



# Annual Activity Report 2024

annexes

Directorate General for Internal Market, Industry,  
Entrepreneurship and SMEs

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

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

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

14 March 2025

*(e-signed)*

Anna ATHANASOPOULOU

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

## ANNEX 2: Performance tables

### Impact and result indicators

Impact indicators accompany general objectives to measure global or long-term effects of the Commission's interventions on a larger population (e.g. European union, EU citizens of third countries). Result indicators accompany specific objectives to measure direct or indirect effects of a service's interventions on the target population (e.g. beneficiaries of the spending programme, civil society, social partners, DGs and EU institutions).

#### General objective 1: A Europe fit for the Digital Age

##### Impact indicator 1: Aggregate score in the Digital Economy and Society Index (DESI) - *replaced as composite index by a dashboard <sup>(2)</sup>*

**Explanation:** DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. Higher values indicate a better performance.

**Source of the data:** [DESI](#)

**Methodology for calculating the indicator:** The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2024)
43.1	Increase	Increase	n/a

<sup>(2)</sup> As of 2023, with the publication of the first State of the Digital Decade Report, DESI as composite index does not exist any longer. It is replaced by a dashboard of digital indicators including most of the key performance indicators of the 2030 Digital Decade Policy Programme plus some other relevant indicators. No update is available for this part of the table. Additional information in the DESI 2023 methodological note: <https://digital-strategy.ec.europa.eu/en/library/desi-methodological-note-digital-decade-report-2023>).

### **Specific objective 1.1: European enterprises make the digital and green transition**

*Related to spending programme(s): No*

#### **Result indicator 1: Percentage of enterprises in the EU using Big Data <sup>(3)</sup>**

**Explanation:** In recent years, the quantity of digital data created, stored and processed in the world has grown exponentially. Digital imprints generated by governments and public institutions, businesses, associations, and individuals, given their volume, variety and velocity, are referred to as 'big data'.

**Source of the data:** [Eurostat \(isoc\\_eb\\_bd\)](#):

<b>Baseline</b> (year)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
12%	Increase	Increase	14.2%

#### **Result indicator 2: Share of the environmental economy in the overall GDP in the EU <sup>(4)</sup>**

**Explanation:** It measures the progress towards the green transition of the European economy

**Source of data:** [Eurostat \(env\\_ac\\_egss2\)](#)

<b>Baseline</b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2021)
2.2%	Increase	Increase	2.49%

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<sup>(3)</sup> Latest available data is from 2020

<sup>(4)</sup> Latest available data is from 2021

### **Indicator on simplification and burden reduction for specific objective 1.1**

*Related to spending programme(s): No <sup>(5)</sup>*

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

#### **Source of the data: DG GROW internal monitoring**

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2024)
n/a	n/a <sup>(6)</sup>	n/a	0 out of 0

### **Specific objective 1.2: More European SMEs have access to cross-border business**

*Related to spending programme(s): Yes*

#### **Result indicator: % of SMEs selling cross-border online <sup>(7)</sup>**

**Explanation:** This indicator combines the use of digital technology and the access to international markets by SMEs. It measures progress for SMEs on two central policies: internationalisation and digitalization.

#### **Source of the data: Annual DESI reports, European Commission based on Eurostat data ([desi\\_idt\\_sellcb](#)) <sup>(8)</sup>**

<b>Baseline</b> (2019)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2022)
8.29 <sup>(9)</sup>	Increase	Increase	8.73%

<sup>(5)</sup> In the performance tables of the Strategic Plan 2020-2024, the indicator was attributed to a spending programme which is no longer the case.

<sup>(6)</sup> It is not feasible to extrapolate a positive trend when the baseline is not applicable. The wording 'positive trend' has been replaced by (n/a) for both interim milestone and target.

<sup>(7)</sup> Adaptation of baseline value in line with updated source of data.

<sup>(8)</sup> Latest available data is from 2022.

<sup>(9)</sup> Adaptation of baseline value in line with updated source of data

## Indicator on simplification and burden reduction for specific objective 1.2

Related to spending programme(s): Yes

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of the data: DG GROW internal monitoring**

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2024)
n/a	n/a <sup>(10)</sup>	n/a	0 out of 0

## Specific objective 1.3: More business opportunities are generated by trading in the Single Market <sup>(11)</sup>

Related to spending programme(s): No

### Result indicator 1: Intra-EU trade in goods

**Explanation:** This indicator measures the intra-EU trade in goods as a percentage of gross domestic product (GDP). The indicator excludes transport and financial services.

**Source of the data: Eurostat, Balance of payments (Eurostat online data code: bop\_gdp6\_q)**

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
42.7%	Increase	Increase	45.6%

### Result indicator 2: Intra-EU trade in services

**Explanation:** This indicator measures the intra-EU trade in services as a percentage of gross domestic product (GDP). The indicator excludes transport and financial services.

**Source of the data: Eurostat, Balance of payments (Eurostat online data code: bop\_gdp6\_q)**

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2023)
10.2%	Increase	Increase	11.4%

<sup>(10)</sup> It is not feasible to extrapolate a positive trend when the baseline is not applicable. The wording 'positive trend' has been replaced by (n/a) for both interim milestone and target.

<sup>(11)</sup> In the DG GROW Strategic Plan 2020-2024, this objective reads: "More business opportunities are generated in the Single Market". In this Annual Activity Report, the term "by trading" was added to better reflect the actual responsibilities of the EU covering the cross-border aspect.

### **Indicator on simplification and burden reduction for specific objective 1.3**

*Related to spending programme(s): No*

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden

**Source of the data: DG GROW**

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2024)
n/a	n/a <sup>(12)</sup>	n/a	0 out of 0

### **Specific objective 1.4: Promote compliance with EU Single Market rules and enforce them**

*Related to spending programme(s): No*

#### **Result indicator: Average duration of infringement procedures under GROW responsibility**

**Explanation:** The average duration refers to pending infringement cases not yet sent to the Court (pre-litigation stage) as of 1 December of a given year. It is calculated in months as from the sending of the letter of formal notice. UK cases are no longer taken into account in the calculation.

**Source of the data: DG GROW + THEMIS/Infringements database**

<b>Baseline</b> (1/12/2019)	<b>Interim Milestone</b> (1/12/2022)	<b>Target</b> (1/12/2024)	<b>Latest known results</b> (1/12/2024)
18.2 months	Maximum 24 months	Maximum 18 months	42.3 months

\* The average duration of cases in 2024 differs significantly from the baseline and target. This is because, since COVID-19 pandemic, the Commission has given preference to an approach based on dialogue and has also privileged, instead of opening new cases, the preventive dialogue with Member States. Consequently, alongside the numerous resolved cases from the past which have improved the overall average duration, the final calculation is still significantly influenced by the few new cases which have been launched and by the remaining old ones.

<sup>(12)</sup> It is not feasible to extrapolate a positive trend when the baseline is not applicable. The wording 'positive trend' has been replaced by (n/a) for both interim milestone and target.

**Indicator on simplification and burden reduction for specific objective 1.4:***Related to spending programme(s): No***Result indicator: Proportion of proposed legislative revisions that include burden reduction measures**

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of the data: DG GROW**

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2024)
n/a	n/a <sup>(13)</sup>	n/a	1 out of 1

**General Objective 2: A European Green Deal****Impact indicator 1: Size of the green economy**

**Explanation:** The environmental goods and services sector comprises parts of the economy that generate environmental products, i.e. those produced for environmental protection or resource management. Gross value-added represents the contribution made by the production of environmental goods and services to the gross domestic product in million euros. Employment is measured by the full-time equivalent employment engaged in the production of output of environmental goods and services as defined above

**Source of the data: Eurostat (Eurostat online data code: env\_ac\_egss3)**

<b>Baseline</b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2025)	<b>Latest known results</b> (2021)
Gross value-added: EUR 291 864 million	Increase	Increase	EUR 368 502 million
Full-time equivalent employment: 4 593 000	Increase	Increase	5 244 000

<sup>(13)</sup> It is not feasible to extrapolate a positive trend when the baseline is not applicable. The wording 'positive trend' has been replaced by (n/a) for both interim milestone and target

**Specific objective 2.1 (14): Increase the share of material recovered, recycled and fed back into the economy**

*Related to spending programme(s): No*

**Result indicator: Share of circular materials <sup>(15)</sup>**

**Explanation:** The indicator measures the share of material recovered and fed back into the economy - thus saving extraction of primary raw materials - in overall material use. The circular material use rate is defined as the ratio of the circular use of materials to the overall material use.

**Source of the data:** [Statistics | Eurostat \(europa.eu\)](https://ec.europa.eu/eurostat)

<b>Baseline</b> (2017)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2025)	<b>Latest known results</b> (2023)
11.5% <sup>(16)</sup>	Increase	Increase	11.8%

**Indicator on simplification and burden reduction for specific objective 2.1.**

*Related to spending programme(s): No*

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

**Explanation:** The indicator measures how the Commission upholds its commitment to ensure that proposals for legislative revisions incorporate burden reduction measures, in the broader context of REFIT programme and One-In, One-Out approach. The indicator shows how many proposed legislative revisions out of the total, for each relevant specific objective, include measures that concretely reduce burden.

**Source of the data:** **DG GROW internal monitoring**

<b>Baseline</b> (2020)	<b>Interim Milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2024)
n/a	n/a <sup>(17)</sup>	n/a	0 out of 0

<sup>(14)</sup> Please note that DG GROW policies in practice will aim at a larger remit which is best described as fostering the transition to a climate neutral, resource efficient and competitive economy.

<sup>(15)</sup> Baseline updated in line with source of data.


<sup>(16)</sup> Adaptation of baseline value in line with updated source of data

<sup>(17)</sup> It is not feasible to extrapolate a positive trend when the baseline is not applicable. The wording 'positive trend' has been replaced by (n/a) for both interim milestone and target

**General objective: A Europe fit for the digital age****Specific objective 1: European enterprises make the digital and green transition**

Related to spending programme(s): No

**Main outputs in 2024:****New policy initiatives**

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Net Zero Industry Act	Implementation	2024	Ongoing Entry into force – 29/06/2024
European Critical Raw Materials Act  <sup>(18)</sup>	Implementation	2024	Ongoing Entry into force - 23/05/2024
Transition Pathways Stakeholders Support Platform	Set up	2024	Successfully launched in 2024 (includes the Tourism and the Proximity and Social Economy Transition Pathways, others will join in 2025)
Access to vehicle data, functions and resource	Commission Adoption	Q2 2023	Postponed waiting for political guidance
Environmental impact of photovoltaic modules, inverters and systems - Eco design	Commission Adoption	Q2 2023	Postponed waiting for political guidance <sup>(19)</sup>
Environmental impact of photovoltaic modules, inverters and systems - Energy Labelling	Commission Adoption	Q2 2023	Postponed waiting for political guidance <sup>(20)</sup>
Targeted amendment to Measuring Instruments Directive	Commission Adoption	2024	✓ 29/11/2024

**Initiatives linked to regulatory simplification and burden reduction.**<sup>(18)</sup> Initiatives that are part of the CWP are marked with this icon<sup>(19)</sup> Postponed due to the technical complexity of the issues<sup>(20)</sup> Postponed due to the technical complexity of the issues

<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Revision of the Textile Labelling Regulation 	Commission Adoption	Q4 2024	In planning, adoption foreseen Q3 2025 <sup>(21)</sup>
<b>Evaluations and fitness checks</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Evaluation of the Directive on electronic invoicing in public procurement	Finalisation	Q1 2024	✓ 19/02/2024
Evaluation of the implementation of the Trademark regulation, Art 210	Finalisation	Q4 2024	In planning, publication foreseen Q1 2025 <sup>(22)</sup>
<b>Other important output</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> <b>(situation on 31/12/2024)</b>
Negotiations on pending proposals: 'Patent Package' (Supplementary Protection Certificates, Compulsory Licensing, Standard Essential Patents, modernisation of the EU rules on the protection of designs)	Progress/adoption by the co-legislators	2024	Ongoing (except Standard Essential Patents currently as a withdrawal)
Proposal for a Regulation on the safety of Toys	Progress/adoption by the co-legislators	2024	Ongoing
Negotiations on two international treaties: the Designs Law Treaty and the International legal instrument on genetic resources and associated traditional know-how	Agreement	2024	Agreed in 2024
<b>Outreach <sup>(23)</sup></b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Events (including EU Industry Days, SME Assembly and EEN Annual conference and events linked to industrial ecosystems)	Number of participants (on-site and online)	At least a cumulative 2,1 for all events	2,800 (1,800 onsite and 1,000 online)
	Overall usefulness of the event for attendees	At least 70% of participants who fill the survey consider the event useful or very useful	Over 94% for European SME Week (EEN Annual Conference and SME Assembly) found the events useful or very useful

Awareness raising initiatives such as the “European SME Week”	Social media impressions (organic/paid), and engagement rate	At least 1 million impressions	YouTube video engagements: 14,335 YouTube video views: 9,016 Facebook impressions: 44,610 Facebook engagement rate: 3.34% LinkedIn impressions: 68,604 LinkedIn engagement rate: 14.32 % Instagram impressions: 32,865 Instagram engagement rate: 8.51%
	Website(s) visits and Scroll behaviour	20,000 – 50,000 visits	11,096 page views 24.89% returning visitors
	Video views and engagements	2,000 – 3,000 views	YouTube video views: 9,016 YouTube video engagements: 14,335
	Number of media items published	200 media items published	38 blogposts on website Instagram: 165 posts LinkedIn: 184 posts Facebook: 166 posts YouTube: 52 videos uploaded Flickr: 1,805 photos uploaded
EU presence at Hannover Messe, led by DG GROW	Number of visitors spending more than 5 minutes at the exhibition stand	300-500	2500
	Percentage of visitors with better understanding of EU actions for industry	At least 70% <sup>(24)</sup>	
Raw materials week	Number of participants (on-site)	900	1402
	Overall usefulness of the events that are part of the week, for attendees	At least 70% <sup>(25)</sup>	Wide recognition among participants of the usefulness of the event, many strategic bilateral and multi-sided meetings took place during the event, including MSP.


<sup>(21)</sup> Delayed to Q3 2025 due to additional consultations with stakeholders related to formerly unanticipated developments of the draft Impact Assessment and related Commission internal validation processes

<sup>(22)</sup> Delayed to Q1 2025 due to extensive consultations with stakeholders, RSB availability and Commission internal validation process

<sup>(23)</sup> In the DG GROW Strategic Plan 2020-2024, the term ‘external communication activities’ is used. In this Annual Activity Report the term ‘outreach’ replaces it as DG GROW came to consider that it better reflects the proactive nature of its communication and close involvement with stakeholders.

<sup>(24)</sup> The corresponding result is missing as data collection was not feasible due to logistical reasons

<sup>(25)</sup> The corresponding result is missing as data collection was not feasible due to logistical reasons

<b>Other important outputs</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Local business engagement through Local Green Deals	Number of cooperating cities	85 cities from 17 EU countries	89 EU cities in 22 countries
Supporting the Cultural and Creative Industries through The WORTH Partnership Project	Number of partnerships	200 partnerships are expected until 2025	>380 partnerships
<b>Specific objective 2: More European small and medium-sized enterprises have access to cross-border business <sup>(11)</sup></b>			
<i>Related to spending programme(s): Yes</i>			
<b>Main outputs in 2024:</b>			
<b>Main policy initiatives</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Implementing the SME Relief Package 	Implementation	2024	Ongoing
<b>Evaluations and fitness checks</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Interim Evaluation of the Single Market Programme	Finalisation	2024	In planning, publication foreseen Q1 2025 <sup>(26)</sup>
Final evaluation of the COSME Programme (Europe's SME programme)	Finalisation	2024	✓ 01/10/2024
Ex-post evaluation of the Competitiveness and Innovation Programme (EIP)	Finalisation	2024	✓ 16/09/2024
<b>Outreach</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Enterprise Europe Network Annual Conference	Number of participants (on-site and online)	1000 participants <sup>(27)</sup>	1,147 (750 on-site and 397 online)
	Overall usefulness of the event for attendees	At least 70%	95%

<sup>(26)</sup> Delayed to Q1 2025 due to extensive consultations with stakeholders, RSB availability and Commission internal validation process

<sup>(27)</sup> Unfortunately, it has not been possible to gather the number of participants of all Enterprise Europe Network events, the data encoded reflects the actual number of participants to the Enterprise Europe Network annual conference

Access2Finance portal promotion (advertising)	Impressions	7 million <sup>(28)</sup>	12.4 million
	CPM (Cost per Mille/thousand impressions)	€0.24 - €0.58	€0.48
SME Assembly	Number of participants (on-site and online)	600-800	600 - 800
	Overall usefulness of the event for attendees	At least 70%	94%
EU Sustainable Finance Days (4 events)	Number of participants (on-site and online)	500-700	720-800
	Overall usefulness of the event for attendees	At least 70%	85%

### Other important outputs

Output	Indicator	Target	Latest known results (31.12.2024)
Proposal for a Regulation on combatting late payment in commercial transactions	Progress/adoption by the co-legislators	2024	Ongoing

### **Specific objective 3: More business opportunities are generated by trading in the Single Market<sup>(12)</sup>**


*Related to spending programme(s): No*

### **Main outputs in 2024:**

### **Main policy initiatives**

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Annual Single Market and Competitiveness Report	Commission adoption	Q1 2024	✓ 14/02/2024

<sup>(28)</sup> Following the granting of the contracting company, they advised us on a more realistic target of 7 million.

Single Market Scoreboard with 16 competitiveness indicators	Commission adoption	Q1 2024	✓ 14/02/2024
Toolbox to combat counterfeiting and enhance IP rights	Commission adoption	Q1 2024	✓ 19/03/2024
Cross border activities of associations 	Commission Adoption	Q2 2023	✓ 05/09/2023
<b>Evaluations and fitness checks</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Evaluation of the Standardisation Regulation	Finalisation	Q4 2024	In planning, adoption foreseen Q2 2025 <sup>(29)</sup>
<b>Outreach</b>			
<b>Output</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b> (situation on 31/12/2024)
Single Market Tour exhibition	Number of visitors	45.000	27.977 0
	Overall usefulness of the event for attendees	80%	96%
	Number of people reached by the social media ads local campaign.	2 million	8 million
	Number of people reached by the press (potential reach)	5 million	30 million
Business planet episodes in cooperation with Euronews	Video views on Euronews (TV)	At least 1 million	55 million
	Video views online	150.000	165.000
Organisation of European Cluster Conference, with support of Belgian authorities	Number of participants (on-site and online)	100-200	+ 700 participants
	Overall usefulness of the event for attendees	At least 70%	

<sup>(29)</sup> Delayed to Q2 2025 due to extensive consultations with stakeholders and RSB feedback

## Specific objective 4: Promote compliance with EU Single Market rules and enforce them <sup>(13)</sup>





Related to spending programme(s): No

### Main outputs in 2024:

#### Main policy initiatives

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Expanding the Internal Market Information System with Integrating of Regulated Professions Database as a new module	Operation of the new module	2024	IMI integrated and modernised the Regulated Professions Database.
Transition from the old IMI application to the new IMI application which contributes to the coordination of the network of national officials (SOLVIT)	Operation of the application	2024	Ongoing, to be finalised in 2025

#### Evaluations and Fitness checks

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Evaluation of the Directive on civil explosives 	Finalisation	Q4 2024	In planning, publication foreseen Q1 2025 <sup>(30)</sup>
Evaluation of the Directive on pyrotechnic articles 	Finalisation	Q4 2024	In planning, publication foreseen Q1 2025 <sup>(31)</sup>
Evaluation of the Measuring Instruments Directive  and of the Non-Automatic Weighing Instruments Directive 	Finalisation	Q4 2024	In planning, publication foreseen Q2 2025 <sup>(32)</sup>

#### Other important outputs

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Proposal for a Directive on liability for Defective products	Progress/adoption by the co-legislators	2024	Adopted
Proposal for the screening, registering and monitoring of asbestos in buildings	Progress/adoption by the co-legislators	2024	pending political guidance on the appropriate way forward

#### Outreach

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Your Europe portal Website	Website(s) visits and Scroll behaviour	At least 30 million visits	55.579.610 visits Top Commission website in number of visitors for 2024
	Social media impressions (organic/paid), engagement rate	At least 40 million impressions, with an engagement rate of 1-2%	Over 135 million impressions Social media organic engagement rate between 0,12% and 20,89% depending on platform



**General objective: A European Green Deal**

**Specific objective 1: Increase the share of material recovered, recycled and fed back to the economy <sup>(14)</sup>**

*Related to spending programme(s): No*

**Main outputs in 2024:**

**Main policy initiatives**

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Ecodesign for Sustainable Products Regulation 	Commission adoption	Q4 2024	Entered into force on 18/07/2024
Revision of the Cosmetics Regulation	Commission Adoption	Q1 2023	Not pursued <sup>(33)</sup>
Biotech and Biomanufacturing initiative 	Commission Adoption	Q1 2024	✓ 20/03/2024

**Other important outputs**

Output	Indicator	Target	Latest known results (situation on 31/12/2024)
Proposal for amending the Regulation on classification, labelling and packaging of substances and mixture	Progress/adoption by the co-legislators	2024	Adopted

<sup>(30)</sup> Delayed to Q1 2025 due to extensive consultations with stakeholders, RSB availability and Commission internal validation process

<sup>(31)</sup> Delayed to Q1 2025 due to extensive consultations with stakeholders, RSB availability and Commission internal validation process

<sup>(32)</sup> Delayed to Q2 2025 due to extensive consultations with stakeholders, RSB availability and Commission internal validation process

<sup>(33)</sup> The targeted revision has been replaced by a full evaluation of the Cosmetic Products Regulation which is ongoing

Proposal for a Regulation on type-approval of motor vehicles and engines and of systems, components and separate technical units intended for sixth vehicles, with respect to the emissions and battery durability (Euro 7)	Progress/adoption by the co-legislators	2024	Adopted
Proposal for a Regulation laying down harmonised conditions for the marketing of construction products	Progress/adoption by the co-legislators	2024	Adopted

## ANNEX 3: Draft annual accounts and financial reports

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2024 (in Mio €) for DG GROW					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
<b>Title 01 Research and Innovation</b>					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.92	0.16	16.85 %
	01 02	Horizon Europe	10.26	9.85	95.98 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
<b>Total Title 01</b>			<b>11.18</b>	<b>10.00</b>	<b>89.47 %</b>
<b>Title 02 European Strategic Investments</b>					
02	02 02	InvestEU Fund	0.00	0.00	0.00 %
	02 04	Digital Europe Programme	0.57	0.57	100.00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00 %
<b>Total Title 02</b>			<b>0.57</b>	<b>0.57</b>	<b>100.00 %</b>
<b>Title 03 Single Market</b>					
03	03 01	Support administrative expenditure of the "Single Market" cluster	4.98	4.63	92.91 %
	03 02	Single Market Programme	74.39	64.42	86.60 %
	03 10	Decentralised agencies	78.70	77.31	98.23 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	4.02	4.02	100.00 %
<b>Total Title 03</b>			<b>162.10</b>	<b>150.38</b>	<b>92.77 %</b>
<b>Title 07 Investing in People, Social Cohesion and Values</b>					
07	07 06	Citizens, Equality, Rights and Values	0.50	0.50	100.00 %
<b>Total Title 07</b>			<b>0.50</b>	<b>0.50</b>	<b>100.00 %</b>
<b>Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework</b>					
16	16 01	Support administrative expenditure outside the annual ceilings set out in the Multiannual Financial Framework	0.01	0.00	0.00 %
<b>Total Title 16</b>			<b>0.01</b>	<b>0.00</b>	<b>0.00 %</b>
<b>Title 20 Administrative expenditure of the European Commission</b>					
20	20 02	Other staff and expenditure relating to persons	0.31	0.31	100.00 %
<b>Total Title 20</b>			<b>0.31</b>	<b>0.31</b>	<b>100.00 %</b>
<b>Total Excluding NGEU</b>			<b>174.67</b>	<b>161.77</b>	<b>92.61 %</b>
<b>Total DG GROW</b>			<b>174.67</b>	<b>161.77</b>	<b>92.61 %</b>

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

**% Outturn on Commitment Appropriations in 2024 for DG GROW**

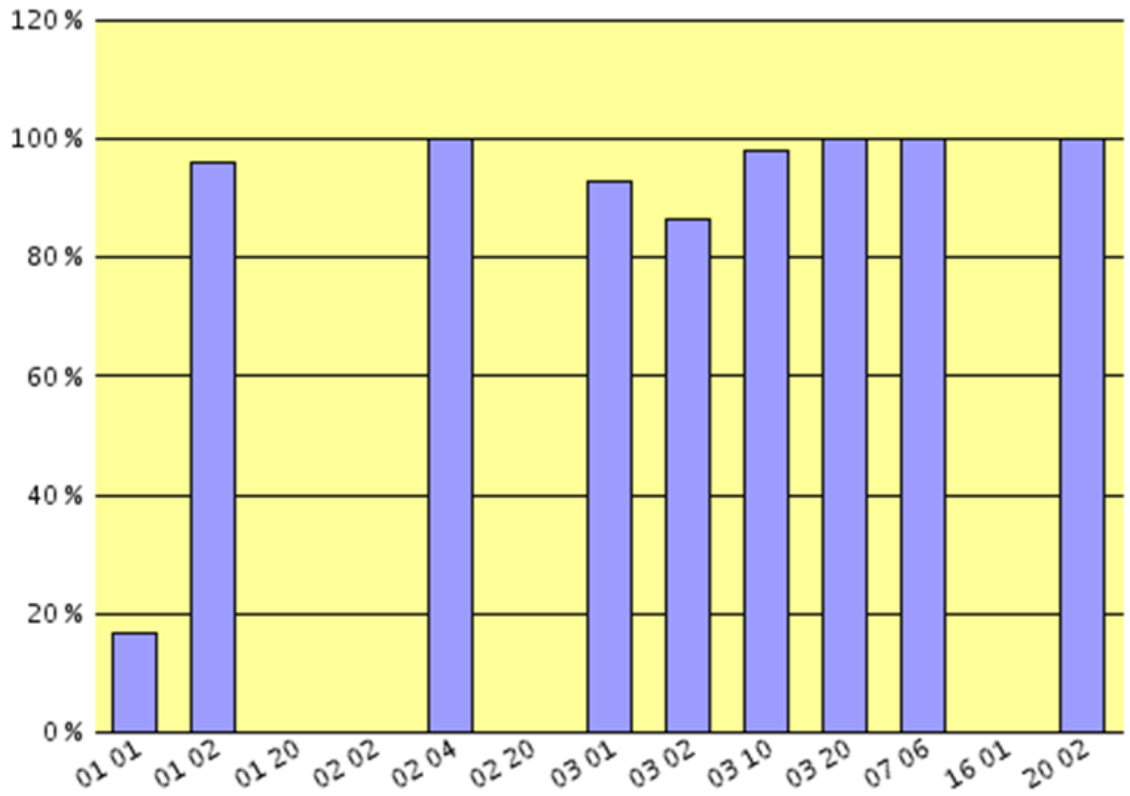


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2024 (in Mio €) for DG GROW					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Research and Innovation					
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	1.11	0.28	25.07 %
	01 02	Horizon Europe	8.79	8.26	93.99 %
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.42	0.42	100.00 %
<b>Total Title 01</b>			<b>10.32</b>	<b>8.96</b>	<b>86.79%</b>
Title 02 European Strategic Investments					
02	02 02	InvestEU Fund	70.53	70.53	100.00 %
	02 04	Digital Europe Programme	1.12	1.12	100.00 %
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.13	0.13	100.00 %
<b>Total Title 02</b>			<b>71.78</b>	<b>71.78</b>	<b>100.00%</b>
Title 03 Single Market					
03	03 01	Support administrative expenditure of the "Single Market" cluster	8.40	5.14	61.20 %
	03 02	Single Market Programme	76.12	55.85	73.37 %
	03 10	Decentralised agencies	78.70	77.31	98.23 %
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	2.73	2.73	100.00 %
<b>Total Title 03</b>			<b>165.94</b>	<b>141.02</b>	<b>84.98%</b>
Title 07 Investing in People, Social Cohesion and Values					
07	07 06	Citizens, Equality, Rights and Values	0.00	0.00	0.00 %
<b>Total Title 07</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
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	0.01	0.00	0.00 %
<b>Total Title 16</b>			<b>0.01</b>	<b>0.00</b>	<b>0.00%</b>
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0.49	0.37	74.51 %
<b>Total Title 20</b>			<b>0.49</b>	<b>0.37</b>	<b>74.51%</b>
<b>Total Excluding NGEU</b>			<b>248.54</b>	<b>222.13</b>	<b>89.37%</b>
<b>Total DG GROW</b>			<b>248.54</b>	<b>222.13</b>	<b>89.37 %</b>

\* 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).

**% Outturn on Payment Appropriations in 2024 for DG GROW**

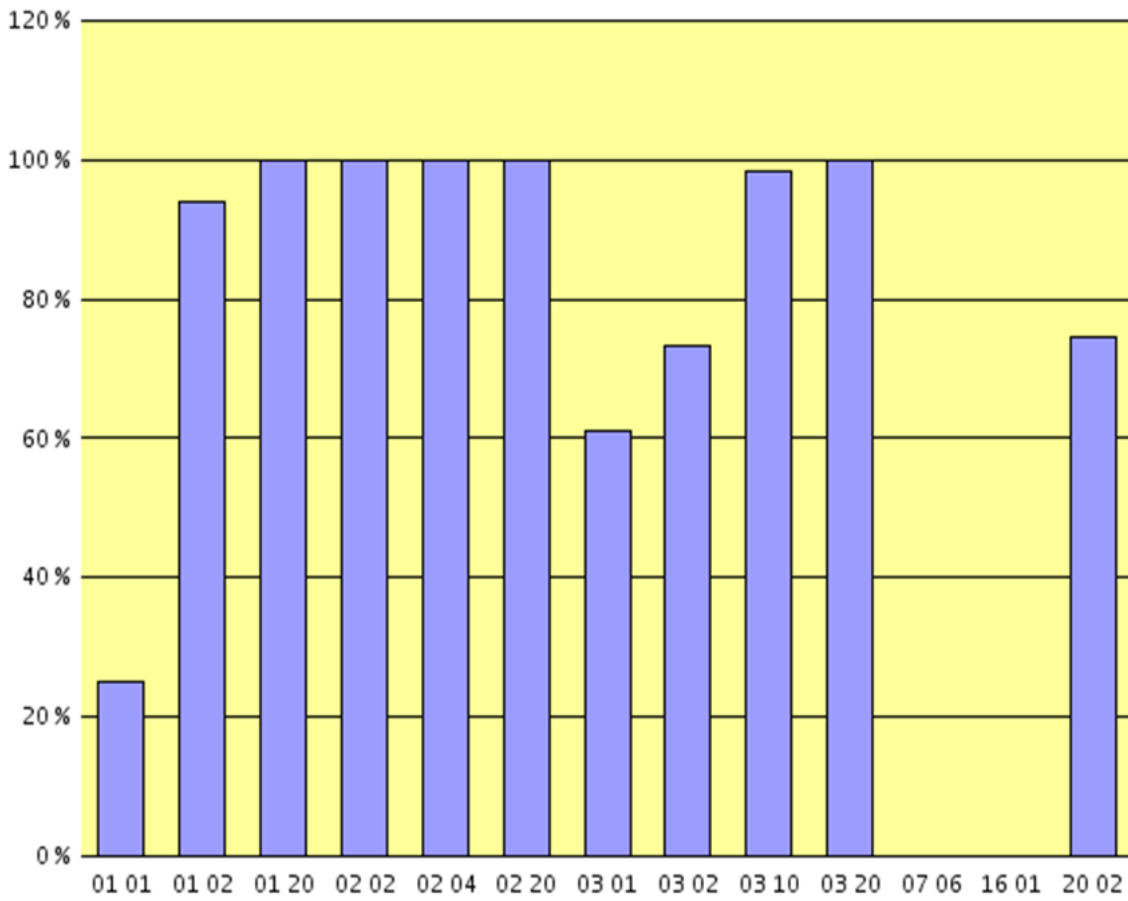
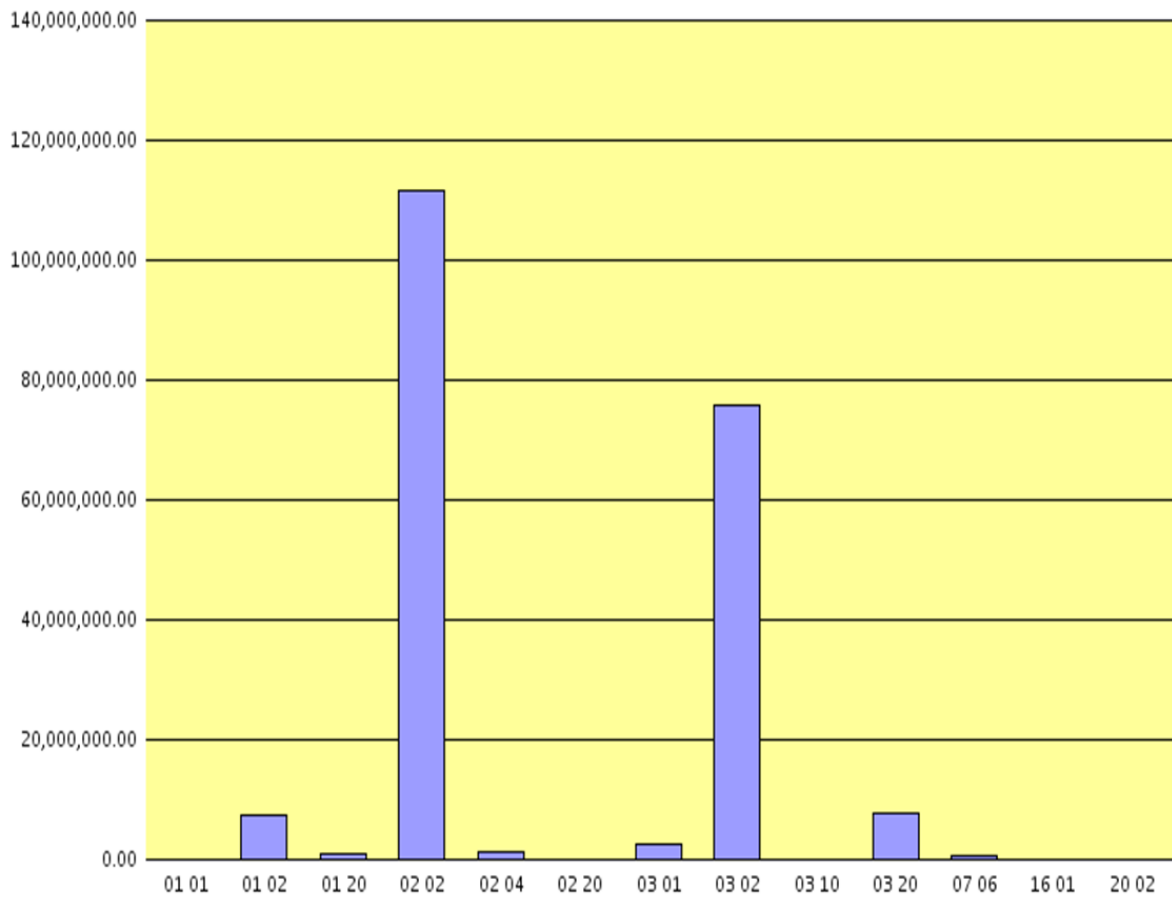


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01 01	Support administrative expenditure of the "Research and Innovation" cluster	0.16	0.09	0.07	44.82%	0.00	0.07	0.19
	01 02	Horizon Europe	9.85	6.24	3.61	36.66%	3.75	7.36	5.81
	01 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.90	0.90	1.32
<b>Total Title 01</b>			<b>10.00</b>	<b>6.32</b>	<b>3.68</b>	<b>36.79%</b>	<b>4.65</b>	<b>8.33</b>	<b>7.32</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	InvestEU Fund	0.00	0.00	0.00	0.00%	111.59	111.59	188.37
	02 04	Digital Europe Programme	0.57	0.00	0.57	100.00%	0.80	1.37	1.92
	02 20	Pilot projects, preparatory actions, prerogatives and other actions	0.00	0.00	0.00	0.00%	0.00	0.00	0.13
<b>Total Title 02</b>			<b>0.57</b>	<b>0.00</b>	<b>0.57</b>	<b>100.00%</b>	<b>112.39</b>	<b>112.96</b>	<b>190.42</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
03	03 01	Support administrative expenditure of the "Single Market" cluster	4.63	1.91	2.72	58.73%	0.00	2.72	3.43
	03 02	Single Market Programme	64.42	17.03	47.39	73.56%	28.35	75.74	69.72
	03 10	Decentralised agencies	77.31	77.31	0.00	0.00%	0.00	0.00	0.00
	03 20	Pilot projects, preparatory actions, prerogatives and other actions	4.02	0.00	4.02	100.00%	3.66	7.68	6.83
<b>Total Title 03</b>			<b>150.38</b>	<b>96.25</b>	<b>54.13</b>	<b>36.00%</b>	<b>32.02</b>	<b>86.15</b>	<b>79.99</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 06	Citizens, Equality, Rights and Values	0.50	0.00	0.50	100.00%	0.00	0.50	0.00
<b>Total Title 07</b>			<b>0.50</b>	<b>0.00</b>	<b>0.50</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.50</b>	<b>0.00</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			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	0.00	0.00	0.00	0.00%	0.00	0.00	0.00
<b>Total Title 16</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2024 (in Mio €) for DG GROW									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2023	Total of commitments to be settled at end of financial year 2024	Total of commitments to be settled at end of financial year 2023
			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	0.31	0.25	0.06	19.31%	0.00	0.06	0.18
<b>Total Title 20</b>			<b>0.31</b>	<b>0.25</b>	<b>0.06</b>	<b>19.31%</b>	<b>0.00</b>	<b>0.06</b>	<b>0.18</b>
<b>Total Excluding NGEU</b>			<b>161.77</b>	<b>102.82</b>	<b>58.94</b>	<b>36.44%</b>	<b>149.06</b>	<b>208.00</b>	<b>277.91</b>
<b>Total for DG GROW</b>			<b>161.77</b>	<b>102.82</b>	<b>58.94</b>	<b>36.44 %</b>	<b>149.06</b>	<b>208.00</b>	<b>277.91</b>

Breakdown of Commitments Remaining to be Settled (in Mio EUR) in 2024 GROW



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

<b>BALANCE SHEET</b>	<b>2024</b>	<b>2023</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>217,580,605.77</b>	<b>196,189,556.94</b>
A.I.1. Intangible Assets	4,380,131.93	4,503,891.10
A.I.2. Property, Plant and Equipment	0.00	0.00
A.I.4. Non-Current Financial Assets	213,200,473.84	191,685,665.84
<b>A.II. CURRENT ASSETS</b>	<b>451,729,699.41</b>	<b>550,213,815.62</b>
A.II.1. Current Financial Assets	18,472,741.56	17,788,832.00
A.II.2. Current Pre-Financing	31,310,105.67	24,207,256.51
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	989,011.40	1,206,754.93
A.II.6. Cash and Cash Equivalents	400,957,840.78	507,010,972.18
<b>ASSETS</b>	<b>669,310,305.18</b>	<b>746,403,372.56</b>
<b>P.I. NON CURRENT LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
P.I.2. Non-Current Provisions	0.00	0.00
P.I.3. Non-Current Financial Liabilities	0.00	0.00
<b>P.III. NET ASSETS/LIABILITIES</b>	<b>0.00</b>	<b>0.00</b>
P.III.1. Reserves	0.00	0.00
<b>P.II. CURRENT LIABILITIES</b>	<b>-334,922,021.37</b>	<b>-364,949,888.17</b>
P.II.2. Current Provisions	0.00	0.00
P.II.3. Current Financial Liabilities	-304,429,308.00	-337,817,470.00
P.II.4. Current Payables	-30,492,713.37	-27,132,418.17
P.II.5. Current Accrued Charges & Defrd Income	0.00	0.00
<b>LIABILITIES</b>	<b>-334,922,021.37</b>	<b>-364,949,888.17</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>334,388,283.81</b>	<b>381,453,484.39</b>
<b>P.III.2. Accumulated Surplus/Deficit</b>	<b>4,531,091,479.11</b>	<b>4,565,891,687.64</b>
<b>Non-allocated central (surplus)/deficit*</b>	<b>-4,865,479,762.92</b>	<b>-4,947,345,172.03</b>
<b>TOTAL DG GROW</b>	<b>0.00</b>	<b>0.00</b>

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

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

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

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2024</b>	<b>2023</b>
II.1 REVENUES	-80,436,162.13	-140,085,365.64
II.1.1. NON-EXCHANGE REVENUES	-5,075,120.00	-8,653,292.49
II.1.1.6. RECOVERY OF EXPENSES		-9,957.49
II.1.1.8. OTHER NON-EXCHANGE REVENUES	-5,075,120.00	-8,643,335.00
II.1.2. EXCHANGE REVENUES	-75,361,042.13	-131,432,073.15
II.1.2.1. FINANCIAL INCOME	-85,525,561.00	-138,045,694.00
II.1.2.2. OTHER EXCHANGE REVENUE	10,164,518.87	6,613,620.85
II.2. EXPENSES	302,161,510.49	105,285,157.11
II.2. EXPENSES	302,161,510.49	105,285,157.11
II.2.11. OTHER EXPENSES	18,796,852.88	13,482,816.15
II.2.2. EXP IMPL BY COMMISS&EXAGENC. (DM)	41,779,605.39	34,108,214.53
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	78,037,443.43	69,180,460.89
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	275,000.00	
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	380,000.00	
II.2.6. STAFF AND PENSION COSTS	-29,673.33	-78,165.00
II.2.8. FINANCE COSTS	162,922,282.12	-11,408,169.46
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>221,725,348.36</b>	<b>-34,800,208.53</b>

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

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

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

OFF BALANCE	2024	2023
OB.1. Contingent Assets	0.00	598,339.60
GR for pre-financing	0.00	598,339.60
OB.1.3. CA Other	0.00	
OB.2. Contingent Liabilities	-377,528,218.00	-525,661,714.00
OB.2.1. Guarantees given for EU FI	-377,528,218.00	-525,661,714.00
OB.2.6. CL Other	0.00	0.00
OB.2.7. CL Legal cases OTHER	0.00	
OB.3. Other Significant Disclosures		0.00
OB.3.3.4. Galileo programme		0.00
OB.3.3.5. GMES programme COPERNICUS		0.00
OB.4. Balancing Accounts	1,416,769,968.00	1,564,305,124.40
OB.4. Balancing Accounts	1,416,769,968.00	1,564,305,124.40
<b>OFF BALANCE</b>	<b>1,039,241,750.00</b>	<b>1,039,241,750.00</b>

**TABLE 6: Payment Times**

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	917	912	99.45 %	12.65	5	0.55 %	33.40	62,150.04	0. %
60	182	182	100.00 %	19.73				0.00	0. %
90	36	34	94.44 %	25.79	2	5.56 %	102.00	506,598.00	3. %

Total Number of Payments	1,135	1,128	99.38 %		7	0.62 %		568,748.04	0. %
Average Net Payment Time	14.42995595			14.19			53.00		
Average Gross Payment Time	17.73920705			17.51684			53.571429		

Suspensions							
Average Report Approval Suspension	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	36	105	9.25 %	1,135	13,974,677.93	6.29 %	222,125,028.94

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://myintracom.m.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20\\_documentation.aspx](https://myintracom.m.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx) ).**

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2024 for DG GROW								
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	
32	Revenue from the supply of goods, services and work - assigned revenue	150,000.00	0.00	150,000.00	150,000.00	0.00	150,000.00	0.00
33	Other administrative revenue	-14,683.51	14,683.51	0.00	-14,683.51	14,683.51	0.00	0.00
60	Single market, innovation and digital	45,810,609.59	0.00	45,810,609.59	45,810,609.59	0.00	45,810,609.59	0.00
66	Other contributions and refunds	1,505,812.43	0.00	1,505,812.43	1,505,812.43	0.00	1,505,812.43	0.00
67	Completion for outstanding recovery orders prior to 2021	-43,063.02	931,234.42	888,171.40	-43,063.02	43,063.02	0.00	888,171.40
<b>Total DG GROW</b>		<b>47,408,675.49</b>	<b>945,917.93</b>	<b>48,354,593.42</b>	<b>47,408,675.49</b>	<b>57,746.53</b>	<b>47,466,422.02</b>	<b>888,171.40</b>

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

EX-ANTE CONTROLS BY TRANSACTION	Irregularity	Total ex-ante amounts
NON ELIGIBLE IN COST CLAIMS	44,300.89	<b>44,300.89</b>
CREDIT NOTES	196,586.09	<b>196,586.09</b>
RECOVERY ORDERS ON PRE-FINANCING		
<b>Sub-Total</b>	<b>240,886.98</b>	<b>240,886.98</b>

EX-POST CONTROLS BY TRANSACTION	Irregularity	Total ex-post amounts
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING		
INCOME LINES IN INVOICES		
<b>Sub-Total</b>		
<b>GRAND TOTAL (EX-ANTE + EX-POST)</b>	<b>240,886.98</b>	<b>240,886.98</b>

**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2024 for DG GROW**

	Number at 1/1/2024	Number at 12/31/2024	Evolution	Open Amount (Eur) at 1/1/2024	Open Amount (Eur) at 12/31/2024	Evolution
2011	1		-100.00 %	57,746.53		-100.00 %
2012	1	1	0.00 %	88,590.71	88,590.71	0.00 %
2013	2	2	0.00 %	857,435.01	857,435.01	0.00 %
	<b>4</b>	<b>3</b>	<b>-25.00 %</b>	<b>1,003,772.25</b>	<b>946,025.72</b>	<b>-5.75 %</b>

**TABLE 10 : Recovery Order Waivers >= 60 000 € in 2024 for DG GROW**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
--------------------	-----------------------	--------------------------	------------------	---------------------	----------

Total DG GROW	
---------------	--

Number of RO waivers	
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There are 1 waivers below 60 000 € for a total amount of -57,746.53

**TABLE 11 : Negotiated Procedures in 2024 for DG GROW**

The procedures are presented in the Annual Management and Performance Report of 2024

**TABLE 12 : Summary of Procedures in 2024 for DG GROW**

The procedures are presented in the Annual Management and Performance Report of 2024

**TABLE 13 : BUILDING CONTRACTS in 2024 for DG GROW**

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

**TABLE 14 : CONTRACTS DECLARED SECRET in 2024 for DG GROW**

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

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

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**TABLE 16 : Commitments co-delegation type 3 in 2024 for DG GROW**

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## ANNEX 4: Financial scorecard

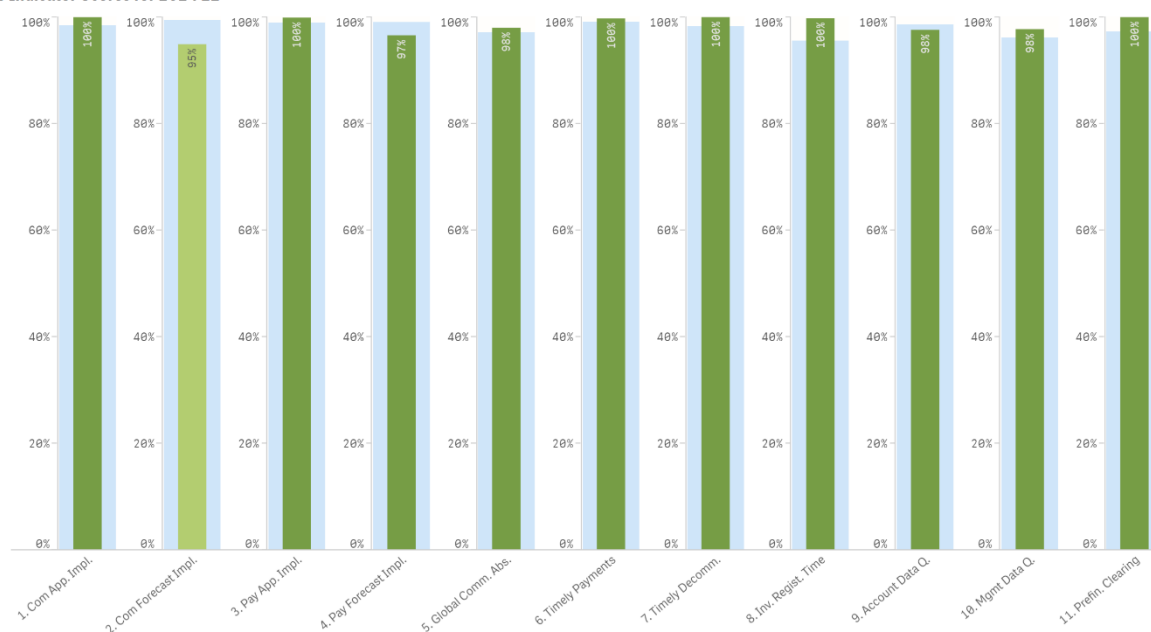
The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2024, 11 standard financial indicators are presented below, each with its objective and result for the Commission service and for the EC as a whole (for benchmarking purposes)<sup>34</sup>:

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

GROW Indicator Scores for 2024 12



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

<sup>34</sup> If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator	Objective	Comment	GROW Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		100%	99%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year	EUR 161.8 million out of EUR 170.4 M of Commitments forecasted amount has been implemented.	95%	99%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		100%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year	EUR 222.1 million out of EUR 230 million of payments forecasted amount has been implemented	97%	99%
5. Global Commitment Absorption <sup>35</sup>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)	EUR 9.95 million out of EUR 10.15 million of 2023 open global commitments (level 1) have been consumed in individual commitments. The slight underperformance of 2% concerns a total of 8 actions, and the reasons are external to DG GROW (lower offer received in comparison with the initial prevision).	98%	97%
6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	GROW's late payments score is 0% in terms of value	100%	99%
7. Timely Decommitments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle	The indicator is not applicable for DG GROW in 2024 due to the lack of underlying transactions recorded by DG GROW in 2024.	-	98%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC	1 144 out of 1 146 invoices registered (first visa) within 7 calendar days from the invoice EC reception date.	100%	96%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having	1 871 out of 1 917 accounting tests performed were successful.	98%	99%

<sup>35</sup> Due to technical limitation: 1. the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. 2. it is technically not possible to exclude the decommitment of RAL (C8) which is subsequently re-committed for a new purpose. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

	a primary impact on the accounts			
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	2 359 out of 2 414 management tests performed were successful	98%	96%
11. Timely Invoice PF clearing	Ensure efficient clearing by invoices of prefinancing payments within the invoice payment time limit	All 34 PF clearings were performed in time.	100%	100%

## **ANNEX 5: Materiality criteria**

Since 2019 <sup>(36)</sup>, a 'de minimis' threshold for financial reservations has been introduced. Quantified annual activity report reservations related to residual error rates above the 2% materiality threshold are deemed not substantial for segments representing less than 5% of a DG total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

The implementation of this 'de minimis' threshold applies at the level of the DG's annual activity report reservations, namely, not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s).

### **Quantitative assessment**

As regards legality and regularity, the proposed standard quantitative materiality threshold of 2% of the residual error rate of the executed payments is applied. DG GROW considers it an appropriate threshold above which weaknesses detected should be considered "material".

In DG GROW, this applies to all events detected throughout the year and with a quantifiable impact on legality and regularity.

### **Qualitative assessment**

Qualitative criteria may cover significant reputational risks for the DG or the Commission and significant weaknesses in the internal control systems. For assessing the significance of the weakness, the nature and scope, duration, existence of mitigating controls and/or remedial actions are taken into account.

For weaknesses, which are considered significant in qualitative terms but not in quantitative terms, DG GROW takes into account the possible reputational impact they may entail to the image of DG GROW and the Commission. They will be assessed according to context and nature of the impact, awareness and duration.

### **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 amount at risk is done on a "cumulative basis" on the basis of the totals over the entire programme lifecycle.

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<sup>(36)</sup> Agreement of the Corporate Management Board of 30/4/2019.

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

### **RCS N°1: Budget entrusted to external entities**

This RCS covers:

- (1) the **EUIPO** EU agency - fully self-financed,
- (2) the balancing subsidy to **ECHA**,
- (3) contribution agreements with other entrusted entities (EIB, EIT...)
- (4) cross sub-delegations to **other Commission services**.

### **Stage 1 – Establishment (or prolongation) of the mandate to the Entrusted Entity (EE)**

**Main control objectives:** Ensure 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. To be cost effective, controls need to strike the right balance between effectiveness, efficiency and economy. Therefore, the control framework includes the formulation of key performance indicators and associated targets, the establishment of efficient and economic implementation mechanisms, the formulation of monitoring indicators and monitoring of the control system. (Cost-effectiveness indicators)

Main risks	Mitigating controls	Coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>In case of indirect management, the Contribution Agreement (CA) does not clearly set out:</p> <ul style="list-style-type: none"> <li>- delegated tasks, responsibilities of each involved actor</li> <li>- internal control and reporting requirements to be observed</li> <li>- arrangements for protection of EU financial interests and transparency of operations</li> <li>- right of the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF) to comprehensively exert their competences to audit the entrusted funds</li> </ul>	<p>List of the <i>lessons learned</i> from prior similar CAs.</p> <p>Ex-ante review by Unit B.2 in DG GROW</p> <p>Consultation of the guidance on indirect management available on BUDGPEDIA (vade-mecum on indirect management)</p> <p>Consultation of the central EU services (DG BUDG, Legal Service)</p> <p>Review whether the entity should be pillar-assessed or not</p> <p>Hierarchical validation within the authorizing directorate</p> <p>Describe modalities of cooperation, supervision and reporting in the CA</p> <p>Explicit allocation of supervision responsibility to individual officials (reflected in task assignment or function descriptions)</p>	<p><b>Coverage/Frequency:</b> 100%/once</p> <p><b>Depth:</b> Checklist includes a list of the requirements of the regulatory provisions to be complied with.</p> <p><u>Factors</u> would be (i) whether it is an establishment or a prolongation, (ii) whether it involves selecting an entity and (iii) consistency with any other entities entrusted by the same DG or family.</p>	<p><b>Costs:</b> estimation of FTEs involved in the preparation and adoption work</p> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- Total budget amount entrusted to the entity in case of detection of no significant (legal) errors</li> <li>- DG GROW reputation intact</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Quality of the legal work (Basic Act, Legal and Financial Statement and DA)</li> <li>- no ECA or OLAF findings/ very important recommendation</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Average cost of preparation, adoption</li> </ul>

Main risks	Mitigating controls	Coverage frequency and depth	Cost-Effectiveness indicators (three E's)
			<p>work done compared with similar cases as benchmark</p> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- ratio FTEs/funds entrusted (economic when below 10-15%)</li> </ul>

**Stage 2 – Ex-ante (re)assessment of the entrusted entity’s financial and control framework**

**Main control objectives:** Ensuring that the EE is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives (ICOs) (*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)
<ul style="list-style-type: none"> <li>- Before entrusting tasks of budget implementation to the EE, DG GROW has not obtained evidence that the financial and control framework deployed by the EE is sufficiently mature to guarantee achieving all 5 ICOs.</li> <li>- The EE’s own financial framework differs from the EU FR and the two parallel systems coexist with the risk of the EE’s own system being applied to EU funds</li> <li>- The EE has not timely informed DG GROW about</li> </ul>	<ul style="list-style-type: none"> <li>- DG GROW internal or independent external ex-ante assessment of the EE ensuring that there is the same level of protection of the financial interests of the Union equivalent to the one that is provided for when the Commission implements the EU budget (Article 157 FR <sup>(37)</sup>)</li> <li>- Hierarchical validation within the authorising directorate</li> <li>- Require justification and prior consent for any deviation to financial rules (e.g., Riders or Contract Change Notices)</li> </ul>	<p><b>Coverage/frequency:</b></p> <ul style="list-style-type: none"> <li>- <u>International organizations</u>: prior to the signature, assessment of internal control system of the EE followed, if necessary, by ad hoc targeted system controls</li> <li>- <u>Agencies</u>: targeted system controls/ad hoc</li> </ul> <p><b>Depth:</b></p> <ul style="list-style-type: none"> <li>- 100%</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved in the ex-ante assessment process (including missions)</li> <li>- cost of outsourced independent external “pillar” (re)assessment of the EE’s control system(s)</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- Total budget amount entrusted to the EE if no significant system</li> </ul>

<sup>(37)</sup> The future entrusted entities must meet requirements with regard to the following nine “pillars” (pillar-assessment): 1. the internal control system, 2. the accounting system, 3. an independent external audit, as well as rules and procedures for: 4. providing financing from EU funds through grants (optional), 5. procurement (optional), 6. financial instruments (optional), 7. exclusion from access to funding, 8. publication of information on recipients, 9. protection of personal data.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>substantial changes made to its systems, rules and procedures that relate to the management of the EU funds entrusted.</p>	<ul style="list-style-type: none"> <li>- Require timely notification by the EE of any changes to its financial or control systems after the signature of the DA.</li> <li>- Statement obtained from another DG which also has a CA with the EE.</li> </ul>		<p>weaknesses are detected.</p> <ul style="list-style-type: none"> <li>- DG's reputation remains intact.</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- validation of the pillar assessment by the EC central services (DG BUDG)</li> <li>- no ECA or IAS findings/very important recommendation</li> <li>- n° of recommendations proposed to EE as result of assessment (i.e., deviations from EU FR identified)</li> <li>- quality of ex-ante assessment</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>- Time-To-Implement recommendations (by the EE)</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			- Time-To-(Re)Assess <b>Economy:</b> ratio FTEs/funds entrusted (economic when below 10-15%)

**Stage 3 – Operations: monitoring, supervision, reporting**

**Main control objectives:** Ensure that the CA objectives are achieved, and that DG GROW is fully and timely informed of any relevant management issues encountered by the EE, to, possibly, mitigate any potential financial and/or reputational impacts (legality and regularity, 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)
<ul style="list-style-type: none"> <li>- Low quality programme results, delayed programme implementation, non-achievement of policy objectives / desired impact on society.</li> <li>- Due to weak modalities of cooperation, supervision and reporting, DG GROW is not</li> </ul>	Detailed reporting modalities included in CA (incl. regular programme evaluation). Reinforced monitoring: <ul style="list-style-type: none"> <li>- increased participation in EE's governance bodies and technical committees</li> </ul>	<b>Coverage:</b> 100% of the entities are monitored/supervised. <b>Frequency:</b> <ul style="list-style-type: none"> <li>- daily (operational/financial/technical issues)</li> <li>- monthly (briefings and reports for high level governance meetings)</li> </ul>	<b>Costs:</b> estimation of FTEs involved in monitoring and supervision (including missions).  <b>Benefits:</b>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>fully and timely informed of relevant financial and/or management issues encountered by the EE, and/or does not (timely) react upon notified issues by mitigating them or by making a reservation for them – which may reflect negatively on the DG's governance reputation and quality of accountability reporting.</p> <ul style="list-style-type: none"> <li>- EE's financial and control systems are not functioning as expected, even though the outcome of the system (re)assessment was satisfactory (e.g., assets not correctly registered in EEs accounts)</li> <li>- EE's procedures are changed during the mandate</li> </ul>	<ul style="list-style-type: none"> <li>- detailed analysis of all reports submitted by the EE; if necessary, request additional ad hoc reports</li> <li>- outsourcing of technical assistance on general programme management and ad hoc topics (e.g. asset management, systems audits)</li> <li>- regular EE audits by DG GROW, IAS, ECA and close follow-up of implementation of audit recommendations</li> <li>- set up of ad hoc GROW - EE Task Forces to tackle problematic issues</li> <li>- if necessary, referral to OLAF</li> <li>- DG GROW is informed in due time of changes to assess the impact on the implementation of EU funds and agree or not on changes</li> </ul>	<ul style="list-style-type: none"> <li>- quarterly (report analysis)</li> <li>- annual (reports, review of Annual Reports for reservations)</li> </ul> <p><u>In case of</u> operational / financial issues, measures are reinforced.</p> <p>The <b>depth</b> depends on the <u>mandate</u> given to the entity, and on the level of DG GROW access to the EE's internal control information.</p>	<ul style="list-style-type: none"> <li>- Total budget amount entrusted to the EE if no significant (legal, management, accounting, fraud, reporting) errors are detected</li> <li>- DG's reputation remains intact</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- DA objectives achieved on time</li> <li>- cut-off and closure exercise carried out within deadline</li> <li>- relevance, reliability and quality of control data reported back by EE</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>- n° of very important IAS recommendations or ECA findings on control failures</li> <li>- n° of regular monitoring actions, n° of issues under reinforced monitoring, budget % value and number of errors detected ex-post</li> <li>- Parent DG's AAR assurance on EEs budgets</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>- no amendments to DA to extend implementation deadline</li> <li>- CA renewed</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>- Time-To-Implement audit recommendations</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- ratio FTEs/funds entrusted (economic when below 10-15%)</li> </ul>

**Stage 4 – Commission contribution: payment or suspension/interruption**

**Main control objectives:** Ensure that the Commission fully assesses the management situation at the entrusted entity (EE), 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 (legality and regularity, sound financial management, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>The Commission pays out the (next) contribution to the entrusted entity:</p> <ul style="list-style-type: none"> <li>- while not being aware of management issues that may</li> </ul>	<ul style="list-style-type: none"> <li>- Require EE to report back on management issues as soon as possible.</li> <li>- Ex-ante operational and financial verifications leading to correction</li> </ul>	<p><b>Coverage:</b> 100% of the contribution payments.</p> <p><b>Frequency:</b> as per transfer agreement or transfer request</p>	<p><b>Costs:</b> estimation of FTEs involved in the ex-ante verifications</p> <p><b>Benefits:</b></p>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>lead to financial and/or reputational damage</p> <ul style="list-style-type: none"> <li>- despite being aware of such issues</li> <li>- with incorrect calculation of the cash needs of the entrusted entity</li> <li>- with no implementation of the audit results by the entrusted entity</li> </ul>	<p>of errors and restatement of corrected contribution request.</p> <ul style="list-style-type: none"> <li>- Management review of supervision results</li> <li>- Hierarchical validation of contribution payment and recovery of non-used funds</li> <li>- If necessary, suspension or interruption of payments</li> </ul>	<p>The <b>level of control</b> depends on the <u>mandate</u> of the (type of) entity, inter alia whether DG GROW has full access to the entity's internal control information.</p>	<ul style="list-style-type: none"> <li>- value of errors detected by ex-ante controls.</li> <li>- Total budget amount entrusted to the entity if no significant (legal, management, accounting, fraud, reporting) errors are detected.</li> <li>- DG's reputation remains intact.</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- amount of unused operating budget recovered (if any)</li> <li>- budget amount of the suspended/interrupted payments (if any).</li> </ul> <p><b>Efficiency Indicators:</b></p> <ul style="list-style-type: none"> <li>- Time-To-Pay /Recover</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Ratio FTEs/funds entrusted (economic when below 10-15%).</li> </ul>

## Stage 5 – Audit and evaluation

**Main control objectives:** Ensuring that assurance building information on the EE’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 level of control	Cost-Effectiveness indicators (three E’s)
<ul style="list-style-type: none"> <li>- The Commission has insufficient information from independent sources on the EE’s management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the Entity – which may reflect negatively on the Commission’s governance reputation and quality of accountability reporting.</li> <li>- Decentralized agencies do not fully cooperate with the Discharge authorities and do not provide, as appropriate,</li> </ul>	<ul style="list-style-type: none"> <li>- CA to specify independent audit function and cooperation with IAS and ECA</li> <li>- DG GROW own on-the-spot ex-post audits of the EE and/or its beneficiaries.</li> <li>- potential escalation of any major governance-related issues</li> <li>- Interim evaluations by independent experts of achievement of policy objectives</li> <li>- if necessary, refer to OLAF</li> </ul>	<p><b>Coverage:</b> All contribution agreements are checked through samples.</p> <p>Regarding the annual subsidy paid to ECHA, the budget executed on behalf of DG GROW is checked by the European Court of Auditors.</p> <p>DG GROW does not perform ex-post audits on the regulatory agencies ECHA and EUIPO. The systems are presumed to be up to Commission standards.</p>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved in the coordination and execution of the own audits.</li> <li>- Ex-post audit mission costs</li> <li>- Cost of outsourced audits</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- Assurance of the AOD that the population audited is clean of error.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>any necessary additional information.</p> <ul style="list-style-type: none"> <li>- The entrusted control system is subject to AAR reservations and/or ECA criticism</li> </ul>		<p><b>Frequency:</b> once a year or every second year, depending on the entrusted entity</p> <p>The <b>level of control</b> depends on the <u>mandate</u> of the (type of) entity, inter alia whether the Commission has full access to the entity's internal control information.</p>	<ul style="list-style-type: none"> <li>- % rate and value of errors detected by own audits (and subsequently corrected)</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- unqualified opinion by the EE's independent external auditor on the EE's annual financial statements</li> <li>- detected error rate of own ex-post audits of EE below materiality threshold.</li> <li>- n° of own audits</li> <li>- n° and number of errors detected by own audits.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- value of total payments audited.</li> <li>- Number of audits launched in the year versus annual target.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>- Number of audits closed in the year versus annual target.</li>   <li><b>Economy:</b></li> <li>- ratio: annual cost of own audits / amount of all errors detected.</li> <li>- average cost per audit.</li> </ul>

## RCS N°2: COSME financial instruments (legacy programme)

### RCS N° 2: Financial Instruments

This RCS covers: the COSME financial instruments entrusted under indirect management under the previous MFF (2014-2020) by DG GROW to the **European Investment Fund (EIF)** namely the Loan Guarantee Facility (LGF) and the Equity Facility for Growth (EFG).

#### Stage 1 – Set-up/design of the financial instrument and designation of international financial institution

##### Main control objectives:

- Ensuring that the Financial Instrument 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 International Financial Institution is pre-determined or selected to ensure that the Financial Instrument is implemented effectively and efficiently, sound financial management, legality and regularity, fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>The actions supported through the financial instrument do not adequately reflect the policy objectives for the COSME financial instruments as set out in the COSME Regulation 1287/2013 of 11 December 2013, specifically Articles 8, 17, 18 and 19.</p> <p>The Delegation Agreement signed under the previous MFF</p>	<ol style="list-style-type: none"> <li>1. Ex-ante assessment for financial instruments has been carried out</li> <li>2. Market test conducted prior to the design of the Loan Guarantee Facility (LGF)</li> <li>3. Main principles agreed in the Financial and Administrative Framework Agreement signed with the EIF.</li> <li>4. Adequacy of the Delegation Agreement (DA) signed between DG GROW and the entrusted</li> </ol>	<p>If risk materializes, the Financial Instrument could become irregular or miss the achievement of the policy objectives.</p> <p>Possible impact 100% of funds involved and significant reputational consequences.</p> <p><b>Coverage / Frequency for DA:</b> 100% / once</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation and validation of the delegated acts of the Financial Instrument including the ex-ante evaluation.</p> <p><b>Benefits:</b> The (average annual) budget entrusted</p>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>is inadequate in coverage of operational and management provisions (no compliance with Financial Regulation (FR)).</p>	<p>entity (European Investment Fund – EIF):</p> <p>5.</p> <ul style="list-style-type: none"> <li>• DA contains detailed provisions with regard to the follow-up on the achievement of policy objectives.</li> <li>• Fee payments to EIF are linked to achievement of measurable policy objectives.</li> <li>• DA was approved following Commission inter-service consultation (including all relevant DGs, horizontal and operational)</li> <li>• DA negotiations required substantial time and resources to ensure that all financial, operational and policy aspects are covered in sufficient detail to allow adequate management and follow-up of financial instruments until their wind-down (expected for 2034)</li> </ul> <p>6. Annual approval of work programme for 2014-2020, by</p>	<p><b>Level of control for DA:</b> In-depth control, performed by both the operational and financial units.</p> <p><b>Coverage / Frequency for annual work programme:</b> 100% / annually</p>	<p>to the EIF for the COSME financial instruments</p> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Quality of the DA</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Time-to-entrust: <ul style="list-style-type: none"> <li>○ time from adoption of COSME legal base to DA signed</li> <li>○ time between signature of Financial and Administrative Framework Agreement and signature of DA</li> </ul> </li> </ul>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
	the COSME Member State Committee		<ul style="list-style-type: none"> <li>○ time between signature of DA and calls for expression of interests published for the LGF and the EFG</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>● Ratio: FTEs invested in the drafting, negotiation and signature of the DA / total budget entrusted.</li> </ul>
The selection of the International Financial Institution is not in line with FR and its Rules of Application criteria, especially 'alignment of interests.'	<p>Selection of the EIF as entrusted entity:</p> <ul style="list-style-type: none"> <li>● In line with Art. 58.1(c)(iii) FR</li> <li>● EIF explicitly indicated in the COSME Regulation as a possible entrusted entity for the EFG (Art. 18.4(a)) and the LGF (Art. 19.4)</li> </ul> <p>Alignment of interest with the EIF was achieved through:</p>	<b>Coverage / Frequency:</b> 100% / once	<p><b>Costs:</b> estimation of cost of staff involved</p> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>● Use of experienced entrusted entity in the field of European SME financing</li> <li>● Single entrusted entity for both COSME</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>The International Financial Institution does not have the experience and financial capacities as well as the administrative and control capacities to ensure effective and sound implementation of the Financial Instrument</p>	<ul style="list-style-type: none"> <li>• Requirement for systematic co-investment of EIF own resources under the EFG</li> <li>• A fee structure to compensate the EIF for the implementation of the financial instruments which is linked to the achievement of the policy objectives.</li> </ul> <p>Ex-ante assessment of the EIF in accordance with articles 61(1) and 60(2) FR (the so-called six pillar assessment) successfully carried out prior to the signature of the Financial and Administrative Framework Agreement</p>	<p><b>Coverage / Frequency:</b> 100% / once</p>	<p>financial instruments (LGF and EFG) allowing full flexibility in budget implementation and use of funding in the most efficient and effective way.</p> <ul style="list-style-type: none"> <li>• Only one counterparty for DG GROW for implementation of COSME financial instruments in all participating countries to the COSME programme</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Use of EIF as entrusted entity allowed full flexibility in negotiations taking also into consideration the IFIs experience and procedures.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and level of control	Cost-Effectiveness indicators (three E's)
			<p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Time-to-entrust.</li> </ul> <p><b>Economy:</b></p> <p>Use of EIF avoided costly and lengthy selection procedure of International Financial Institution.</p>

**Stage 2 – Implementation of the financial instrument by the International Financial Institution, via financial intermediaries**

**Main control objectives:**

- Ensuring that the funds allocation is optimal (best value for public money; effectiveness, economy, efficiency); ensuring that the most promising Financial Intermediaries, Final Recipients are selected to meet the policy objectives (effectiveness)
- Ensuring that the remuneration paid to the International Financial Institution 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)
<p>The call for and selection of the contracted (sub-) financial intermediaries is not in line with FR its Rules of Application criteria for eligibility or exclusion, especially 'alignment of interests' and 'no relations with offshore banking and tax havens'.</p>	<ol style="list-style-type: none"> <li>1. Preventive measures: <ul style="list-style-type: none"> <li>• Calls for expression of interest published for the financial instruments have been built on the detailed provisions contained in the DA.</li> <li>• Approval of the texts of the calls by the Designated Service (DG GROW) prior to their publication</li> </ul> </li> <li>2. Due diligence by EIF <ul style="list-style-type: none"> <li>• The EIF must check the fulfilment of the eligibility conditions of potential financial intermediaries based on agreed procedures in the DA and/or the EIF's own procedures.</li> </ul> </li> <li>3. Pre-screening of potential financial intermediaries by DG GROW (ex-ante controls): <ul style="list-style-type: none"> <li>• Information on potential financial intermediaries submitted by the EIF to DG</li> </ul> </li> </ol>	<p><b>Coverage / Frequency:</b></p> <p>100% / once (as continuous call for expression of interest)</p> <p><b>Depth:</b> detailed provisions determined by the EIF in accordance with the DA, including objective selection and award criteria as well as reporting details</p> <p><b>Coverage / Frequency:</b></p> <p>100% / on a continuous basis (as applications can be submitted to the EIF by a FI at any given point in time)</p> <p><b>Depth:</b> very detailed</p> <p><b>Coverage / Frequency:</b></p> <p>100% / on a continuous basis (as applications can be submitted to the EIF by a financial intermediary at any given point in time)</p>	<p><b>Costs:</b> estimation of cost of staff involved in the preparation and validation of the calls and the follow-up of selection of financial intermediaries</p> <p><b>Benefit of controls:</b></p> <ul style="list-style-type: none"> <li>• A detailed call for expression of interest (including selection and award criteria + detailed reporting provisions) reduces the risk of unequal treatment of financial intermediaries applying for support and ensures uptake of the COSME financial instruments.</li> <li>• Ex-ante and ex-post controls of selected financial intermediaries ensure that financial</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>GROW through regular pipeline reports.</p> <ul style="list-style-type: none"> <li>• Prior information of DG GROW on pre-selected FIs before they are being proposed to the EIF board for approval.</li> </ul>	<p><b>Depth:</b> Basic information is provided by the EIF about the proposed transactions, allowing DG GROW to assess a limited number of eligibility criteria.</p>	<p>intermediaries meet the exclusion and eligibility criteria and that COSME funding is spent in accordance with provisions of legal base and FR (avoids waste of resources)</p> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• n° of (successful) challenges received from financial intermediaries on selection procedure.</li> <li>• n° of rejections of selected financial intermediaries or Final Recipients</li> <li>• value of equity/loans to be cancelled as a result of these controls.</li> <li>• Selected financial intermediaries meet the exclusion and</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The design of the accounting and reporting arrangements would not provide sufficient transparency (True and Fair View)</p> <p>The remuneration (structure and/or level) of the</p>	<p>Implementation of accounting and reporting arrangements by the EIF in accordance with the provisions and principles set out in the DA, to be transposed also into agreements with the selected financial intermediaries where applicable:</p> <ul style="list-style-type: none"> <li>• EIF is required to carry out ex-ante and ex-post controls, on-the-spot verifications.</li> <li>• Harmonised financial reporting has been required by the Commission (cf. Financial and Administrative Framework Agreement and DAs)</li> <li>• Separate records per COSME Financial Instrument are to be kept by the EIF.</li> </ul> <p>Application of the international financial and reporting standards</p>	<p><b>Coverage / Frequency:</b></p> <p>Risk-based or representative sample / on a continuous basis</p>	<p>eligibility criteria set out in the DA.</p> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Time-to-select (e.g. time between due diligence and approval of financial intermediaries by the EIF Board)</li> <li>• Time-to-contract (e.g. time between the selection procedure and the signature of agreements between EIF and financial intermediaries)</li> </ul> <p><b>Economy</b></p> <p>Ratio: FTEs + other costs of controls (on-spot controls, outsourcing of technical assistance) / amount implemented</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<p>International Financial Institution <sup>(38)</sup> and the reimbursement of any exceptional costs would not be in line with the Sound Financial Management objective (e.g. administrative fees unjustifiably high)</p>	<p>Fees, including administrative fees, incentive fees, treasury management fees and any exceptional unforeseen, expenses, are defined in the Financial and Administrative Framework Agreement and the DA, including an overall cap.</p> <p>Review by the designated service of the statement of expenses together with evidence provided by the International Financial Institution:</p> <ul style="list-style-type: none"> <li>• Incentive fees linked to the achievement of policy objectives, substantiated through the annual operational reports to be submitted for the LGF and the EFG</li> <li>• Overall fee cap (already reached) for admin and incentive fees of 6% of EU Contribution Committed</li> </ul>	<p>100% / annually</p>	<p><b>Costs:</b> estimation of cost of staff involved in accounting, analysis of reports and handling of identified deficiencies</p> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>• Number of verification failures detected; value of the issues concerned prevented/corrected.</li> <li>• Number of qualified audit opinions from independent auditors</li> <li>• Quality of reports</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>• Timely reporting by the International Financial Institution</li> </ul>

<sup>(38)</sup> Remuneration may include administrative fees, treasury management fees and incentives as well as exceptional and unforeseen expenses.



Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	<p>summarising the findings and follow-up activities.</p> <p>The agreements between the EIF and the financial intermediaries contain relevant reporting, monitoring and audit obligations.</p>	<p>100% / quarterly</p> <p>Risk-based or representative sample / on a continuous basis for the monitoring and control activities</p>	<p><b>Economy:</b></p> <p>Ratio of remuneration and costs versus actually managed funds</p> <p>Cost of control FTEs / value of errors detected.</p> <p><b>Costs:</b> estimation of cost of staff involved in the monitoring and supervision</p> <p><b>Benefits:</b> Regularity and legality of operations, respect of policy objectives</p> <p><b>Effectiveness:</b></p> <p>Reaching the indicators set out in the COSME legal base over the lifetime of the COSME</p>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			programme (accumulative data)

**Stage 3 - Monitoring and supervision of the financial instrument by the Commission, including ex-post controls and assurance building**

**Main control objectives:**

- Ensuring that the operational results (deliverables) from the Financial Instrument are of good value and meet the objectives and conditions (effectiveness and efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality and regularity); prevention of fraud (anti-fraud strategy); ensuring appropriate accounting of the operations (reliability of reporting, safeguarding of assets and information)
- Ensuring appropriate accounting of the repayments and assigned revenue made (reliability of reporting)
- Ensuring that the (audit) results from the ex-post controls lead to assurance for the accountable AOD (5 ICOs)

Main risks	Mitigating controls	Coverage and level of control	Cost-Effectiveness indicators (three E's)
<p>The entrusted entity provides support to activities which are not contributing to achieving the policy objectives and the implementation is not in compliance with applicable regulations and is not in accordance with the principle of sound financial management. 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> <p>The Financial Instrument transactions lead to contingent liabilities for the EU</p>	<p>Monitoring or supervision of the EIF as set out in the DA and FAFA</p> <p>Regular reporting by the EIF to DG GROW (Designated Service) on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year (to be discussed also in the respective LGF and EFG Steering Committees)</p> <p>Independent audit opinion</p> <p>In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/ supervision controls, random and/or case/risk-based audits at the IFI and (sub) Financial Intermediary levels.</p> <p>Referring Financial Intermediaries to OLAF</p>	<p><b>Coverage:</b></p> <ul style="list-style-type: none"> <li>Step 1: Representative sample of transactions carried out</li> <li>Step 2: Identified deficiencies leading to more in-depth controls and/or audits.</li> </ul> <p><b>Level of control:</b> depends on risk criteria</p>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>estimation of the cost of staff involved in the monitoring of the Financial Instrument.</li> <li>Cost of contracted services, if any.</li> <li>Cost of audits</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>funds used for intended purpose.</li> <li>detection of any non-compliance events (value)</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>Unqualified audit opinions</li> <li>Number of control failures detected; value of the issues concerned prevented/corrected.</li> </ul>

Main risks	Mitigating controls	Coverage and level of control	Cost-Effectiveness indicators (three E's)
<p>The governance chain between the responsible and the accountable parties involved is unclear (Commission, International Financial Institution, Financial Intermediaries, sub- Financial</p>	<p>DA provisions:</p> <ul style="list-style-type: none"> <li>• EU exposure/liability limited to the EU Contribution Committed</li> <li>• Official notification procedure on the EU Contribution Committed (including repayments)</li> <li>• Currency exposure fully hedged upfront.</li> </ul> <p>Regular submission of disbursement and repayment (assigned revenue) forecasts.</p> <p>Reporting on financial risk and off-balance-sheet liabilities</p> <p>Reporting on treasury management</p> <p>Clear provisions in the DA on governance chain and frequency/deadlines of reports</p>		<ul style="list-style-type: none"> <li>• Detected error rate resulting from ex-post audits.</li> <li>• Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of very important IAS recommendations and ECA findings.</li> <li>• Number of cases submitted to OLAF</li> </ul> <p><b>Efficiency:</b> Timely delivery of reports and their reliability</p> <p><b>Economy:</b></p>

Main risks	Mitigating controls	Coverage and level of control	Cost-Effectiveness indicators (three E's)
Intermediaries and Final Recipients)			Management (fees) and supervision costs (FTE) over assets under management Average cost per Financial Instrument; % cost over value delegated. Costs/Benefits ratio

**RCS N° 3: Procurement**

This RCS covers: DG GROW own procurement under direct management, which is mostly for studies and technical assistance:

**Stage 1 – Decision to launch a procurement procedure**

***A - Planning***

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

Main risks	Mitigating controls	Coverage	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The procurement needs are not clearly defined or justified from an economic or operational point of view.</li> <li>- Discontinuation of the services provided due to poor/late planning and organization of the procurement process.</li> <li>- Lack of expert knowledge and experience in the highly regulated field of procurement which may lead to the wrong choice of procedure/thresholds and the splitting of purchases.</li> <li>- Conflict of interests</li> </ul>	<ul style="list-style-type: none"> <li>- Publication of intended procurements</li> <li>- Validation of clear definition and justification of procurement needs by AOSD before call launch.</li> <li>- Detailed manual of budgetary and financial procedures available on the DG's intranet</li> <li>- In-house technical training on procurement by experienced officers from GROW.B2</li> <li>- Regular information on ethics, integrity and fraud awareness to all staff involved in the procurement process</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of forecast procurements are encoded in the DG GROW Planning and Forecast Tool for monitoring.</li> <li>- 100% of procurement procedures are managed through PPMT</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved and the related contract values (if external expertise is used)</li> </ul> <p><b>Quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Amount of rejection of unjustified purchases</li> </ul> <p><b>Non-Quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Avoidance of litigation</li> <li>- DG GROW reputation intact</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- n° of ECA observations and % error rate on choice of procurement procedure</li> </ul>

**B - Needs assessment and definition**

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

Main risks	Mitigating controls	Coverage frequency and level of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Risk of not obtaining value for money due to lack of market analysis and/or poor definition of selection criteria</li> <li>- Risk of unequal treatment resulting in litigation, due to selection criteria favouring one contractor</li> <li>- Risk of not receiving the best offers due to the poor definition of the tender specifications (disproportion between contract value and selection/award criteria, or specifications too vague)</li> <li>- Risk of non-compliance with legality and regularity and criticism on choice of procedure due to limited competition and high proportion of negotiated procedures in sometimes very technical and complex markets</li> </ul>	<ul style="list-style-type: none"> <li>- Encourage use of open procedures, even in captive or restrictive markets</li> <li>- Technical specifications are prepared and validated by at least 2 staff members and approved by the responsible Directorate before the launch of the call for tender.</li> <li>- Verification and validation of tender documents of the risky procedures by the Legal Team) in GROW.B2 before the launch of the call for tender.</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the specifications are verified. The level of the ex-ante controls may be determined by the amount and/or the impact on the objectives of the DG if it goes wrong.</li> <li>- 100% of the awards of tenders above a certain financial threshold (e.g. &gt; € 140.000) are reviewed. The level of control is risk-based, also depending on sensitivity of the procurement file.</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved and the related contract values (if external expertise is used)</li> </ul> <p><b>Quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Value of contracts for which the approval and supervisory control detected material error (negative opinion issued by the Legal Team at DG GROW (Public Procurement and Grants Management team).</li> </ul> <p><b>Non quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Limit the risk of litigation.</li> <li>- Limit the risk of cancellation of a tender.</li> </ul>

Main risks	Mitigating controls	Coverage frequency and level of controls	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Lack of proper understanding of the operational service's needs leading to inappropriate application of rules.</li> </ul>			<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- N° of suspensive opinions provided by the Legal Team in GROW.B2</li> <li>- N° of 'open' procedures or procedures where only one or no offers were received.</li> </ul>

### ***C – Evaluation and Award***

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

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The most economically advantageous offer is not selected due to a biased, inaccurate or 'unfair' evaluation process.</li> <li>- Over-consumption of resources (human and financial) due to errors or mismanagement leading to award decisions</li> </ul>	<ul style="list-style-type: none"> <li>- All evaluations involve the use of opinions of more than one qualified official. The evaluation process is more regulated and formalized as the contract value increases.</li> </ul>	<ul style="list-style-type: none"> <li>- Formal evaluation process: Opening and Evaluation committees for all tenders &gt; € 140.000 including signature of declarations of absence of conflict of interests by the committee members.</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved and the related contract values (if external expertise is used).</li> </ul>

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>being contested (resulting in Court and Ombudsman cases)</p> <ul style="list-style-type: none"> <li>- Damage to the DG's reputation if fraud or criminal behaviour is discovered (conflict of interest)</li> </ul>	<ul style="list-style-type: none"> <li>- Risk based approach: higher risk contracts have more in-depth checks.</li> <li>- Review and issue of an opinion on evaluation and award process of the risk procedures by the Legal Team in GROW.B2 before award of the contract</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the offers are evaluated by more than one qualified staff member</li> <li>- 100% of evaluations are checked.</li> <li>- The level of control is risk-based, also depending on the total value of the procurement file.</li> <li>- validation of the exceptional procedures (negotiated procedures &gt; € 50.000) by the Director-General prior to any negotiation.</li> </ul>	<p><b>Quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Difference between the most onerous offer and the selected one</li> <li>- N° or value of contracts subject to complaints / irregularities</li> <li>- N° of procurements not challenged during standstill period.</li> </ul> <p><b>Non quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Compliance with the Financial Regulation</li> <li>- Best value for money</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- n° of ECA observations and % error rate concerning evaluation and award stage.</li> <li>- N° of suspensive opinions provided by the Legal Team in GROW.B2</li> <li>- n° of complaints or Ombudsman or Court</li> </ul>

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
			cases resulting from non-compliant procurement process. <b>Efficiency:</b> <ul style="list-style-type: none"> <li>- Time-To-Contract</li> <li>- Contract value/cost of FTEs involved in control of contracts.</li> </ul>

**Stage 2 – Contract Management and Financial transactions**

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

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Bad or non-execution by the contractor, leading to serious issues if contractual deliveries are critical and no short-term alternatives are available (risk of over-dependency on certain contractors)</li> <li>- The products/services foreseen are not, totally or partially, provided in accordance with the</li> </ul>	<ul style="list-style-type: none"> <li>- Checks on financial capacity and viability of contractors prior to awarding the contract.</li> <li>- Close monitoring of contracts, with possible on-site verifications, particularly of high value contracts resulting from negotiated procedures.</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the contracts are controlled, including only value-adding checks.</li> <li>- For riskier operations, in-depth ex-ante verification</li> <li>- High risk operations identified by risk criteria.</li> <li>- For high-risk operations, reinforced monitoring of the</li> </ul>	<b>Costs:</b> <ul style="list-style-type: none"> <li>- estimation of FTEs involved.</li> </ul> <b>Quantified Benefits:</b> <ul style="list-style-type: none"> <li>- Amount out of irregularities, errors and overpayments</li> </ul>

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <ul style="list-style-type: none"> <li>- Risk of bad execution due to undetected errors on uncorrected imprecisions in offers or tendering specifications.</li> <li>- Business discontinues, because contractor fails to deliver.</li> <li>- Plagiarism (studies, reports)</li> <li>- Fraud</li> </ul>	<ul style="list-style-type: none"> <li>- Checks on both operational and financial issues carried out at an appropriate level using the most qualified staff. As defined in accordance with the financial circuits</li> <li>- Possibility to run a plagiarism check of reports submitted by contractor.</li> <li>- Management of sensitive functions</li> </ul>	<p>respect of the timely achievement of the contract's milestones by the contractor</p>	<p>prevented by the controls.</p> <p><b>Non quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- DG reputation intact</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- n° of ECA findings and % error rate relating to contract management /payment stage.</li> <li>- N° of court cases resulting from the execution of the contract.</li> <li>- % budget execution rate – total amount committed/paid versus total budget envelope</li> <li>- % of contracts implemented</li> <li>- n° of very important audit recommendations from the IAS or findings from ECA</li> </ul>

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
			<p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Time-To-Pay</li> <li>- Late interest payment and damages paid (by the Commission)</li> <li>- Coverage of 1<sup>st</sup> and 2<sup>nd</sup> level ex-ante controls.</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Average n° of contracts per procurement control FTE</li> <li>- cost of control per running contract</li> </ul> <p>% cost over annual amount disbursed</p>

**Stage 3 – Supervisory measures**

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

Main risks	Mitigating controls	Coverage frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- 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</li> </ul>	<ul style="list-style-type: none"> <li>- Supervisory desk review of procurement and financial transactions</li> <li>- Ex-post publication of contracts awarded (and subsequent publication in the EU Financial Transparency System)</li> <li>- Regular review of exceptions or non-compliance events reported.</li> <li>- Regular review of the procurement process</li> <li>- System and transaction audits by IAS, ECA) and subsequent monitoring of implementation of recommendations for improvement</li> <li>- indicators on procurement are regularly reported</li> </ul>	<ul style="list-style-type: none"> <li>- 100%: review any significant problem that occurred.</li> <li>- Legal team examines procurement procedures.</li> <li>- 100% of the sample at least once a year to determine any errors or systemic problems or weaknesses in the procedures (procurement and financial transactions)</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of FTEs involved in the controls.</li> </ul> <p><b>Non-Quantified Benefits:</b></p> <ul style="list-style-type: none"> <li>- Systematic weaknesses corrected.</li> <li>- Deterrent effect</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Amounts associated with errors detected (related to fraud, irregularities and error) and in % over total checked.</li> <li>-</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Average time-to-contract</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Proportion of overall cost of control over total expenditure (payments authorized)</li> <li>- Costs of the ex-post controls and supervisory</li> </ul>

<b>Main risks</b>	<b>Mitigating controls</b>	<b>Coverage frequency and level of control</b>	<b>Cost-Effectiveness indicators (three E's)</b>
			measures with respect to the 'benefits'

**RCS N° 4: Grants**

This RCS covers: DGGROW grants under direct management, awarded in the framework of the SMP or any other ad hoc, action and operating grants.

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

***A - Preparation, adoption and publication of the Annual Work Programme (AWP) and calls for proposals (calls)***

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

Remark: it is important to underline that today nearly all the grants managed directly by DG GROW are operating grants with predefined beneficiaries indicated in the Single Market Work Programme, thus without any call for proposals. This implies that most of the risks identified here below and the related mitigating controls are not applicable.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Work Programmes and subsequent calls 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.</li> </ul>	<ul style="list-style-type: none"> <li>- Hierarchical validation within the authorizing department</li> <li>- Inter-service consultation, including all relevant DGs.</li> <li>- Adoption by the Commission</li> </ul> <p><u>Recommended:</u></p> <ul style="list-style-type: none"> <li>- Centralized checklist-based verifications</li> <li>- Explicit allocation of responsibility to individual</li> </ul>	<p>If the risk materializes, all grants awarded during the year under this WP or call would be irregular. Possible impact: 100% of budget involved and significant reputational consequences.</p> <p><b>Coverage / Frequency:</b> 100%</p> <p><b>Depth:</b> All Work Programmes are thoroughly reviewed at all levels,</p>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- Estimation of cost of staff involved in the preparation and validation of the calls (including those involved in the draft of the Work Programmes).</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Work Programmes are inconsistent within the other family DGs.</li> <li>- Work Programmes overlap with other programmes (by other DGs, e.g. Structural Funds) and could lead to double-funding</li> <li>- Calls are tailored to the advantage of certain candidates due to undue influences from interest groups.</li> <li>- Calls are not adequately published and do not reach all target groups</li> </ul>	<p>officials (reflected in task assignment or function descriptions)</p> <ul style="list-style-type: none"> <li>- Ex-post monitoring: lessons-learned survey/discussion with evaluators</li> </ul>	<p>including for operational and legal aspects.</p>	<p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- Publicity of the calls for proposal to attract the best proposals.</li> <li>- The (average annual) total budgetary amount of the programmes with significant errors detected and corrected.</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- % of n° of calls successfully concluded / number of calls planned in the Work Programme</li> <li>- % budget execution rate grant commitments</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- average n° and value of running grants</li> </ul>

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			managed per control FTE - % cost of control for all stages over annual amount disbursed in grants - average cost of control per grant

**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 (effectiveness); Compliance (legality and regularity); Prevention of fraud (anti-fraud strategy)

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Evaluation, ranking and selection of proposals not carried out in accordance with the established procedures, policy objectives and priorities.</li> <li>- Eligibility, selection and award criteria too ambiguous or otherwise inadequate to ensure that grants are awarded to the</li> </ul>	<ul style="list-style-type: none"> <li>- Selection and appointment of expert evaluators</li> <li>- Assessment of evaluation procedure by independent experts</li> <li>- Review of evaluation results by an ad hoc committee for big calls</li> </ul>	<ul style="list-style-type: none"> <li>- 100% vetting (including selecting) of expert evaluators for technical expertise and independence (e.g., conflicts of interests, nationality bias, ex-employer bias, collusion)</li> <li>- 100% of proposals are evaluated.</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- Estimation of cost of staff involved in the evaluation and selection of proposals.</li> <li>- Cost of the appointment of experts and of the</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>actions which maximize the overall effectiveness of the EU programme.</p> <ul style="list-style-type: none"> <li>- Unauthorized persons may have access to the electronic system for the management of the calls.</li> <li>- Unequal treatment of applicants: inappropriate contacts and/or conflict of interests with certain applicants during the procedure</li> <li>- Monopoly of certain bodies insufficiently justified</li> </ul>	<ul style="list-style-type: none"> <li>- Review of the evaluation file by the Legal team in GROW.B2</li> <li>- Validation by the AO of ranked list of proposals. In addition, if applicable: opinion of advisory bodies; comitology; inter-service consultation, adoption by the Commission; publication</li> <li>- Redress procedure</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of ranked list of proposals. Supervision of work of evaluators.</li> <li>- 100% of contested decisions are analysed by a redress committee</li> </ul>	<p>logistics of the evaluation</p> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- 'Quality allocation' assurance of the whole committed budget (as it will have been checked ex-ante and is considered reasonable in the interests of the programme)</li> </ul> <p>Qualitative benefits:</p> <ul style="list-style-type: none"> <li>- 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 executed projects.</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
			<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- % of proposals evaluated within the year/proposals received</li> <li>- % of n° of (successful) redress challenges / total n° of proposals received</li> <li>- Ratio of proposals received to proposals selected (“oversubscription” rate)</li> <li>- No successful litigation cases.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Average Time-To-Publication of selection results</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Average evaluation cost per proposal</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
			(external experts paid only) - % cost of control over annual amount disbursed in grants

## Stage 2 - Contracting

**Main control objectives:** Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; Ensuring that the actions and funds allocation is optimal (Sound Financial Management: best value for public money, effectiveness, economy, efficiency, compliance (legality and regularity) and prevention of fraud (anti-fraud strategy)).

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- After evaluation, the description of the action in the grant agreement remains unclear or still includes tasks which do not contribute to the achievement of the programme objectives.</li> <li>- Inconsistencies exist between the grant agreement and its annexes.</li> <li>- Procedures do not comply with regulatory framework.</li> </ul>	<ul style="list-style-type: none"> <li>- Systematic checks on operational and legal aspects performed before signature of the grant agreement.</li> <li>- Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed adjustments.</li> </ul>	<p><b>Coverage:</b></p> <ul style="list-style-type: none"> <li>- 100% of the selected proposals and beneficiaries are scrutinized.</li> <li>- 100% of draft grant agreements</li> </ul> <p><b>The level of control</b> may be differentiated; determined after</p>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- Estimation of cost of staff involved in the contracting process.</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Average Time-To-Grant</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- % cost of control for all stages over annual</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The beneficiary:               <ul style="list-style-type: none"> <li>▪ has overestimated the costs necessary to carry out the action.</li> <li>▪ has made false declarations.</li> <li>▪ lacks operational and/or financial capacity to carry out the action.</li> <li>▪ is awarded several grants for a single action (double - funding by different DGs or other donors)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Validation of beneficiaries (operational and financial viability)</li> <li>- Planning of (mid-term and final) evaluations.</li> <li>- Signature of the grant agreement by the AO.</li> <li>- In-depth financial verification and taking appropriate measures for high-risk beneficiaries.</li> </ul>	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	amount disbursed in grants

**Stage 3 - Monitoring the execution: Project management - operational, financial and reporting aspects**

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

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed those due according to the applicable contractual and regulatory provisions.</li> <li>- Eligibility conditions of the beneficiary may change during the implementation (e.g., SME bought by a larger company or a company becoming controlled by a third state)</li> <li>- For grants with financing not linked to costs with a long duration (over 2 years), there is a risk that actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement, while prefinancing had been disbursed. The mitigating element is to cap prefinancing</li> </ul>	<ul style="list-style-type: none"> <li>- Kick-off meetings and "launch events" involving the beneficiaries to avoid project management and reporting errors.</li> <li>- Explain and clarify at front rules on eligibility criteria (most current cases)</li> <li>- Effective external communication about guidance to the beneficiaries</li> <li>- Operational and financial checks in accordance with the financial circuits.</li> <li>- Operation authorization by the AO</li> <li>- For riskier operations more in-depth ex-ante controls. Scientific reviews if necessary.</li> <li>- When needed: application of suspension/interruption of payments, penalties or liquidated damages, earmark projects for risk-based ex-</li> </ul>	<ul style="list-style-type: none"> <li>- 100% of the projects are controlled, including only value-adding checks.</li> <li>- Riskier operations subject to more in-depth controls</li> <li>- The level of control depends on risk criteria. However, in order to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum.</li> <li>- High risk operations identified by risk criteria: suspicions raised by staff, delayed interim deliverables, suspicion of plagiarism, unstable consortium, requesting many amendments, EDES or anti-fraud flagging, etc.</li> <li>- Audit certificates required for any beneficiary claiming significant EU contribution</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of cost of staff involved in the actual management of running projects.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- part of budget value of the costs claimed by the beneficiary but rejected by staff.</li> <li>- Reductions in error rates identified by audit certificates.</li> <li>- Budget value of penalties and liquidated damages.</li> <li>- Benefits due to operational review of projects and consequent corrective actions imposed on projects.</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<p>and to cooperate with public bodies.</p> <ul style="list-style-type: none"> <li>- Reimbursement of ineligible costs by DG GROW (e.g., due to overinflated timesheets, subcontracting of core activities or without prior tendering procedure)</li> <li>- Several authorizing officers implement the same programme and do not treat the beneficiaries equally.</li> <li>- Insufficient operational performance monitoring of beneficiaries by project officers</li> </ul>	<p>post audit, refer grant/beneficiary to OLAF</p>		<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- % and value of reductions made to EC contribution paid out through the ex-ante desk checks / total value of cost claims desk-checked</li> <li>- % of payments suspended</li> <li>- n° of cost claims desk-checked</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- % and value of reductions made to EU contribution paid through ex-ante desk checks/total value of cost claims checked</li> <li>- Average n° and value of projects managed 'per' staff FTE.</li> <li>- Average Time-To-Pay</li> <li>- Average payment suspension time (days)</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
			<b>Economy:</b> - % cost of ex-ante control (cost/total amount of grant payments) - Average project management cost (staff FTE * standard staff cost per running project)

**Stage 4 - Ex-Post controls**

***A - Reviews, audits and monitoring***

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

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- The ex-ante controls (as such) fail to prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond an acceptable rate of error</li> </ul>	<ul style="list-style-type: none"> <li>- Ex-post control strategy: 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. Additional sample to address specific risks.</li> <li>- Carry out audits or desk reviews of a (representative) sample of operations to determine effectiveness of ex-ante controls.</li> <li>- Multi-annual basis (programme's lifecycle) and coordination with other AOs concerned (to detect systemic errors). In case of systemic error detected, extrapolation to all the projects run by the audited beneficiary.</li> <li>- Validate audit results with beneficiary.</li> <li>- If needed: refer the beneficiary or grant to OLAF</li> </ul>	<ul style="list-style-type: none"> <li>- Common Representative audit sample (CRaS); Monetary Unit Sample (MUS) across the programme to draw valid management conclusions on the error rate in the population.</li> <li>- DG GROW own sample, determined in accordance with the sampling methodology of DG GROW</li> <li>- Representative sample: random or MUS sample sufficiently representative to draw valid management conclusions (other DG GROW grants)</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- Estimation of cost of staff involved in the coordination and execution of the audit strategy. Audit mission costs. Cost of outsourced audits.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- <u>Quantifiable</u>: budget value of the errors detected by the auditor</li> <li>- <u>Non quantifiable</u>: Deterrent effect. Learning effect for beneficiaries. Improvement of ex-ante controls or risk approach in ex-ante controls by feeding back findings from audit. Improvement in rules and guidance from feedback from audit.</li> </ul>

Main risks	Mitigating controls	Frequency and level of control	Cost-Effectiveness indicators (three E's)
			<p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- DG GROW grants: Detected Error Rate</li> <li>- Value of errors detected.</li> <li>- Total and Average ex-post audit cost (in-house and/or outsourced)</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- N° of audits finalised.</li> <li>- % of beneficiaries and of value covered by ex-post audits</li> </ul> <p><b>Economy:</b></p> <ul style="list-style-type: none"> <li>- Total and average ex-post audit cost</li> </ul>

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

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

Main risks	Mitigating controls	Coverage and level of control	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> <li>- Errors, irregularities and cases of fraud detected are not addressed or not addressed timely</li> </ul>	<ul style="list-style-type: none"> <li>- Systematic registration of audit / control results to be implemented.</li> <li>- Financial and operational validation of recovery in accordance with financial circuits</li> <li>- Authorisation by AO</li> <li>- Notification to OLAF and regular follow up of detected fraud</li> </ul>	<p><b>Coverage:</b> 100% of final audit results with a financial impact</p> <p><b>Depth:</b></p> <ul style="list-style-type: none"> <li>- All audit results are examined in-depth in making the final recoveries.</li> <li>- Systemic errors are extended to all the non-audited projects of the same beneficiary</li> </ul>	<p><b>Costs:</b></p> <ul style="list-style-type: none"> <li>- estimation of cost of staff involved in the implementation of the audit results.</li> </ul> <p><b>Benefits:</b></p> <ul style="list-style-type: none"> <li>- budget value of the errors, detected by ex-post controls, which have been corrected (offset or recovered)</li> </ul> <p><b>Loss:</b></p> <ul style="list-style-type: none"> <li>- budget value of such Recovery Orders which are 'waived' or must be cancelled.</li> </ul> <p><b>Effectiveness:</b></p> <ul style="list-style-type: none"> <li>- Amounts being recovered and offset</li> </ul> <p><b>Efficiency:</b></p> <ul style="list-style-type: none"> <li>- Number/value/% of audit results pending implementation.</li> <li>- Number/value/% of audit results implemented.</li> </ul>

Main risks	Mitigating controls	Coverage and level of control	Cost-Effectiveness indicators (three E's)
			<ul style="list-style-type: none"> <li>- Time-To-Recover</li> <li><b>Economy:</b></li> <li>- % cost of control for all stages over annual amount disbursed in grants</li> </ul>

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

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

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

- the annual reports from Authorising Officers by Sub-Delegation (AOSDs), submitted by the Directors, which include the outcome of internal control monitoring within each Directorate;
- the reports on control results from entrusted entities in indirect management, as well as the results of the Commission's supervisory controls on the activities of these bodies;
- the contribution by the Director in charge of Risk Management and Internal Control, including the results of internal control monitoring at department level;
- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);
- the results of ex-ante and ex-post controls;
- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);

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

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

In line with the requirements of the Financial Regulation, DG GROW reports for the year 2024:

- 1) Cases of any in-kind donation made to the Union, for the purposes of humanitarian aid, emergency support, civil protection or crisis management aid (FR art 25.3). No such cases for DG GROW.
- 2) 6 cases of "confirmation of instructions" (FR art 92.3).

- 3) Cases of financing not linked to costs (FR art 125.3). No such cases for DG GROW.
- 4) Financial Framework Partnerships >4 years (FR art 131.4). No such cases for DG GROW.
- 5) Cases of flat-rates >7% for funding indirect costs (FR art 184.6). No such cases for DG GROW.
- 6) Derogations from the principle of non-retroactivity pursuant to Article 196 of the Financial Regulation. No such cases for DG GROW.
- 7) Cases of financial support to third parties >EUR 60 000 (FR art 207). No such cases for DG GROW.
- 8) Cases of non-financial donations provided in the form of services, supplies or works (FR art 244.3). No such cases for DG GROW.

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

#### Overview of department ’s estimated cost of controls at Commission (EC) level:

##### - Overview of GROW's estimated cost of controls at Commission (EC) level

##### EXPENDITURE

The absolute values are presented in EUR

GROW	Ex ante controls***			Ex post controls			Total	
	(a) EC total costs	(b) related payments Made	(c) Ratio (%)** (a)/(b)	(d) EC total costs	(e) total value verified and/or audited	(f) Ratio (%) (d)/(e)	(g) EC total estimated cost of controls (a)+(d)	(h) Ratio (%)** (g)/(b)
RCS 2 - Financial instruments	29,278.00 €	70,527,966.00 €	0.04%	- €	- €	0.00%	29,278.00 €	0.04%
RCS 1-Budget entrusted to other entities	233,662.40 €	87,252,260.49 €	0.27%	13,490.00 €	87,252,260.49 €	0.02%	247,152.40 €	0.28%
RCS 3 - Procurement	2,933,997.60 €	54,482,624.71 €	5.39%	- €	- €	0.00%	2,933,997.60 €	5.39%
RCS 4 - Grants	372,141.60 €	9,862,177.74 €	3.77%	- €	- €	0.00%	372,141.60 €	3.77%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
	- €	- €	0.00%	- €	- €	0.00%	- €	0.00%
<b>OVERALL total estimated cost of control at EC level for expenditure</b>	<b>3,569,079.60 €</b>	<b>222,125,028.94 €</b>	<b>1.61%</b>	<b>13,490.00 €</b>	<b>87,252,260.49 €</b>	<b>0.02%</b>	<b>3,582,569.60 €</b>	<b>1.61%</b>

\* if the control costs are not attributable to a single RCS and may relate to a 'mix' of expenditure, revenue, assets/liabilities, etc, they may be grouped

\*\* ratio possibly "Not Applicable (N/A)", e.g. if a RCS specifically covers an Internal Control Objective such as safeguarding sensitive information, reliable accounting/reporting, etc

\*\*\* any 'holistic' control elements (e.g. with 'combined' ex-ante & ex-post characteristics) can be reported in the ex-ante column provided that a footnote clarifies this (their nature + their cost). Example: MS system audits in shared management.

\*\*\*\* These include revenue operations (e.g. assigned revenue, fines, interest); assets (e.g. (in)tangible or financial assets, inventories, treasury) and financial liabilities or 'off balance sheet' items (e.g. employee benefits, guarantees offered or other commitments)

The cost of control includes mainly the financial resources at DG GROW. For the COSME Financial instruments.

Management fees paid to the EIF related to COSME financial instruments amounted to EUR 8 317.35.

## Financial Instruments

In line with the Financial and Administrative Framework Agreement (FAFA) between the EU and the European Investment Fund (EIF), the COSME Delegation Agreement (DA) entrusts budget implementation of the COSME financial instruments to the EIF. The DA covers the implementation of the two financial instruments under COSME, i.e. the Loan Guarantee Facility (LGF) and the Equity Facility for Growth (EFG).

Controls during the implementation of the COSME financial instruments relate to the selection of financial intermediaries, fund allocation between the LGF and the EFG, remuneration of the EIF, assessment of the effectiveness and efficiency of the internal control systems as well as the follow-up of any observations by internal or external auditors. The reader is referred to Annex 6 Relevant Control System template (RCS) on Financial Instruments for details on the control strategy.

Ex-ante and ex-post controls and regular monitoring are ensured all over the year by the operational units in DG GROW.

Based on the Declarations of Assurance on both financial instruments and the respective reports on audits and controls, which are submitted by the EIF, DG GROW has reasonable assurance in all material aspects that the EU funds delegated to EIF are used for the intended purposes, including regarding legality and regularity. DG GROW also considers that the operational and financial reporting requirements set out in the COSME Delegation Agreement provide sufficient and relevant information and figures to ensure sound and efficient management of the policy aspects of these financial instruments.

The cost of controls for non-expenditure items are included on DG's total amount and cannot be provided separately.

## Budget entrusted to other entities

### ECHA / Contribution Agreements

Payments to entrusted entities and contribution agreements represent 39.3% of the total DG GROW payments. The payments made amount EUR 87.2 million.

The Relevant Control System template (RCS) n°1 for budget entrusted to external entities in Annex 6 demonstrates how the control system in place in the Directorate-General addresses the risks related to this type of expenditure.

## Procurement

Procurement under direct management (including administrative expenditure) represents 24.5% of the total 2024 DG GROW payments. The payments made in 2024 on own procurement amount to EUR 54.5 million.

The Relevant Control System template (RCS) n°3 for procurement in Annex 6 demonstrates how the control system in place in the Directorate-General addresses the risks related to this type of expenditure.

The procurement procedures applied in DG GROW involve a number of specific controls, which are fully in line with the applicable regulatory requirements. The benefit of these specific controls provides assurance on legality and regularity, transparency, equal treatment and proportionality of the public procurement and mitigates the risk of reputational damage.

There is no indication that a higher level of checks and controls would produce any supplementary benefits.

### **Grants directly managed by DG GROW**

DG GROW manages directly both operating and action grants. Total grant payments in 2024 were EUR 9.8 million, representing 4.4% of DG GROW payments. The payments for grants in the Standardisation area amount EUR 2.9 million, representing 1.3% of the total DG GROW payments for 2024.

The Relevant Control System template (RCS) n°4 for grants in direct management in Annex 6 demonstrates how the control system in place in the Directorate-General addresses the risks related to this type of expenditure.

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

Not applicable

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

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

Table X : Estimated risk at payment and at closure (amounts in EUR mios)

DG GROW	Payments made (2024,MEUR)	minus new prefinancing [plus retentions made] (in 2024,MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by	Relevant expenditure (for 2024,MEUR)	Detected error rate or equivalent estimates			Estimated risk at payment (2024,MEUR)			Adjusted Average Recoveries and Corrections (adjusted ARC, %)			Estimated Future corrections [and deductions] (for 2024,MEUR)			Estimated risk at Closure (2024,MEUR)					
-1	-2	-3	-4	-5	-6			-7			-8			-9			-10					
RCS1 EUIPO (Contribution agreement)	2.17	- 2.17	0.00	0.00	0.50%	-	0.50%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS1 ECHA (Balancing subsidy)	77.31	- 77.31	67.42	67.42	0.00%	-	0.00%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS1 ECHA (Contribution agreement)	1.67	- 1.67	1.66	1.66	0.50%	-	0.50%	0.01	-	0.01	0.00%	-	0.00%	0.00	-	0.00	0.01	-	0.01			
RCS1 OECD (Contribution Agreement)	0.22	- 0.16	0.50	0.56	0.50%	-	0.50%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS1 UNECE (Contribution Agreement)	0.70	- 0.70	0.00	0.00	0.50%	-	0.50%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS1 EIB (Contribution Agreement)	0.19	0.00	0.19	0.38	0.50%	-	0.50%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS1 EIT (Contribution Agreement)	5.00	- 5.00	0.00	0.00	0.50%	-	0.50%	0.00	-	0.00	0.00%	-	0.00%	0.00	-	0.00	0.00	-	0.00			
RCS2 EIF (COSME Financial instruments)	70.53	0.00	0.00	70.53	0.50%	-	0.50%	0.35	-	0.35	0.00%	-	0.00%	0.00	-	0.00	0.35	-	0.35			
RCS3 Procurement	48.92	- 0.60	1.33	49.65	0.50%	-	0.50%	0.25	-	0.25	0.00%	-	0.00%	0.00	-	0.00	0.25	-	0.25			
RCS3 Administrative Expenses	5.56	0.00	0.00	5.56	0.50%	-	0.50%	0.03	-	0.03	0.00%	-	0.00%	0.00	-	0.00	0.03	-	0.03			
RCS4 Grants (Other)	6.95	- 1.32	2.54	8.18	0.50%	-	0.50%	0.04	-	0.04	0.00%	-	0.00%	0.00	-	0.00	0.04	-	0.04			
RCS4 Grants (Standardisation)	2.91	- 2.11	2.22	3.02	0.85%	-	0.85%	0.03	-	0.03	0.35%	-	0.35%	0.01	-	0.01	0.02	-	0.02			
<b>DG total</b>	<b>222.13</b>	<b>- 91.04</b>	<b>75.87</b>	<b>206.96</b>				<b>0.71</b>	<b>-</b>	<b>0.71</b>	<b>0.01%</b>	<b>-</b>	<b>0.01%</b>	<b>0.01</b>	<b>-</b>	<b>0.01</b>	<b>0.70</b>	<b>-</b>	<b>0.70</b>			
								<b>Overall risk at payment in %</b>			<b>0.34% - 0.34%</b>						<b>Overall risk at closure in %</b>			<b>0.34% - 0.34%</b>		
											<i>(7) / (5)</i>						<i>(10) / (5)</i>					

(1) Relevant Control Systems [if possible] differentiated per relevant portfolio segments and at a level which is lower than the 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 departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

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

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

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), our concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out 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*), the rate which should be used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

*Similarly the subsidies given by partner DGs to decentralised agencies as part of their establishment and core tasks are considered error-free types of expenditure and the rate which should be used is 0%.*

(7) Estimated risk at payment which is calculated on the basis of the error rate (column 6) applied on the relevant expenditure (column 5).

(8) The adjusted average recovery and corrections percentage is based on the 7 years historic Average of Recoveries and financial Corrections (ARC), which is the best available indication of the corrective measures each department applied over the past years. It is received from the central services and amounts to 0.003% for 2024. For all expenditure, except for Standardisation Grants, the AOD decided to apply 0.0% instead of 0.003% as a conservative approach.

The average amount of the implemented corrections over the past 3 years (2022-2024) is 0.0027(million) euros (0.0011% of the average amount of relevant expenditure of that period), compared to an average amount of estimated future corrections during the same period of 0.0375(million) euros (0.0174% of the average amount of relevant expenditure of that period). The deviation of 0.0163% between the two averages is considered marginal due to the reduced amounts both on the estimations and on the recoveries.

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

(10) Estimated risk at closure which represents the difference between the estimated risk at payment (column 7) and the estimated future corrections (column 9)

## **B. Reservations**

No reservations for DG GROW in 2024.

### **1. Reservation fiche**

Not applicable.

### **2. Reservations not issued or lifted in 2024 due to the application of the 'de minimis' threshold.**

Not applicable.

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

## Human resource management

<b>Objective:</b> DG GROW 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 Decision SEC(2020)146 of 1 April 2020 and SEC(2023)200		
Baseline (01/12/2019)	Target (2022) + (2024)	Latest known results (31/12/2024)
44% (19 out of 43)	Targets 2023-2024: 2 first female appointments 2022: 4 first female appointments	Target 2023-2024 met in 2023 No female first appointments in 2024 (2 male first appointments made) 39% female representation (3 vacant positions out of 34)
<b>Indicator 2:</b> DG GROW staff engagement index <b>Source of data: Commission staff surveys 2018 – 2023</b>		
<b>Baseline (01/01/2018)</b>	<b>Target (2024)</b>	<b>Latest known results (2024)</b>
68%	83%	75% for GROW (Commission staff engagement index was 73%)

### Main outputs in 2024:

Description	Indicator	Target	Latest known results (31/12/2024)
Reaching quantitative DG-specific targets for first female appointments to management functions	Number of female appointments Number of female candidates interviewed Ensure a gender-neutral drafting on vacancy notices	Maintain or increase the current rate of 44% female-middle managers	6 first female appointments since 2020.  Current rate of 39 % female middle managers due to 3 vacant positions

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2024)</b>
Gender diversity at the level of Deputy Heads of Unit	Continue to organise the cross-DG FTDP % of women & men in Deputy's Functions  % of newly appointed Deputy Head of Unit Ensure a gender-neutral drafting of vacancy notices	>1 colleague in the cross-DG FTDP on top of the ones following the corporate one  >50% of women in Deputy's function >= 50% of women newly appointed	6  Target reached  58% female representation
Increase geographical balance within staff	Geographical Presence and Recruitments dashboard produced monthly by DG HR	Commission's target for AD level: 47,4%	41,7 % recruitments (01/12/2023 – 30/11/2024)
Continue to implement new methodology and policy to ensure more flexible and agile replacement of staff and reallocation according to the needs  Close monitoring and management of job quotas / external staff budget	Number of redeployment posts via organised allocation of staff packages during the year)  External budget execution	6 staff packages a year  External budget execution close to 99%	4 staff allocation packages. Target not met due to a decrease of leaves in the DG  Target reached: 100% external budget execution
Increase staff engagement (Baseline DG GROW 2018 – 68%)	Increase DG GROW Interim milestone (2021) – 71%  All staff meetings to present DG's achievements  Emails to all staff to congratulate colleagues after major political achievements	Increase Staff engagement index by 2024  At least 4 all staff meetings (1 per quarter)  At least 4 internal emails (1 per quarter)	75% in 2023 – Staff Survey results (takes place only every 2 years)  6 All Staff meetings  Target reached
Grow Talks sessions as output for internal communication (information-sharing, community building as well as talent and achievement recognition)	Number of sessions	>12 sessions	24 sessions including a new subsection on IT topics

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2024)</b>
Online Directors debrief of Directors' meeting)	Number of debriefs compared to the number of Directors' meetings)	Equal to the number of senior management meetings	Target reached: debrief equal to the number of senior management meetings
Informal colleagues gathering to create a DG spirit	Events for the whole DG	At least 2 per year – Summer & Winter	5 events: Summer & Winter parties, women day event, foresight event for managers and special event with the new Vice-Executive President.
Adapting Intranet to the DG needs	Update of the main page and sections	When needed	Target reached
Heatmap of workload measurement	Distribution of the monthly heatmap to senior managers	= 12	Target reached: 12
Improve the well-being of staff at work: <ul style="list-style-type: none"> <li>Organise ping-pong tournament</li> <li>Organise cycle of conferences</li> </ul>	Types of wellbeing activities  Number of sessions per type of activity	At least 2  At least 2	Target reached. 1 PingPong Tournament (16 double teams registered and participated) 13 on-line well-being conference sessions.
Exit questionnaire	The number of statutory staff leaving the DG	Send to 100% of staff leaving  Ensuring follow-up of most comments received	Target reached.  Awareness raised to the MM and SM on the most recurrent issues.
Equality Mainstreaming Work Plan	Under the guidance of SG, promote equality mainstreaming internally (staff) and externally (policy actions)	Awareness-raising, yearly update of the Work Plan and Sectoral Tool, close cooperation with the internal equality network	Target reached. In addition, DG GROW conducted an internal survey on diversity and inclusions.

## Digital transformation and Information management

**Objective:** DG GROW is co-creating and maintaining innovative, trusted digital solutions for better policy-shaping and information management to forge a truly digitally transformed, user-focused and data-driven Commission

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

**Source of data:** DG GROW data

Baseline (2019)	Target (2022)	Latest known results (31/12/2024)
ICSMS 0%	100%	100%
IMI 0%	100%	100%
SDG 0%	100%	100%

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

**Source of data:** DG GROW data

Baseline (2019)	Target (2024)	Latest known results (31/12/2024)
25%	80% (corporate)	87,3%

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

**Source of data:** EU learn and in-house information sessions attendance

Baseline (2018)	Target (2024)	Latest known results (31/12/2024)
5%	100%	100%

### Main outputs in 2024:

Description	Indicator	Target	Latest known results (31/12/2024)
Increase staff awareness in DG GROW on personal data protection rules	Percentage of staff attending awareness raising activities	Staff: 50%	100%
Mapping the degree of implementation of data protection procedures	Number of records due	-Percentage of records prepared	100% - 15 records reviewed and updated; 3 records created in draft mode; 10 records under preparation/revision. 100% - 109 privacy statements reviewed and validated.
	Number of privacy statements due % of Unit inventories	-Percentage of privacy statements prepared	
	Number of Unit inventories	-Number of Unit inventories prepared	

<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (31/12/2024)</b>
GROW IT systems complying with data protection rules	Number of GROW IT systems	Percentage of GROW IT systems complying with data protection rules	100%
Reducing the existing physical archives in GROW buildings covering the year 1995-2008	<ul style="list-style-type: none"> <li>• Estimation of the years covered</li> <li>• Number of files transferred to the Historical Archives</li> <li>• Number of files eliminated.</li> </ul>	90% of the years to be covered	<p>Since 09/2022 until 31/12/2024:</p> <p>Number of files transferred: 1261</p> <p>Number of files eliminated: 466</p> <p>Specifically, in 2024:</p> <p>Number of files transferred: 196</p> <p>Number of files eliminated: 111</p> <p>Years covered 1972-2017</p>
Improved digital culture	<p>Percentage of statutory personnel that has followed the respective courses on EU Learn</p> <p>Organisation of GROW TALKS format training on IT governance and Powerapps for GROW staff</p>	<p>50% on SPO and Teams</p> <p>30% on other collaborative tools</p> <p>Four trainings held in 2024</p>	<p>Based on Dashboard (not including non-EU Learn trainings):</p> <p>GROW 31%</p> <p>IT Annual Survey from 2024 indicated (based on 190 responses – self assessment) 47.9% using Teams</p> <p>Eight trainings in 2024</p>
Support Digital Ready Policy making through dedicated training on the provisions of the better regulation toolbox and consultation activities on policy making activities that foresee IT solutions	<p>Percentage of statutory personnel that has followed the digital ready policy making course on EU Academy.</p> <p>Provision of consultation sessions to Policy Units that are engaged in upcoming policy making activities</p>	<p>10% per Unit</p> <p>100%</p>	<p>90 GROW colleagues followed (108 joined) the DRPM GROW Talk organized with DIGIT 11/12/2024</p> <p>24 GROW colleagues have registered to the EU Academy course (2nd in EC after DIGIT)</p> <p>Starts in 2025</p>

Description	Indicator	Target	Latest known results (31/12/2024)
Business Process Automation using innovative technologies (e.g. AI)	<p>Analysis of status and needs in DG GROW (study).</p> <p>Definition of the BPA solution to be used (with a focus on Corporate ones, e.g. Compass Corporate).</p> <p>Number of Business Process Automated in a pilot phase (depending on the results of the analysis).</p>	<p>Q1 2024</p> <p>100% (outsourced study)</p> <p>The Target Value shall be set in the context of a study scheduled for Q1 2024</p>	<p>BPA@EC with DIGIT (outsourced to Gartner): DG GROW participated as a pilot and contributed to the methodology development Q1-Q2 2024</p> <p>Revisit applicability in 2025 and assess as part of the GROW DTR Approach</p>
Decommissioning of legacy IT systems and finalization of the analysis of all IT systems in portfolio	<p>% of deprecated technology IT systems in DG GROW portfolio</p> <p>% of unsupported technology IT systems</p>	<p>0% of deprecated technology IT systems excluding IT systems that are awaiting replacements by the corporate solutions</p> <p>0% of unsupported technology IT systems</p>	<p>As per new DIGIT methodology, end of 2024, DG GROW has 27% fully supported, 71% deprecated and 2% unsupported systems.</p>
Cybersecurity awareness	Workshops to be organised for staff in cooperation with DIGIT S and HRDS for staff and managers	Two workshops in 2024	<p>88% Cybersecurity knowledge (in par with EC)</p> <p>37% participation in Cyber awareness training</p> <p>Phishing click rate 24%</p> <p>Phishing report rate: 29%</p>
Security plans for IT systems	Percentage of GROW IT systems having a security plan	95% in 2024	98% end of 2024
Systems are compliant with the EC Security Policies	Compliance progress as reported by the Governance Risk Compliance (GRC) tool	100% in 2024	98% in 2024 (Slight decrease due to unavailability of the Vulnerability Assessment Service of DIGIT.S)
Systems have the correct authentication level	Use of EU Login and Multi-Factor Authentication according to the system's classification level	100% in 2024	100% in 2024
Risk maturity level is continuously improving	Risk Maturity Quadrant as calculated by DIGIT	For 2024, ensure that we perform within the top quartile of the assessed EC Departments and Executive Agencies	Remaining in the top quadrant of EC departments and Executive Agencies and improving in Risk Maturity

Description	Indicator	Target	Latest known results (31/12/2024)
Implement corporate data governance principles	Percentage of GROW's key data assets for which corporate governance have been implemented	90% in 2024	87,3%

## Sound environmental management

**Objective:** DG GROW takes account of its environmental impact in their actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work, with the support of their EMAS Correspondents/EMA Site Coordinators

### Main outputs for 2024

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

Description	Indicator	Target	Latest known results (31/12/2024)
Participation in corporate energy saving actions, by closing down DG/service's buildings during the Christmas and New Year's / summer holiday period, and/or optimisation of the temperature in EC buildings	Number of buildings participating in the actions	At least 50% of DG GROW buildings (BREY & N105) participant to those actions.	N105 closed building for 3 weeks (from 29/07 to 16/08). DG GROW proposed to close BREY

#### II. Reducing CO2, equivalent CP2 and other atmospheric emissions

Description	Indicator	Target	Latest known results (31/12/2024)
Awareness actions on green actions (such as actions on sustainable commuting during EU Mobility week and VeloWalk corporate events) and on sustainable commuting in collaboration with OIB (e.g. availability of bike parking facilities, lockers and showers,).	Internal monitoring and Staff reporting on the execution of GROW mission budget including CO2 emissions	Number of awareness and communication actions to promote sustainable commuting  Reduce CO2 emissions compared to the baseline of 650 t CO2 emissions in 2019 (MIPS database)	Publication of green actions in DG GROW newsletter and intranet.  607 t CO2 – 6,62% reduction.

## **ANNEX 11: Implementation through non EU entrusted entities and/or EU Trust Funds**

### **The Organisation for Economic Co-operation and Development (OECD)**

#### **Contribution agreement "The market microstructure of industrial ecosystems"**

The implementation of the agreement started on 1 July 2023 to run for 15 months.

The aim of the Action is to further refine the analytical understanding of industrial ecosystems, including the complex relations and interlinkages between actors (firms of all sizes, and other actors in the financial, technology, R&D or regulation spheres).

It will be notably relevant to take account of the impact of recent developments on the dynamics of industrial ecosystems. Whilst taking as a basis the existing methodology and approach developed for the "proof of concept" undertaken for the automotive ecosystem, the present Action would build on the latter and expand it to provide a rich and strong forward-looking dimension. This would include the exploitation of several data sources with a focus on two main specific objectives:

1. First, an analysis of the market microstructure of industrial ecosystems, combining multiple data sources that draw on micro and sectoral data but also on administrative and commercial data, traditional and new datasets. The main issues to be assessed would be: supply chain distress, strategic dependencies, technology development, evolution of business models, and impact of twin transitions.
2. Second, identification of policy levers and enablers that underpin the twin industrial transformation of ecosystems and that improve their resilience. The main target group of this Action are the EU and its Member States public administrations but also industry associations at international and national levels, experts and the policy and scientific community at large

Amount paid in 2024: EUR 55 000

#### **Contribution Agreement "Improving socio-economic knowledge of the EU tourism ecosystem"**

The implementation period started on 1 November 2023 to run for 24 months.

The general objective of the Action is to further develop evidence-based tourism policy and ensure greater coherence between tourism and other policy areas to support:

- a faster and more balanced recovery of the tourism ecosystem in the short term;
- the development of a more sustainable, innovative, resilient and competitive tourism ecosystem in the long term

More specifically, the Action monitors in detail tourism trends and policies, and provides an analysis and comparison with OECD Member and Partner countries. Building on similar work financially supported by the EU since 2011, the specific objectives of the Action are to:

- i. increase the knowledge base, in order to enrich the public policy debate on tourism;
- ii. bring forward-looking analysis and provide new ideas to support the development of better public policies for tourism;
- iii. monitor tourism's recovery from COVID-19 pandemic in the EU (including its outermost regions) and the consequences of the Russian military aggression against Ukraine;
- iv. benchmark EU transition to sustainable and resilient tourism in comparison to its main competitors

Amount paid in 2024: EUR 161 102.13

### **The United Nations Economic Commission for Europe (UNECE)**

Contribution Agreement **“Supporting UNECE in the development and implementation of the United Nations Framework Classification for Resources (UNFC) and the United Nations Resource Management System (UNRMS), Phase II”**.

The Commission contributes on behalf of the EU to the UNECE-EGRM secretariat to further develop a unified, comparable, interoperable and harmonised system for resource assessment usable for governmental, statistical, corporate and financial purposes; to support the capacity and knowledge foundations for UNFC and UNRMS; to communicate the activities, deliverables and findings of the EGRM, including policy tools; and to synthesize, review, assess and critically evaluate relevant information and knowledge on resource management.

The agreement will run for 48 months, starting in July 2024.

Amount paid in 2024 : EUR 700.000

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

Not applicable

## ANNEX 13: Decentralised agencies and other EU bodies

Name of the entity	Role of the DG	Policy area concerned	Amount paid in 2024 in €			
			Contribution to			Contribution agreement
			Operating (admin) budget	Operational budget	Total in €	
<b>ECHA</b>	Partner DG	Chemicals	65.183.543	12.121.497	77.305.040	1.672.400
<b>EUIPO</b>	Partner DG	Intellectual Property				2.168.718
<b>EIT</b>	Action Grant	Raw Material Skills Academy				5.000.000
<b>EIB</b>	Action Grant	Investment and supply chains				190.000
		<b>Total</b>			<b>77.305.040</b>	<b>9.031.118</b>

### European Chemicals Agency (ECHA)

DG GROW is the main partner DG of the European Chemicals Agency (ECHA). DG ENV and DG SANTE are partner DGs and are represented in the Management Board (MB) of ECHA alongside DG GROW. DG GROW and DG ENV are co-responsible for REACH and CLP regulations.

ECHA is located in Helsinki and started operating in June 2007. Its mission is to ensure a high level of protection of human health and the environment in the EU, to ensure consistency in chemicals management across the EU and to provide technical and scientific advice on safety and socio-economic issues related to the use of chemicals. It also contributes to a well-functioning internal market and the innovation and competitiveness of the European chemicals industry.

In addition to REACH Regulation (EC) N°1907/2006, the mandate of the Agency has expanded to other pieces of Union legislation, to include additional scientific, technical, and administrative tasks, i.e. to:

- Manage and carry out technical, scientific, and administrative tasks under the Classification, Labelling and Packaging (CLP) Regulation<sup>6</sup>
- Manage and carry out technical, scientific, and administrative aspects of the Biocidal Products Regulation (BPR)<sup>7</sup>, adopted in 2012.

- Manage and carry out technical, scientific, and administrative tasks related to export and import of hazardous chemicals under the Prior Informed Consent (PIC) Regulation<sup>8</sup>, adopted in 2012.
- Develop and manage a new database following an amendment of the Waste Framework Directive (WFD)<sup>9</sup>, adopted in 2018.
- Provide scientific and technical support to the Commission and the Member States in fulfilling their obligations under the Persistent Organic Pollutants (POP) Regulation<sup>10</sup>, adopted in 2019.
- Provide assessments of substances for materials in contact with drinking water under the recast of the Drinking Water Directive (DWD)<sup>11</sup>, adopted in 2020.
- Establish a new monitoring and reporting framework on the use of chemicals as part of the 8th Environment Action Programme in 2021<sup>12</sup>.
- Carry out a public health risk assessment, under the Regulation on serious cross-border threats to health<sup>13</sup>, adopted in 2022, in case of a serious cross-border threat to health of chemical or environmental origin which falls under its mandate.
- Prepare, on the request of the Commission, a restriction dossier for substances in batteries under the Batteries and waste in Batteries Regulation<sup>14</sup>, adopted in 2023.

DG GROW signed two contribution agreements with ECHA: EU Chemicals Legislation Finder (EUCLEF) and EU Observatory for Nanomaterials (EUON). EUCLEF enables the European Chemicals Agency to continue its support to the Commission’s efforts to increase the availability, in particular to SMEs, of reliable information on the obligations for producers and users of chemicals stemming from the relevant pieces of the EU legislation on chemicals. EUON provides objective and reliable information on safety aspects of nanomaterials on the EU market.

The table below provides the main details for the above decentralised agency:

Agency	Policy concerned	DG GROW payments to Agency in 2024	
		(in € million)	
		Subsidy	Entrusted amount
ECHA	Chemicals – implementation of <b>REACH and CLP Regulations</b>	<b>EUR 77.3 m</b> <b>(including EUR 2.5 m EFTA contribution)</b>	<b>EUR 1.67 m</b>

NB. For REACH/CLP, ECHA budget consisted of an annual EU contribution (72.5% of total budget in 2024) and fees and charges payable to the agency by undertakings.

<b>Entity: European Chemicals Agency</b>		
<b>Role of DG: Partner DG/supervision</b>		
<b>Policy area concerned</b>	<b>Contribution to the Operating (administrative) budget</b>	<b>Contribution to the Operational Budget</b>
03 10 01 - European Chemicals Agency — Chemicals legislation	<b>EUR 65.2 m</b>	<b>EUR 12.1 m</b>

In 2024, ECHA had 625.5 staff (TA, CA and SNE) as authorised in the budget for all its activities (504 staff for REACH/CLP) and an expenditure of EUR 106.4 million in commitment appropriations and EUR 106.7 million in payment appropriations (for REACH/CLP).

The balancing subsidy was paid in three instalments and against the provision of a cashflow in accordance with the arrangements agreed in the MoU signed with the Agency on payment of EU subsidy.

The ECHA’s governing body, the Management Board, is composed of representatives from the Member States, the European Parliament, the European Commission (DG GROW, DG ENV, DG SANTE), and three members without voting rights appointed by the Commission representing industry, trade unions and Environmental and consumers NGOs.

The other bodies of the Agency are the Member State Committee (MSC), the Committee for Risk Assessment, the Socio- Economic Analysis Committee (SEAC), the Biocidal Products Committee (BPC) and the Forum of national enforcement authorities. The Agency has also a Board of Appeal responsible for deciding on appeals lodged against certain decisions of the Agency taken under the REACH Regulation and the Biocidal Products Regulation.

### **Supervision mechanism**

The DG GROW unit in charge of REACH had very frequent contacts on a day-to-day basis with ECHA which enables constant monitoring of its functioning. These contacts include numerous meetings and various other forums. In 2024 regular virtual meetings were organised with the senior management of the Agency and stakeholder units from the partner DGs (GROW, ENV and SANTE) to monitor the implementation of the work programme..., etc.

In addition to this, the following other supervision mechanisms are in place:

- DG GROW Director of Ecosystems I: Chemicals, Food, Retail is a member of ECHA’s

Management Board (MB) as one of the three Commission representatives. She is also member of three MB Subgroups and is represented in the meetings by persons of trust from DG GROW unit in charge of REACH and in line with the rules of procedure of ECHA Management Board:

- MB Subgroup for Strategic Planning and Implementation
  - MB Subgroup for Finance, Audit and Risks
  - MB Subgroup for the Board of Appeal.
- Participation as observers to the bodies of the Agency:
- Member State Committee (MSC)
  - Committee for Risk Assessment (RAC)
  - Committee for Socio-economic Analysis (SEAC)
  - Forum for Exchange of Information on Enforcement (FORUM)
  - HelpNet
- Participation as members to the following networks convened by the Agency:
- Security Officers Network
  - REACH Communicators' Network

### **Supervision activities performed in 2024**

Besides the participation in the governance bodies listed above, DG GROW supervised the following ECHA's activities in 2024:

- *Budget of the Agency – procedure for the Draft Budget 2025*
- evaluated the estimates of appropriations and staff requested by the Agency and followed up on the budget procedure.
- *ECHA's draft Single Programming Document (SPD) 2025-2027*
- The Commission issued an opinion<sup>39</sup> on the SPD in July 2024 and followed up on the implementation by ECHA of the recommendations of the Commission.
- *Discharge 2023*
- followed up the discharge for financial year 2023
- *Common Approach on decentralised agencies*
- participated in the network of desk officers for agencies coordinated by the Secretariat-General and contributed to the follow-up of the Common Approach on decentralised agencies managed by the Secretariat-General

### **Internal Audit Service (IAS)**

According to ECHA's Financial Regulation, the Internal Auditor for ECHA is the Internal Auditor of the European Commission (IAS).

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<sup>39</sup> C(2024) 4568 final

In 2024, the Internal Audit Service (IAS) did not carry out audits at ECHA.

In 2024, the Internal Audit Capability of ECHA carried out assurance audits on:

- Helpnet
- Quality and reliability of data in ECHA reporting
- Testing proposal examination process under Dossier Evaluation
- Environmental management

Actions plans have been put in place (Action plan under preparation for audit on Testing proposal examination process under Dossier Evaluation) and their implementation is supervised by the Management Board through its Subgroup Finance, Audit and Risks.

In 2024, the Internal Audit Capability of ECHA carried out follow up audits on:

- Meetings' management at ECHA
- Follow-up to Dossier Evaluation process (finalised in February 2025)

## **European Union Intellectual Property Office (EUIPO)**

The European Commission is responsible for initiating legislative proposals on the process and procedures for registering and enforcing EU intellectual property rights. It is also responsible for ensuring that these measures are properly implemented and providing guidance to the Member States.

The European Union Intellectual Property Office (EUIPO) manages the European Union trademark and the Community design systems (receiving, examining and deciding on applications for the registration of trademarks and designs as well as keeping public records of such rights, their proprietors, etc.). In addition, EUIPO ("the Office") facilitates the activities of national authorities, the private sector and the Union institutions in the fight against infringements of the intellectual property rights. The EUIPO also cooperates with the EU's national and regional intellectual property (IP) offices, which are responsible for registering national trademarks and designs.

The Office is governed by Regulation (EU) 2017/1001 of the European Parliament and of the Council of 14 June 2017 on the European Union trademark ("the Regulation"). It is a self-financed EU agency that raises all its income from fees charged to the users of its services and does not receive any contributions charged to the EU budget.

With the revised regulation on geographical indications (GIs) for agricultural products, wines, and spirit drinks<sup>40</sup> (EUIPO) has become responsible for establishing and maintaining the Union Register for GIs. In December 2024, the EUIPO and DG AGRI signed a revised Administrative Agreement to renew their collaboration in the field of GIs for agricultural products, wines, and spirits and improve their protection and management across the European Union. In addition, under the new protection framework for geographical indications for craft and industrial products (CIGIs), the EUIPO will be responsible for examining applications and registering CIGIs as of December 2025. <sup>(41)</sup>

Moreover, the European Observatory on Infringements of Intellectual Property Rights (the Observatory), which is under the aegis of the EUIPO, carries out a wide range of tasks concerning research, awareness raising, dissemination of best practice, and support for the enforcement of all types of IPR. To support the fight against counterfeiting and piracy, Europol <sup>(42)</sup> and the EUIPO joined forces in 2016 to create the Intellectual Property Crime Coordinated Coalition, which operates within Europol. Additionally, the EUIPO supports the work of the Commission as facilitator of the Memorandum of Understanding on the sale of counterfeit goods on the internet <sup>(43)</sup>, particularly by performing regular data analysis on the key performance indicators tracked by the signatories of the MoU. The EUIPO Observatory has been tasked with additional tasks following the adoption of the Recommendation on combating online piracy of sports and other live events<sup>44</sup>, the Recommendation on measures to combat counterfeiting and enhance the enforcement of intellectual property rights<sup>45</sup>, and the cyber-theft prevention toolkit to protect SMEs' trade secrets in high-risk sectors, launched by the Commission on 15 October 2024<sup>46</sup>.

In particular, the Recommendation on combating online piracy invites the EUIPO Observatory's support in the identification of indicators, in cooperation with stakeholders in order to monitor the implementation and effects of the recommendation on the basis of information provided by the Member States and stakeholders.

The Recommendation on measures to combat counterfeiting calls on the EUIPO to raise awareness for and carry out communication and outreach activities, as well as monitoring

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<sup>40</sup> Regulation (EU) 2024/1143 of the European Parliament and of the Council of 11 April 2024 on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012, OJ L, 2024/1143, 23.4.2024.

<sup>(41)</sup> Regulation (EU) 2023/2411 of the European Parliament and of the Council of 18 October 2023 on the protection of geographical indications for craft and industrial products and amending Regulations (EU) 2017/1001 and (EU) 2019/1753, OJ L, 2023/2411, 27.10.2023.

<sup>(42)</sup> The European Union Agency for Law Enforcement Cooperation.

<sup>(43)</sup> [https://single-market-economy.ec.europa.eu/industry/strategy/intellectual-property/enforcement-intellectual-property-rights/memorandum-understanding-sale-counterfeit-goods-internet\\_en](https://single-market-economy.ec.europa.eu/industry/strategy/intellectual-property/enforcement-intellectual-property-rights/memorandum-understanding-sale-counterfeit-goods-internet_en)

<sup>44</sup> Commission Recommendation (EU) 2023/1018 of 4 May 2023 on combating online piracy of sports and other live events, C/2023/2853, OJ L 136, 24.5.2023.

<sup>45</sup> Commission Recommendation (EU) 2024/915 of 19 March 2024 on measures to combat counterfeiting and enhance the enforcement of intellectual property rights, C/2024/1739, OJ L, 2024/915.

<sup>46</sup> [https://single-market-economy.ec.europa.eu/news/european-commission-launches-cyber-theft-prevention-toolkit-protect-smes-trade-secrets-high-risk-2024-10-15\\_en](https://single-market-economy.ec.europa.eu/news/european-commission-launches-cyber-theft-prevention-toolkit-protect-smes-trade-secrets-high-risk-2024-10-15_en)

the implementation and effects of the Recommendation. The EUIPO is encouraged to engage in several workstreams, among others (a) disseminate the recommendations within its network of stakeholders, including its network of judges; (b) gather information and relevant case-law on the application of the Directive on the enforcement of intellectual property rights<sup>47</sup>; (c) ensure that all the relevant stakeholders within its network make their designated contact point for IP enforcement available through Intellectual Property Enforcement Portal<sup>48</sup> and continue developing it. Further details can be found in Chapter 7 of the Recommendation.

The Commission also launched in the EUIPO Academy Learning Portal the Cybertheft Prevention Toolkit<sup>49</sup>, a practical initiative to raise awareness of cyber-theft among SMEs. The toolkit provides awareness raising materials (guidelines, case studies) and training programmes (for employees, for managers) to strengthen SME's ability to protect their trade secrets online.

The SME Fund, launched by the European Commission and EUIPO in 2021, provided financial support to SMEs affected by COVID-19 to help manage their IP portfolios, including partial reimbursements for trademark, design, and IP scan services. Initially funded with €20 million, it expanded in 2022 to €47 million, adding national patent registration fee reimbursements and exceeding its 8,000-SME target, benefiting 15,929 SMEs. In 2023, the third edition had a €27.1 million budget and included European patent and community plant variety application fee reimbursements, supporting 22,899 SMEs, again surpassing its target.

In January 2024, the Commission and the EUIPO launched the fourth edition of the SME Fund, which ran until December 2024. Beyond the services offered in the previous years, the SME Fund also reimbursed partially the legal costs charged by a legal representative authorised by the European Patent Office for the drafting and filing of European patent applications. The 2024 SME Fund had a total budget of EUR 60,1 million for 2022-24 (EUR 7.000.000 for 2024 plus the unused budget from the previous years).

In addition, the Commission has financed four international IP SME Helpdesks (China, Latin America, South-East Asia, India) under the COSME/SMP budget – EUR 6 million – and the EU IP Helpdesk (now under RTD/Horizon Europe). The IP SME Helpdesks assist EU SMEs and beneficiaries of EU-funded programmes in dealing with IP matters, monitor national IP policies and legislation, provide IP advice and partnering services to SMEs, raise awareness of the value of IP and direct SMEs to reliable professionals in third countries.

In November 2021, the European Commission (DG RTD), the European Innovation Council (EIC), the SMEs Executive Agency (EISMEA) and the EUIPO signed a letter of intent for co-operation on intellectual property (IP) management, supporting the European Research Area by facilitating market uptake of research results. Building on this, in October 2022, EISMEA and EUIPO signed a service-level agreement to assist Horizon Europe – EIC beneficiaries by providing IP expertise, helping companies identify and protect intangible assets, and offering

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<sup>47</sup> Directive of the European Parliament and of the Council of 29 April 2004 on the enforcement of intellectual property rights, *OJ L 157*, 30.4.2004.

<sup>48</sup> <https://www.euipo.europa.eu/en/enforce-ip/ip-enforcement-portal>

<sup>49</sup> <https://euipo.europa.eu/knowledge/course/view.php?id=5253>

access to a network of IP experts. Building on this framework, DG R&I and the European Patent Office (EPO) have signed a Letter of Intent to enhance access to high-quality data and studies on intellectual assets and innovation, supporting European R&I policy development.

In July 2022, the Commission (ex-DG NEAR, now DG ENEST) and the EUIPO signed a letter of intent with the objective of enhancing the partner countries' (Georgia, Moldova, Ukraine) IP legal and enforcement frameworks and alignment with the EU acquis. Following that letter of intent, the so-called EU4IP project started on 1 January 2024 with an initial duration of 48 months. The project's aim is to contribute to an adequate and effective level of registration, protection and enforcement of IPRs in Moldova and Ukraine to support them in the EU accession process. Actions under the project focus on enhancing legal and policy frameworks, strengthening IP institutions, networks and tools, awareness-raising activities and increasing cooperation on enforcing IP rights.

The EUIPO has launched its Strategic Plan 2030 (SP2030), setting key priorities for the next five years to enhance IP services, efficiency, and legal certainty. Shaped through extensive consultations with numerous stakeholders from different industries, the plan reflects a shared vision for a stronger European IP system, taking into account the Commission Opinion issued in that context. Alongside the SP2030, the EUIPO has also introduced its Work Programme 2025, outlining concrete actions for the upcoming year.

Finally, the EUIPO has been supporting the Article 210 EUTMR evaluation process initiated by the Commission in 2022, providing technical support and relevant information throughout. An external study, assessing the impact of the 2017 reform of the EUTMR and the efficiency of the EUIPO processes, was accepted on 17 November 2024, serving as the foundation for the Commission Staff Working Document (SWD) on the EUTMR evaluation, currently being drafted.

## European Institute for Innovation and Technology (EIT)

On 16 March 2023, as part of its Green Deal Industrial Plan, the Commission put forward a legislative proposal for a Net-Zero Industry Act with the objective to support the scale-up of EU industrial manufacturing capacities of key net-zero technologies. The proposal includes a Chapter on "Enhancing Skills for quality job creation" to support the re-skilling and upskilling of workers required for the upscaling of EU industrial manufacturing capacities. Under this chapter, the Commission commits to support, including through the provision of seed-funding, the establishment of "European Net Zero Industry Academies" to develop education and training content to upskill and reskill workers required for key net-zero technology value chains, including solar photovoltaic technologies.

The EIT was awarded an action grant aiming to launch **the European Solar Academy** to support the upskilling and reskilling by education and training providers in EU Member States, of the workforce required in the EU for, among others, developing, producing, installing,

maintaining, repairing, reusing and recycling solar photovoltaic technologies, with a strong focus on employees in EU SMEs.

The contribution from the EIT should amount to at least 50% and up to 90% of the financing offered under the terms of the Contribution Agreement.

Payment of first pre-financing of EUR 3.92 million was made in December 2023.

Payment of second pre-financing of EUR 2.5 million will be made in February 2025.

The EIT will report to the Commission every 6 months on the progress achieved, referring among others to the interim targets and indicators set out in the logical framework in Annex I of the Contribution Agreement.

In 2024 another contribution agreement was signed with EIT to launch the Raw Material Skills Academy

The contribution from the EIT should amount to at least 50% and up to 90% of the financing offered under the terms of the Contribution Agreement.

Payment of first pre-financing of EUR 5 million was paid in September 2024.

### **European Investment Bank (EIB)**

In December 2023, the European Union and the European Investment Bank (EIB) signed a Contribution Agreement “Filling knowledge gaps on investment and supply chains”

The EU Contribution for 2024 has been EUR 190 000.

The European Union sets public policy goals, notably in the areas of digitalisation and green transition, cohesion and the completion of the single market. Formulating and delivering on such public policy goals requires identification and understanding of the issues. Survey-based data can contribute to this understanding. In this regard, the EIB has developed considerable expertise in both the conduct and exploitation of surveys. The knowledge generated by these has proven useful to the improvement of the formulation of policy orientation of the EIB and delivery on public policy goals.

The Project will contribute to filling knowledge gaps related to investment conditions and global supply chains. The activities that will be carried out under the Action will be (i) three EIBS SUCH surveys; (ii) preparation of three data toolkits on Industrial Ecosystem; (iii) preparation of three data toolkits on EIBIS SUCH; (iv) preparation of the Industrial Ecosystem inception report; (v) preparation of the three analytical reports on Global Value Chains; (vi) the organisation of four events to communicate the results of the Industrial Ecosystem inception report and the Global Value Chain reports; and (vii) dissemination and communication activities.

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

Not applicable