



2019

Annual Activity Report

Annexes

**Directorate-General
for Environment**

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

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

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

Brussels, 30 March 2020

[Signed]

Gilles GANTELET

¹ C(2017)2373 of 19.04.2017

ANNEX 2: Human Resources, Better Regulation, Information Management and External Communication

Human resources

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

Indicator 1: Percentage of female representation in middle management

Source of data: 2017 Report on female representation in management functions in the Commission – SEC(2017)505

Baseline (January 2015)	Target ²	Latest known results (2019)
21%	40% overall Commission target by end-2019 +3 female first Head of Unit appointments in the DG by 2019	48% DG specific target exceeded for 2019 (+2)

Indicator 2: Percentage of staff who feel that the Commission cares about their well-being

Source of data: Commission staff survey 2019

Baseline (2014)	Target	Latest known results (2019)
36%	Not to fall below baseline (as satisfaction with the Commission covers more than the activities of DG ENV)	48%

Indicator 3: Staff engagement index

Source of data: Commission staff survey

Baseline (2014)	Target	Latest known results (2019)
71%	To improve participation rate in the staff survey and improve the % of satisfaction	72%

Main outputs in 2019:

Description	Indicator	Target	Latest known results (31/12/2018)
Action plan as follow-up of staff opinion survey 2018	Approval of action plan by Director-General	By end of Q2 2019	Presented and approved in a Senior management meeting
Organise staff development activities to improve engagement and empowerment and to assist Staff in taking a more active role.	Staff debates and training activities / number of participants	Organisation of at least 4 Staff debates with the participation of 80 colleagues per debate.	Several debates and Staff assemblies organised throughout the year

² Target updated in line with SEC(2017)505

Fit@work and well-being actions to promote a healthy and stimulating working environment.	Communication actions following the Commission's Action Plan.	All actions implemented by the end 2019.	The AMC.3 is in charge of the organisation of the health and well-being events and activities for the 4 DGs in Beaulieu. DG ENV has informed his staff and supported all the initiatives
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Better regulation

Objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

Indicator 1: Percentage of Impact assessments submitted to the Regulatory Scrutiny Board that received a favourable opinion on first submission.

The opinion of the RSB will take into account the better regulation practices followed for new policy initiatives. Gradual improvement of the percentage of positive opinions on first submission is an indicator of progress made by the DG in applying better regulation practices.

Source of data: DG Environment

Baseline 2014	Interim Milestone 2016	Target 2020	Latest known results (2019)
50%	Positive trend compared to baseline	Positive trend compared to interim milestone	33% in 2018 No submission in 2019

Indicator 2: Percentage of the DG's regulatory *acquis* covered by ex-post evaluations and Fitness Checks not older than five years.

Better Regulation principles foresee that regulatory *acquis* is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the *acquis* to stay fit for purpose. The application of better regulation practices would progressively lead to the stock of legislative *acquis* covered by regular evaluations to increase.

Source of data: DG Environment

Baseline 2015	Interim Milestone 2016	Target 2020	Latest known results (2019)
22% completed (42% including ongoing)	Positive trend compared to baseline	Positive trend compared to interim milestone	48% completed (63% including ongoing)

Information management

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable.

Indicator 1: Percentage of registered documents that are not filed (ratio)

Source of data: *Hermes-Ares-Nomcom (HAN)*³⁴ statistics

Baseline 2014	Target	Latest known results (2019)
0.28%	Maintain (or reduce)	0.26%

Indicator 2: Percentage of HAN files readable/accessible by all units in the DG			
Source of data: <i>HAN statistics</i>			
Baseline 2014	Target	Latest known results (2019)	
97.6%	Maintain (or increase)	97.04%	
Indicator 3: Percentage of HAN files shared with other DGs			
Source of data: <i>HAN statistics</i>			
Baseline 2014	Target	Latest known results (2019)	
0.07%	Increase (keeping in mind that some files cannot be shared due to sensitivity/security reasons)	54.35%	
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Implementation of e-archiving (move away from paper filing towards digitalised documents registered in ARES)	Good quality electronic files, containing the right documents and with the correct category of the Common Retention list (to guarantee quick access to documents).	<ul style="list-style-type: none"> - Keep number of unfiled documents stable or reduce (0.24%) - Keep number of files without CRL category stable or reduce (= 0.1%) 	<ul style="list-style-type: none"> - Number of unfiled documents is stable at 0.26% - Number of files without CRL category stable (reduced to 0%)
Review of existing ARES files to identify those that can be usefully shared with other DGs	Number of ARES files made accessible to other DGs	Increase the number by 8%	Increased by 1.1%
Simplification of processes and reduction of paper circulation through improved use of electronic workflows (eSignatories)	Number of procedures implemented into e-signatory workflows in ARES	Increase the number of e-signatories by 20%	Increased by 48%
Proactive dissemination of up-to-date information on document management and information security, including through	<p>Monthly in-house training to newcomers.</p> <p>Training to units on adaptation to technical development, awareness programme and educational package on information value, availability, use and automated</p>	<ul style="list-style-type: none"> - 2 Training sessions on information security to DG Staff - 2 general training sessions on filing and archiving to DG staff - 2 Ares basics trainings for newcomers (mainly for new Administrators) 	<p>Training provided in 2019 include:</p> <ul style="list-style-type: none"> - 2 Training sessions on information security - 5 general training sessions on filing and archiving in 2019 - 2 Ares basics trainings for newcomers (mainly

training	processing.	- Several Ad-hoc coaching for new Secretaries and Administrators	for new Administrators) - Several Ad-hoc coaching for new Secretaries and Administrators - 5 Training sessions on personal data protection
Implementation of the actions under the Knowledge Management Strategy	Creation of a database of environmental success stories	Q1 2019	Database created and first success stories published on the DG intranet
	Adoption of KM Strategy by senior management.	Q3 2018	Launch of the Participatory Leadership Community of Practice
	<i>Regulara meetings of the environmental knowledge correspondents to inform about Environmental Knowledge Community (EKC) developments</i>	<i>Throughout 2019</i>	Six meetings and workshops organised in 2019
Data Strategy@EC actions in DG ENV	<i>Data inventory</i>	Establishment and regular updates	DG data inventory established
	<i>Publication of environmental data sets in EU Open Data Portal</i>	<i>Nmber os environment data sets published</i>	30 datasets published in 2019

External Communication

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU

Indicator 1: Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer [monitored by DG COMM].

Baseline (November 2014)	Target (2020)	Latest known results (November 2019)
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU \geq 50%	Total "Positive": 42% Neutral: 37% Total "Negative": 20%

Indicator 2: Percentage of EU citizens who are aware of the portfolio item Environment as a result of the DG's actions

Source of data: Special Eurobarometer

Baseline	Target	Latest known results
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(2014/2015)	(2020)	(November 2019)
95% of citizens considered protecting the environment very or fairly important to them personally in 2014	Maintain or increase	94% of citizens considered protecting the environment very or fairly important to them personally in 2019
Main outputs in 2018:		
Output	Indicator	Known results
<i>EU Green Week 'Take the initiative! Applying environmental legislation'</i>	Number of participants in the high level conference and partner events	Est. 243 000
	Satisfaction level of participants of the high level conference	94%
	Number of people reached via all promotional activities including media coverage	Est. 129 million
<i>European Green Capital / Green Leaf Award scheme</i>	<i>Number of followers on social media accounts</i>	Twitter Followers 9,430
		Facebook Followers 8,602
Direct reach of DG ENV Facebook & Twitter social media channels	Number of followers	Facebook 275 000 Twitter 83 000 Instagram 55000
DG ENV website performance	Number of visits	3.1 million
Single Use Plastics (SUP) campaign	Cumulated potential reach through all activities (traditional and on social media)	101 million impressions across 21 EU countries, including more than 19,6 million video views with an excellent average percentage of video watched (almost 20%)

Annual communication spending (based on estimated commitments):			
Baseline (2018)	Target (2019)	Total amount spent	Total of FTEs working on external communication
5.6 MEUR	5.9 MEUR	3.5 MEUR	10

Efficiency gains

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

DG Environment maintains a continued effort to improve the effectiveness and efficiency of its financial and non-financial activities. In 2019, further progress was made in the implementation of the administrative simplification activities launched in recent years, electronic workflows and HR management.

- The pilot “Paperless launching of Calls to tender” was fully introduced in all procurement financial workflows. Other elements of the e-Procurement like e-Submission and the new corporate Public Procurement Management Tool (PPMT) have also been introduced covering, in the first stage, Open Calls and Negotiated procedures of low and middle value³. Key benefits of PPMT are:
 - Planning timelines and all procurement documents are available in a structured way, and several reporting options are available;
 - The risk of formal and procedural errors is expected to be reduced;
 - Paperless workflows, and automatic filing and registration in ARES are provided;
 - Information is accessible to the ENVAC Committee members, facilitating paperless review of procurement files in a secure environment;
 - Relevant information is expected to be easily accessible for future audits and controls.
- Also in 2019, the paperless financial workflows using ARES, based in checklists for commitments, payments and de-commitments, have been implemented for all procurement and non-LIFE grants procedures.
- In the field of HR, DG Environment is making use of the full functionality of ATLAS (Activities and Tasks Logging for Allocation of Staff). This has provided detailed information on the allocation of resources, facilitating the assessment and review of staff allocation. ATLAS was used as a reference during the preparation of the 2020 Management Plan, with the intention of ensuring coherence between ATLAS allocations and the planned deliverables. The effectiveness of this test still needs to be assessed.

³ Below the threshold of the Public Procurement Directive and above the amount of EUR 15000

ANNEX 3: Draft annual accounts and financial reports

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

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

Refresh date : 17/03/2020

Additional comments

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

Refresh date : 17/03/2020

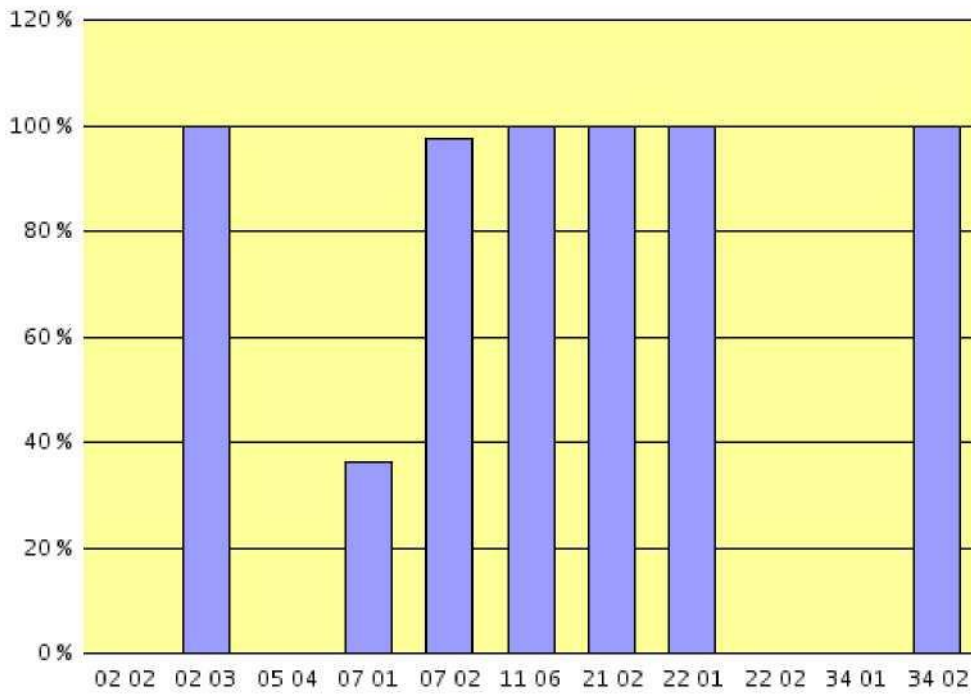
TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for DG ENV					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0.19	0	0.00 %
	02 03	Internal market for goods and services	0.15	0.15	100.00 %
Total Title 02			0.34	0.15	43.76 %
Title 05 Agriculture and rural development					
05	05 04	Rural development		0	
Total Title 05				0	
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	4.47	1.62	36.27 %
	07 02	Environmental policy at Union and international level	115.6	112.8	97.58 %
Total Title 07			120.07	114.42	95.30 %
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	4.4	4.4	100.00 %
Total Title 11			4.4	4.4	100.00 %
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	12.25	12.25	100.00 %
Total Title 21			12.25	12.25	100.00 %
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.06	0.06	100.00 %
	22 02	Enlargement process and strategy	0	0	0.00 %
Total Title 22			0.06	0.06	100.00 %
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area		0	
	34 02	Climate action at Union and international level	4.2	4.2	100.00 %
Total Title 34			4.2	4.2	100.00 %
Total DG ENV			141.32	135.48	95.87 %

* 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).

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

Refresh date : 17/03/2020

% Outturn on Commitment Appropriations in 2019 for DG ENV



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Refresh date : 17/03/2020

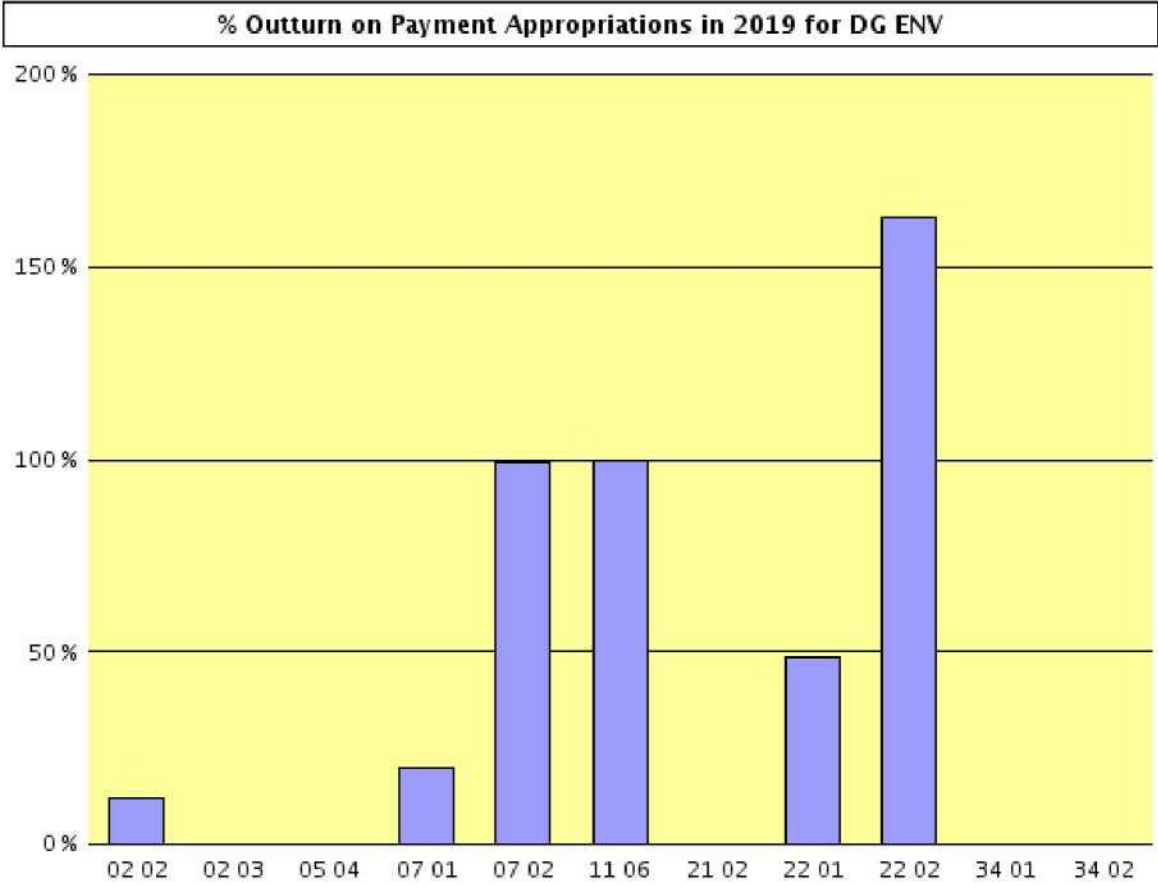
TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2019 (in Mio €) for DG ENV

			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and mediumsized enterprises (COSME)	0.26	0.03	12.19 %
	02 03	Internal market for goods and services	0	0	#DIV/0
Total Title 02			0.26	0.03	12.19%
Title 05 Agriculture and rural development					
05	05 04	Rural development		0.84	
Total Title 05				0.84	
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	6.21	1.25	20.12 %
	07 02	Environmental policy at Union and international level	134.21	132.99	99.09 %
Total Title 07			140.42	134.24	95.60%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	3.4	3.4	100.00 %
Total Title 11			3.4	3.4	100.00%
Title 21 International cooperation and development					
21	21 02	Development Cooperation Instrument (DCI)	0	12.69	#DIV/0
Total Title 21			0	12.69	#DIV/0
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.06	0.03	48.78 %
	22 02	Enlargement process and strategy	0.45	0.73	163.05 %
Total Title 22			0.5	0.76	150.59%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area		0.15	
	34 02	Climate action at Union and international level	0	0	#DIV/0
Total Title 34			0	0.15	#DIV/0
Total DG ENV			144.59	152.11	105.20 %

* 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).

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Refresh date : 17/03/2020



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Refresh date : 17/03/2020

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0.00	0.00	0.00	0.00%	0.11	0.11	0.76
	02 03	Internal market for goods and services	0.15		0.15	100.00%	0.00	0.15	0.00
Total Title 02			0.15	0.00	0.15	100.00%	0.11	0.26	0.76

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 04	Rural development	0.00	0.00	0.00	0.00%	0.66	0.66	1.50
Total Title 05			0.00	0.00	0.00	0.00%	0.66	0.66	1.50

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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Administrative expenditure of the 'Environment' policy area	1.62	0.09	1.53	94.22%	0.00	1.53	1.17
	07 02	Environmental policy at Union and international level	112.80	52.49	60.31	53.46%	170.10	230.41	380.86
Total Title 07			114.42	52.59	61.84	54.04%	170.11	231.94	382.04

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 06	European Maritime and Fisheries Fund (EMFF)	4.40	0.19	4.22	95.79%	5.87	10.09	9.13
Total Title 11			4.40	0.19	4.22	95.79%	5.87	10.09	9.13

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV

			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 02	Development Cooperation Instrument (DCI)	12.25	0.00	12.25	100.00%	7.71	19.96	20.60
Total Title 21			12.25	0.00	12.25	100.00%	7.71	19.96	20.60

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

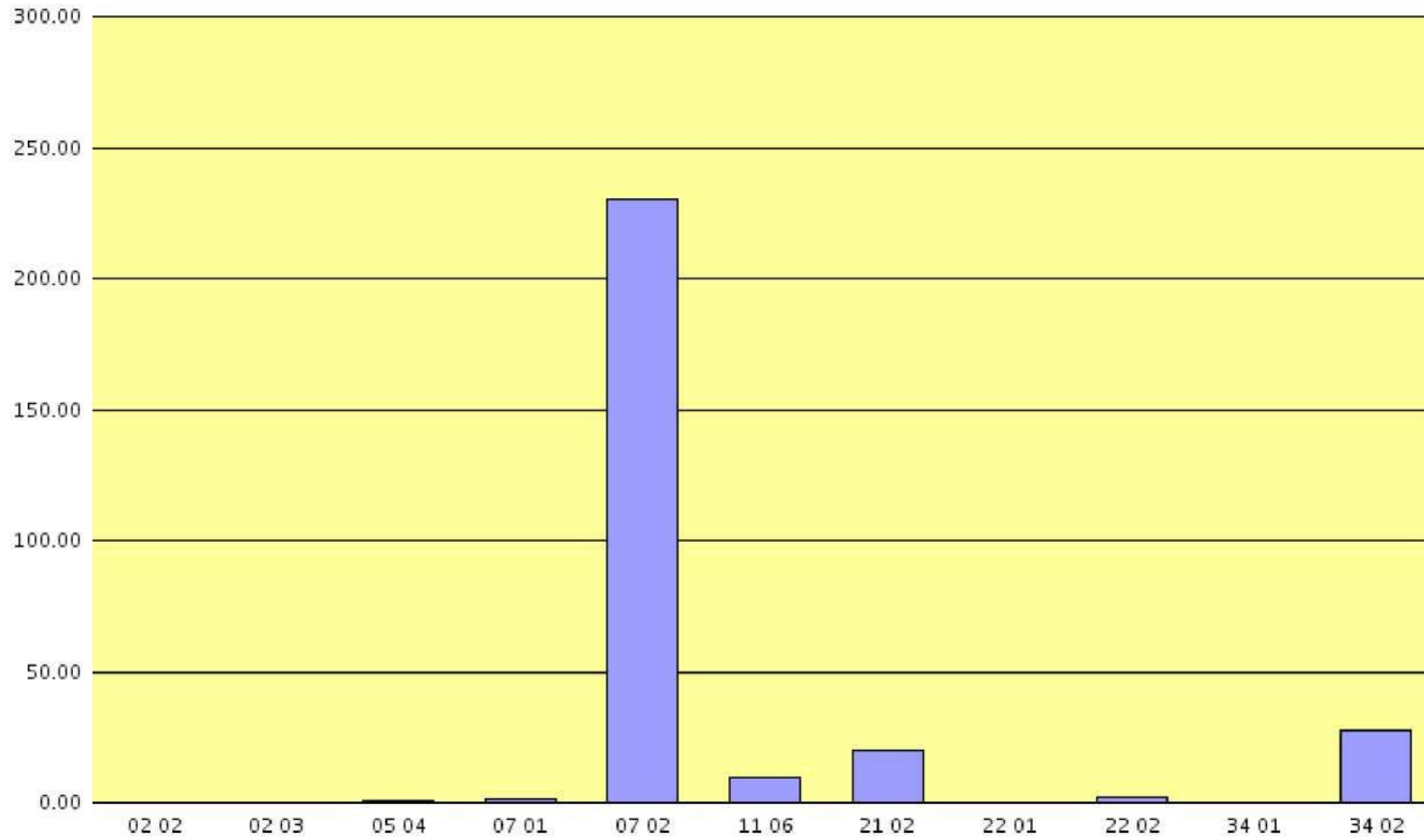
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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.06	0.02	0.04	66.32%	0.00	0.04	0.09
	22 02	Enlargement process and strategy	0.00	0.00	0.00	0.00%	2.10	2.10	3.54
Total Title 22			0.06	0.02	0.04	66.32%	2.10	2.13	3.63
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG ENV									
			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.00	0.00	0.00	0.00%	0.00	0.00	0.13
	34 02	Climate action at Union and international level	4.20		4.20	100.00%	23.75	27.95	23.75
Total Title 34			4.20	0.00	4.20	100.00%	23.75	27.95	23.88
Total for DG ENV			135.48	52.79	82.69	61.03 %	210.31	293	441.53

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

Refresh date : 17/03/2020

Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for DG ENV



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

Refresh date : 17/03/2020

TABLE 4 : BALANCE SHEET for DG ENV

BALANCE SHEET	2019	2018
A.I. NON CURRENT ASSETS	5,951,654.07	15,086,920.05
A.I.5. Non-Current Pre-Financing	5,798,592.07	14,780,797.05
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	153,062.00	306,123.00
A.II. CURRENT ASSETS	96,794,424.52	93,280,372.3
A.II.2. Current Pre-Financing	20,612,801.10	31,810,139.43
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	65,188,409.42	50,355,732.87
A.II.6. Cash and Cash Equivalents	10,993,214.00	11,114,500.00
ASSETS	102,746,078.59	108,367,292.35
P.II. CURRENT LIABILITIES	-72,234,985.92	-56,637,871.81
P.II.4. Current Payables	-11,383,720.53	-14,472,799.40
P.II.5. Current Accrued Charges & Defrd Income	-60,851,265.39	-42,165,072.41
LIABILITIES	-72,234,985.92	-56,637,871.81
NET ASSETS (ASSETS less LIABILITIES)	30,511,092.67	51,729,420.54
P.III.2. Accumulated Surplus/Deficit	1,081,271,039.66	1,107,357,945.71
Non-allocated central (surplus)/deficit*	-1,111,782,132.33	-1,159,087,366.25
TOTAL DG ENV	0.00	0.00

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

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

Refresh date : 17/03/2020

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG ENV

STATEMENT OF FINANCIAL PERFORMANCE	2019	2018
II.1 REVENUES	-178,919,159.13	-178,451,582.52
II.1.1. NON-EXCHANGE REVENUES	-183,506,372.45	-183,726,544.29
II.1.1.4. FINES	-177,781,413.23	-179,066,447.71
II.1.1.5. RECOVERY OF EXPENSES	-1,165,977.38	-200,551.97
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-4,558,981.84	-4,459,544.61
II.1.2. EXCHANGE REVENUES	4,587,213.32	5,274,961.77
II.1.2.1. FINANCIAL INCOME	-9,518.48	250.07
II.1.2.2. OTHER EXCHANGE REVENUE	4,596,731.80	5,274,711.70
II.2. EXPENSES	180,081,529.17	152,364,676.47
II.2. EXPENSES	180,081,529.17	152,364,676.47
II.2.10. OTHER EXPENSES	2,490,953.98	1,458,517.95
II.2.2. EXP IMPL BY COMMISS&EX.AGENC	112,745,447.41	89,502,718.20
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES	46,533,660.49	43,888,880.81
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM	18,303,827.08	17,484,285.29
II.2.8. FINANCE COSTS	7,640.21	30,274.22
STATEMENT OF FINANCIAL PERFORMANCE	1,162,370.04	-26,086,906.05

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use \\\"ctrl+enter\\\" to go to the next line and \\\"enter\\\" to validate your typing.

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

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

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

Refresh date : 17/03/2020

TABLE 5bis : OFF BALANCE SHEET for DG ENV

OFF BALANCE	2019	2018
OB.1. Contingent Assets	1,321,164	2,446,495.2
GR for other	871,904.00	1,574,591.20
GR for pre-financing	449,260.00	871,904.00
OB.2. Contingent Liabilities	-10,012,205.3	-5,510,000
OB.2.1. Guarantees given for EU FI	-7,406,200.00	-5,510,000.00
OB.2.7. CL Legal cases OTHER	-2,606,005.30	
OB.3. Other Significant Disclosures	-221,139,752.28	-371,341,406.31
OB.3.2. Comm against app. not yet	-221,139,752.28	-371,341,406.31
OB.4. Balancing Accounts	229,830,793.58	374,404,911.11
OB.4. Balancing Accounts	229,830,793.58	374,404,911.11
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

Please enter the text directly (no copy/paste of formatted text which would then disappear when saving the document in pdf), use `\\\"ctrl+enter\\\"` to go to the next line and `\\\"enter\\\"` to validate your typing

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.

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

Refresh date : 17/03/2020

TABLE 6: AVERAGE PAYMENT TIMES in 2019 for ENV

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	466	452	97.00 %	11.49	14	3.00 %	38.93
45	2	2	100.00 %	19			
60	265	257	96.98 %	24.27	8	3.02 %	86.75
90	143	137	95.80 %	47.81	6	4.20 %	96.5
105	43	41	95.35 %	56	2	4.65 %	133

Total Number of Payments	919	889	96.74 %		30	3.26 %	
Average Net Payment Time	24.38			22.85			69.47
Average Gross Payment Time	40.44			38.22			106.23

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	71	208	22.63 %	919	38,619,659.96	25.39 %	152,095,168.20

Late Interest paid in 2019

DG	GL Account	Description	Amount (Eur)
ENV	65010100	Interest on late payment of charges New FR	4 285.31
			4 285.31

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

Refresh date : 17/03/2020

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2019 for DG ENV

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	9,053.61	1,205.71	10,259.32	9,053.61	464.87	9,518.48	740.84
60	CONTRIBUTIONS TO UNION PROGRAMMES	4,529,155.86	0.00	4,529,155.86	4,529,155.86	0.00	4,529,155.86	0.00
66	OTHER CONTRIBUTIONS AND REFUNDS	4,361,252.69	3,827,762.12	8,189,014.81	2,683,239.90	718,587.87	3,401,827.77	4,787,187.04
71	FINES AND PENALTIES	165,523,739.21	43,696,327.93	209,220,067.14	82,225,766.77	43,696,327.93	125,922,094.70	83,297,972.44
Total DG ENV		174,423,201.37	47,525,295.76	221,948,497.13	89,447,216.14	44,415,380.67	133,862,596.81	88,085,900.32

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

Refresh date : 17/03/2020

TABLE 8 : RECOVERY OF PAYMENTS in 2019 for DG ENV
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2019	Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2008	1	28,134.02	2	626,627.84	3	654,761.86	3	654,761.86	100.00%	100.00%
2009	1	1,424.38			1	1,424.38	2	75,543.66	50.00%	1.89%
2010	2	33,318.33	1	298,259.77	3	331,578.1	3	331,578.1	100.00%	100.00%
2011	3	32,579.27			3	32,579.27	7	328,465.58	42.86%	9.92%
2012	3	12,456.24			3	12,456.24	7	429,034.84	42.86%	2.90%
2013	6	106,680.94			6	106,680.94	12	1,454,919.64	50.00%	7.33%
2014	1	4,773.14			1	4,773.14	7	1,021,506.33	14.29%	0.47%
2018							2	275,743.09		
No Link							1	29,825.98		
Sub-Total	17	219,366.32	3	924,887.61	20	1,144,253.93	44	4,601,379.08	45.45%	24.87%

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES							1	2,598.58		
NON ELIGIBLE IN COST CLAIMS	96	4,174,595.28			96	4,174,595.28	96	4,174,595.28	100.00%	100.00%
CREDIT NOTES	3	149,398.94			3	149,398.94	14	920,776.79	21.43%	16.23%
Sub-Total	99	4,323,994.22			99	4,323,994.22	111	5,097,970.65	89.19%	84.82%

GRAND TOTAL	116	4,543,360.54	3	924,887.61	119	5,468,248.15	155	9,699,349.73	76.77%	56.38%
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Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Refresh date : 17/03/2020

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/01/2019 for DG ENV

	Number at 01/01/2019	Number at 31/01/2019	Evolution	Open Amount (Eur) at 01/01/2019	Open Amount (Eur) at 31/01/2019	Evolution
2005	1	1	0.00 %	3,121.70	3,121.70	0.00 %
2008	1	1	0.00 %	76,550.44	76,550.44	0.00 %
2012	2	2	0.00 %	554,460.75	554,460.75	0.00 %
2014	2	2	0.00 %	162,979.96	162,979.96	0.00 %
2015	3	3	0.00 %	406,509.76	406,509.76	0.00 %
2016	3	3	0.00 %	39,828.53	39,828.53	0.00 %
2017	5	5	0.00 %	1,046,767.92	1,046,767.92	0.00 %
2018	19	16	-15.79 %	45,246,029.30	45,067,249.07	-0.40 %
2019		2			144,321.09	
	36	35	-2.78 %	47,536,248.36	47,501,789.22	-0.07 %

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

Refresh date : 17/03/2020

TABLE 10 : Recovery Order Waivers >= 60 000 € in 2019 for DG ENV

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
0	3233190075	3241710730	-99,505.33	Private Companies		
1	3233190213	3230802102	-76,550.44	Other Public Bodies		

Total DG ENV	-176,055.77
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Number of RO waivers	2
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There are 5 waivers below 60 000 € for a total amount of -37,981.55

Justifications:

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

Refresh date : 17/03/2020

TABLE 11 : Negotiated Procedures in 2019 for DG ENV**Internal Procedures > € 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	3	255,999.76
Art. 134.1(b) (Without prior publication) Technical or artistic reasons, or reasons connected with the protection of exclusive rights	3	335,991.86
Total	6	591,991.62

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

Refresh date : 17/03/2020

TABLE 12 : Summary of Procedures in 2019 for DG ENV**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	3	335,991.86
Negotiated procedure middle value contract (Annex 1 - 14.2)	3	268,349.00
Negotiated procedure without prior publication (Annex 1 - 11.1)	3	255,999.76
Open procedure (FR 164 (1)(a))	31	35,100,066.97
Total	40	35,960,407.59

Additional Comments:

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

Refresh date : 17/03/2020

TABLE 13 : BUILDING CONTRACTS in 2019 for DG ENV

Legal Base	Procedure subject	LC/FW?	Contract/ FW Number	Contractor Name	Contract/FW Subject	Amount (€)

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

Refresh date : 17/03/2020

TABLE 14 : CONTRACTS DECLARED SECRET in 2019 for DG ENV

Legal Base	Procedure subject	LC/FW?	LC Contract/Grant type or FW type	LC Date	Contract/FW Number	Contractor Name	Contract/FW Subject	Amount (€)

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

Refresh date : 17/03/2020

TABLE 15 : FPA duration exceeds 4 years - DG ENV

None of your FPA (if any) exceeds 4 years

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

Refresh date : 17/03/2020

ANNEX 4: Materiality criteria

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

1. Qualitative criteria

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

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

2. Quantitative criteria

Concerning legality and regularity, a weakness is considered material if the value of the errors in the transactions affected by the weakness is estimated to represent more than 2% of the authorised payments of the reporting year of ABB activity 0702.

Note: The method for estimating the amount at risk is explained in detail in section 2 and the related pages in Annex 10.

De minimis' threshold for financial reservations

As from 2019⁴, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

Of course, this is without prejudice of maintaining a reservation for its reputational reasons if applicable.

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

ANNEX 5: Relevant Control System(s) for budget implementation (RCSs)

Procurement – direct management

Stage 1: Procurement

A: Planning

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

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

Mitigating controls	Main risks	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
		budget estimate; <ul style="list-style-type: none"> Once per year for every Directorate. 	<ul style="list-style-type: none"> Cost of reviewing Man Plan fiches compared to costs from not assuring compliance with Financial Regulation, inefficient budget estimate and selection of wrong procedure. <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved (staff involved on the process) <p>Benefits:</p> <ul style="list-style-type: none"> Assuring compliance with Financial Regulation, efficient budget estimate and selection of proper procedure
<ul style="list-style-type: none"> Prior information notice (PIN) published; Desk officers consider possible market response before publishing tenders (market research). 	<ul style="list-style-type: none"> Lack of competition 	<ul style="list-style-type: none"> Once per year- 1st quarter of the year. PIN provides an overview of foreseen contracts; its subject and approximate value. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Higher average number of offers received per procedure. <p>Efficiency:</p> <ul style="list-style-type: none"> Cost of publishing PIN and performing market research compared to cost of cancelling or repeating a procedure. <p>Economy:</p> <ul style="list-style-type: none"> Estimation of costs involved (staff involved on the process) <p>Benefits:</p> <ul style="list-style-type: none"> Steady decrease of cancelled procedures and insufficient number of offers; receipt of better offers and new market players.

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

B: Needs assessment & definition of needs

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> Poor quality of tender specifications and selection of wrong procedure 	<ul style="list-style-type: none"> Consultation with the FU during preparatory stage and agreement on the final version of the tender 	<ul style="list-style-type: none"> 100% of tender specifications for Open Calls, all specifications for contracts above the threshold of 150.000 euro, and negotiated 	<p>Effectiveness:</p> <ul style="list-style-type: none"> Very low number of procedures where only one or no offers were received; Average number of requests for clarification per tender.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
	specifications; <ul style="list-style-type: none"> Additional verification and AOSD supervision (upstream control); Training organized by the FU on drafting the tender specifications. 	procedures are reviewed and scrutinised; <ul style="list-style-type: none"> Files above 500.000€; random selection of other projects and all EP Pilots go to ex-ante assessment by ENVAC; Training organised at list twice per year. 	Efficiency: <ul style="list-style-type: none"> Cost of financial verification and organization of trainings compared to cost of cancelling or repeating a procedure. Economy: <ul style="list-style-type: none"> Estimation of costs involved Benefits: <ul style="list-style-type: none"> Better quality tender specifications, limit the risk of litigation, limit the risk of cancellation of tender, better informed desk officers.

C: Selection of the offer and evaluation

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
<ul style="list-style-type: none"> Biased, inaccurate, unfair evaluation procedure 	<ul style="list-style-type: none"> Opening Committee and Evaluation Committee; Opinion by consultative committee ENVAC; Standstill period, opportunity for 	<ul style="list-style-type: none"> Formal evaluation process; nomination of the Committees by the AOS for every file above 150,000€. Minimum of three members (one from another Directorate); ENVAC assesses full 	Effectiveness: <ul style="list-style-type: none"> Low number of files rejected or suspended for comments by ENVAC. Efficiency: <ul style="list-style-type: none"> Cost of staff involved (opening, evaluation committee members, ENVAC members, FU) compared to cost of possible litigation. Economy:

	<p>unsuccessful tenderers to put forward their concerns on the decision;</p> <ul style="list-style-type: none"> • Training organized by the FU on evaluation of tenders; • Model evaluation report and guidelines; • Tenderers able to attend openings; • Award decision communicated to tenderers. 	<p>procurement and evaluation process and the draft award decision for all files above 500.000, 00€ and number of files below the amount by a random selection (all documents related to the procurement procedure publications, committee reports, winning offer, draft contract);</p> <ul style="list-style-type: none"> • 100% when conditions are fulfilled; Templates and guidelines up-to-date following DG BUDG updates; • For open calls tenderers are able to attend the opening of offers; • Successful and unsuccessful tenderers always informed on the evaluation outcome. 	<ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Compliance with FR, prevention of fraud, limit the risk of litigation, better quality PVs, composition of the evaluation team ensures neutrality and objectivity, transparency
<ul style="list-style-type: none"> • Confidentiality issues/ conflict of interest 	<ul style="list-style-type: none"> • Opening and Evaluation Committee members' signed declaration of absence of conflict 	<ul style="list-style-type: none"> • 100% of the members of the opening committee and the evaluation committee; • Red flags checked 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • No or very low amount of indemnities. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of FU staff involved compared to cost of possible litigation.

	<ul style="list-style-type: none"> of interests; • Checks by the FU. 	<ul style="list-style-type: none"> by the FU for every file. 	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Potential irregularities/inefficiencies prevented.
<ul style="list-style-type: none"> • Inadequate number of offers/ poor quality offers 	<ul style="list-style-type: none"> • Award criteria announced in advance; • FR followed in terms of minimum time granted for preparation of tenders. 	<ul style="list-style-type: none"> • Appropriate selection criteria publishes with the tender • Award criteria in every tender specifications published with the call; • 100% FR respected. 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of cancelled procedures. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of financial unit staff involved compared to cost of possible procedure cancellation or repetition. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Ensure better quality offers.
<ul style="list-style-type: none"> • Unreliable contractor/ False declarations 	<ul style="list-style-type: none"> • Exclusion criteria determined; • Early warning system (EWS); • Satisfaction certificates. 	<ul style="list-style-type: none"> • 100% checked. The required documents provided by the tenderers are consistent with the specifications and appropriate for evaluation purposes (as required by the FR); Financial turnover and declaration on honour; • 100% of successful contractors checked in the EWS; 	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Low number of discontinued contracts. <p>Efficiency:</p> <ul style="list-style-type: none"> • Cost of staff involved compared to cost of contract discontinuation. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of costs involved. <p>Benefits:</p> <ul style="list-style-type: none"> • Avoid contracting with excluded economic operators.

		<ul style="list-style-type: none">• Satisfaction certificates are an increasing requirement in tender specifications, especially for high value or sensitive files.	
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Stage 2: Contract implementation and Financial transactions

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
			Benefits: <ul style="list-style-type: none"> Detection of dormant invoices, maximization of budget execution.

Stage 3: Supervisory measures and ex post control

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
		weaknesses in the selection process of the ex-post controls (exceptions reported, review of procedures, ENVAC conclusions); <ul style="list-style-type: none"> • Statistic on payment delays on Directors' meeting (six times a year) 	

Financial Instruments - Indirect management

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

DS = Designated service (competent DGs)

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)

<p>a) The actions supported through the Financial Instrument do not adequately reflect the policy objectives (no compliance with Fin. Reg. art. 140 and instrument specific objectives)</p>	<ul style="list-style-type: none"> • Guidance provided to the IFI for the assessment of projects by the DS; • Prior eligibility confirmation of the DS for every project • Regular reporting by the IFI to the DS on the operational performance, including the management declaration, and the summary of audits and controls carried out during the reporting year; • Independent audit opinion; • In case of weak reporting, negative audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub) FI levels; 	<p>If risk materialises, the Financial Instrument would be irregular. Possible impact 100% of funds involved and significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: Checklist on operational reporting includes a list of checks to be done.</p>	<p>Effectiveness: Evolution of the specific indicators in the operational reporting compared with benchmarks and evolution over time.</p> <p>Where applicable, opinion by technical assistance (recommendations, actions taken).</p> <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the preparation and validation of the operational reporting. • Cost of the technical assistance. <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total value of the Financial Instrument.
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<p>b) The IFI (and the (sub)FI) does not have the experience to ensure effective implementation of this type of Financial Instrument.</p>	<ul style="list-style-type: none"> • Eligibility standards for IFI established and verified according to the Delegation Agreement and FAFA. • Guidance provided to the IFI for the assessment of projects by the DS; 	<p>Coverage / Frequency: 100%</p> <p>Depth: In accordance with the Delegation Agreement.</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of technical assistance cost. <p>Benefits:</p> <ul style="list-style-type: none"> • Reduced risk related to the disbursement of the total amount by selecting the IFI on the basis of the ability to use the funding in the most efficient and effective way.
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<p>Main risks It may happen (again) that...</p>	<p>Mitigating controls</p>	<p>How to determine coverage frequency and depth</p>	<p>Cost-Effectiveness indicators (three E's)</p>
<p>c) FIs and FRs are not selected on the basis of an open, transparent, justified on objective grounds procedure or there are conflicts of interests in the selection process.</p>	<ul style="list-style-type: none"> • Responsibility for selecting FI and FR, lies with the IFI and FI, respectively; • Prior eligibility confirmation of the DS for every FI. 	<p>Coverage / Frequency: determined by the IFI/FI in accordance with the delegation agreement (max twice per year for the next 5 years)</p> <p>Depth: determined by the IFI/FI in accordance with the Delegation Agreement</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • The selection of FI and FR would (not) be (successfully) challenged. <p>Cost-effectiveness:</p> <ul style="list-style-type: none"> • Average cost of preparation, adoption and selection work done (compared with similar cases as benchmark). <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. • Cost of contracted services (Audit costs). <p>Benefits:</p>

			<ul style="list-style-type: none"> • Reduced risk related to possible conflict of interest and questionable selection procedure.
<p>d) The design of the accounting and reporting arrangements would not provide sufficient transparency (True & Fair View)</p>	<ul style="list-style-type: none"> • Separate records per Financial Instrument are to be kept by the IFI; and harmonised reporting has been required by the Commission (cf. FAFA & Das). 	<p>Coverage / Frequency: 100% Depth: In depth assessment of the statement of expenses</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any • Training of the concerned staff.
<p>e) the remuneration of the IFI⁵, the reimbursement of any exceptional costs and costs for technical assistance or additional tasks would not be in line with the objective</p>	<ul style="list-style-type: none"> • Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap; • Reimbursement of cost for technical assistance and additional tasks to be defined in the FAFA and the delegation agreement; • Review by the designated service of the statement of expenses together with evidence provided by the IFI; • Ex-ante and ex-post 	<p>Coverage / Frequency: 100% Depth: In depth assessment of the statement of expenses Training of the concerned staff</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any

⁵ Remuneration includes administrative and performance fees.

	controls, On-the-spot verifications (risk-based or representative samples).		
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Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
f) Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not compliant with applicable regulations.	<ul style="list-style-type: none"> Monitoring or supervision ⁽⁶⁾ of entrusted entities; Regular reporting by the IFI to the Commission "Designated Service" on the operational and financial performance, including the financial statements, management declaration, summary of audits and controls carried out during the reporting year; Independent audit opinion; In case of weak reporting, negative 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p> <p>Depth: depends on risk criteria such as past experience of/with the IFI/FI, complexity or lack of experience on the area of financed actions or the management modalities</p> <p>If needed: suspension or interruption of</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> Success performance ratios (e.g. "leverage", "co-risk-taking", number of FR supported by the Financial Instrument, disbursement rate) Number of control failures detected; value of the issues concerned prevented/corrected. Number and value of internal control, auditing and monitoring "issues", number of interventions, number of issues under reinforced internal control, auditing and monitoring, number of critical IAS and ECA findings Number of cases submitted to OLAF <p>Efficiency:</p> <ul style="list-style-type: none"> e.g. Management (fees) and supervision costs (FTE) over assets under management ? <p>Cost-Effectiveness:</p> <ul style="list-style-type: none"> Average cost per Financial Instrument; % cost over

⁶ The nature of these measures is similar. We distinguish between those cases in which the Commission has a direct (legal/contractual) say in the management process, such as the right to block ex-ante a transaction (supervision), or can merely flag its disagreement (monitoring), and influence the fundamental options foreseen under the FR related to stopping/suspending/reconfiguring/winding-down the FEI.

	<p>audit opinion, high risk operations, etc.: reinforced monitoring/supervision controls, random and/or case/risk-based audits at the IFI and (sub)FI levels;</p> <ul style="list-style-type: none"> • Regular submission of disbursement and repayment (assigned revenue) forecasts; • Reporting on financial risk & off-balance-sheets liabilities; • Reporting on treasury management. 	<p>payments, or even application of exit strategy (winding up)</p>	<p>value delegated</p> <ul style="list-style-type: none"> • Costs/Benefits ratio <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any. <p>Benefits:</p> <ul style="list-style-type: none"> • Value of the funding and disbursement forecast rejected. Exposure of the guarantees not provided. Budget value of the part of the Financial Instrument not paid out to FR. <p>Losses:</p> <ul style="list-style-type: none"> • E.g. write-offs of equity/loans, loan guarantees called above expectations.
<p>g) the FI, which are pilot initiatives, are not resulting in a number of operations significant to give conclusive results</p>	<ul style="list-style-type: none"> • Regular reporting by the IFI to the Commission "Designated Service" (=accountable DG and AOD) on the operational and financial performance • Mid-term evaluation 	<p>Coverage: 100% of the operations are taken into account.</p> <p>If needed: revision of the reporting requirements</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total value of the Financial Instrument.
<p>h) the risk sharing mechanism is used in an instrumental way by the IFI</p>	<ul style="list-style-type: none"> • Check that the Portfolio First Loss Piece will be decreasing with the increase in the number of operations 	<p>Coverage: 100% of the funding payments to the entrusted entity are controlled, including value-adding checks.</p> <p>Riskier operations subject to more in-depth controls and/or audits.</p>	<p>Economy:</p> <ul style="list-style-type: none"> • Estimation of the cost of staff involved in the monitoring of the Financial Instrument. Cost of contracted services, if any <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) value of the Commission contribution to the Financial Instrument.

Grants – direct management

Stage 1 – Programming, evaluation and selection of proposals

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The annual work programme and the subsequent calls for proposals do not adequately reflect the policy objectives, priorities set are not coherent and in line with the WP and/or the essential eligibility, selection and award criteria are not appropriate and adequate to ensure the evaluation of the proposals and award of the grant.</p>	<p>Hierarchical validation of the contribution to the annual working programme within the authorising department. Inter-service consultation, including all relevant DGs.</p> <p>Adoption by the Commission of a Financing Decision.</p> <p>For grants without call for proposals funded under external relations' budget, a committee of ENV and DEVCO staff examines all proposals on the base of a concept fiche before proposing grants to the financing decision of DEVCO.</p> <p>Each individual call for proposals is prepared by the technical unit (assisted by the finance units) and then checked by the finance Units.</p> <p>Direct grants are checked by the</p>	<p>If risk materialises, all grants awarded during the year under this work programme or call would be irregular.</p> <p>Possible impact could be 100% of budget involved and furthermore significant reputational consequences.</p> <p>Coverage / Frequency: 100%</p> <p>Depth: The check is made for each individual call for proposals or direct grant.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Budget amount of the work programmes concerned. • Success ratios; % of number/value proposals received over number expected / budget available. • Number/Amount of direct grant with a negative opinion from ENVAC. <p>Efficiency:</p> <ul style="list-style-type: none"> • Average cost of preparation, adoption and publishing an annual work programme, compared with benchmarks and evolution over time. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the preparation and validation of the annual work programme and calls. <p>Benefits:</p> <ul style="list-style-type: none"> • The (average annual) total budgetary amount of the annual work programmes

	finance and the technical Units and may subsequently be submitted to internal advisory Committee (ENVAC) by request of the Finance Unit if monopoly situation is not clear.		or calls with prevented, detected and/or corrected errors.
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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 (a good balance of) the proposals selected (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy)

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or	Assignment of staff (including technical unit desks) to evaluate the proposals. Assessment by staff (e.g. programme officers)	100% vetting for technical expertise and independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) of evaluators. 100% of proposals are evaluated. Depth may be determined by screening of outline proposals (two-step evaluation).	Effectiveness: <ul style="list-style-type: none"> • No litigation cases. • Number of candidate expert evaluators barred. Rejected/corrected/suspended transactions compared to total number of transactions. • Number of supervisory control failures. Efficiency Indicators: <ul style="list-style-type: none"> • Average cost per call and/or per (selected) proposal. • % cost over annual amount disbursed in grants. • Time-to grant (inform applicants of the results within 6 months from the call deadline;

<p>with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p>	<p>Review (e.g. by a mixed panel) and hierarchical validation by the AO of ranked list of proposals.; publication.</p>	<p>Coverage: 100% of ranked list of proposals. Supervision of work of evaluators.</p> <p>Depth depends on several risk factors: e.g. conflicts of interest, nationality bias, ex-employer bias, collusion.</p>	<p>additional 3 months to make a legal commitment).</p> <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the ex-ante checks : • Programme management and monitoring • Budget & accounting • Financial management • General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management • Anti-fraud • Cost of experts. <p>Benefits:</p> <ul style="list-style-type: none"> • Amount of expenditures declared ineligible compared to total amount of proposals received. • Benefit equals to value of deserving projects otherwise not selected plus value of non-deserving projects that would have been selected (=amount redirected to eligible and necessary projects).
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Stage 2 – Contracting

Transformation of selected proposals into legally binding grant agreements

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The description of the action in the grant agreement includes tasks which do not contribute to the achievement of the programme objectives and/or that the budget foreseen overestimates the costs necessary to carry out the action.</p> <p>The beneficiary lacks operational and/or financial capacity to carry out the actions.</p> <p>Procedures do not comply with the regulatory or financial framework.</p>	<p>Project Officers implement evaluators' recommendations in discussion with selected applicants. Hierarchical validation of proposed Adjustments / budget reviews.</p> <p>Validation of beneficiaries (operational and financial viability) and planning of (mid-term and final) evaluations. Signature of the grant agreement by the AO.</p> <p>In-depth financial checks and taking appropriate measures (e.g. guaranty, lack or deferral of pre-financing(s)) for high risk beneficiaries.</p> <p>Reinforce financial and contractual circuits. Financial viability checks</p>	<p>100% of the selected proposals and beneficiaries are scrutinised. Coverage: 100% of draft grant agreements.</p> <p>Depth/Risk may be determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures, start-up companies, long-term working relations) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant. Based on legal nature of the applicant/beneficiary</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • % of selected proposals with recommendations implemented in grant agreement. • Amount of proposed costs rejected. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Value of grant agreements completed over budget requested in the corresponding proposals (%). • Time-to-Grant. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the contracting process (costs of initiation and verification related to controls). <p>Benefits:</p> <ul style="list-style-type: none"> • Prevented, detected, corrected errors or irregularities during the evaluation and selection.

Stage 3 - Monitoring the execution

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

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p>Operational and financial checks in accordance with the financial circuits. Approval of technical reports by the operational Units.</p> <p>Operation authorisation by the AO.</p> <p>Audit certificates.</p> <p>For riskier operations, ex-ante in-depth and/or on-site verification.</p> <p>For LIFE projects: each project is visited every year by the monitoring team and once in its lifetime by the operational Unit.</p>	<p>100% of the projects are controlled, including only value-adding checks.</p> <p>For LIFE projects (80% of the Budget) visit of each project once a year by the monitoring team and once in its lifetime by the desk from the operational Unit.</p> <p>Riskier operations subject to in-depth and/or on-site controls.</p> <p>The depth depends on the risk criteria.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • % of time sheet error reports of total number of on-site monitoring visits. Number of control failures; budget amount of the errors concerned. • Number of projects with cost claim errors; budget amount of the cost items rejected. • Number of penalties damages; amount of the penalties damages. • Success ratios; % of value of cost claims items adjusted over cost claims value. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Cost/benefit ratio % cost over annual amount disbursed. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the actual management of running projects (costs of

	<p>For high risk operations, reinforced monitoring.</p> <p>LIFE projects: Ex-ante verification on-the spot (OV and/or FV) – e.g. monitoring visits. Identify projects for risk-based ex-post audit.</p>	<p>High risk operations identified by risk criteria. Red flags: delayed interim deliverables, unstable consortium, requesting many amendments, EWS or anti-fraud flagging, etc.</p>	<p>initiation and verification related to controls; allocated time of technical staff; allocated cost of monitoring visits).</p> <ul style="list-style-type: none"> • Costs of audit certificates. <p>Benefits:</p> <ul style="list-style-type: none"> • Prevented, detected, corrected errors or irregularities during the execution phase, through monitoring. Budget value of the costs claimed by the beneficiary, but rejected by the project officers. • Budget value of the part of the grant not paid out as pre-financing for projects that have been terminated by the Commission. • Budget value of penalties and liquidated damages.
<p>If needed: application of suspension/interruption of payments, Penalties or liquidated damages. Referring grant beneficiaries to OLAF.</p>	<p>Depth: depends on results of ex-ante controls.</p>		

Stage 4 - Ex-Post controls

A: Reviews, audits and monitoring

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-ante controls as such fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Ex-post control strategy: Carry out audits or desk reviews of a representative sample of 30 closed projects to determine effectiveness of ex-ante controls (+ consider ex-post findings for improving the ex-ante-controls).</p> <p>This is complemented by risk based sample and check of time sheets by the monitoring team. If error rate over materiality level reservation in the AAR and action plan.</p> <p>Envisaged: multi-annual basis (programme's lifecycle) and coordination with other AOs concerned (to detect systemic errors). Validate results of audits requested by the operational units. Recommend recovery order(s) to the AOS. If needed: referring the beneficiary or grant to OLAF.</p>	<p>Representative sample: random or MUS sample sufficiently representative to draw valid management conclusions.</p> <p>Risk-based sample, determined in accordance with the selected risk criteria, aimed to maximise error correction (higher amounts, number of partners, recurrent beneficiaries, poor interim/final financial reporting, files signalled by operational Units).</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Representative error rate. • Residual error rate below materiality level. • Number of supervisory control failures. • Amount of budget of errors concerned. • Number of projects with errors; budget amount of the errors detected. <p>Efficiency:</p> <ul style="list-style-type: none"> • Total (average) annual cost of audits compared with benefits (ratio). <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the coordination and execution of the audit strategy. • Cost of the appointment of audit firms for the outsourced audits. • Costs of missions. <p>Benefits:</p> <ul style="list-style-type: none"> • Amount of expenditures declared ineligible by the auditors and subsequent issue / payment of recovery orders.

Main risks <i>It may happen (again) that...</i>	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The ex-post controls focus on the detection of external errors (e.g. made by beneficiaries) and do not consider any internal errors made by staff or embedded systematically in the own organisation.</p>	<p>If needed management letter on findings of ex-post audits to operational Units.</p> <p>Audit reports included.</p> <p>"Management findings" related to internal errors.</p> <p>Draft audit reports are reviewed and approved by hierarchy. At this stage, hierarchy could be informed of any systematic errors.</p>	<p>Coverage: For each audited project, the random sample will be statistically representative to enable drawing valid management conclusions about the entire population during the programme's lifecycle.</p> <p>However, it is limited to 30 audits for resources reasons and due to files closed in the previous year.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Number of supervisory control failures. • Amount of budget of errors concerned. • Number of transactions with errors; • Budget amount of the errors detected by the supervisors. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Total (average) annual cost of supervisors compared with benefits (ratio). • Average cost per programme, call and/or per (running) project. • % cost over annual amount disbursed in grants. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in coordinating and executing the ex-post audit strategy and in the implementation of audits. • Costs of the appointment of audit firms and missions. <p>Benefits:</p> <ul style="list-style-type: none"> • Budget value of the errors detected by the supervisors.

B: Implementing results from ex-post audits/controls

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

Main risks It may happen (again) that...	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The errors, irregularities and cases of fraud detected are not addressed or not addressed timely</p>	<p>Systematic registration of audit / control results to be implemented in a database</p> <p>As from 2014: forecast of revenue issued by Finance Unit together with the audit report.</p> <p>Financial and operational validation of recovery in accordance with financial circuits.</p> <p>Authorisation of recovery order by the AOD or the AOS.</p>	<p>Coverage: 100% of final audit results with a financial impact.</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> • Number/value/% of audit results pending implementation. • Number/value/% of audit results failed implementation. • Success ratio; % of value of the ROs over detected errors by the auditors. <p>Efficiency Indicators:</p> <ul style="list-style-type: none"> • Total (average) annual cost of implementing audits compared with benefits (ratio). • Time-to-recovery. <p>Economy:</p> <ul style="list-style-type: none"> • Estimation of cost of staff involved in the implementation of the audit results. <p>Benefits:</p> <ul style="list-style-type: none"> • Budget value of the errors, detected by ex-post controls, which have actually been corrected (offset or recovered).

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Not applicable

ANNEX 7: EAMR of the Union Delegations

Not applicable

ANNEX 8: Decentralised agencies and/or EU Trust Funds

Not applicable

ANNEX 9: Evaluations and other studies finalised or cancelled during the year

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES CANCELLED								
9071	Assessment of waste management plans (batch 3)	General study	The study should assist the Commission in the assessment of the completeness and adequacy of Member States Waste Management Plans established under the Waste Framework Directive (it is a follow-up to two studies already published)	O			B3 / Work postponed to 2020 (MS have not yet finalised their plans)	
9068	Technical support on the development of OECD test guideline for thyroid disruption	General study	The lack of harmonised test guidelines for the identification of chemicals causing a thyroid disruption is a well-known gap in the existing set of test guidelines. An ongoing study on the "thyroid disruptor testing in the mammalian system" (No 07.0201/2017/769285) will deliver a protocol feasibility study. This new project will provide input for the actual development of test guidelines, following from the findings of the feasibility study.	O			B2 / Cancelled, RTD had a signed a contract covering this topic (Horizon Europe programme)	
9067	Development of harmonised classification and labelling dossiers for substances that potentially fulfil the criteria for classification as CMR category 1	General study	The study should develop classification and labelling dossiers for substances that potentially fulfil the criteria for classification as Carcinogen, Mutagen, Reprotoxic (CMR) category 1, and therefore could be identified as substances of very high concern in accordance with REACH, article 57	O			B2 / Cancelled due to that it was not possible anymore to sign a 12-month duration contract because the framework contract was ending in November 2019.	
7217	Study on illegal logging prevalence and timber trade analysis between EU and major timber suppliers from Eastern Neighbourhood countries, EU Candidate Countries and Potential Candidates to support enhanced enforcement of the EUTR	General study	The EU is the largest consumer of timber products from Russia, Ukraine and Belarus, as well as from a number of EU candidate countries and potential candidates where the forest sector represents an important part of national economy. These countries represent a major share of EU imports, but relatively little information is currently available for EU private sector and EUTR competent authorities to facilitate compliance with the due diligence requirements under the regulation. The need to strengthen the knowledge base to support enhanced enforcement of the regulation vis-à-vis these major timber sources was highlighted in the context of the evaluation of the FLEGT action plan completed in 2016 and it has been repeatedly raised by MS CAs as an important constraints for their daily work. Furthermore, under Article 13 of the EUTR, the Commission is mandated to support MS in relation to enforcement of the regulation. The study would be an important contribution to this end and would also support the Commission in responding to the aforementioned finding from the FLEGT AP evaluation.	L			Cancelled in view of the excessive workload and change of priorities.	

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES CANCELLED								
7178	Study to review the waste disposal operations	General study	Mapping of existing practices in waste disposal, establish which of the disposal operations listed in Annex I of the Waste Framework Directive are used in Member States and assess the need for possible changes in this Annex or new technical requirements and disposal restrictions or bans on certain disposal operations in all Member States. Further content determined depending on the outcome of the negotiations on the waste package.	L			Covered by an ongoing JRC project	

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES COMPLETED								
7349	REFIT evaluation of the SEA Directive on Strategic Environmental Assessment	Evaluation	<p>The objective of the SEA Directive (Directive 2001/42/EC) is to provide for a high level of protection of the environment and contribute to the integration of environmental considerations into the preparation, adoption and implementation of plans and programmes, promoting sustainable development. This is achieved by ensuring that an environmental assessment of certain plans and programmes which set the framework of projects likely to have significant effects on the environment is carried out.</p> <p>The evaluation will aim to identify measures to enhance the implementation of the SEA Directive, its effectiveness and efficiency. The evaluation will cover the application of the Directive in all Member States since the date of its due transposition, will consider all relevant aspects of the SEA Directive, will assess the application of the SEA Directive and its impact on the decision-making and identify benefits and shortcomings, including the potential for any regulatory simplification and burden reduction. The evaluation will follow the criteria of relevance, effectiveness, efficiency, coherence/ consistency and EU added value.</p>	L			KH-04-19-496-EN-N	Evaluation SWD(2019)413; Executive summary: SWD(2019) 414 https://op.europa.eu/en/publication-detail/-/publication/c85d0724-a131-11e9-9d01-01aa75ed71a1/language-en/format-PDF/source-119804347
7347	Fitness check of the EU Ambient Air Quality Directives	Evaluation	<p>European Union air quality policy aims to protect citizens across the European Union from significant adverse impacts on and risks to human health and the environment. This fitness check will focus on the two Ambient Air Quality Directives (2008/50/EC and 2004/107/EC) which lay down air quality standards for a range of specific air pollutants that are known to have a substantial bearing on human health and ecosystems. In combination with Implementing Decision 2011/850/EC and Commission Directive EU/2015/1480, they also lay down common methods to monitor, report, assess and improve air quality, and to inform the public accordingly. The results of this fitness check will be used to inform further reflections on whether the current Ambient Air Quality Directives continue to provide the appropriate legislative framework to ensure protection from adverse impacts on, and risks, to human health and the environment, whether the air quality standards set are in line with current scientific guidance as regards human health, and whether the means of monitoring, assessing and implementing air policy are fit for purpose – or whether the Directives would require a revision.</p>	L				SWD(2019)427; Executive summary SWD(2019)428

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES COMPLETED								
7346	Fitness check of the Water Framework Directive and the Floods Directive	Evaluation	The Water Framework Directive (2000/60/EC) is the most comprehensive instrument of EU water policy and its main objective is to protect and enhance EU water resources to achieve good status. The fitness check will evaluate this Directive, two other Directives directly linked to it (Directive 2006/118/EC on Groundwater and 2008/105/EC on Quality Standards) and the Floods Directive (2007/60/EC), which has been the catalyst for introducing a risk management approach to water floods across the EU.	L				Evaluation SWD(2019)439; Exec. summary SWD(2019)440
7344	Evaluation of the 7th Environment Action Programme	Evaluation	Environment Action Programmes have guided the development of EU Environment policy since the 1970s, and each programme has been duly assessed to see if the objectives have been met. The purpose of this evaluation is to assess if the 7th Environment Action Programme (EAP) is on track to meeting the programme's objectives. In line with the Commission's Better Regulation guidelines, the evaluation will assess the effectiveness, efficiency, relevance, coherence, as well as the EU-added value of the 7th Environment Action Programme (7th EAP) . The evaluation will cover the period December 2013-December 2018.	L			CLIMA co-lead	SWD(2019)181
7341	REFIT evaluation of Council Directive 91/271/EEC on Urban Waste Water Treatment	Evaluation	The main objective of the Urban Waste Water Treatment Directive (Directive 91/271/EEC) is to protect the environment from adverse effects of waste water discharges from urban areas and certain industrial sectors. This evaluation will assess the effectiveness, efficiency, coherence, relevance and EU added value of the Directive since its entry into force 25 years ago. It may identify areas where simplifications or improvements to the legislation or implementation are needed.	L				SWD(2019)700 Executive summary SWD(2019)701

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES COMPLETED								
7323	Report and evaluation of Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators	Evaluation	<p>The primary objective of the Batteries Directive is to contribute to the protection, preservation and improvement of the quality of the environment by minimising the negative impact of batteries and waste batteries. It also aims at ensuring the smooth functioning of the internal market by harmonising requirements concerning the heavy metal content and labelling of batteries and accumulators.</p> <p>Article 23 of the Batteries Directive tasks the Commission to review the implementation of the Directive and its impact on the environment and the functioning of the internal market after receiving the second series of the implementation reports from Member States.</p> <p>This evaluation is intended to assess whether the Batteries Directive meets its objectives and contributes to the general objectives of the EU environmental policy. The evaluation will pay particular attention to aspects for which implementation has been more challenging and will consider the relevance, coherence, effectiveness, efficiency and EU added value of the Directive's provisions and the legislation implementing it.</p>	L				SWD(2019)1300
7199	Technical assessments on Member States' compliance with the applicable Union environmental legislation	General study	Drafting of technical assessments on Member States' compliance with the applicable EU environmental legislation. Such technical assessments may concern information on the application of EU environmental legislation, which the Commission obtained in the context of pending complaint, Pre-infringement and infringement procedures, or in the context of notification or reporting obligations. The Commission will use the technical assessments as background information in its function to ensure, in accordance with Article 258 of the TFEU, that the Directives are correctly applied in the Member States. The sectors for which such technical assessments may be requested include air, chemicals, nature, waste, water and other general environmental issues.	L				Not to be published because such studies come under the exception of Regulation (EC) No 1049/2001 regarding public access to documents since they can be used in the future in further investigations regarding a possible infringement of EU law .
7197	Conformity checking of measures of Member States to transpose Directives in the sector of the Environment	General study	Analysis of the conformity of national measures with certain Directives in the sector of environment and climate change. The Commission will use these studies as background information in its function to ensure, in accordance with Article 258 of the TFEU, that the Union environmental Directives are fully and correctly transposed in the Member States. The volume and subject matter of the Directives involved may vary considerably. The sectors covered include air, chemicals, nature, waste, water and other general environmental issues.	L				Not to be published because such studies come under the exception of Regulation (EC) No 1049/2001 regarding public access to documents since they can be used in the future in further investigations regarding a possible infringement of EU law.

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Associated services	Study Cost	Note	Title of the deliverable
STUDIES COMPLETED								
7181	Study to establish methodology to report on reuse of products	General study	Study on reuse systems and operators and the way reuse is measured and reported while considering key product categories in order to develop a feasible methodology to report reuse of products in all Member States. Further content determined depending on the outcome of the negotiations on the waste package.	O			Development of the knowledge base	https://op.europa.eu/en/publication-detail/-/publication/9878e12a-1bc4-11ea-8c1f-01aa75ed71a1/language-en/format-PDF/source-112271086
9289	Study on UE implementation of the Aarhus Convention in the Ares of Access To Justice in Environmental Matters	General study	The EU is a party to the 1998 Aarhus Convention Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters, which forms an integral part of the EU legal order. The study assesses the implementation of the Aarhus Convention in the EU, including through the Aarhus Regulation on Access to Justice, and identifies key areas for action.	O				Published on Europa web page: https://ec.europa.eu/environment/aarhus/index.htm

ANNEX 10: Specific annexes related to "Financial Management"

Management Partners: Agencies and Co-Delegations

European Environment Agency (EEA) in Copenhagen: The objective of the Agency and of the European Environment Information and Observation Network is to provide the EU with objective, reliable and comparable environmental information at European level.

EEA is a Decentralised Agency with its own Financial Regulation, as per Article 70 of the Financial Regulation applicable to the general budget of the Union, is subject to a specific discharge procedure, and issues its own Annual Activity Report. The EEA Management Board consists of one representative of each of the 33 member countries, two representatives of the Commission (DG ENV and DG Research, with the Joint Research Centre and Eurostat as substitutes) and two scientific experts designated by the European Parliament. DG CLIMA attends as an observer.

Among its tasks, the management board adopts the multi-annual work programme, the annual work programmes and the annual reports, appoints the Executive Director and designates the members of the scientific committee, in accordance with the Regulation establishing the EEA [*Regulation (EC) No 401/2009 of the European Parliament and of the Council*].

There are regular meetings between DG ENV and the EEA at senior level to ensure coordination of activities, including in the context of the Environmental Knowledge Community (EKC). Information on planned calls for tender is exchanged on an annual basis to prevent duplication of actions.

In 2019, the EU channelled contribution to the EEA core budget was EUR 45.2M, including contributions from non-EU Member States.

European Chemicals Agency (ECHA) in Helsinki: Regulatory agency as per Article 70 of the Financial Regulation applicable to the general budget of the Union. It is the driving force among regulatory authorities in implementing the EU's chemicals legislation for the benefit of human health and the environment as well as for innovation and competitiveness. ECHA helps companies to comply with the legislation, advances the safe use of chemicals, provides information on chemicals, and addresses chemicals of concern.

In 2019, DG ENV paid EUR 1.6 M in subsidies to the ECHA for Prior Informed Consent Procedure (PIC) for certain hazardous chemicals and pesticides in international trade and for Persistent Organic Pollutant (POP).

European Agency for Small and Medium-sized Enterprises (EASME) in Brussels:

In 2019 EASME launched the call for proposals for action grants (traditional projects, integrated projects and technical assistance projects) and for framework partnership agreements and specific agreements to NGOs in March. For the traditional projects, a two-step call for proposals was launched, for an overall amount available of EUR 225,000,000. The Environment sub-programme comprises the priority areas of Environment and Resource Efficiency (ENV), Nature and Biodiversity (NAT) and Environmental Governance and Information (GIE). 1126 concept notes were submitted: 607 (54%) concept notes under the Environment and Resource Efficiency priority area and its six thematic priorities, 345 (31%) under Nature and Biodiversity and its two thematic priorities and finally 174 (15%) under Environmental Governance and Information.

Out of the 607 concept notes that were evaluated under Environment and Resource Efficiency, 129 were called to submit a full proposal and 45 projects have been awarded with a grant.

Under Nature and Biodiversity, 345 concept notes were assessed and 115 were asked to submit a proposal. 54 proposals have been selected for a grant.

Under Environmental Governance and Information, following the evaluation of the 174 concept notes, 28 fully fledged proposals were submitted and 9 of them resulted in the signature of a grant agreement.

Out of the 1126 concept notes, 46% of the proposals were submitted by a public body while 29% by private commercial bodies (out of which 40% are SMEs) and 25% by private non-commercial bodies.

No.7 additional integrated projects were awarded with a grant in different Member States : 2 on Nature and Biodiversity, 2 on Water, 1 on Air and 1 on Waste. They have received a total financing of about 80 million EUR from the LIFE Programme. They are expected to mobilise about 2 billion EUR financing from other sources.

In March 2019, EASME launched a call for proposals to support NGOs in view of concluding framework partnership agreements (FPAs) and specific grant agreements (SGAs) for 2020. 47 proposals were received.

In 2019 a specific call for proposals was launched under preparatory projects to support Member States in the mainstreaming of environmental and climate objective into other programmes/funds. This call for proposals tests the use of simplified cost options. The objective is to simplify the financial management of the projects, shifting the controls from the costs to the outputs of the projects. It implies a reduction of the workload for the financial management of the beneficiaries and the Commission services.

European Investment Bank (EIB) in Luxembourg:

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

One operation – direct loan, was signed in 2019 (“CDC Biodiversity”) amounting in five operations in total since 2017 (“Rewilding Europe Capital”, “Irish Sustainable Forestry Fund”, “City of Athens”, “Croatian Bank for Reconstruction and Development”). The total payments made to the EIB up to and including 2019 amount to EUR 12,645,000⁷.

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

Co-delegations:

DG Environment has entrusted the implementation of small parts of its budget to other DGs through co-delegations⁸. Supervision arrangements are in place, based on a memorandum of understanding with delegated DGs and/or defined reporting obligations. This arrangement is put in place when another DG is better placed than DG ENV to implement a particular action. Furthermore, some resources of DG ENV are used for the financing of necessary services such as IT tools and applications (DIGIT), translations

⁷ EUR 3.25 million in 2014, EUR 8,5 million in 2015 and EUR 895,000 in 2017.

⁸ For co-delegations, the DGs which received the funds report on their use in their own AAR.

(DGT), publications (OP), conferences (SCIC), communication (COMM), etc.

Fund Management Center	Committed	Paid
BUDG	28.266,00	
COMM	40.000,00	
DGT	319.537,24	264.599,37
DIGIT	321.331,03	147.278,51
EAC		2.214,45
EASME	358.245.072,27	198.173.189,99
ESTAT		744.787,55
GROW	5.073.734,00	5.073.734,00
HR	152.752,00	149.936,70
JRC		6.812,00
NEAR		407.939,30
OP	215.766,66	201.552,35
PMO ⁹		2.346.241,21
SANTE		36.000,00
	364.396.459,20	207.554.285,43

Overview of payments authorised in 2019 per budget line/ABB:

Expenditure M €	Grants	Procurement	Total Payments made in 2019	%
Administrative expenditure (07010211)	0,000	0,024	0,024	0,0%
LIFE - LIFE completion (0702-01, -02, -03, -51)	47,795	30,961	78,756	51,8%
LIFE support expenditure (07010401)	0,000	1,226	1,226	0,8%
Contributions EEA (070206)	42,713	2,500	45,213	29,7%
Contributions ECHA (07020501, 07020502)	1,564	0,000	1,564	1,0%

⁹ Co-delegation type III (commitments reported by DG ENV)

Multilateral Environmental Agreements (070204)	0,000	3,629	3,629	2,4%
Preparatory Actions & Pilot Projects (07027702-52)	0,618	3,209	3,827	2,5%
Sub-Total ENV	92,691	41,550	134,240	88,3%
Co-delegations CIP/EIP - GROW (020251, 020301)	0,032	0,000	0,032	0,0%
Co-delegation MARE (110661)	1,721	1,681	3,402	2,2%
Co-delegation AGRI (050460)	0,841	0,000	0,841	0,6%
Co-delegations DEVCO (21020701, 21025106)	12,691	0,000	12,691	8,3%
Co-delegations NEAR (22010401, 22020401, 220251)	0,000	0,759	0,759	0,5%
Co-delegations CLIMA (34010401, 340203)	0,000	0,146	0,146	0,1%
Sub-Total co-delegations received:	15,285	2,586	17,871	11,7%
Sub-Total ENV + co-delegations received:	107,98	44,14	152,11	42,3%
Administrative expenditure co-delegated to HR (07010211)	0,000	2,496	2,496	1,2%
LIFE support expenditure co-delegated to DIGIT and BUDG (07010401)	0,000	0,147	0,147	0,1%
LIFE co-delegated to ESTAT, JRC, OP, COMM, DGT, EAC, NEAR, SANTE (0702-01, -02, -03, -07027741)	0,002	1,662	1,664	0,8%
Sub-Total co-delegations given:	0,00	4,31	4,31	2,1%
Credits managed by EASME (070201, 070202, 070203)	185,86	12,31	198,17	95,5%
Credits managed by GROW for EASME (07 01 06 01)	5,07	0,00	5,07	2,4%
Sub-Total delegations to EASME	190,94	12,31	203,25	97,9%
Sub-Total co-delegations given + EASME	190,94	16,61	207,55	57,7%
GRAND TOTAL	298,914	56,444	359,665	100%

Key control indicators for 2019 (compared to 2018 and 2017):

1. Input indicators (resources devoted)	2019	2018	2017
Ex-ante financial initiation procurement (FTE)	3	3	4
Ex-ante financial verification procurement (FTE)	2	2	2
Ex-post control internal staff (FTE)	2	2	3
Ex-post control outsourced (amount of the contract, EUR)	226.156	247.948	202.546
Ex-ante financial initiation LIFE grants (FTE)	1.5	1.5	4.5
Ex-ante financial initiation other grants (FTE)	1	1	2
Ex-ante financial verification LIFE grants (FTE)	0.5	0.5	0.5
Ex-ante financial verification other grants and FIs (FTE)	0.5	0.5	1
IAS and ECA (FTE)	1.5	1	1
2. Output indicators (controls during project implementation)	2019	2018	2017
LIFE grants ex-ante: rejected/corrected/suspended transactions compared to total numbers of transactions	2.54%	4.53%	5.76%
Other (incl. administrative lines and Procurement) ex-ante: rejected/corrected/suspended transactions compared to total numbers of transactions	6.6%	3.9%	4.8%
Procurement: number of procurement files reviewed by ENVAC	23	20	19
Procurement: number of negative opinions by ENVAC	0	0	2
Number of exceptions registered (ICP 12) (non-compliance)	1	5	5
LIFE grants: number of ex-post audit reports issued (MUS + Risk-based)	37	43	43
3. Results of ex-post controls	2019	2018	2017
Ex-post "detected error rate" (on MUS audits)	1,61%	0.19%	0,25%
Recovery orders issued / Recommended recovery (1-year time lag ¹⁰)	On 2018 audits: 87%	On 2017 audits: 90%	On 2016 audits: 43%
4. Payment delays	2019	2018	2017
Number of payments exceeding legal deadlines	30/928=3.23%	80/976 = 8.20%	63/1076 = 5.85%

– **Ex-ante controls (procurement):** The available control resources remained stable in 2019. The number of rejected/adjusted commitments following the ex-ante verification was higher to those in 2018, but compares to the levels of 2016 and 2017 and remains below 10%. The increase in 2019 was due to the additional ex-ante control effort put to address comments received in the framework of an IAS audit and certain new procedural elements introduced by the revised Financial Regulation and the new tools for e-procurement.

– The assessments of correct application of procurement procedures performed by the **Environment Advisory Committee (ENVAC)** are an important internal control

¹⁰ This indicator shows the value of recovery orders actually issued compared to recommended recovery. Because the issuance of recovery orders may be lengthy, the indicator shows the situation after 12 months.

tool. In 2019, ENVAC assessed 23 procurement files compared to 36 files originally selected (the assessment of files remains stable, as 21 files assessed in 2018, 19 files in 2017 and 22 in 2016). Out of the 36 files foreseen for assessment, 8 files were carried over from the 2018 ENVAC selection; while 4 of the 2019 procedures have been cancelled and one Open Call for a Pilot Project has not been awarded and not retendered. In the reporting year, only 6 files have been assessed under the Full ENVAC procedure, while the majority of the files (17) have been dealt with under the more flexible ENVAC Lite procedure. ENVAC gave a favourable opinion to all assessed files.

- - Two specific targeted trainings for staff from units C1 and C3 took place during 2019 within the DG in order to improve the quality of procurement files taking into account issues identified during the work of the ENVAC in 2018.

- **Ex-ante controls (LIFE grants):** In 2019, 2,54% of the total number of verified transactions have been adjusted following the ex-ante verification,

- **Ex-post controls:** The ex-post "detected error rate" (on MUS audits) for LIFE remains systematically below 1% although it has increased in comparison to previous years. This year's error rate result was skewed due to the rather high error rate identified in one of the audited projects. In addition, it should be noted that the remaining LIFE projects implemented by DG ENV are relatively more complex and experiencing more delays and difficulties compared to the ones implemented at the beginning of the programme lifecycle.

- **Payment delays:** In 2019, increased efforts have been put in place to reduce the percentage of delayed payments observed in 2018 (8.2%). Thanks to these efforts, late payments in 2019 accounted for 3.2% of the total payments executed by the DG. Although the good result of 2019 is a significant improvement compared to 2018, efforts will continue in 2020 to obtain an even better result.

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

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

The detected error rate (DER)

A comparison with the previous years is possible as the audit selection process has been consistent for years. On top, in the last 5 years, a total of 149 so-called MUS audits have been performed. This large number of audits provides strongly reliable estimation for the error rates. A multi-annual comparison of the yearly Detected Error Rates shows that the rates are low and relatively stable, after having declined drastically in the years before 2019:

ERROR RATE CALCULATION BASED ON PAYMENTS (% OF TOTAL ELIGIBLE COSTS)						
<i>The error rate is calculated as a share of all the accepted costs, instead of the amount actually audited</i>						
Audit year - AAR year		2015	2016	2017	2018	2019
DER		1,24%	0,44%	0,25%	0,19%	0,90%
Auditable population (accepted costs)	amounts	131.938.211	210.942.654	205.948.574	195.390.688	205.591.421
	nb of grants	165	273	224	213	216
Selected randomly and audited (amount paid)	amounts	39.542.925	44.383.526	45.213.849	58.204.687	47.681.893
	nb of audits	29	30	31	29	30
Representativity	% population	30%	21%	22%	30%	23%
Recommended Recovery	amounts	491.476	196.723	112.601	110.913	429.650
	% of audited	1,24%	0,44%	0,25%	0,19%	0,90%
DER applied to auditable pop	B	1.639.849	934.970	512.896	372.330	1.852.534
Recoveries issued the audit	C	478.912	699.225	140.195	204.805	212.327
Net result	B-C=D	1.160.937	235.745	372.701	167.525	1.640.207
RER	D / auditable popula	0,88%	0,11%	0,18%	0,09%	0,80%
ERROR RATE CALCULATION BASED ON TOTAL AMOUNT ACTUALLY AUDITED (*)						
<i>The error rate is calculated the amount actually audited (no extrapolation of findings applied in DG ENV)</i>						
Audit year - AAR year		2015	2016	2017	2018	2019
DER		2,22%	0,79%	0,45%	0,34%	1,61%
audited amount	amounts					57.616.302
Recommended ineligible cost	amounts					929.246

(*) Clarifications on how the error rate was recalculated in accordance with the IAS recommendations

For 2019 the total amount which was verified by the auditors (instead of the total accepted amount) was used as the denominator for the error rate calculation.

For 2015 to 2018, the same proportion was applied (basis 2019), so the recalculated error rates may deviate from the actual error rates.

Recalculated DER 2019 = 1,61% compared to 0,90% initially calculated. 2015-2018 error rates are recalculated accordingly in the table above (x 1,79).

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

	DER	RER
Average figure	0.60%	0.41%
Weighted by auditable population	0.56%	0.38%

The current low error rates, one of the lowest of the EC programmes, are the result of:

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

Good articulation of ex-ante and ex-post controls over time has also been decisive. The best example was when ex-post auditors analysed the causes of errors and detected that personnel costs were the most likely to be at risk: the ex-ante controllers adopted the conclusions and improved, as early as 2010, their guidance for timesheets. This decision, the result of internal cooperation, proved to be decisive in leading to a lower error rate.

The residual error rate (RER)¹¹

Calculation step	Result	Explanation
A. Detected ex-post error rate LIFE grants	0.90%	Ex-post auditors recommended recovering €0.43M out of the €47.7 M they audited.
B. Apply DER of 0.90% to total auditable population of EUR 206 M	€ 1.85 M	Estimate of amount unduly paid in the auditable population.
C. Deduct Recovery Orders (ROs)	€ 0.21M	Recovery orders issued in 2019 related to audits in previous years, which reduce the amount unduly paid in 2019.
D. Net result	€ 1.64 M	Net amount unduly paid.
E. Residual error rate (RER)	0.80%	Net result of EUR 1.64 M divided by the auditable population of EUR 206 M.

¹¹ Please see clarifications on calculations on previous page

Control results

Economy – Cost of controls

Procurement – Cost of Controls

	Cost of controls		
	FTE Officials		Total
	N	€	€
Procurement procedures/launch of calls	1 AST	109,400	109,400
Financial operations (ex-ante)	3 AST	328,200	328,200
Supervisory checks (ex-post)	1 AD	170,900	170,900
Overall cost of controls	5		608,500

2019 was the first year of use of the corporate Public Procurement Management Tool (PPMT) that facilitated monitoring and control of the procurement procedures process from the moment of the request from the operational unit until the contract has been signed. While only first positive experience during the second half of the year has been gathered, this tool seems to gain efficiencies on different stages of the procurement process (e.g. templates, link with the e-submission, an automated filing in Ares system).

Grants - Direct Management (Costs of controls)

In order to estimate the cost of controls regarding grants under direct management by the LIFE, unit, we have identified all technical staff allocated time, as well as the costs of initiation and verification associated with the exercise of controls. In addition, we have considered the relevant costs associated with the exercise of controls in the central financial unit. To this breakdown (please refer to the table below), we add the cost of external monitoring and the external ex-post audits of LIFE grants carried out by ENV.A5.

Financial Instruments and Indirect Management (Cost of controls)

The cost of supervision of indirect management is shared between several staff members of primarily Unit ENV.A4, but also from ENV.A5. It represents a small or even a very small part of their time for each of them. The cost of such supervision does not exceed 1 FTE, the main part being represented by supervision of the European Investment Bank (EIB) work on the entrusted Financial Instruments and the verification of indirect management for grants to some international organisations and the 2 Executive Agencies that DG ENV supports (EEA and ECHA).

Grants and Financial Instruments and other Indirect Management – Cost of controls

Cost of controls – Grants and FIs			
FTE Officials		Other (external) inputs	Total
n	€	€	€

Stages 1 and 2 - Evaluation, selection, contracting	0.5 AST	54,700		54,700
Stage 3 - Monitoring and execution (fin circuits)	2 AST	218,800	1,500,000	1,717,000
Subtotal ex-ante	2.5	273,500	1,500,000	1,771,250
Stage 4 - Ex-post controls and recoveries	0.5 AST	54,700	247,949	302,199
Subtotal ex-post	0.5	54,700	247,949	302,199
Financial Instruments and Indirect Management	0.5 AST	54,700		54,700
Subtotal FIs and IM	0.5	54,700		54,700
Total costs	3.5	382,900	1,747,949	2,130,849

Benefits of Controls

Prevented errors relate to funds that have been saved after the conclusion of procurement and grant procedures and have been re-allocated for use still in 2019.

Detected errors in procurement relate to mistakes in the pre-award phase (for a number of published calls clarifications have been asked, which resulted in a non-award in 3 cases and a subsequent republication of the Calls with new Terms of references). DG Environment is still responsible for the award and management of Preparatory Projects under LIFE. In this context, due to the rigorous revision during the evaluation phase of these proposals, the controls done detected errors in a proposal and produced corrections to the amounts asked in the project proposals that otherwise would have been allocated to actions that are not eligible.

Corrected errors in procurement relate to non-eligible expenditure corrected ex-ante prior to final procurement payments (due to wrong invoicing and calculations mainly) which have been rectified through credit notes mainly; there have also been contracts with unused/unclaimed amounts which lead to de-commitment of these unused resources. In 2019 there have been some cases of wrong invoicing, which have been corrected by asking contractors to provide credit notes and corrected invoices, but also during controls of final payments of procurement that lead to reduced invoices of the amount due (due to non-delivery or delays in delivery and early termination of contracts). Benefits result for the ex-post discovery of non-eligible expenditures due to irregularities for which recovery orders recommended from ex-post auditors are being implemented.

Table Y Overview of the estimated cost of controls at Commission (EC) level:

Procurement							
Ex ante controls			Ex post controls			Total**	
EC total costs (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%)*: <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
437,600	39,676,000	1,10%	170,900	39,676,000	0,43%	608,500	1.53%
Grants							
Ex ante controls			Ex post controls grants+ Financial Instruments			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)		EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
1,773,500	112,435,000	1.58%	357,349	112,435,000	0,32%	2,130,849	1.90%

OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)		EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
2,211,100	152.110.000	1.45%	528.249	152,110.000	0.35%	2.739.349	1.8%

* ratio possibly "Not Applicable (N/A)" 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 mentioned in the total column (without being in either one of the ex-ante or ex-post columns), provided that a footnote clarifies this (their nature + their cost). *Example: MS system audits in shared management.*

Audit observations and recommendations

Conclusion of the Internal Auditor on the state of internal control in DG ENV

List of 'very important' IAS recommendations accepted and not reported as implemented by management and/or closed by the IAS¹².

Reported as not yet implemented by management

1. Audit on international activities in DG ENV (2019)

- **Recommendation No 2: coordination with DG DEVCO as regards voluntary partnership agreements**

Original due date: 1 August 2020

The IAS found that the allocation of voluntary partnership agreement processes had not been formally established between DG ENV and DG DEVCO. In addition, responsibilities for different steps in an individual voluntary partnership agreement process had not been established in any formal agreement, memorandum of understanding, working arrangements or procedure either between the two Directorates-General or at the level of DG ENV.

The lack of formalised working arrangements between the two Directorates-General regarding the management of voluntary partnership agreements may lead to common issues not being identified and acted upon in a consistent and timely manner. It could also result in key information being lost and poses a threat to business continuity. This may in turn have a wider impact on the achievement of the EU environmental objectives regarding trade in timber, which could be damaging for the reputation of the Commission. It may also result in inefficient working practices.

DG ENV should establish in writing the responsibility for various voluntary partnership agreements with the DG DEVCO. It should also prepare and agree with DG DEVCO working arrangements regarding voluntary partnership agreements, including coordination and reporting mechanisms. These arrangements should be regularly reviewed.

2. Audit on evaluations and studies in DG ENV and DG CLIMA (2019)

- **Recommendation No 2: procurement**

Original due date: 31 December 2020

The auditors found a number of individual weaknesses in the internal control system underpinning the procurement process. These comprise controls over the opening and evaluation committees, including the reporting of non-compliance events, the monitoring of the contractor's work and technical evaluation of reports, internal guidance to staff, document management processes and processes aimed at ensuring the quality of procurement documentation.

¹² Based on the latest reporting made by the DG/Executive Agency in TeamCentral (cut-off date 31/01/2020).

The failure to report non-compliance events may prevent DG ENV from being able to properly assess the functioning of the internal control systems and take the necessary corrective action. Inconsistent written guidance increases the risk of mistakes and potential non-compliance. If the monitoring of external contractors' work is not sufficiently structured, particularly as regards the technical evaluation of payments reports, this could ultimately impact on the quality of those reports and the Directorate-General's ability to impose financial protective measures on contractors. Unless procurement documents are properly managed, in line with the applicable rules, there is a risk that staff will not be able to retrieve the necessary information in an efficient and effective manner. Finally, weaknesses in the arrangements for ensuring the quality of procurement documents increases the risk of errors and potential non-compliance cases.

To address these risks, DG ENV should ensure that non-compliance events are properly recorded, in line with the applicable corporate guidance. Written guidance should be applied on a more consistent basis. It should also strengthen its monitoring of the implementation of the external contractors' work, in particular by performing technical evaluations of all reports/deliverables linked to payments. In addition, it should streamline its document management system and access to procurement files and finally it should improve the supervision and quality review of procurement documents.

European Court of Auditors Reports Linked To Environmental Policies

Published reports – Performance audits and related reports

1. Special report 16/2019: European Environmental Economic Accounts: usefulness for policymakers can be improved (published 10/10/2019)

ESTAT was in the lead, and DG ENV was associated service. ECA concluded that European environmental economic accounts (EEEAs) should be made more useful for policymakers. EEEAs are an important source of information for monitoring and evaluating environmental policies, however, several issues prevent them from reaching their full potential.

ECA made the following recommendations to the Commission:

- Improve the strategic framework for EEEA data;
- improve the relevance of EEEA modules for environmental policy making;
- improve the timeliness of EEEA data.

In its response to ECA's findings and recommendations, the Commission considers that it has selected the EEEA modules on the basis of several criteria, including the needs expressed by its services, and expected costs. The Commission agrees that a more integrated view and presentation of the EEEA modules in addition to the release of each module as fast as possible would be positive and enhance use of the EEEA. The Commission is willing to pursue this objective. The Commission will evaluate the costs and benefits of developing an integrated framework for environmental accounting to improve the coherence of environmental information and the usefulness for policy making in the EU. Furthermore, the Commission will assess the needs expressed by the relevant Commission services, and carry out cost-benefit analyses before proposing new EEEA modules, expected by 2023.

The Commission plans to further improve the timeliness of all modules, and consider that Member States provided sufficient information for Eurostat to be able to assess most aspects of data quality. The Commission agrees to analyse to what extent a two stage procedure similar to national accounts could be used for more modules of the EEEA, and will use the available tools to improve the timeliness of the provision of information by Member States. The Commission accepts to develop a release calendar for the EEEA data.

2. Special report 4/2020: Using new imaging technologies to monitor the Common Agricultural Policy: steady progress overall, but slower for climate and environment monitoring (published 28/01/2020)

DG AGRI was in the lead of the audit, with among others DG ENV as associated service. ECA found that the European Commission has promoted the uptake of new imaging technologies in agri-monitoring, but a number of obstacles to their more widespread use remain. Technologies such as the EU's Copernicus Sentinel satellites are a potential game-changer for managing and monitoring the common agricultural policy (CAP). However, while the EU has in recent years encouraged their use to assess area-based direct aid to farmers, progress has been slower on using them to monitor environmental and climate requirements.

ECA recommends the Commission to:

- Promote the checks by monitoring approach as a key control system for paying agencies
- Make better use of new technologies for monitoring environmental and climate requirements.

The Commission accepted the recommendations, and will, in close cooperation with Member States,

- identify the main obstacles in extending the scope of checks by monitoring and propose adequate legal and technical solutions;
- foster the use of new technologies for policy monitoring and implementation, allowing all stakeholders in the agricultural sector to harvest the benefits of innovation.

3. Special report 5/2020: Sustainable use of plant protection products: limited progress in measuring and reducing risks (published 05/02/2020)

DG SANTE was in the lead of the audit, with among others DG ENV as associated service. The Commission and Member States have taken action to promote the sustainable use of PPPs. However, ECA found that there is limited progress in measuring and reducing the risks of PPP use. EU action for sustainable use of PPPs was off to a slow start and weaknesses were detected in the current EU framework. Although it is compulsory for farmers to apply integrated pest management, they are not required to keep records of how they applied it and enforcement is weak. Available EU statistics on PPP sales are aggregated on a too high level to be useful and those on the agricultural use of PPP were not comparable.

ECA recommends recommends the Commission to:

- check that the Member States convert the general principles of integrated pest management into practical criteria and that they verify them at farm level, allowing them to be linked to payments under the common agricultural policy in the post-2020 period;

- improve statistics on PPPs when revising the legislation to make them more accessible, useful and comparable; and
- to assess the progress made towards policy objectives, improve the harmonised risk indicators, or develop new ones, taking account of the use of PPPs.

The Commission considers that EU action has resulted in risk reduction from PPP use. Despite a slow start, there was considerable effort by the Commission to improve implementation of Directive 2009/128/EC by Member States. The Commission has also calculated a 20 % reduction between 2011 and 2017 in the Harmonised Risk Indicator I.

Member State authorities shall ensure that professional users comply with this requirement. In order to decide on compliance or non-compliance, Member State authorities should have clear assessment criteria. In line with the subsidiarity principle, converting general principles of IPM into practical criteria is the responsibility of Member States, and the Commission will continue to support Member States in this regard.

4. Review 1/2019: The EU's response to the "dieseltgate" scandal (published 07/02/2019)

This briefing paper mainly covered MOVE/ENER and to a lesser extent involved ENV.

ECA found that EU laws on vehicle emissions have been improved since the Dieseltgate scandal, but challenges remain. There has been improvements in market surveillance, however, effectiveness depends on implementation by the Member States. Manufacturers may find ways around the new testing systems introduced. The scope for independent third-party testing may be limited because of the high costs involved.

5. Review 4/2019: EU support for energy storage (published 12/09/2018)

DG RTD was in the lead of the audit behind this briefing paper, with among others DG ENV as associated service.

According to ECA, the EU needs better energy storage to meet its energy targets and achieve its climate objectives. Main challenges to energy storage technologies in the EU, both for the grid and transport:

- designing an EU strategy for energy storage,
- using research and innovation effectively, and
- establishing a supportive legislative framework.

ECA warns that EU battery manufacturing capacity lags behind international competitors and might remain below the European Battery Alliance's 2025 target.

6. Review 7/2019: Reporting on sustainability: A stocktake of EU Institutions and Agencies (published 12/06/2019)

The SG was in the lead for this briefing paper with DG ENV among others as associated service.

ECA concluded that several elements necessary for a meaningful sustainability reporting are being worked on by the Commission and other EU institutions and agencies, but that overall the necessary pre-requisites for sustainability reporting are not yet in place. With regard to the Commission, the ECA concluded that there is limited integration of sustainability reporting into the performance framework and that an overarching sustainability strategy post-2020, integrating Sustainable Development Goals into the EU budget, is missing.

Follow-up reports

1. Follow-up of SR 03/2016 Eutrophication in the Baltic Sea

DG ENV is the lead DG for this file with DG NEAR associated service. 6 recommendations are fully implemented, the 7th recommendation (1a) is implemented in most respects. It is expected that it will be fully implemented during the next reporting in 2024.

2. Follow-up of SR 18/2016 Biofuels

DG ENER is the lead DG for this file with DG ENV associated service. The Commission considers the 3 recommendations (2016/AUD/0179 + 0180 + 0186) to which DG ENV is associated as implemented.

3. Follow-up of SR 26/2016 Cross-compliance

DG AGRI is the lead DG for this file with DGs SANTE and ENV associated services. DG ENV is associated to recommendations 2 and 5 from the report, both of which have been closed in the RAD database.

4. Follow-up of SR 34/2016 Food waste

DG SANTE is the lead DG for this file with DG ENV associated service. Recommendation 1 - The EU efforts to combat food waste should be strengthened and better coordinated. At the technical level, the Commission should develop an action plan for the years ahead covering various policy areas – to which DG ENV is associated, is considered implemented in some respects.

The results of these follow-up reports will be included in ECA's Annual Report 2019.

Ongoing audits

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

- ***Biodiversity on Farmland;***
- ***Pollinators;***
- ***Marine Environment;***
- ***Urban Mobility;***
- ***Plastic Packaging;***
- ***Forestry Biodiversity;***
- ***EU support for the municipal waste treatment facilities***
- ***Polluter Pays Principle;***
- ***Water and Agriculture (follow-up audit of SR 4/2014).***

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Assessment of the Effectiveness of the Internal Control Systems

Annual assessment of the Internal Control Principles

- 1. Annual assessment of the Internal Control Monitoring Criteria:** The ICMC for 2019 consist of 56 indicators (for 17 principles under 5 components).

Component 1:

- Participation in Ethics training was lower than aimed for; 5% of staff participated, whereas the target was 10%. However, an additional Ethics training for DG ENV newcomers took place in March 2020.
- A majority of the indicators under this component use the EU staff survey 2018 as source. The following deficiencies can be noted:
- 46% of the DG's staff considers that the DG is organised in an efficient way; this is slightly below the EC score, which is 48%.
- 44% of the DG's staff considers having an acceptable workload, which is a decrease by 7% as from 2016 and should be compared to the EC score of 56%.
- There are also some concerns related to Learning and Development, where the DG scores lower than the overall EC. However, the DG's scores have increased in this area compared to the 2016 survey.

Component 2:

- No weaknesses identified.

Component 3:

- No weaknesses identified. Targets were met for efficiency-based indicators.

Component 4:

- No weaknesses identified

Component 5:

- No weaknesses identified

- 2. The annual assessment of the Internal Control through the internal survey.** The questions in the annual internal survey were updated in 2019. The survey was sent not only to DG Environment Management, but also to a number of randomly selected staff, having worked in the DG for at least one year; a total of 125 persons. The response rate to the 2019 survey was 46%, a decrease as compared to 67% for the 2018 survey and to 80% for the 2017 AAR survey. This low participation rate has to be reflected upon.

The assessment of the replies did not identify any significant control weaknesses. However, there seems to be a wish or need for further guidance or training on ethics, data protection issues, security rules for protecting sensitive non-classified information, whistleblowing and procedures to notify OLAF of fraud/irregularities. Issues were also raised concerning staff mobility.

Suggestions were put forward on ways to further improve guidance and ways to work.

- 3. The annual declarations by the Authorising Officers by Sub-delegation.** In this declaration, each AOS confirms that the commitments and payments

authorised by them in 2019 are legal and regular and that the corresponding funds have been used for their intended purpose and in accordance with the principle of sound financial management. The AOS declarations do not indicate any significant weaknesses in the control system.

4. The reporting of **exceptions and non-compliance events** (ICP 12): In 2019, one non-compliance event was registered. Further mitigation measures have been set up in order to avoid recurrence of such incident. No exception was reported.
5. Reporting Information obtained from the ENV.A.5 **financial monitoring and reporting tools**: A financial **dashboard** has been implemented since 2012 and has become an effective means of reinforcing senior management supervision. It is based on a set of control indicators covering, for example, budget implementation, commitments and launches, payment delays, recovery orders, fines to Member States, forecast of revenue, RAL, and ENVAC. These monitoring results, provided 8 times in the year, are presented and discussed at senior management level on a regular basis. The tool raises awareness and indicates that there are no significant weaknesses in the internal control system. One area for concern had been the payment delays, which in recent years and in 2015 were above the target of 10%. Particular efforts have been made to improve payment delays and in fact the figures show a clear improving trend over 2016, where payment delays dropped to just 3.92%. The twice-monthly "**Financial Priorities Report**", which was developed in 2014, gives to each manager a listing of open invoices under his/her responsibility, with indication of those that are nearing the payment deadline. In 2019, payment delays decreased to 3.26%) and it is expected that the efforts made will continue to keep the level below 5%. Furthermore, other tools and reports from DG BUDG are used for monitoring the execution of the management of the LIFE budget and communicate this information to the management.
6. DG Environment's **risk register** (ICP 7 & 10): as part of the Management Plan exercise, Directorates were asked to examine their activities with a view to identify and mitigate potential risks for the upcoming year. No critical risk was identified. The presence of non-critical risks will be assessed together with the 2020 management plan.
7. **Anti-fraud activities and OLAF cases**: During the reporting year, the Finance Unit continued its efforts to raise awareness on fraud prevention. In 2019, the situation with cases transmitted to OLAF by the DG, initiated by OLAF or relating to potential fraud involving EU funds is the following:
 - 1 new case sent by the DG to OLAF of which OLAF opened an investigation
 - 1 new case initiated by OLAF
 - 2 cases were sent to the LS for representing the Commission as civil party in criminal proceedings in Italy and Spain.
 - 1 case was sent to the LS for enforceable recovery through judicial means, which was the consequence of an implementation of an OLAF recommendation
 - 1 case of 2016 was closed without recommendations, as *inter alia*, DG ENV had already finalised the recovery procedure
 - At least 5 requests by OLAF to provide additional information have been responded.

On 31 December 2019, three fraud cases were still open by OLAF out of which DG ENV had notified two. In addition, DG ENV contributed to the opening of two criminal procedures launched by Member States concerning EU funds.

8. **The European Ombudsperson**. No individual financial cases were brought to the attention of the Ombudsperson in 2019. DG Environment has fully implemented the recommendations made by the Ombudsperson in its own

initiative enquiry on experts groups. The DG also provided replies to 8 enquiries by the Ombudsperson on the implementation of environmental policies, always on the set timelines.

9. **Review of sensitive functions: Review of sensitive functions:** The process in place to identify and manage sensitive functions is effective. An extensive risk assessment of the sensitive functions was carried out in collaboration with all Directorates/Units concerned end of January 2020. This resulted in that the Head of Unit post of ENV.D4-LIFE and the Head of Unit post of ENV.A5-Finance will be kept as sensitive posts, as will also the post of Local Authorisation Manager (LAM) in Unit A5.
10. **Staff Allocation and Mobility:** Given the ongoing reduction in resources, the uncertainty of keeping 7 AD Temporary positions and loss of 3 AST posts for the finalization of the externalization of the LIFE program to EASME, the DG has paid particular attention to the staff allocation and promotion of mobility in 2019. The following actions took our utmost attention:
 - Continuous assessment of vacant posts in order to meet the DG's responsibilities in terms of reductions whilst at the same time taking action to fill the remaining vacancies as quickly as possible. In this respect, the DG met substantially all its obligations for reductions in 2019. The vacancy rate was once again consistently lower than the Commission vacancy rate.
 - DG Environment promoted internal mobility with planned actions, resulting in 2019 to the internal transfer of 23 colleagues. In addition, the DG recruited 24 colleagues from other DGs, reintegrated 4 colleagues after CCP and also recruited 11 EPSO laureates.
11. **Document management:** Measures taken in 2019 focused mainly on making information and knowledge as widely available as possible, and ensuring documents are preserved in accordance with their informational, administrative, legal or historical value. The following measures have been taken:

Training:

 - Several short training and coaching sessions on document management, information security and personal data for all staff have been organised to ensure knowledge of latest developments and of best practices;
 - Specific Archive Day for all DG ENV staff has been organised. The overarching objective of the Archiving day was to raise awareness on the importance of document management and to ensure that the evidence of EU environmental policies and DG ENV's activities are properly documented and preserved in accordance with its informational, administrative, legal or historical value.

A total of 19 training sessions on document management/information security and personal data protection were organised in 2019 and 130 staff attended these sessions (incl. staff participating in the various training sessions and side events during the Archiving day).

Implementation of e-signatories in the DG:

 - The analysis on the feasibility to use electronic workflows for financial documents in the DG is ongoing in particular in view to the new Public Procurement Management Tool (PPMT), which has been rolled out in 2019.

Review of visibility of HAN files:

- The default visibility for files to be created in ARES has been changed from ENV to

Commission visibility, as of 2018. This allows that, data and information in ARES are available, searchable and retrievable as widely as possible across the Commission. In 2019 all new files have been created with the new default setting and file access has been restricted in case of legal or security requirements or clear justifications.

Reminders and reporting:

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

Improved archiving procedures:

- Additional attention was given to review of e-filing system in units. This included visits in units to provide training and guidance to staff. In some cases, units' filing systems were inspected and improvements made as a result.

DG ENV has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified related to:

- Possibilities for increasing job mobility;
- Procurement related guidance and information to staff
- Recurring non-compliance in the handling of invitations to experts and organisations of meetings.

The measures DG ENV has taken during 2019 to further improve the effectiveness of its internal control systems in the areas of document management, staff allocation and external communication have proven successful. These remain a high priority for DG ENV given the environment of constant or reducing staff resources combined with heavy workloads.

ANNEX 12: Performance tables

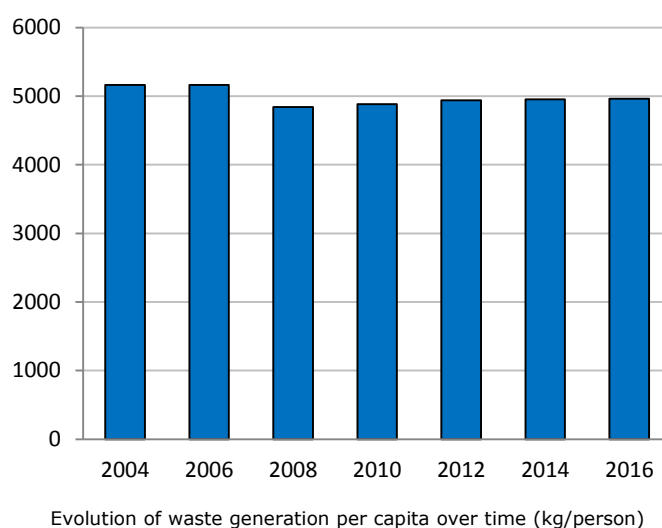
General objective 1 : A New Boost for Jobs, Growth and Investment		
Impact indicator 9: Resource productivity: Gross Domestic Product (GDP, EUR) over Domestic Material Consumption (DMC, kg).		
Source of the data: Eurostat ¹³ Bookmark		
Baseline (2010 Eurostat estimate)	Target (2020)	Latest known results (2018)
1.8 EUR/kg (EU-28)	Increase	2 EUR/kg (EU-28)
Impact indicator 6: GDP growth		
Source of the data: Eurostat Bookmark		
Baseline (2014)	Target (2020)	Latest known results (2018)
1.6 %	Increase	2.0 %
Impact indicator 2: Employment rate population aged 20-64		
Source of the data: Eurostat Bookmark		
Baseline (2014)	Target (2020) Europe 2020 target	Latest known results (2018)
69.2 %	At least 75%	73.2%

¹³ Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the Annual Activity Report and it is the reference point for the Commission services.

Specific objective 1 : The EU economy is resource-efficient, green and competitive Related to spending programme LIFE

Result indicator 1.1: Total waste generated (kg/person)
Source of data: Eurostat [Bookmark](#)

Baseline ¹⁴ (2004 EU-28)	Interim Milestone ² (2012)	Target (2020) Based on Decision No 1386/2013/EU	Latest known results (2018)
5161 kg/person	4937 kg/person	Total waste generation and waste generated per capita are in decline	4962 kg/person ¹⁵



Result indicator 1.2: : Municipal waste generation (kg/person) and treatment (%): movement up through the waste hierarchy
Source of data: Eurostat [Bookmark](#)

Baseline (2002, EU27)	Interim Milestone (2013 EU28)	Target (2020)	Latest known results (2019)
Generation: 527 kg/person Recycling & composting: 28% Incineration: 16% Landfilling: 51%	Generation: 479 kg/person Recycling & composting: 43% Incineration: 26% Landfilling: 31%	Recycling & composting: 50% (2020) Recycling & composting: 65% (2035) Reduction of landfilling to 10% (2035)	Generation: 489 kg/person Recycling and Composting: 47,8% Incineration: 27,8% Landfilling: 22,6%

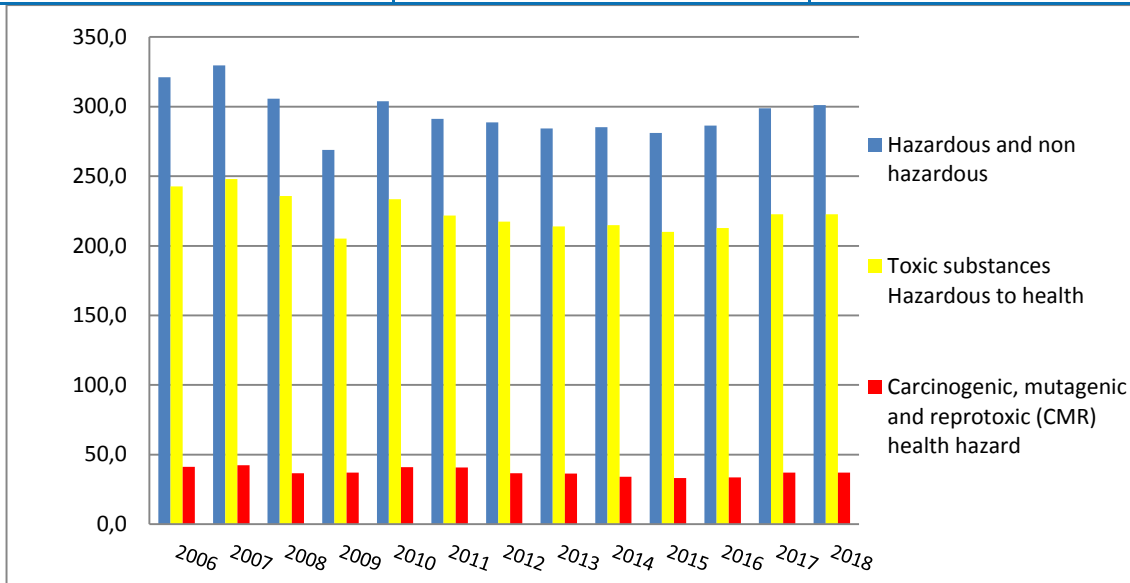
¹⁴ Data revised by Eurostat on 26/10/2017, downloaded on 17/01/2018 (Eurostat periodically revises its published data to reflect new or improved information, also for previous years)

¹⁵ Total waste generation stayed relatively stable also after the end of the economic crisis, which indicates decoupling of waste generation from economic growth

Result indicator 1.3: Share (%) of toxic chemicals in total EU chemicals production¹⁶

Source of data: Eurostat [Bookmark](#)

Baseline¹⁷ (2004 EU-28)	Target (2050)	Latest known results (2018)
Chemicals production: 310.6 million tonnes Share of toxic substances (hazardous to health): 76.8 % Share of CMRs (Carcinogenic, Mutagenic and Reprotoxic subs): 13.4 %	- Reduce the overall share of toxic chemicals in EU chemicals production. - Shift away from CMRs to less harmful chemicals	Chemicals production: 301 million tonnes Share of toxic substances (hazardous to health): 75 % Share of CMRs: 12.3 %



Evolution of chemicals production over time

¹⁶ Includes chemicals covered by biocides and REACH legislation, but not pesticides and fuels

¹⁷ Data revised by Eurostat on 11/10/2018, downloaded on 05/02/2019 (Eurostat periodically revises its published data to reflect new or improved information, also for previous years)

<p>Result indicator 1.4: Getting prices right; environmental taxation: share of environmental taxes (energy, transport, pollution/resources) in total tax revenue (%), subsidies to fossil fuels phased out</p> <p>Source of data: Eurostat for environmental taxation (Bookmark) and COM(2019)1 – Commission report on Energy prices and costs in Europe¹⁸ - for fossil fuels</p>		
<p>Baseline¹⁹ (2010, EU27)</p>	<p>Target Based on the Roadmap to a Resource Efficient Europe (COM (2011)571)</p>	<p>Latest known results (2018)</p>
<p>Environmental taxation: 6.39%, covering: - energy: 4.86%; - transport: 1.3% - pollution/resources: 0.22%</p>	<p>Increase</p>	<p>Environmental taxation: 6.12%, covering: - energy: 4.72 %; - transport: 1.2 % - pollution/resources: 0.19 %</p>
<p>Fossil Fuels Subsidies (FFS 2010): €54-55 billion</p>	<p>By 2020 environmentally harmful subsidies to be phased out</p>	<p>Fossil Fuels Subsidies FFS, 2016: €56 billion</p>

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output description	Indicator	Target date ²⁰	Latest known results (situation on 31/12/2019)
<p><i>Directive on the reduction of the impact of certain plastic products on the environment (Proposal COM(2018)340)</i></p>	<p>Adoption by the co-legislators</p>	<p>May 2019</p>	<p>Signed 5/6/19, published 12/6/19²¹</p>
<p><i>Regulation on minimum requirements for water reuse (Proposal COM(2018)337)</i></p>	<p>Adoption by the co-legislators Political agreement in trilogue 2/12/19</p>	<p>May 2019</p>	<p>Delay due to very limited work by the Austrian Presidency in second half of 2018</p>
All new initiatives / significant evaluations from the Commission Work Programme			
Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)

¹⁸ The initial source (the OECD Inventory of Estimated Budgetary Support and Tax Expenditure for Fossil Fuels) was not being updated and has therefore been replaced

¹⁹ Eurostat update 30/01/2019 (Eurostat periodically revises its published data to reflect new or improved information, also for previous years)

²⁰ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

²¹ A political agreement was reached by end May. While the adoption was slightly delayed, this was not significant and was linked to Interinstitutional administrative organisation.

<i>Evaluation of the Waste Shipment Regulation and of its daughter Regulation on export for recovery of non-hazardous waste (2017/ENV/026)</i>	<i>Finalisation of the evaluation and publication of conclusions (Staff Working Document)</i>	2019 Q2	<i>Expected 2020 Q1 Delayed to integrate RSB comments on first submission</i>
Important items from work programmes/financing decisions/operational programmes²²			
Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)
<i>Relevant projects of the LIFE programme²³:</i> <ul style="list-style-type: none"> - <i>Integrated projects</i> - <i>Technical Assistance projects</i> - <i>Traditional projects</i> - <i>Preparatory projects</i> - <i>Public procurement</i> - <i>Financial instruments</i> 	<i>Estimated amount / number of outputs:²⁴</i> <ul style="list-style-type: none"> - <i>42 million/4</i> - <i>0.4 million EUR/2</i> - <i>82 million/58</i> - <i>0.8 million EUR/1</i> - <i>14.7 million/50</i> - <i>23.6 million/58</i> 	2019 Q4	<i>Amount/ number of outputs:²⁵</i> <ul style="list-style-type: none"> - <i>41 million/4</i> - <i>0.3 million EUR/1</i> - <i>74,6 million/44</i> - <i>3.3 million EUR/3</i> - <i>22 million/40</i> - <i>No commitments in 2019 (the uptake of pilot financial instruments have been lesser than expected)</i>
Other important outputs			
Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)
<i>Towards an EU Product Policy Framework contributing to the Circular Economy (initiative implementing the Circular Economy Action Plan) [PLAN/2017/1664]</i>	<i>Finalisation of the analysis / Publication of Staff Working Document</i>	2019 Q1 (by 05/03/2019)	Done - SWD(2019)91 4/3/19
<i>Circular Economy Stakeholder Conference</i>	<i>Organisation of the event</i>	2019 Q1 (05/03/2019)	<i>Event organised</i>

²² For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2019](#).

²³ Traditional projects and NGO grants are managed by EASME on behalf of DG Environment

²⁴ Contributing also to the Specific Objective 3: The Union's citizens are safeguarded from environment-related pressures and risks to health and well-being

²⁵ Contributing also to the Specific Objective 3: The Union's citizens are safeguarded from environment-related pressures and risks to health and well-being

Commission report on the Implementation of the Circular Economy Action Plan (PLAN/2018/4154)	Adoption by the Commission	2019 Q1 (by 05/03/2019)	COM(2019)190 4/3/19
Measures on home-compostable plastic carrier bags - standardisation and labelling (PLAN/2017/2192 and 3671)	Adoption by the Commission (two acts)	2019 Q1 2019 Q4	Initiatives on hold pending the review of the essential requirements in the Waste packaging Directive planned for 2021, and the establishment of a general policy framework on bio-based and biodegradable plastics.
EMAS reference documents including best environmental management practice, environmental performance indicators and benchmarks of excellence for several sectors including Fabricated Metal Products, Telecom/ICT services, Waste Management (PLAN/2018/3534, 3533, 3500)	Adoption of three reference documents by the Commission	2019 Q2 – Q3	Postponed to 2020, for reasons partly due to the change of mandate, and partly to late delivery of preparatory scientific work carried out by JRC.
Decisions on new and revised EU Ecolabel criteria for several products and services	Adoption of decisions by the Commission	2019 Q2 – Q3	Two decisions adopted C(2019)1851 13/03/19 and C(2019)4626 12/07/19
Providing Green Public Procurement criteria for services such as Data Centres and Public space maintenance	Publication of criteria (Staff Working Documents)	2019 Q4	Criteria published for space maintenance: (SWD (2019)404). Criteria for data centres, server rooms and cloud services delayed for further inter-service discussion on some technical aspects

<p>Promoting Best Available Techniques (BAT) to reduce pollution under the Industrial Emissions Directive (PLAN/2018/2971 and 2972)</p>	<p>Adoption by the Commission and publication in the Official Journal of BAT conclusions for two sectors: – Food, Drink and Milk industries Waste Incineration</p>	<p>2019 Q2</p>	<p>C(2019)7989 adopted 12/11/19 and 7987 12/11/19. These initiatives were delayed to allow a double vote in a single Committee meeting (two foreseen meetings were merged for budgetary and administrative reasons).</p>
<p>Implementation of the 2018 revision of waste legislation (Waste Framework, Landfill, Packaging and packaging waste directives)</p>	<p>Adoption by the Commission of approx. 10 implementing acts under the revised legislation</p>	<p>2019 Q1</p>	<p>The target date for the implementing acts had been set by the co-legislators in co-decision. At the time of adoption the Commission had made a declaration that the deadlines were not realistic. Nevertheless, most measures were adopted and bundled into three Commission acts (C(2018)2805, C(2019)4114 and C(2019)7874). Two further measures on average loss rates and re-use of products are still under preparation with Member States.</p>
<p>Commission Delegated Acts on the Restriction of Hazardous Substances (RoHS) for exemptions from restrictions or for additional restriction of hazardous substances</p>	<p>Adoption of requested exemptions by the Commission (approximately 25 acts expected)</p>	<p>2019 from Q1 to Q4</p>	<p>12 acts adopted 2019 13 acts on hold in view of their sensitivity and technical complexity.</p>

Conclusion of the evaluation of (waste) Batteries and accumulators (2017/ENV/016)	Adoption by the Commission of a report accompanied by a Staff Working Document	2019 Q1	SWD(2019)1300 09/04/19 Small delay for adoption with related initiatives under the Batteries Action Plan
Inspection of ship recycling yards and update of the EU List of ship recycling facilities – (PLAN/2018/3663, 3665 and 3667)	Candidate facilities inspected and decisions taken by the Commission (3 decisions expected)	2019 Q4	C(2019)4360 adopted in 2019, two further decisions postponed for adoption in early 2020, in line with Member State requests

Specific objective 2 : The Union's natural capital is protected, conserved and enhanced			Related to spending programme LIFE
Result indicator 2.1: Common birds population, index 1990=100 → proxy for the state of biodiversity and the integrity of ecosystems; reflects wide-ranging pressures coming e.g., from agriculture, fisheries, energy and transport sectors			
Source of data: Eurostat Bookmark			
Baseline ²⁶ (2010)	Target (2020)	Latest known results (2017)	
105.6 (index 1990 = 100)	Reverse or halt the decline	94.98	
Result indicator 2.2: Conservation status of species and habitats of European importance (percentage in conservation categories)			
Source of data: Reports on the Conservation Status of Habitat Types and Species under the Habitats Directive			
Baseline (2000-2006, EU28)	Target	Latest known results ²⁷ (for 2015)	
Habitats: favourable (17%), unfavourable -inadequate (28%), unfavourable – bad (37%), unknown (18%) Species: favourable (17%), unfavourable – inadequate (30%), unfavourable – bad (22%), unknown (31%)	Improve conservation status	Habitats: favourable (16%), unfavourable -inadequate (47%), unfavourable – bad (30%), unknown (7%) Species: favourable (23%), unfavourable – inadequate (42%), unfavourable – bad (18%), unknown (17%)	
Result indicator 2.3: Mean annual urban land take per country as a percentage of 2000 artificial land			

²⁶ Updated following Eurostat estimates (Eurostat periodically revises its published data to reflect new or improved information, also for previous years).

²⁷ This data is still valid for 2019. The results from the 2013-2018 reporting cycle, were submitted by MS in 2019 and their assessment will only become available in 2020

Source of data: European Environment Agency https://www.eea.europa.eu/ds_resolveuid/THXJ06GQ47		
Baseline (2002, EU27)	Target (2050)Based on COM (2011)'Roadmap to a Resource Efficient Europe"	Latest known results (2018)
The average value of EU-28 is 0.51% (data for Greece are not available) with a very wide range from 2.8 % in Spain or 2.3 % in Cyprus to 0.1% in Romania or Malta	No net land take	In the period 2012-2018 the total net land take in the EU-28 was 2.640 km ² or 0,08% of the total land area. National net land take relative to the land surface in that period ranged between 0,007% in Finland and 0,29% in Malta.
Result indicator 2.4: Percentage of the surface area of marine waters (marine regions and sub-regions) conserved through spatial protection measures (networks of marine protected areas in the context of Habitat, Birds and Marine Strategy Framework Directives) Source of data: EU Budget 2014, Working document Part I (COM(2013) 450) for the baseline; European Environment Agency reports for latest results ²⁸		
Baseline (2012)	Target (2020) Based on Aichi Target 11 under the Convention on Biological Diversity to cover at least 10% of all waters	Latest known results (2018)
5.9% (including 4% through Natura2000)	20 % in the 0-12 nautical mile zone 10 % in the Exclusive Economic Zone	Approximately 13% (including 9,5% through Natura2000)

²⁸ European Environment Agency, *Spatial Analysis of Marine Protected Area Networks in Europe's Seas II*, Technical Report December 2018 (table 3.5)

Main outputs in 2019:			
Main expenditure outputs			
Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)
<u>Relevant projects of the LIFE programme:</u> <ul style="list-style-type: none"> - Integrated projects - Technical Assistance projects - Traditional projects - Preparatory projects Public procurement	<u>Estimated Amount /n° of outputs:</u> <ul style="list-style-type: none"> - 60 million/4 - 0.6 million EUR / 3 - 137 million/56 - 1.4 million EUR / 2 15.2 million EUR /34	2019 Q4	<u>Amount /n° of outputs:</u> <ul style="list-style-type: none"> - 30 million/3 - 0 million EUR / 0 - 159 million/52 - 3 million EUR / 3 14 million EUR /24
<u>Projects funded by the Natural Capital financial instrument</u>	<u>Estimated n° of outputs:</u> 7 operations signed	2019 Q4	1 operation signed in 2019, 5 in total for the current MFF (this pilot Financial Instrument encountered less success than expected and in the future will be integrated in EU-Invest)
<u>Integrated maritime policy projects (part of the European Maritime and Fisheries Funds) in support to the implementation of the Marine Strategy Framework Directive</u>	<u>Estimated Amount</u> 4,4 million EUR	2019 Q4	100% implementation
Other important outputs			
Output description	Indicator	Target date²⁹	Latest known results (situation on 31/12/2019)

²⁹ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are provided briefly in the tables

<p>Implementation of the Action Plan for Nature, people and the economy (1): New guidance on ecosystem services and Green Infrastructures and Updated guidance on site permitting, species protection, wind energy and Natura2000</p>	Adoption of 2 new guidance documents by the Commission: - EU guidance on integrating ecosystems and their services into decision-making	2019 Q1	SWD(2019) 305 final
	- EU guidance on a strategic framework for further supporting the deployment of EU-level green and blue infrastructure	2019 Q1	SWD(2019) 193 final
	Adoption of 3 updated guidance documents by the Commission	2019 Q4	Work on updating guidance documents on wind energy and Natura 2000, on species protection under the Habitats Directive and methodological guidance on application of Article 6.3 of the Habitats Directive was significantly advanced with adoption foreseen in Q2 2020
<p>Implementation of the Action Plan for Nature, people and the economy (2) Progress towards finalising the establishment of the Natura 2000 network , including better communication and outreach</p>	Engagement with Member States	10 Nature dialogues with Member States	1 Nature dialogue took place in 11 Member States
	Outreach actions Organisation of the Natura 2000 Day and Natura 2000 Awards	Two events organised as planned	Two celebratory events of winners in the 2018 Natura 2000 Awards (in Greece and Spain) were organised as planned. The 2020 Natura 2000 Awards were launched in May 2019, with 80 eligible applications received.

Update of the lists of Natura 2000 sites according to Member States proposals (PLAN/2018/3580, 3585, 3588 and 3591-96)	Proposed updates adopted by the Commission	2019 Q4 ³⁰	C(2019)8589, C(2019)8583, C(2019)8591, C(2019)8586, C(2019)8587, C(2019)8588, C(2019)8570 on 28/11/19
Implementation of the EU Pollinators initiative including the development of a monitoring framework	Set-up of an expert group to develop an EU pollinators monitoring framework	2019 Q3	Expert group established in May 2019, and mandated with the development of the proposal for an EU wide monitoring scheme for pollinators and policy indicators. The group presented its work to Member State experts in a workshop organized on 28 November 2019. Work will continue in 2020.
Conference on forest for biodiversity and climate	Organisation of the event	2019 Q2	Postponed to 2020, for better results in the context of the new Commission priorities
Adoption of an updated list of Invasive Alien Species of Union concern (PLAN/2017/1921)	Adoption by the Commission	2019 Q3	C(2019)5360 25/07/19
Promoting private investment in Biodiversity through the B@B (Business and Biodiversity) platform and the Natural Capital Financing Facility	Organisation of a conference on Business and Biodiversity	2019 Q4	Event organised
Our Ocean Conference in Norway, organisation in coordination with DG Maritime Affairs and Fisheries	Contribution to the organisation of the event	2019 Q4	Event organised, ENV contributed through its commitments and active participation in work on International Ocean Governance
Marine Strategy Framework Directive 2008/56/EC . First implementation report under Article 20	Adoption of report by the Commission	2019 Q4	Adoption postponed to April to integrated data from EEA/JRC, which was more than initially expected

³⁰ The lists of Natura 2000 sites are regularly updated at the end of each year. The target date of Q2 announced in the Management Plan was a mistake

Specific objective 3 : The Union's citizens are safeguarded from environment-related pressures and risks to health and well-being

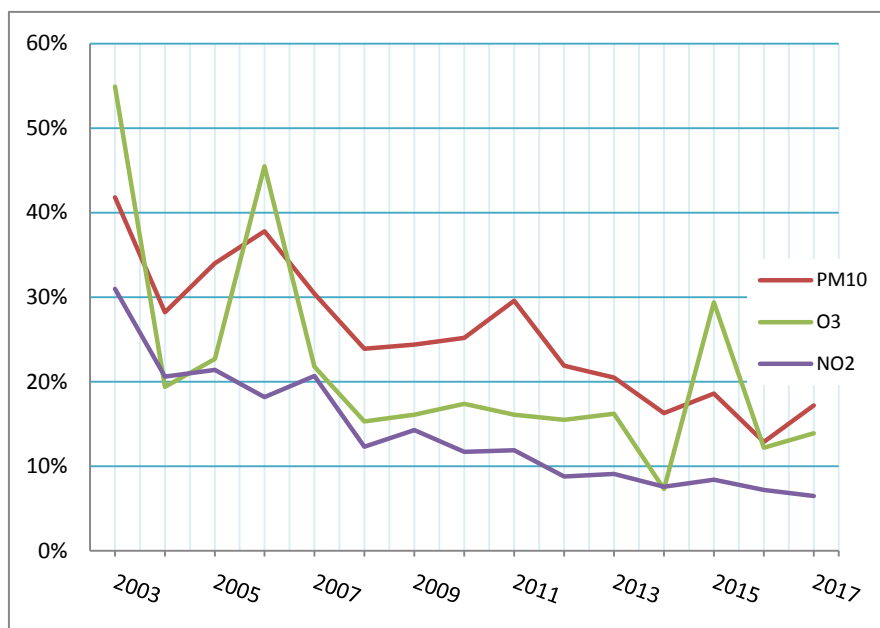
Related to spending programme LIFE

Result indicator 3.1: Exposure to air pollution - Percentage of urban population exposed to air pollution above EU air quality standards:

- a. Particulate Matter (PM₁₀) concentrations above the EU limit value (i.e. 50 µg PM₁₀/m³ averaged over 24 hours) on more than 35 days a year³¹
- b. Ozone (O₃) concentrations that exceed the EU target value (i.e. 120 µg O₃/m³ averaged over 8 hours) on more than 25 days a year, averaged over three years
- c. Nitrogen dioxide (NO₂) concentrations above the EU limit value (i.e. 40 µg NO₂/m³ averaged over a year) during a calendar year

Source of data: European Environment Agency

Permalink: https://www.eea.europa.eu/ds_resolveuid/IND-34-en



Evolution of exposure to air pollution in urban areas over time

Baseline (2001)	Target (2020) Based on Directive 2008/50/EC on ambient air quality and cleaner air for Europe	Latest known results (2017)
Particulate Matter (PM₁₀) 26.8 % Urban population exposed (i.e. above EU limit value, on more than 35 days per year)	0 % Urban population exposed (i.e. above EU limit value, on more than 35 days per year)	17.2%

³¹ PM₁₀ refers to particulates whose diameter is less than 10 micrometres.

Ozone (O₃) ³² 31.4% Urban population exposed (i.e. above EU limit value, on more than 25 days per year, averaged over three years)	0 % Urban population exposed (i.e. above EU target value, on more than 25 days per year, averaged over three years)	13.9%
Nitrogen Dioxide (NO₂) 18.1% Urban population exposed (i.e. above EU limit value, on an annual average)	0% Urban population exposed (i.e. above EU limit value, on an annual average)	6.5%
Result indicator 3.2: Percentage of surface water bodies in good ecological status or with good ecological potential (as defined by the Water Framework Directive) Source of data: Commission report on the Implementation of the Water Framework Directive - River Basin Management Plans (for the baseline: COM(2012) 670: countries that have not reported RBMP, or not reported exemptions or have high unknown status not included).		
Baseline (2009, EU21)	Target (2015) Based on Directive 2000/60/EC, Water Framework Directive.	Latest known results (2015, EU25)
43%	100% of water bodies to which justified exemptions do not apply	<i>40% good status for surface waters, 74-89% for groundwaters Generally exemptions applied to the water bodies not in good status</i> ³³
Result indicator 3.3 ³⁴ : Exposure to noise: percentage of population in urban areas estimated to be affected by noise levels greater than 55 dB Lden (day, evening and night period of exposure) from transportation - road, rail and aircraft noise Source of data: European Environment Agency https://www.eea.europa.eu/data-and-maps/indicators/exposure-to-and-annoyance-by-2/assessment-1		
Baseline (2014, EU28)	Target (2015) Based on the 7 th Environment Action Programme	Latest known results (2019 ³⁵)

³² Ozone (O₃) is a secondary pollutant formed from gases such as nitrogen oxides and volatile organic compounds in the presence of solar light. Year-to-year differences in ozone levels can be explained by meteorological conditions such as high levels of solar radiation and high temperatures during the summer, and therefore conclusions cannot be drawn from individual peaks. 2015 was the warmest year on average for the reporting period in Europe, with a series of heatwaves that contributed to several intense tropospheric ozone episodes between May and September, reflected in the graph's peak. The situation didn't repeat in 2016, thereby the steep decrease.

³³ Based on the assessment of the second Member States River Basin Management Plans - COM (2019)95

³⁴ The description and baseline of this indicator were revised in the 2017 AAR for alignment with the Noise indicator of the European Environment Agency, which provides equivalent information and is updated regularly.

³⁵ The data refer to country submissions and redeliveries of the 2017 round of noise reporting, reported to the EEA until 01/01/2019.

More than 90 million estimated in 2014	Reduce and approach WHO values ³⁶	More than 91 million people in urban areas estimated to be affected by noise levels greater than 55 dB Lden from transportation - road, rail and aircraft noise.
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Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output description	Indicator	Target date³⁷	Latest known results (situation on 31/12/2019)
<i>Directive on the Quality of water intended for human consumption (recast) Proposal COM(2017)753</i>	<i>Adoption by the co-legislators</i>	<i>May 2019</i>	<i>Political agreement on 17/12/19. Delay mainly due to the complexity of the issue of materials in contact with water, which has required an additional assessment of the potential impacts</i>
<i>Regulation on persistent organic pollutants (recast) Proposal COM(2018)144</i>	<i>Adoption by the co-legislators</i>	<i>May 2019</i>	<i>Agreement reached by May. Regulation (EU) 2019/1021 published in June³⁸.</i>
All new initiatives / significant evaluations from the Commission Work Programme			
Output description	Indicator	Target date³⁹	Latest known results (situation on 31/12/2019)
<i>Fitness Check of the Water Framework Directive 2000/60/EC, its daughter Directives, and the Floods Directive 2007/60/EC. Evaluation of Council Directive 91/271/EEC on Urban Waste Water Treatment (PLAN/2017/1661)</i>	<i>Finalisation of the evaluation / Publication of conclusions</i>	<i>2019 Q3</i>	<i>SWD(2019)439 on 10/12/19 Delayed to integrate comments from the Regular Scrutiny Board (on second submission for the Water Fitness Check)</i>
<i>Fitness check of the Air Quality Directives (PLAN/2016/88)</i>	<i>Finalisation of the evaluation / Publication of conclusions</i>	<i>2019 Q4</i>	<i>SWD(2019)427 28/11/19</i>

³⁶ WHO values released on 10/10/2018: below 53dB (road), 53dB (railway), 45dB (aircraft)

³⁷ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

³⁸ See also footnote 9

³⁹ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

Important items from work programmes/financing decisions/operational programmes ⁴⁰			
Output description	Indicator	Target	Latest known results (situation on 31/12/2019)
Relevant projects of the LIFE programme:	<i>The outputs listed under Specific Objective 1 above also support Specific Objective 3</i>		
Other important outputs			
Output description	Indicator	Target date ⁴¹	Latest known results (situation on 31/12/2019)
<i>Strategic approach to pharmaceuticals in the environment (2015/ENV/040)</i>	<i>Adoption of a Communication by the Commission</i>	2019 Q1	COM(2019)128 11/03/19
<i>Implementing decisions under the REACH legislation on the evaluation of chemicals / compliance check</i>	<i>Adoption by the Commission (ca. 5 decisions on evaluations expected)</i>	2019 Q4	<i>Four acts adopted: C(2019)3314, C(2019)5629, C(2019)7132, C(2019)7336</i> <i>To be noted that the number of adoptions is always tentative, as it depends of the cases finally left by ECHA for Commission decision.</i>
<i>Clarifying measures related to operation of REACH registration after the deadline for phase-in substances (PLAN/2018/2929)</i>	<i>Adoption of Implementing Regulation by the Commission</i>	2019 Q3	C(2019)7132 on 09/10/19
<i>Rules for the update of registration dossiers under REACH and for the upgrade of the compliance-check target (PLAN/2018/3503 & 4738)</i>	<i>Adoption of implementing Regulations by the Commission</i>	2019 Q2	<i>Postponed to 2020</i> <i>Delays are linked to complex situations requiring legal advice on possible solutions, and extensive discussions during preparations, on several elements with MS and stakeholders.</i>

⁴⁰ For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the Draft Budget for 2019.

⁴¹ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

Update of legislation on the Classification, Labelling and Packaging of dangerous substances and mixtures (PLAN/2018/3137, 3650)	Annex VI amended by the Commission, in line with opinions of the Risk Assessment Committee (two amendments)	2019 Q2 2019 Q4	One amendment adopted (C(2019)7227). The second postponed to 2020 Q1 This was to allow further discussion/consultation with MS, industry stakeholders and third countries on the classification of certain substances, in particular for the case of Titanium Dioxide (classification as carcinogen) in the first amendment. In addition, the adoption process changed in July 2019 from RPS to the DA procedure, resulting in longer timelines.
Summary report on the application of the Persistent Organic Pollutants legislation (PLAN/2017/2188)	Adoption of report by the Commission	2019 Q1	Postponed to 2020 Q1 due to change of priorities
Progress in implementing the Clean Air Programme for Europe	Organisation of the second Clean Air Forum	2019 Q4	Organised in Bratislava, Slovakia on 28-29 November 2019
	Clean Air Dialogues with Member States (two-three dialogues expected – demand-driven at the initiative of Member States)	2019 Q2-Q4	Clean Air Dialogue with Italy in June 2019
Progress in the implementation of the revised National Emissions Ceilings Directive (EU) 2016/2284	Assessment of submitted National Air Pollution Control Programmes (NAPCP)	2019 Q4	Assessment ongoing due to late reception of 19 final NAPCP received by the end of 2019
	Review of national emission projections	2019 Q4	Ongoing in parallel and in conjunction with NAPCP assessment
Methods for the assessment and management of environmental noise under Directive 2002/49/EC (PLAN/2018/3499)	Adoption by the Commission	2019 Q4	Postponed to 2020 Q2, for the integration of comments received during the scrutiny period

Good ecological potential guidance (freshwater bodies)	Publication of Guidance document	2019 Q3	Finalised and endorsed by Water Directors in November 2019; publication forthcoming
Implementation of the Nitrates Directive	Creation of a Database of MS Action programme measures. Update of reporting guidelines. Granting of Derogations based on agro-environmental conditions.		Draft database MS Action programme measures Draft reporting guidelines discussed with MS Derogation granted for UK (Northern Ireland) and Belgium (Flanders)
Implementation of the Bathing Water Directive	Publication of the annual report	2019 Q2	Published
Further analysis of investment needs and financing possibilities in the field of water in collaboration with the OECD and including in-depth dialogues with specific Member States	Publication of country-specific reports and organisation of visits to the countries	Number of visits/reports	10 country reports and visits organised completed by a final DG ENV/EP/OECD closing conference held in December in Brussels

Specific objective 4 : There is an enabling framework for environmental policy, based on smart implementation, a strong knowledge and evidence base, investment, and improved environmental integration and policy coherence			Related to spending programme LIFE
Result indicator 4.1a: Effectiveness of application of EU environment legislation Source of data: DG Environment			
Baseline (End 2013)	Target	Latest known results (End 2019)	
Infringements (353): -Non-communication cases: 94 -Non-conformity cases: 68 -Bad application cases: 194 EU Pilots: 432	- For infringements: effective and uniform implementation of EU environmental legislation as translated into a streamlined focus on structural issues that cannot be addressed otherwise - For EU Pilots: Effective and uniform implementation of EU environmental legislation via this resolution mechanism	Infringements (337): -Non-communication cases: 36 -Non-conformity cases: 76 -Bad application cases: 225 EU Pilots: 130	
Result indicator 4.1b⁴²: Progress made in priority infringement cases a. Number of illegal landfills outstanding in the relevant infringement cases b. Number of Natura 2000 sites covered by a breach of Art 4(4) of the Habitats Directive in an ongoing case or Pilot			

⁴² New indicator developed to better measure the results of enforcement action on the ground

c. Number of zones not yet in compliance in relevant infringement cases on PM₁₀ and NO₂		
Source of data : DG Environment (Infringement Database)		
<p>These indicators show the progress made by Member States in reaching compliance in relation to three types of cases that are defined as sectoral priorities.</p> <p>The baseline and target years are set to cover the current reporting cycle under DG Environment Strategic Plan 2016-2020. Results are monitored on cases that were already open in 2015, new cases, if any, will not be taken into consideration, to avoid the disruption of the performance trend.</p>		
Baseline 2015	Target (2020)	Latest known results 31/12/2019
1106 Number of illegal landfills remaining in the EU (as covered in infringement cases)*	Significant reduction in the number of illegal landfills , showing progress in compliance with the legal obligations set out in the sectoral enforcement strategy	234
55.3 % Natura 2000 sites covered by an infraction (Pilot or case) of Art 4(4) Habitats Dir	Significant reduction in the number of sites covered by an infraction, showing progress in compliance with the legal obligations set out in the sectoral enforcement strategy	20,7%
113 Air Quality zones covered by a PM ₁₀ infringement	Significant reduction in the number of zones covered by an infringement, showing progress in compliance with the legal obligations set out in the sectoral enforcement strategy	81
100 Air Quality zones covered by a NO ₂ infringement	Significant reduction in the number of zones covered by an infringement, showing progress in compliance with the legal obligations set out in the sectoral enforcement strategy	78

*One Member State excluded from the indicator because of the different methodology used for reporting, to avoid mixing non-comparable data

Result indicator 4.2.a: Structural funds interventions regarding solid waste, water supply, wastewater treatment, risk prevention and management, land rehabilitation and nature and biodiversity

Source of data: European Commission, European Structural and Investment Funds Database - <https://cohesiondata.ec.europa.eu/themes/6>

	Baseline	Target 2007-2015 (cumulative)	Target⁴³ 2014-2020 (cumulative)
Additional waste sorting and recycling capacity**	n/a	n/a	Planned: 5 296 207 tonnes/year Decided: 1 786 566 Tonnes/year Implemented: 47 745 Tonnes/year
Additional population served by improved water supply*	n/a	n/a	Planned: 12 461 962 Persons Decided: 8 507 437 Persons Implemented: 241 468 Persons
Additional population served by improved wastewater treatment*	n/a	n/a	Planned: 17 058 951 Population equivalent Decided: 14 537 641 Population equivalent Implemented: 302 606 Population equivalent
Total surface area of rehabilitated land**	n/a	n/a	Planned: 11 231 Hectares Decided: 1 294 Hectares Implemented: 48 Hectares
Surface area of habitats supported to attain a better conservation status (Nature and biodiversity**)	n/a	n/a	Planned: 6 688 529 Hectares Decided: 6 997 743 Hectares Implemented: 1 409 669 Hectares
Risk prevention and management. Population benefiting from flood protection measures**	n/a	n/a	Not available

* Targets result from 2007-2013 Operational Programmes (OPs);

** Specific to 2014-2020 framework.

Result indicator 4.2.b: Structural funds interventions - Marine Environment

Source of data: EMFF Regulation

Baseline (2014, EU-27)	Target Based on Regulation (EU) 508/2014 on the European Maritime and Fisheries Fund (EMFF)	Latest known results (2016)
5%	Maintain the percentage	10% (of the directly managed EMFF funds) ⁴⁴

⁴³ Format of reporting updated in line with the information made available through the [online Database](#)

⁴⁴ The target to maintain the percentage, which indicates the minimum acceptable trend, should be understood as "maintain or increase". Any increases would be part of a positive trend.

Result indicator 4.3: % of EAFRD payments related to environment and climate Source of data: DG Agriculture and Rural Development		
Baseline (2012 EU-27)	Target Based on Regulation (EU) 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)	Latest known results (2016)
43%	Maintain the percentage	51.3% (for year 2014, not cumulative, total for both periods 2007-2013 and 2014-2020)
Result indicator 4.4: Fish catches from stocks outside safe biological limits managed by the EU in the North-East Atlantic (% of total catches per year) Source of data: International Council for the Exploration of the Sea		
Baseline (2008)	Target (2015)	Latest known results (2014) <i>No update available</i>
Total: 10.8% Pelagic (e.g. herring): 7.4% Benthic(e.g. prawns.): 11% Demersal (e.g. cod): 49.6% Industrial (e.g. sand eel): 0%	0% of catches outside safe biological limits in all areas in which EU fishing fleets operate	31 out of 51 fish stocks in the North East Atlantic ⁴⁵

Main outputs in 2019:			
Delivery on legislative proposals pending with the legislator			
Output description	Indicator	Target date⁴⁶	Latest known results (situation on 31/12/2019)
<i>Alignment of the Reporting provisions in Environmental legislation</i>	<i>Adoption by the co-legislators</i>	<i>May 2019</i>	<i>Adopted</i>
<i>New LIFE Regulation 2021-2027</i>	<i>Political agreement</i>	<i>May 2019</i>	<i>Political agreement reached, pending agreement on the Multiannual framework</i>

⁴⁵ COM(2016)396

⁴⁶ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

Important items from work programmes/financing decisions/operational programmes

For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2019](#).

Output description	Indicator	Target date ⁴⁷	Latest known results (situation on 31/12/2019)
<p><u>Relevant projects of the LIFE programme:</u></p> <ul style="list-style-type: none"> - Traditional projects - NGOs - Public procurement 	<p><u>Estimated Amount /n° of outputs:</u></p> <ul style="list-style-type: none"> - 7 million EUR / 5 projects - 6 million EUR / 12 projects - 26 million EUR/ 51 Calls 	2019 Q4	<p><u>Amount /n° of outputs:</u></p> <ul style="list-style-type: none"> - 6,4 million EUR / 9 - 6 million EUR / 11 - 20 million EUR/ 58 Calls (300 contracts)
Other important outputs			
Output description	Indicator	Target date ⁴⁸	Latest known results (situation on 31/12/2019)
<p>Second Environmental Implementation Review progress on better implementation and common challenges across the EU (PLAN/2018/2851)</p>	Adoption of Communication by the Commission Finalisation of 27 Staff Working Documents	2019 Q1	COM(2019)14 9 04/04/19
<p>Evaluation of the 7th Environment Action Programme (PLAN/2017/1389)</p>	Finalisation of the evaluation Publication of conclusions	2019 Q2	SWD(2019)18 1 15/05/19
<p>Evaluation of Directive 2001/42/EC on Strategic Environmental Assessment (2017/ENV/017)</p>	Finalisation of the evaluation / Publication of conclusions (Staff Working Document)	2019 Q3	SWD(2019)41 3 22/11/19

⁴⁷ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

⁴⁸ Throughout the year, DG Environment may need to adapt the delivery date of certain outputs to changing priorities and new unforeseen demands, in the context of resource constraints. Where more specific reasons exist to advance or delay a date, these are described briefly in the tables

<p><i>Assessment of the implementation of the Aarhus Convention by the European Union (EU) in the area of access to justice in environmental matters (PLAN/2018/2554)</i></p>	<p><i>Finalisation / publication of Staff Working Document</i></p>	<p><i>2019 Q2</i></p>	<p><i>SWD(2019)378 10/10/19 Postponed in line with discussions with Member States in Council</i></p>
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<p>Compliance promotion and enforcement and co-operation with relevant professional networks</p>	<p>Bilateral dialogues and cooperation with IMPEL and other networks on specific issues</p>	<p>2019 Q1-Q4 (and beyond)</p>	<p>The cooperation with EU-level networks of environmental enforcement practitioners, such as IMPEL, EnviCrimeNet, ENPE and EUFJE was further intensified. Bilateral meetings with IMPEL Expert Teams took place in April, and networks representatives participated in a Forum meeting in May; several workshops were organised aimed at preparation of the Vade Mecum on handling of environmental complaints and citizens involvement, the Vade Mecum on compliance assurance in rural areas and the draft guidance document on combating environmental crime; A strategic meeting with the networks took place in November 2019.</p>
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<p><i>Contributing to implementing the Sustainable Finance Action Plan and boosting Green finance (in collaboration with DG Financial Stability, Financial Services and Capital Markets Union)</i></p>	<p><i>Environmental considerations integrated in the EU taxonomy of sustainable activities and in green bond standards</i></p>	<p><i>Environmental aspects covered</i></p>	<p><i>The agreed Taxonomy creates consistent, well-founded definitions of the activities that, within each economic activity, make a substantial contribution to meeting climate and environmental policy objectives. No-harm concept is integrated. DG provided input to the Technical Expert Group for its Report on EU Green Bond Standard.</i></p>
<p><i>Integration of environmental considerations in financing under European structural and investment funds (ESIF) and the Connecting Europe Facility (CEF) under the 2014-2020 programming period.</i></p>	<p><i>Replies to interservices consultation</i></p>	<p><i>Environmental comments on programmes and projects timely transmitted to DG Regional Policy</i></p>	<p><i>470 projects and programmes, to MOVE (206 TEN-T projects) and ENER (17 TEN-E projects)</i></p>
<p><i>Integration of environmental considerations in the selection of projects to be potentially supported by the European Fund for Strategic Investments, the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (BERD)</i></p>	<p><i>Replies provided to interservices consultation</i></p>	<p><i>Environmental comments on projects timely transmitted to DG Economic and Financial Affairs</i></p>	<p><i>Environmental comments on projects timely transmitted to DG Economic and Financial Affairs for 941 projects (EFSI and EIB)</i></p>

Integration of environmental considerations in the European Semester of economic governance resulted in doubling the number of environmental topics mentioned in the Semester reports compared to 2018.	Number of environmental topics mentioned in the Semester country reports	2019 Q1	The Semester country reports (published in February 2020) mention, in total, 438 environmental topics, 16 topics per country on average, 78% more than in 2019
Guidelines to promote the wider use of citizen science to complement environmental monitoring and reporting	Publication of Guidelines (Staff Working Document)	2019 Q4	Postponed to 2020 Q2, due to emerging priorities in the context of the new Commission.
Identification of emerging issues at the interface between environment and social	Foresight exercise cycle 1 report including the characterisation of 10 emerging issues	2019 Q3	Report published by the FORENV project group

Specific objective 5 : : The Union's cities are more sustainable		Related to spending programme LIFE
Result indicator 5.1: Percentage of EU cities applying for the European Green Capital Award (EGCA)		
Source of data: DG Environment		
Baseline (2012-2013)	Target (DG Environment)	Latest known results (2019)
17 cities applied for EGCA in 2012-2013*	Increased number of cities applying for EGCA each year	18 cities applied for EGCA 2022 in 2019 <i>NB: this call for applications covered only one year, while the baseline call covered two years.</i>

* This was a call for applications covering two years, awarding the title to two cities (Vitoria Gasteiz 2012, Nantes 2013)

Main outputs in 2019:			
Important items from work programmes/financing decisions/operational programmes			
<i>For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the Draft Budget for 2019.</i>			
Output description	Indicator	Target	Latest known

			results (as of 31/12/2019)
<u>Relevant projects of the LIFE programme:</u> <ul style="list-style-type: none"> - Traditional projects - NGOs - Public procurement 	<u>Estimated Amount /n° of outputs:</u> <ul style="list-style-type: none"> - 20 million EUR / 12 - 3 million EUR / 6 - 12 million EUR / 21 	2019 Q4	<u>Amount /n° of outputs:</u> <ul style="list-style-type: none"> - 11 million EUR / 12 - 3 million EUR / 6 4 million EUR / 21
Other important outputs Specific			
Output description	Indicator	Target	Latest known results (situation on 31/12/2019)
European Green Capital Award 2022	Number of participants	Increase with respect to previous issue (EGCA 2021)	- 18 applicant cities from predominantly new cities across Southern and Eastern Europe (9 applicants in previous cycle)
European Green Leaf Award 2021	Number of participants	Increase with respect to previous issue ECLA 2020	- 18 applicant cities Increase by 50% (previous cycle 12 participants)
Full deployment of the benchmarking IT tool for cities performance self-assessment based on environmental indicators	IT tool available to cities in all EU languages	2019 Q2	Tool available. Slight increase in uptake (5 new cities)

Specific objective 6 : The Union is more effective in addressing international environmental challenges

Related to spending programme **Global Public Goods and Challenges**⁴⁹

Indicator 6.1: Level of progress towards a greener, resource efficient global economy as, *inter alia*, reflected by clear policy commitments at the multilateral level

This will contribute to the successful implementation of the United Nations 2030 Agenda adopted in September 2015. The most significant part of this agenda is a set of Sustainable Development Goals (SDGs), to be achieved by 2030.

Source of data: DG Environment

Baseline (2015)	Target	Latest known results (2019)
<p><i>Agenda 2030 and SDGs adopted. A High Level Political Forum (HLPF) on sustainable development established to oversee its implementation.</i></p>	<p><i>Maintain or increase the level of policy commitments on green economy / resource efficiency / circular economy at the multilateral level.</i></p> <p><i>Contribute to the successful implementation of the SDGs.</i></p>	<p><i>The 2019 G7 Environment Ministers adopted the Metz Biodiversity Charter to address biodiversity pressures and adopt policies and actions to pursue sustainable development, in line with the 2030 Agenda for Sustainable Development.</i></p> <p><i>A Roadmap for the G20 Resource Efficiency Dialogue was adopted in October 2019 under Japan’s G20 Presidency, proposing actions to further the circular economy, sustainable water management, and sustainable finance.</i></p> <p><i>Global SDG indicators adopted by the UN. EU set of SDG indicators report published. Annual assessment of progress at the UN High Level Political Forum. In 2019, the High-level Political Forum on Sustainable Development (HLPF) completed the first four-year cycle of its mandate to review the 17 SDGs, noting that progress was insufficient. In addition, important threats like climate change and biodiversity loss threatened to undermine further the achievement</i></p>

⁴⁹ Thematic programme on Global Public Goods and Challenges from the Development Cooperation Instrument

		of the SDGs.
<p>Result indicator 6.2: EU participation in Multilateral Environmental Agreements (MEA): number of MEAs the EU is a signatory or a party to.</p> <p>Multilateral environmental agreements exist or are being negotiated in a large range of areas in which the EU has internally developed policies and legislation. EU participation in these agreements enables the EU to actively promote ambitious environmental standards and policies at global level and increases its visibility and accountability.</p> <p>Source of data: DG Environment</p>		
Baseline (2013)	Target	Latest known results (2019)
EU signatory or party to 48 MEAs	The EU joining Conventions to which it is not yet a party	<i>There are currently 52 MEAs to which the EU is a party, the latest being the ratification of the Minamata Convention in 2017</i>
<p>Result indicator 6.3: Progress with pre-accession work in candidate countries and potential candidate countries and with the implementation of association agreements (AAs) and wider cooperation with neighbourhood countries</p> <p>In the enlargement and neighbourhood countries much effort is still required to improve environmental standards. The proximity of these countries to the EU and our shared resources (air, water etc.) signifies the importance of co-operation to achieve the EU's environmental objectives. Progress will be monitored with respect to 1) the transposition of EU-legislation in candidate and pre-candidate countries and approximation in neighbourhood countries and 2) the planning and implementation of required investments and measures.</p> <p>Source of data: DG Environment</p>		
Baseline (2012)	Target	Latest known results (2019)
Enlargement countries are making gradual progress towards transposition and implementation of the EU acquis but are constrained by limited institutional and technical capacity and insufficient finance. Financial support from IPA is helping to address those issues along with bilateral and regional capacity building support under the TAIEX (Technical Assistance and Information Exchange) and the ECRAN (Environment and Climate Regional Accession Network) programmes. For the neighbourhood countries new AAs with Eastern neighbours include challenging commitments to converge	<p>Transposition and implementation of EU environment legislation by candidate and potential candidate countries.</p> <p>Progress towards the adoption of EU standards and norms for environmental protection by countries in the</p>	<p><i>Chapter-27 Environment was opened in December 2018 for Montenegro. In 2019, several technical consultations took place to discuss the closing benchmarks.</i></p> <p><i>In view of opening of accession negotiations for the chapter Serbia worked during 2019 at finalising its Negotiation Position. Several technical consultations took place to discuss ways to improve the document and help the country clarify certain technical details. The EC issued its Opinion on Bosnia and Herzegovina's application for membership.</i></p>

<p>with major EU environmental directives. With respect to Southern neighbours new action plans being negotiated will cover the implementation of the EU environment acquis and international agreements. At the regional level, the Eastern Partnership (EaP) is tackling environment change as a priority area. Under the Union for the Mediterranean a number of capacity building measures are being supported which follow the European model.</p>	<p>neighbourhood.</p>	<p><i>The explanatory meeting for Chapter 27 – Environment with Albania and North Macedonia took place in May 2019 where the entire environmental acquis was presented to the two countries.</i></p> <p><i>For Turkey, horizontal legislation, water, air quality and nature protection areas still need to be addressed.</i></p> <p><i>In relation to the Eastern Neighbourhood countries, at country level, implementation of the Association Agreements with Ukraine, Moldova and Georgia are progressing, in particular in some areas like environmental assessments, waste management and water management.</i></p> <p><i>For the Southern Neighbourhood (SN), regional environmental action was addressed in the Union of the Mediterranean on monitoring, and sustainable water management, and regional action on Sustainable Consumption and Production under the SWITCH Med programme. At national level, bilateral cooperation was pursued in particular with Morocco, Egypt, Tunisia and Jordan.</i></p> <p><i>A regional initiative on the Green Agenda for the Western Balkans mirroring the European Green Deal in the region was launched in cooperation with DG NEAR.</i></p>
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Result indicator 6.4: Environmental provisions introduced in bilateral agreements between the EU and third countries and regions

Protecting the environment goes well beyond the scope of national or regional considerations, environmental challenges are also a global concern. The EU has comprehensive co-operation agreements with many third countries and regions. Each agreement includes an environment component which encourages the promotion of environmental protection and convergence in multilateral environmental negotiations.

The implementation of the environment component in bilateral agreements with third countries and regions will be monitored regularly. The Joint Co-operation Committee Meetings and Trade and Sustainable Development Committee meetings etc. set –up under the Partnership and Co-operation Agreements (**PCA**), Free Trade Agreements (**FTA**) and Multi-

annual Indicative Programmes (MIP) and Annual Action Plans will play a pivotal role in this context.

Source of data: DG Environment

Baseline (2013)	Target	Latest known results (2019)
<p><i>Ensure a strong environment component in the PCAs (Partnership and Co-operation Agreements), FTAs (Free Trade Agreements) and EDF/DCI (European Development Fund/ Development Cooperation Instrument) Programming plans (MIPs) agreed with third countries and regions.</i></p>	<p><i>Environment provisions appropriately reflected and implemented in the PCAs, FTAs and MIPS and Annual Action Plans.</i></p>	<p>FTA signed with Vietnam. FTAs with Japan and Singapore entered into force.</p> <p>The first meeting of ASEAN-EU High-level dialogue on Environment and Climate Change took place in July 2019.</p> <p>1st EU-Vietnam Joint Committee under the PCA was held in Hanoi May 2019. Senior Official Meetings with Vietnam and Singapore were held in Brussels, in October 2019.</p> <p>The second meeting of the Canada-EU Trade and Sustainable Development Committee under CETA was held on 13 November 2019.</p> <p>Implementation of the TSD provisions continued under the FTAs with Peru, Colombia and Ecuador.</p> <p>The EU and MERCOSUR states - Argentina, Brazil Paraguay and Uruguay, reached a political agreement for an ambitious, balanced and comprehensive trade agreement, including a TSD chapter.</p> <p>The 3rd meeting of the EU-SA Forum on Environment, Climate Change, Sustainable Development and Water took place in November 2019 where development cooperation issues were discussed.</p> <p>DG ENV launched a study on the benefits of circular economy in Africa, and held a High Level Regional conference on Circular Economy in July 2019 in Dakar Senegal which are expected to</p>

		<p><i>inform EU future development cooperation with Africa. DG ENV also participated in December 2019 in Country Team Meetings to contribute and mainstream environmental issues in "Country Assessments" produced for each country by EU Delegations. These assessments will be used as a basis for the programming of new MIPs to be developed in 2020 under the new external financing instruments.</i></p>
<p>Result indicator 6.5: Number of significant timber exporting countries with which EU has signed agreement to prevent illegal logging (Voluntary Partnership Agreements - VPA)</p> <p>The EU adopted the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in 2003. The Action Plan sets out a range of measures available to the EU and its member states to tackle illegal logging and associated trade in the world's forests. An important measure foreseen by the FLEGT Action Plan is the promotion of trade in legal timber, including developing and implementing VPAs between the EU and timber-producing countries, as a means to reducing to negligible levels trade in timber products related to illegal logging.</p> <p>Source of data: DG Environment</p>		
<p>Baseline (2012)</p>	<p>Target</p>	<p>Latest known results (2019)</p>
<p>VPAs ratified to date: 5 VPAs concluded but pending ratification: 1 VPAs under negotiation: 9 Significant timber exporting countries (globally): 20</p>	<p>Increased number of ratified VPAs</p>	<p>VPAs ratified to date: 7 VPAs negotiations concluded but pending ratification : 2 VPAs under negotiation: 6 Significant timber exporting countries (globally): 20</p>

Main outputs in 2019:

Important items from work programmes/financing decisions/operational programmes

For a complete listing of expenditure-related outputs please refer to the Programme Statements published together with the [Draft Budget for 2019](#)

Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)
Annual programming of environment relevant projects under the Global Public Goods and Challenges programme (GPGC), including cross sub delegation in support of International Environmental Governance (IEG)	Adoption by the Commission of annual action programme with EUR 12 million for IEG (conditional to the above mentioned 2018-2020 Multi-annual Indicative Programme)	2019 Q4	Adopted in November C(2019)7739
Other important outputs			
Output description	Indicator	Target date	Latest known results (situation on 31/12/2019)
Progress towards a Global Pact for the Environment – EU contribution to initiating an intergovernmental conference and definition of EU position	Adoption by Council of a mandate for the Commission to open negotiations	2019 Q4	Following the recommendations of the UN Working Group "Towards a Global Pact for the Environment" the Global Pact has been superseded by a political declaration to be adopted in a high-level meeting.
Effective EU representation at the 4th United Nations Environment Assembly (UNEA)	Adoption of mandate by Council	2019 Q1	UNEA4 was held successfully on 11-15 March 2019. UNEA outputs were adopted in line with EU policies and objectives (23 resolutions, 3 decisions and Ministerial Output Document)

<p>EU participation in the 7th UN High Level Political Forum (HLPF) on the 2030 Agenda and Sustainable Development Goals</p>	<p>Relevant EU contribution on Environment-related goals</p>	<p>2019</p>	<p>The Commissioner participated in the HLPF, highlighting EU progress, in particular in a dedicated EU side event.</p>
<p>Promotion of Circular Economy and resource efficiency policies in third countries</p>	<p>Organisation of Circular Economy missions (3-4 missions foreseen)</p>	<p>2019 Q4</p>	<p>Missions to Mexico, Malaysia and Singapore organised</p> <p>Circular economy outreach events in Ghana (May 2019); Senegal (Jul 2019); Morocco (Nov 2019)</p> <p>EU participation in the African Ministerial Conference for the Environment (AMCEN). Study on the benefits of Circular economy in Africa.</p> <p>G20 adopted a Marine Plastic Implementation Framework and a Roadmap for the G20 Resource Efficiency Dialogue</p>
<p>High-level Environment dialogues with key EU trade and strategic partners on environmental issues</p>	<p>Number of dialogues</p>	<p>5-6 High-level dialogues</p>	<p>Policy dialogues on environment were held with Mexico, China (two dialogues), the USA, Peru, with UNEP on Africa, Republic of Korea, Hong Kong, South Africa and Cuba. Regional dialogues were held with ASEAN and Central Asia.</p> <p>Regular annual dialogues held with Accession and Neighbourhood countries.</p>

<p><i>Enhanced integration of environmental considerations into trade policy</i></p>	<p><i>Environment covered in trade agreements including during implementation</i></p>	<p><i>2019 Q4 (and beyond)</i></p>	<p><i>EU-Singapore FTA entered into force EU-Vietnam FTA signed Second meeting of the Canada-EU Trade and Sustainable Development Committee under CETA held on 13 November 2019 EU-Japan Economic Partnership Agreement entered into force. Political agreement on the EU-MERCOSUR trade agreement including a TSD chapter.</i></p>
<p><i>Progress in negotiations on environment chapter in accession negotiations with Serbia/Montenegro</i></p>	<p><i>Contribution to Negotiations on environment chapter</i></p>	<p><i>2019 Q4 (and beyond)</i></p>	<p><i>Accession negotiations with Montenegro are ongoing. Several technical meetings took place to discuss the implementation of the closing benchmarks. Serbia has prepared its Negotiations Position as part of the opening of the accession negotiations. Several technical consultations took place to help Serbia prepare its Negotiation Position.</i></p> <p><i>Conceptualisation and launch of the Green Agenda for the Western Balkans together with DG NEAR.</i></p>

Participation of the EU at the 14 th Conference of the Parties to the UN Convention to Combat Desertification (COP14)	Proposals on the EU position at COP adopted by the Commission and the Council	2019 Q3/Q4	Successful and effective participation of the EU in the UNCCD COP14 based on agreed EU and Member States positions.
Preparation for EU participation at the Conference of the Parties under the Stockholm, Rotterdam and Basel Conventions (Triple COP) (PLAN/2017/2286, 2289 and 3396)	Proposals on the EU position at COP adopted by the Commission and the Council	2019 Q1	COM(2019)54 06/02/19, COM(2019)52 06/02/19 and COM(2019)753 19/11/19
Preparation for EU participation at the Conference of the Parties under the Minamata Convention (PLAN/2019/5624, and 5625)	Proposals on the EU position at COP adopted by the Commission and the Council	2019 Q1	COM(2019)414 16/09/19 (OJ L 324/1, 13.12.2019), and COM(2019)413 16/09/19 (OJ L 320, 11.12.2019) - Early date incorrectly entered at planning! EU positions were timely adopted for COP taking place in November.
Representation of the EU at the Open Ended Working Group meeting under the Strategic Approach to International Chemicals Management process	Outcome of the meeting in line with EU position	2019 Q4	EU and MS objectives successfully achieved, in particular the decision to work on an "outcome document" on SAICM and the sound management of chemicals and waste beyond 2020.
Ratification and entry into force of the Voluntary Partnership Agreement on FLEGT between the EU and Vietnam	Ratification completed	2019 Q2	Ratification completed as expected
Representation at the Conference of the Parties of the Convention on International Trade of Endangered Species (CITES COP18)	Proposal on the EU position adopted by the Commission and the Council	2019 Q1	Commission proposal adopted. COP18 postponed to August
Stepping up EU Action against Deforestation and Forest Degradation (PLAN/2016/65)	Adoption of Communication by the Commission	2019 Q2	Adopted COM(2019)352 24/7/19