reports and accounts provided by the relevant implementing bodies and considers that overall the reporting received was considered reliable and adequate for drawing assurance conclusions.

The SESAR Joint Undertaking for the implementation of the Single European Sky initiative

The statutory information received in 2021 from SESAR JU included its AAR, the annual work programme and budget for 2021 as well as the single programming document for 2021 (including the multi-annual work programme, the budget, staff allocation and annual work programme).

This information was deemed adequate for drawing assurance conclusions and was also considered reliable. Assurance in this respect is drawn from an analysis of these reports as

well as from ECA report on the 2020 accounts of SESAR JU and from the relevant IAS reports.

Besides, DG MOVE attends every meeting of SESAR Permanent Audit Panel and attaches, as chair of the SESAR Board, a particular attention to a strict follow-up of the IAS and ECA recommendations.

[The S2R Joint Undertaking for the implementation of the H2020 Research and Innovation activities in the rail sector](#)

Statutory information received from the implementing body included its AAR, the annual work programme and budget for 2021, in addition to the multi-annual work programme.

All S2R JU reports and decisions are scrutinised by the Parent DGs and by DG MOVE in particular as lead-service. Updates on administrative issues and the progress on the pipeline of projects are regularly presented to the Governing Board. Moreover, a set of key performance indicators were identified and used in the JU's Annual Activity Report.

S2R JU is subject to standard ECA audits on its operations and accounts.

In conclusion, the statutory information was considered adequate for drawing assurance conclusions and was considered reliable.

[The European Investment Bank for the CEF DI instruments.](#)

Statutory information received during the reporting period includes the annual reports and the financial statements for the financial year 2021. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies these documents and from the independent audit report that covers them.

DG MOVE received the EIB annual reports, declaration of assurance and the financial statements in February 2022 for the financial year 2021 as defined in the CEF Debt Delegation Agreement. The audit report did not include any major observation

[CINEA](#)

Statutory information received during the reporting period includes the work plan, budget planning, regular reporting and the AAR. CINEA has a close working relation with DG MOVE. The management information received from this body is considered as sufficient and reliable. Assurance in this respect is drawn from the declaration of assurance that accompanies the AAR and from audit results. The statutory and management information received is compliant with applicable guidance, reliable and allows for drawing adequate assurance conclusions.

[Decentralised Agencies](#)

EASA, EMSA and ERA have a clearly established governance set-up, and are autonomous from the Commission. DG MOVE is a member of the Administrative Board (ERA, EMSA) /

Management Board (EASA). Regular reporting and extensive informal and formal contacts are in place.

The agencies are responsible for the implementation of their budget and are subject to a separate Discharge process, while DG MOVE is responsible for the settlement of the EU contributions established by the Budgetary Authority.

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

2. Efficiency

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

- Timely payment (Article 116.1 FR)

For 2021, 100% of the 457 payments made by DG MOVE were made on time.

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

In 2021, DG MOVE concluded seven grants to identified beneficiaries, for which these indicators are not relevant. It also launched one call for proposal, resulting in a single application, for which time-to inform was not relevant and the time to grant was 237 days.

- Performance of ex-post audits

DG MOVE maintains a limited ex-post audit function that operates a risk based yearly audit plan. The implementation of the 2021 audit plan was satisfactory as the remote audit strategy allowed to perform the audits remotely. The level of implementation of the audit plan at year end is estimated at 91% of the initial plan.

As regards the implementation of audit corrections, seven audit reports were processed in 2021. Furthermore, eight audit recoveries of prior years were closed.

3. Economy

DG MOVE updated its assessment of the cost of control in 2021. The situation remains, overall, stable.

Direct management

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

Cost of control – Direct management

Estimates based on the cost of FTEs, per relevant control system	Directly Managed grants – Research and Innovation	Directly manages grants - CEF Support Actions	Directly Management grant SDM	Directly Managed operational expenditure (procurements, administrative agreements)
Payments made in 2021	EUR 0.1 million	EUR 14.25 million	EUR 1.9 million	EUR 37.5 million
Cost controls	7.15 FTE EUR 1.03 million	5.12 FTE EUR 0.75 million	2.6 FTE EUR 0.38 million	21.5 FTE EUR 3.1 million
Total cost/funds ratio	Not representative	5.2%	19.7%	8.3%

The indicator related to the FP7 and H2020 research grants is not representative due to the low amount of new payments. The relatively high cost of control covered more than the minimal amount of expenditure directly managed by MOVE in that field. These controls also contributed to the coverage of the H2020 and Horizon Europe transport projects managed in particular by CINEA as well as the more general programme management aspect.

The cost of controls of the CEF Programme Support actions and of SDM framework partnership (grants under direct management) are proportionate to the needs. The main cost drivers in this respect are the complexity of the action, the number of partners and, for the SDM, the need to maintain systematic ex-post controls. The indicator is also affected by the low amount of new payments at this stage of the SDM partnership agreements.

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

Indirect management

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

Indirect management - Cost effectiveness ratio

	Indirect Management SESAR JU	Indirect Management S2R JU	Budgetary Support ERA, EMSA and EASA
Payments made in 2021	EUR 41,28 million	EUR 41.45 million	EUR 152,5 million (subsidies) + EUR 1.89 million (specific grants)
Cost of Control	EUR 0.35 Million	EUR 0.27 million	EUR 0.99 Million
Total cost/funds ratio	0.8%	0.7%	0.6%

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

Cost of control at DG and at entrusted entities level

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

Indirect management – Cost of control at entity level

Entity	Cost of control in EUR million	Comment
SESAR JU	EUR 1.33 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls remained stable, at EUR 1.33 (1.31 in 2020) million of which EUR 1.14 million for ex-ante controls.
S2R JU	EUR 0.60 million	The JU is responsible for the design and deployment of its controls and for the issuance of its own annual report. The cost of controls performed remained stable at EUR 0.6 million (0.59 in 2020), of which 0.56 million for ex-ante controls.
EIB	EUR 0.92 million	Aggregated amount of the fees paid for the management of the Transport segment of the CEF debt instruments.

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

As to the EIB, the cost effectiveness of the CEF Transport debt instruments is measured by comparing the cost of supervision at Commission level, and the fees paid to the entrusted entity against total assets under management as of 31 December of the reporting year. The decrease observed in 2021 results from a credit received for the administrative and performance fees to account for the transfer of one 2021 project from the Transport portfolio to the NER 300 fund.

Control Cost indicator – CEF Debt Instrument

Control cost indicator – supervision of the CEF DI (EIB) (in EUR million)	2019	2020	2021
Sum of all fees paid to the bank (treasury, administrative, audit and performance fees) (*)	3.42	4.32	0.92
Cost of control by DG MOVE services	0.14	0.15	0.12
Total Supervision costs by DG MOVE	3.56	4.47	1.04
Amount delegated in the course of the year	104.76	40.349	0
Amount under management (*)	582.91	626.56	626.06
Cost effectiveness Ratio	0.61%	0.7%	0.1%

Source: (*) Unaudited Financial Statements for the CEF Debt Instrument, EIB.

Cost of ex-post audits

In 2020, DG MOVE devoted 1.5 FTE (equivalent to a cost of EUR 0.22 million) to the performance and follow-up of ex-post audits. The main focus was the audit of participations to the SESAR Deployment framework partnership.

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

Cost of organisational controls

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

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

	FTE	Cost equivalent
Budget and Accounting	3.5	EUR 0.5 Million
Coordination	6	EUR 0.87 Million
Fraud prevention	0.3	EUR 0.04 Million
ICT and Information Security	2	EUR 0.28 Million

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

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

MOVE	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
RCS 1 - Directly managed grants: FP7 and H2020	1,755,025.00 €	14,350,693.00 €	12.23%	28,889.00 €	N/A	0.00%	1,783,914.00 €	12.43%
RCS 2 - Directly Management grants: SESAR Deployment manager	158,891.00 €	1,905,334.00 €	8.34%	216,670.00 €	9,418,064.00 €	2.30%	375,561.00 €	19.71%
RCS 3 - Directly managed procurements and other operational expenditure	3,105,600.00 €	31,547,095.00 €	9.84%	- €	N/A	0.00%	3,105,600.00 €	9.84%
RCS 4 - Grants managed indirectly through joint undertakings (SESAR and SZR)	621,120.00 €	82,741,202.00 €	0.75%	- €	N/A	0.00%	621,120.00 €	0.75%
RCS 5 - Budgetary support to EU agencies (ERA,EMSA,EASA)	989,458.00 €	152,494,474.00 €	0.65%	- €	Not quantifiable	0.00%	989,458.00 €	0.65%
RCS 6 - Supervision of Executive Agencies (INEA)	404,450.00 €	39,212,877.00 €	1.03%	- €	N/A	0.00%	404,450.00 €	1.03%
RCS 7 - CEF DI Financial Instruments	- €	- €	0.00%	122,780.00 €	N/A	0.00%	122,780.00 €	0.00%
RCS 8 - Organisational controls (Budget and accounting, coordination, antifraud and ICT)	1,704,469.00 €	N/A	0.00%	- €	Not quantifiable	0.00%	1,704,469.00 €	0.00%
OVERALL total estimated cost of control at EC level for expenditure	8,739,013.00 €	322,251,675.00 €	2.71%	368,339.00 €	9,418,064.00 €	3.91%	9,107,352.00 €	2.83%

ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

2.1.2. Audit observations and recommendations

1. Internal Audit Service (IAS)

Audit reports issued in 2021

Audit on DG MOVE support, monitoring and enforcement of the existing transport 'acquis'

In its final audit report published in December 2021, the IAS concluded that DG MOVE has put in place an internal control system that ensures an effective support, monitoring and enforcement of EU transport law application. The audit identified two areas for improvement: communication with complainants (issuance of holding replies, and supervision, review, verification and documentation of compliance assessments. DG MOVE accepted both issued important recommendations and designed an action plan for implementation of identified risks by April 2022.

Follow-up of recommendations resulting from previous IAS audit reports:

Audit on supervision of autonomous EU entities by DG MOVE

The IAS concluded that the strategy for supervision of autonomous entities in DG MOVE was adequately designed and effectively implemented, including at senior management level. The auditors recognised DG MOVE's efforts in supervising these entities, as well as the experience, knowledge and commitment from staff members participating in supervision activities.

The IAS had identified room for improvement to ensure that the supervision strategy was comprehensive and relevant and issued a corresponding important recommendation. DG MOVE implemented actions to mitigate the identified risks. In July 2021, the IAS concluded that the recommendation was adequately and effectively implemented and closed it.

2. European Court of Auditors (ECA)

Audit work 2021 – Declaration of assurance (DAS) 2020

ECA published for a second year in a row two separate Annual Reports: one focusing on traditional compliance aspects, including the annual statement of assurance, and another, separate one covering the performance of the EU budget.

As regards the 2020 DAS exercise: DG MOVE's was mainly involved in Chapter IV of ECA's Annual Report on compliance – "Competitiveness for Growth and Jobs", with no specific observations directed to DG MOVE in the chapter. The declaration of assurance audits

covered 14 transactions from 2020⁵⁷, of which three cases had quantifiable errors and one transaction contained quantifiable errors⁵⁸.

In addition, ECA conducted an audit on the reliability of the DGs accounts as of 31 December 2021. This included analysis of closure operations, substantive testing of invoices and pre-financings and analysis of cut-off data. No findings or recommendations were issued by ECA.

With regard to the 2020 Discharge timetable, the process started with the publication of ECA's Annual Reports on 26 October. The European Parliament plans to vote on the 2020 Discharge in plenary in April 2022.

For the 2021 DAS exercise, 13 transactions were sampled so far - 2 from CEF Transport and one from H2020, all managed by CINEA. Three clearing letters were issued by the end of the reporting period in a COVID-19 context, which obliged the ECA to conduct mostly desk reviews instead of on-site visits.

In relation to recommendations issued for the previous DAS exercises, all actions related to DG MOVE have been considered by the Court as fully implemented or implemented in most respects.

Special Reports published in 2021

SR 05/2021 "Infrastructure for charging electric vehicles: more charging stations but uneven deployment makes travel across the EU complicated." Published in April 2021

The audit assessed if the Commission effectively supports the deployment of an EU-wide publically accessible recharging infrastructure for electric vehicles. The audit concluded that, despite of an increase in the number of charging stations, their uneven deployment makes travel across the EU complicated. In view of the ongoing revision of the key policy and legislative framework in the area of electro-mobility, the auditors recommend that the European Commission should prepare a strategic roadmap to meet charging infrastructure targets, and establish minimum standards and requirements. They also recommend that funding should be allocated through objective criteria and gap analyses, and to ensure that co-funded projects guarantee sustainable and non-discriminatory access to all users.

Special Report 15/2021: "Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts." Published in June 2021

The ECA analysed how the COVID-19 crisis affected air passenger rights. While focusing on the Commission's role, the ECA assessed whether the right of access to information and the right to reimbursement for air passengers have been safeguarded. The ECA also examined how airlines were supported with State aid, whether this aid was linked to the protection of

⁵⁷ One H2020 and 12 CEF transactions, all managed by CINEA and two FP7 transactions

⁵⁸ The three transactions with quantifiable errors contained ineligible personnel cost or subcontracting costs.

passenger rights, and whether the deficiencies which existed before the COVID-19 pandemic persisted or were exacerbated by the crisis.

In this report the ECA makes recommendations to the Commission for a better protection of, and information on, air passenger rights, for more coordination of national measures and better linking State aid to airlines to the reimbursement of passengers, for improved tools and legislation for safeguarding air passenger rights, and for considering the relevance of the recommendations in this report also for other modes of transport.

Review 05/2021 "The EU framework for large transport infrastructure projects: an international comparison." Published in November 2021

This Review compared the Commission's processes to support the delivery of large transport projects through direct management, to similar processes in a number of countries selected for benchmarking. The Review stressed out the uniqueness of the EU's transport strategy, in the sense that no other geographical area reviewed sets a deadline for the completion of an entire cross-border network. However, and in particular in terms of project delays, the review emphasised that there is some room for improvement.

Follow-up work by ECA in 2020

In 2021 the ECA finalised two follow-up audits of special reports published in 2017: SR 18/2017: "Single European Sky" and SR 13/2017 "A single European rail traffic management system" and concluded that the level of implementation of the recommendations from both SRs is satisfactory and the recommendations of previous special report were fully and/or implemented in most respect.

In addition, in 2021 the ECA launched follow up audits on the Special Reports published in 2018, which continue in 2022.

At the end of 2021, DG MOVE was chef de file for 38 open recommendations from ECA with due dates end of 2021 or beyond. The necessary updates to the status of the followed-up recommendations are reflected in Commission monitoring system (RAD).

2.1.3. Assessment of the effectiveness of internal control systems

In 2021, DG MOVE continued to improve the effectiveness and efficiency of its controls while ensuring compliance with the Internal Control Framework (ICF), the Financial Regulation and other requirements.

1. Source and methodology for the internal control self-assessment

The self-assessment of internal controls verified the presence and effective functioning of ICF components and principles as a system throughout 2021 and focused on three objectives:

- Demonstrate the sound functioning of the internal control system,
- Provide to the Director-General and to the Director in charge of Risk Management and Internal Control a sound basis for signing their declarations of assurance, and

- Identify any improvement areas in the internal control systems.

The 2021 self-assessment was based on four main building blocks:

- evaluation of monitoring indicators,
- evaluation of audit results and the impact of new or outstanding recommendations,
- analysis of available reports, including DG BUDG's validation of local systems, accounting quality AOSD reports from the Directors of DG MOVE,
- analysis of control incidents registered during the reporting year.

Finally, the assessment also looked at the state of play of deficiencies identified in 2020.

2. Internal Control Self-assessment results for 2021

The 2021 internal control self-assessment concluded that none of the Commission Internal Control Framework components or principles were affected by a critical or serious weakness.

Minor internal control deficiencies were however identified:

- as regards ICF Principle 10, the accounting quality checks evidenced difficulties in obtaining information from one Entrusted entity which may impair the supervisory activity.
- as regards ICF Principle 11, the update of the IT Security Policies/Plans was significantly below the target.
- as regards ICF Principle 12, the analysis of the procedural incidents showed recurring issues with contractual procedures.
- as regards ICF Principle 17, delays were observed in the implementation of one corrective action regarding IT service contracts

ICF Principle 10, 11, 12 and 17 are therefore assessed as present and effective, although some improvements are necessary. As a result of the accumulation of weaknesses on the three related principles, Component III "Control activities" is assessed as partially effective.

The identified deficiencies and the implementation of corrective actions will be closely monitored during 2022.

The self-assessment highlighted the 2021 substantial risk assessment exercise encompassing both the medium-term and the annual dimensions that allows DG MOVE to be better prepared to face new challenges in a more uncertain and fluctuating environment. Moreover, the set up the remote audit strategy enabled DG MOVE to continue to perform ex-post controls and audits in accordance with the audit plan, even during the most restrictive periods of the ongoing COVID-19 pandemic.

Overall, the assessment established that the internal control system of DG MOVE provides reasonable assurance concerning the achievement of operational objectives, the legality

and regularity of the underlying transactions and that the resources have been used for their intended purpose and in accordance with the principles of sound financial management.

3. Risk Management

The new Risk Management Framework was adopted by DG MOVE senior management in February 2021.

Follow-up of the 2021 risk management exercise

The Risk Register for 2021 included 10 significant risks. These risks were monitored through the control boards. DG MOVE successfully tackled, in cooperation with its entrusted entities, the risks related to the COVID-19.

The risks related to the ongoing Brexit talks and the COVID mitigation measures were successfully tackled by the respective MOVE operational directorates. The significant risk associated with the late adoption of the Multiannual Financial Framework (MFF) eventually led to delays in the launch of MOVE operational programmes and the adoption of necessary basic/implementing acts. As a result of the efforts made by the Unit SRD.3 Budget and Financial Management, none of the delays had a serious impact in operational programmes.

4. Internal Control incidents

The functioning of the internal control systems was closely monitored and followed up throughout the year by the systematic registration of non-compliance events and exceptions. In 2021, DG MOVE MOVE registered four exceptions⁵⁹ and 20 non-compliance cases, an increase over 2020.

The analysis of the 20 non-compliance cases revealed that the majority of cases (16 cases) related to contractual procedures (failure to observe the contract requirements). 14 of these had no impact whereas the other two had only a minimal potential financial impact. This high ratio of occurrence was however assessed as internal control weakness affecting ICF 12.

⁵⁹ One exception related to the need to mitigate the late approval of annual work programme for transport. One exception related to a complementary commitment, one to the extension of a contract for continuity reasons and one to a late amendment without financial impact.

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

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

DG MOVE	'payments made' (2021;MEUR)	minus new prefinancing [plus retentions made] (in 2021;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2021;MEUR)	'relevant expenditure' (for 2021;MEUR)	Detected error rate or equivalent estimates	estimated risk at payment (2021;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	estimated future corrections [and deductions] (for 2021;MEUR)	estimated risk at Closure (2021;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
Admin (RCS 3)	1.88	0.00	0.00	1.88	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
CEF PSA (RCS 1b)	14.25	-7.01	5.98	13.22	0.50% - 0.50%	0.07 - 0.07	0.21% - 0.21%	0.03 - 0.03	0.04 - 0.04
H2020 Grants (RCS 1a)	0.10	0.00	0.41	0.51	2.29% - 2.29%	0.01 - 0.01	0.66% - 0.66%	0.00 - 0.00	0.01 - 0.01
Other OP (RCS 3)	25.52	-0.66	0.68	25.53	0.50% - 0.50%	0.13 - 0.13	0.21% - 0.21%	0.05 - 0.05	0.07 - 0.07
SESAR Deployment Manager (RCS 2)	1.91	-1.90	0.00	0.00	8.07% - 8.07%	0.00 - 0.00	5.59% - 5.59%	0.00 - 0.00	0.00 - 0.00
SES Advisory Bodies (RCS 3)	7.14	-0.22	0.68	7.59	0.50% - 0.50%	0.04 - 0.04	0.21% - 0.21%	0.02 - 0.02	0.02 - 0.02
Agreements with EU Bodies (RCS 5)	1.89	-1.84	0.50	0.55	2.29% - 2.29%	0.01 - 0.01	0.66% - 0.66%	0.00 - 0.00	0.01 - 0.01
Administrative agreements (RCS 3)	2.99	0.00	0.00	2.99	0.50% - 0.50%	0.01 - 0.01	0.00% - 0.00%	0.00 - 0.00	0.01 - 0.01
Contribution to SESAR JU (admin) (RCS 4)	5.84	0.00	0.00	5.84	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Contribution to SESAR JU (operational) (RCS 4)	35.44	0.00	0.00	35.44	2.29% - 2.29%	0.81 - 0.81	0.99% - 0.99%	0.35 - 0.35	0.46 - 0.46
Contribution to S2R JU (admin) (RCS 4)	1.23	0.00	0.00	1.23	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Contribution to S2R (operational) (RCS 4)	40.22	0.00	0.00	40.22	2.29% - 2.29%	0.92 - 0.92	0.96% - 0.96%	0.39 - 0.39	0.53 - 0.53
Subsidies to EASA (RCS 5)	39.95	-39.95	35.60	35.60	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Subsidies to EMSA (RCS 5)	84.79	-84.79	75.11	75.11	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Subsidies to ERA (RCS 5)	27.76	-27.76	28.12	28.12	0.00% - 0.00%	0.00 - 0.00	0.00% - 0.00%	0.00 - 0.00	0.00 - 0.00
Total without contribution to EA's operating budget	290.91	-164.13	147.08	273.86		2.01 - 2.01	0.31% - 0.31%	0.84 - 0.84	1.17 - 1.17
					Overall risk at payment in %	0.74% - 0.74% (7) / (5)		Overall risk at closure in %	0.43% - 0.43% (10) / (5)
CINEA	39.21	-42.01	35.80	33.00	0.50% - 0.50%	0.17 - 0.17	0.00% - 0.00%	0.00 - 0.00	0.17 - 0.17
Sub-total contributions (if more than one)	39.21	-42.01	35.80	33.00		0.17 - 0.17		0.00 - 0.00	0.17 - 0.17
Total DG (with contributions to EAs)	330.12	-206.14	182.88	306.86					

Notes to the table X

(1) Differentiated per relevant portfolio segments and 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 reported by the Delegated DGs. For Cross-Sub Delegations (Internal Rules Article 12), the reporting remains with the Delegating DGs.

(3) New pre-financing actually paid by out by the DG itself during the financial year (i.e. excluding any pre-financing received as a transfer from another DG). Pre-financing paid/cleared" are always covered by the Delegated DGs, even for Cross-Sub Delegations.

The reconciliation amount for the 'PF origin amount' includes a difference for cross-subdelegations for an amount of EUR 2.75 million: For projects implemented through cross sub-delegated budget lines, the pre-financing amounts from 2021 appearing in the payment implementation of the 'delegator' entity (as the paying authorising DG), whilst the pre-financing and clearing are reported by the 'delegated' entity. The split reporting (budgetary and accounting) is regularized in the next year AAR, when the cross sub-delegations become co-delegations of type II.'

This amount in column (3) excludes EUR 3 million of pre-financing in relation to a contract under the remit of DG MOVE, but which was wrongly attributed to DG NEAR as profit centre in reporting. A correction will be performed in 2022.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

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

(6) In this column, we disclose the detected error rates or equivalent estimates.

For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, subsidies to executive agencies*), the rate which should be used is 0.5% as a conservative estimate. A 0% error rate was used for expenditure considered as risk-free (e.g. operating subsidies paid to regulatory agencies and to EU bodies). For these subsidies, the responsibility of the DG is limited to the calculation, but its use falls within the remit of the beneficiary entity. The correctness of the calculation is ensured by a re-check at the time of the final payment.

(8) The adjusted average recovery and corrections percentage is 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 this historic average downward from 0.66% to 0.21% to take only recoveries from the last seven years with a recovery context "irregularity" and "error". This percentage does not apply to pre-financing, administrative expenditure or payments made to Decentralised Agencies, which are generally not subject to ex-post recoveries. Overall, this percentage is the best available indication of the expected corrective capacity of the ex-post control systems implemented by the DG over the past years. It should not be confused with the actual corrections, integrated in the DG's calculation of the residual error rate. For H2020 payments, the correction rate used in this column corresponds to the difference between the R&I family detected error rate (2.29%) and DG MOVE's residual error rate including draft audit reports (2.10%). For SDM the correction rate used is equal to the difference between the detected rate (8.07%) and the residual error rate of 2.48%. A similar logic is applied for the H2020 segment of SESAR and S2R activities, taking into account the R&I detected error rate (2.29%) and the residual error rate of 1.3% for SESAR and of 1.33% for S2R.

(9) Agreements with other EU Bodies: In addition to the subsidy it pays to EASA, DG MOVE awarded several grants to the Agency in support of its actions in key policy fields. These grants are considered as low risk given the nature of the actions and of the beneficiary

2) Reservations

Not applicable

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

Human resource management

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

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

Source of data: Commission communication on gender targets, SEC(2020)146

Baseline (2019)	Target (2022) + (2024)	Latest known results (31/12/2021)
9 female middle managers (36%)	DG MOVE has a specific target of three ⁶⁰ new female middle managers first appointments by 2022 (2024 still to be defined)	One new female middle manager was appointed in April 2021 (in MOVE.SRD.3). A recruitment procedure for a Head of Unit MOVE.D.1 post was launched at the end of 2021 and was concluded with the appointment of a first time female Head of Unit on 1 March 2022. To reach the 2022 target one more appointment is needed. With the appointment of the new Head of Unit MOVE.D.1, the number of female managers increases from 8 on 31.12.2021 (32%) to 9 on 01.03.2022 (36%).

Indicator 2: DG MOVE staff engagement index

Source of data: Commission staff surveys 2018 and 2021

Baseline (2018)	Target (2024)	Latest known results (31/12/2021)
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⁶⁰ The initial target of 2 new female middle managers first appointments was increased to 3 following the appointment of one new male middle manager.

Baseline (2019)	Target (2022) + (2024)	Latest known results (31/12/2021)
75%	Equal or above 70% Commission average registered in the 2018 Staff survey	68% in the 2021 Staff Survey (against a Commission average of 72%) The decrease of the staff engagement index could be related to the heavy workload of the DG, as well as to the difficult working conditions during the pandemic. A detailed analysis of the staff survey results will be undertaken.

Main outputs in 2021:

Description	Indicator	Target	Latest known results
Implementation of local and corporate talent management strategy	Gradual implementation of (staff survey) Action Plan that DG MOVE developed in 2019.	Progress measured annually (end of 2021)	The progress was discussed at the Management seminar in March 2021. The outcome of the discussion was reflected in DG MOVE's Local HR Strategy (endorsed in December 2021).
Attract specialised profiles and competences.	Strengthen collaboration with Account Management Centre's (AMC) career development team. Planning AD competitions (either in coordination with other DGs or with DG HR) to address DG MOVE's needs of transport specialised profiles.	During 2021	DG MOVE requested again in 2021 the organisation of a specialised EPSO competition for transport profiles. The request was acknowledged but due to the backlog accumulated during the pandemic, DG HR and EPSO could not accommodate it.
Application of good practices in the recruitment process: gender-neutral vacancy notices; relevant statistics to senior management.	All recruitment panels are systematically gender balanced.	100%	100%

Description	Indicator	Target	Latest known results
Application of good practices in the recruitment process: gender-neutral vacancy notices; female members in panels; relevant statistics to senior management.	Statistics on female representation provided to the DG; identifying possibilities and talented female ADs to increase female first time appointments on middle management posts.	Quarterly and when HoU positions become vacant	The DG received regular reporting on female representation. One female first time appointment on a HoU post took place in 2021. Two female first time appointments on a Deputy HoU post took place in 2021. Two female ADs were nominated to participate in the corporate Female Talent Development Programme.
Promoting female talent.	Collecting best practices from AMC2 cluster DGs and DG HR regarding relevant actions (such as “unlock your hidden potential”) targeted at female colleagues.	By December 2021	In December, DG MOVE organised the #IamRemarkable workshop for female colleagues, aimed at enhancing the skills of self-promotion and confidence.
Extended offer of health and well-being local actions and volunteering activities.	Continuing to implement actions suggested in the local Staff Survey on health and well-being actions. Intranet being continuously updated with new volunteering offers.	By December 2021	The following practical actions were completed in 2021: <ul style="list-style-type: none"> - extra bike stands and sockets for charging electric bikes; - a new area for smokers away from the main entrance; - picnic benches in front of DG MOVE; - video-conferencing equipment for all meeting rooms.
Raising awareness on Commission corporate strategies (e.g. Diversity & inclusion, Ethics).	Joint Lunchtime Conferences organised by AMC2 for the cluster DGs.	By December 2021: at least one session	In November, DG MOVE, in collaboration with DG HR, organised an internal course on Ethics with a particular focus on freedom of expression.
Sessions on raising awareness on well-being at work and/or on specific well-being topics.	Organisation of trainings: "HR pills" (e.g. prevention of psychosocial risks in the workplace).	By end December 2021: two sessions for general staff plus one session for managers	Three sessions took place in 2021: <ul style="list-style-type: none"> - Internal and external self-awareness (December); - Resilience during COVID-19 (February); - Coping with change (March).

Description	Indicator	Target	Latest known results
Training Strategy	Identifying local training needs and developing actions (internal courses, Lunchtime conferences, including external online trainings on job-related specialised topics).	By December 2021	DG MOVE organised 26 courses on job-specific topics in 2021.
Newcomers	Continue the bi-annual new-comers welcoming and consolidate new-comers' package by adding other actions dedicated to newcomers.	By December 2021	Two newcomers' sessions took place in 2021. A checklist for newcomers was finalised and distributed to Units to facilitate the integration of new staff. Ongoing work on a welcome pack for newcomers in 2021, pack to be finalised in the beginning of 2022.
Internal communication of events	Creating and disseminating internal communication Newsletters (including sections such as message from the Director-General, what is happening in the DG, welcoming newcomers, etc.).	Six Newsletters by December 2021	Five newsletters were sent to MOVE staff in 2021. The News section on My MOVEnet was kept up-to-date throughout the year.
Implementation of DG MOVE Development Plan	Regular meetings of DG MOVE's Staff Survey Taskforce to follow-up implementation of actions.	At least one by December 2021	The meeting of the Taskforce was postponed until the publication of the 2021 Staff Survey results.

Digital transformation and information management

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

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

Source of data: Solutions Owners and Suppliers and IT Investment Team

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results
1. TENtec 64%	1. 86%	1. 100%	68%
2. MOVEHUB 79%	2. 93%	2. 100%	85%
3. KSDA 38%	3. 100%	3. 100%	100%

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results
Indicator 2: Percentage of DG MOVE's key data assets for which corporate principles for data governance ⁵ have been implemented			
Source of data: DG MOVE data asset inventory			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
45%	50%	80%	48%
Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance			
Source of data: HR statistics			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
0%	50%	100% of staff	65%
Indicator 4: Percentage of registered documents that are not filed			
Source of data: Hermes-Ares-Nomcom (HAN) statistics			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results
2.6%	<2%	<2%	1.6%
Main outputs in 2021:			
Description	Indicator	Target	Latest known results
Increase the efficient use of electronic workflows	Specific workshops / presentations on the use of e-signatory	At least two ARES webinars	2 webinars on QES esignatories : 26/04/2021 (eDomec correspondants) ; 02/03/2021 (Financial unit)
Reduce paper storage	Percentage of documents from local archives digitalised (Adonis)	Minimum 60% of documents identified by 31/12/2021	<ul style="list-style-type: none"> 44 files eliminated (secure zone) 174 documents eliminated - (elimination incoming paper policy) <p>No documents identified by 31/12/2021 (due to the lack of regular presence of staff in business units)</p>

Description	Indicator	Target	Latest known results
Documents are retrievable in ARES and properly filed - staff has easier access to information	a. Percentage of registered documents that are not filed. b. Files shared with other DGs	a. Below 2% b. 100% of eligible cases	a. 1.60% b. Files' accessibility criteria redefined
Gap analysis for high value data assets	Analysis report and action plan	Analysis report and action plan	Metadata of high value data assets has been documented in the corporate data inventory in 2021. An action plan will be drafted in the course of 2022.
Pilot use of the corporate data platform	Number of use cases	At least 1 by December 2021	Transition to the corporate data platform has started with the local QlikSense environments and will continue in the course of 2022.
Increase awareness of DG MOVE staff on personal data protection framework	Information session on data protection Percentage of updated corporate instructions/guidelines published in the Data Protection Corner	Two webinars per year 100%	Information sessions with attendance of 40% staff: <ul style="list-style-type: none"> • on data protection for senior and middle management; • on data protection obligations for controllers; • on data protection in IT management and IT governance • on general data protection aspects 100%

Description	Indicator	Target	Latest known results
Establishing records for new processing operations	Percentage of new identified processing operations	100% of new identified processing operations	This is an ongoing process. All new identified processing operations (100%) have been notified (as "records") to the European Commission Data Protection Officer (DPO)
MOVE IT systems compliant with data protection rules	Percentage of MOVE IT systems	20% IT systems identified compliant with data protection rules	This is an ongoing process. 100% of identified IT systems and notified in the Commission's DPO register are compliant with data protection rules
Definition of a strategy as regards the implementation of the digital strategy principles by the most important IT solutions (namely TENtec, MOVEHUB and KDSA)	ECDS principles implementation strategy	ECDS principles implementation strategy defined	ECDS principles are being implemented in line with the release plan of the selected systems.

Sound Environmental Management

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

Main outputs in 2021:

Output	Indicator	Target	Latest Known Result
Increased staff awareness about key actions: 1) optimal energy use and "switching off, when not in use" 2) optimal water use and promotion of technical services hotline in case of water leaks, in line with the EMAS corporate action on resource efficiency	Part of the staff reached by awareness actions	100%	N/A (Covid 19 and impact on presence at the office)

Participation in the end of the year energy saving action, by closing down DG/service's buildings during the Christmas and New Year's holiday period	Number of buildings participating in the action	Two buildings (DM28, DM24)	DM28 and DM24 were effectively closed.
Re-assess the needs as concerns the opening hours of the building (incl. the parking)	Percentage of energy reduction by closing DM24 and DM28 during weekend	15% of energy reduction (heat, electricity)	Na/
Gradual increase of VC-facilities in the DG and their use, in collaboration with DIGIT and DG SCIC.	Number of VC-facilities in the DG	Increase of VC facilities with three meeting rooms by December 2021	5 in DM28 3 in DM24
Staff participation to key initiatives promoting sustainable commuting	N° of MOVE colleagues participating in VeloMai campaign	Increase of 5% of participants	40 participants

ANNEX 11: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

1. Single European Sky air traffic management research Joint Undertaking (SESAR JU) (Effective from 1 January 2021 to 29 November 2021)

	REQUIREMENT	INFORMATION
1.	Programme concerned	Horizon 2020 Programme, CEF
2.	Annual budgetary amount entrusted	In 2021, DG MOVE did not commit any new amounts from the Horizon 2020 budget in favour of the SESAR JU. The payments to the SESAR JU were EUR 41 287 480.
3.	Duration of the delegation	Following Council regulation 721/2014 of 16 June 2014, extending SESAR JU until 2024, the Commission signed a new General Agreement (C(2014)9835 of 17/12/2014) with SESAR JU on 19 December 2014, prolonging the activities until 31 December 2024.
4.	Justification of recourse to indirect centralised management	The aim of SESAR JU is to rationalise, centralise and coordinate all air traffic management related R&D in the Union, with the full involvement of the relevant stakeholders. SESAR JU is an EU body in the form of a Public-private partnership (PPP). The tasks entrusted to the JU could not have been carried out by the Commission because of the technical complexity of the programme and the number of projects.
5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	SESAR JU was not selected but established by the Council on the basis of Article 187 of the Treaty (Reg. (EC) 219/2007). There are two founding members: the Union, represented by the Commission, and the Eurocontrol Organisation, represented by its Agency. All other members of the SESAR JU are selected through open competitive calls based on the criteria established in the SESAR JU Statutes.
6.	Synthetic description of the implementing tasks entrusted	The SESAR JU was entrusted with the task to carry out and monitor all the relevant air traffic management research, development and validation activities in accordance with the European ATM Master Plan. The SESAR JU was also in charge of the maintenance of the Master Plan. For this purpose, the SESAR JU managed the FP7, TEN-T (2007-2016), H2020 (2014-2024), CEF (20214-2020) and funds allocated from the European Parliament through two Pilot Projects (2016- 2019), in accordance with specific delegation agreements, its financial rules and under the supervision of its Administrative Board

2. SESAR 3 Joint Undertaking (S3JU) (As from 30 November 2021)

	REQUIREMENT	INFORMATION
1.	Programme concerned	Horizon 2020 and Horizon Europe Programmes
2.	Annual budgetary amount entrusted	Budgetary allocation of SESAR JU was carried over to S3JU, no separate budget allocation provided in 2021.
3.	Duration of the delegation	No delegation agreement signed in 2021, delegation agreement for SESAR JU was carried over to S3JU.

4.	Justification of recourse to indirect centralised management	S3JU has the following general objectives: (a) strengthen and integrate the Union's research and innovation capacity in the ATM sector, making it more resilient and scalable to fluctuations in traffic while enabling the seamless operation of all aircraft; (b) strengthen, through innovation, the competitiveness of manned and unmanned air transport in the Union, and ATM services' markets to support economic growth in the Union; (c) develop and accelerate the market uptake of innovative solutions to establish the Single European Sky airspace as the most efficient and environmentally friendly sky to fly in the world. The S3JU is a Union body in the form of a public-private partnership, bringing together the Union, Eurocontrol and 53 private partners. The tasks entrusted to the SESAR JU could not have been carried out by the Commission because of the technical complexity of the programme and the number of projects.
5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	The S3JU was not selected but established by the Council on the basis of Article 187 of the Treaty (Reg. (EC) 219/2007) and Regulation (EU) 2021/2085 - adopted by the Council of the European Union on 19 November 2021 - concerning the establishment of Joint Undertakings under Horizon Europe.
6.	Synthetic description of the implementing tasks entrusted	The S3JU is entrusted with the task to carry out and monitor all the relevant air traffic management research, development and validation activities in accordance with the European ATM Master Plan. The S3JU is also in charge of the maintenance of the European ATM Master Plan. It will launch specific calls for proposals in its field of activity in 2022.

3. Shift2Rail Joint Undertaking (S2R JU)

	REQUIREMENT	INFORMATION
1.	Programme concerned	H2020 Framework programme
2.	Annual budgetary amount entrusted	In 2020, the Commission committed EUR 76.5 million (incl. EFTA contributions) to cover both the administrative and operational budget of the Joint Undertaking. The payments to S2R for 2020 were in the amount of EUR75 853838 of which EUR 5.3 million were paid to cover the administrative expenditures in 2020 and the remaining years.
3.	Duration of the delegation	31.12.2024
4.	Justification of recourse to indirect centralised management	The S2R JU was established as a public-private partnership, in accordance with Article 187 of the Treaty on the Functioning of the European Union (TFEU), and with the Horizon 2020 Regulation, to provide a platform for coordination of research activities with a view to driving innovation in the rail sector in the years to come. The Horizon 2020 Regulation emphasises the achievement of a greater impact on research and innovation by combining H2020 and private-sector funds in public-private partnerships in key areas where research and innovation can contribute to the Union's wider competitiveness goals, leverage private investment, and help tackle societal challenges.

5.	Justification of the selection of the bodies (identity, selection criteria, possible indication in the legal basis etc.)	<p>The S2R JU was set up by Council Regulation (EU) No 642/2014 of 16 June 2014 (S2R Regulation). The founding members of the S2R JU were listed in the S2R Regulation. They are the European Union plus eight major players from the rail industry having made a commitment of at least EUR 30 million to the S2R JU. Additional associated members were selected following an open call that was launched on 6 October 2014. The minimum conditions and key selection criteria for associated membership are laid down in the S2R Regulation. The results of the selection procedures have been confirmed by Commission Decision C(2015) 8674 final. In addition, the participation of the wider research community will be ensured by the JU via open calls reserved for non-members for a value of at least 30% of the EU contribution in the programme.</p>
6.	Synthetic description of the implementing tasks entrusted	<p>The S2R JU will manage the entire budget for rail research under Horizon 2020. The S2R JU is entrusted with the task of developing and ensuring the effective and efficient implementation of a strategic Master Plan, identifying the key R&I priorities to contribute to the achievement of the Single European Railway Area, to a faster and less costly transition to a more attractive, user-friendly, competitive, efficient and sustainable European rail system, and to the development of a strong and globally competitive European rail industry.</p> <p>The main bodies of the S2R JU are the Governing Board, in charge of strategic decision-making, and the Executive Director, responsible for day-to-day management. The European Commission and the industrial JU members have equal voting rights in the Governing Board.</p>

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

not applicable

ANNEX 13: Decentralised agencies

Entity: European Aviation Safety Agency

Role of DG: Lead

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport - Aviation	EUR 39 950 300	EUR 1 891 481

Entity: European Maritime Safety Agency

Role of DG: Lead

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport – Maritime	EUR 84 149 565	

Entity: European Railway Agency

Role of DG: Lead

Policy area concerned	Contribution to the Operating (administrative) budget	Contribution to the Operational Budget
Mobility and Transport - Rail	EUR 27 755 159	