



European  
Commission

# Annual Activity Report 2021

DG ENVIRONMENT

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## THE DG IN BRIEF

The **Directorate-General for Environment** leads the European Commission's activities in the field of the environment. Its key mission is to help EU citizens to live well, within the planet's ecological limits, based on an innovative and circular economy where growth has been decoupled from resource use, where biodiversity and ecosystems are protected and restored and environment-related health risks are minimised.

DG Environment's **core activities** include the development and implementation of policies and legislation. They are **framed by the Treaties**<sup>1</sup> on European Union and the Functioning of the European Union, which establish the objectives to preserve and improve the quality of the environment; protect human health and promote a prudent and rational utilisation of natural resources. In line with **Better Regulation** requirements, the DG evaluates existing legislation regularly to ensure it is fit for purpose. Where appropriate, it prepares legislative proposals following input from citizens and stakeholders and rigorous impact assessments. The DG also steers and facilitates the **interinstitutional negotiations** leading to the adoption of the proposed legislation by the European Parliament and Council, and works with **Member States** and other stakeholders to ensure it is enacted in national legislation and applied. Enforcement action is taken where necessary. Non-legislative means, such as economic and voluntary instruments, and external communication, are also used.

The EU Treaties require that **environmental protection must be integrated** across the Union's policies and activities, in particular with a view to promoting **sustainable development**. DG Environment works closely with other Commission services to mainstream the environmental objectives of the European Green Deal across EU policies. Mobilising the relevant EU funding opportunities and working with the Member States and other significant players, such as the European Investment Bank, is key to ensure **green investments**. In collaboration with DGs Energy and Climate Action, the DG is responsible for the current **LIFE** programme, while its implementation is delegated to CINEA, the European Climate, Infrastructure and Environment Executive Agency.

The Treaties also establish that the EU shall promote measures at international level to address **regional or global environmental problems**. DG Environment represents the EU in a wide range of environmental meetings and fora where environment-related matters are discussed.

In 2021, the DG had **492 staff members** organised in six directorates divided into units. In December the DG implemented a targeted structural reorganisation designed to facilitate collaboration, exploit synergies across teams and achieve efficiency gains, while also reflecting more adequately its renewed mandate.

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<sup>1</sup> Articles 3 and 17 of the Treaty on the European Union and Articles 11, 49, 191-193, 208 and 209 of the Treaty on the Functioning of the European Union

## EXECUTIVE SUMMARY

This Annual Activity Report is a management report of the Director-General of DG Environment to the College of Commissioners. Annual Activity Reports are the main instrument of management accountability within the Commission and constitute the basis on which the College takes political responsibility for the decisions it takes as well as for the coordinating, executive and management functions it exercises, as laid down in the Treaties<sup>2</sup>.

### A. Key results and progress towards achieving the Commission's general objectives and DG's specific objectives (executive summary of section 1)

DG Environment's work is framed by the political guidelines of President Von der Leyen and the mission letter she addressed to Commissioner Sinkevičius at the start of his mandate. In 2021, President Von der Leyen underlined Europe's determination to bounce forward from the pandemic and seize the opportunities offered by the **twin green and digital transitions**. DG Environment's thematic objectives on Circular Economy, Biodiversity and Zero Pollution, supported by the horizontal efforts to step up integration, governance and the international dimension of environmental policies, are key to make the **European Green Deal** a reality on the ground. Whenever suitable, digital solutions are developed, contributing to both environmental efficiency and the digital transition.

Implementing the **Circular Economy Action Plan** is the DG's single biggest contribution to a new economic model capable of creating jobs and sustaining fair well-being within planetary boundaries. In 2021, work was ongoing on several fronts, with a special focus on **product design** and high impact sectors. Guidance was delivered to help Member States implement the **ban on certain single-use plastic** items, which entered into force in July, and interinstitutional negotiations continued on the **Batteries Regulation**. **Managing waste** in an environmentally sound manner and recovering the valuable secondary materials it contains are cornerstones of the circular economy and strategic to preserve natural resources and reduce pollution. In November, the DG delivered a proposal to revise the **Waste Shipments Regulation**, to ensure that waste exports do not harm the environment or human health elsewhere and that valuable materials are extracted and reused in Europe. New rules to limit **persistent organic pollutants in waste** were also proposed and will help establish the clean material cycles that are necessary for the recycling industry to thrive<sup>3</sup>.

**Addressing global trends:**  
International trade in waste is increasing. In 2018, global trade in waste reached **182 million tonnes** with a value of around **€ 80.5 billion**.



<sup>2</sup> Article 17(1) of the Treaty on European Union

<sup>3</sup> References to the documents prepared by DG Environment and adopted by the Commission can be found in the performance tables in annex 2

The implementation of the **EU Biodiversity Strategy to 2030** reached cruising speed. A new **governance framework** and an [online dashboard](#) were established, to enhance



coordination with Member States and allow tracking the progress made. In July, the Commission adopted a new **EU Forest Strategy** delivered together by DG Agriculture, DG Climate Action and DG Environment. It was followed by the launch of the **3 billion trees** pledge, an initiative carefully designed to respect ecological principles and supported by [MapMyTree](#), an online tool to allow counting new trees that comply

with the criteria. In November, a ground-breaking legislative proposal was adopted to ensure that products placed on the EU market do not contribute to global **deforestation and forest degradation**. This is expected to reduce greenhouse gas emissions and biodiversity loss and have positive impacts on local communities, including vulnerable indigenous peoples, who rely heavily on forest ecosystems. An ambitious and innovative **Strategy on Soil** was also delivered to grant the same level of protection to soil that exists for air, water and the marine environment in the EU. Action under the Biodiversity Strategy allowed the EU to reach out to other countries, leading the world towards an ambitious **global biodiversity framework** under the United Nations Convention on Biological Diversity.

The COVID-19 pandemic has strengthened the need for an integrated health and environment agenda. In May, DG Environment delivered a **Zero Pollution Action Plan** for water, air and soil. It sets out ambitious targets for 2030 and a vision for 2050, where pollution is reduced to levels that are no longer harmful to human health and natural ecosystems, creating a toxic-free environment. In March, the Commission adopted a Recommendation developed by DG Environment on **monitoring COVID-19 and its variants in wastewaters**. In conjunction with other public health indicators, wastewater monitoring is supporting public health management strategies. The **Emergency Support Instrument**, which helps Member States respond to the pandemic in a strategic and coordinated manner, provided funds for a digital monitoring infrastructure.



**Integration activities** continued with a focus on ensuring green investments. Through the DG Structural Reform Support, DG Environment provided proactive guidance to help Member States orient their **Recovery and Resilience Plans** towards developing circular economy strategies, remanufacturing and recycling activities, and mainstreaming circular approaches in construction and renovation, infrastructure and industrial regeneration. Special attention was given to the **InvestEU** and the **Agriculture** and **Cohesion** policy programmes, in particular tracking the spending percentages dedicated to climate and biodiversity and ensuring that investments in other areas **do no significant harm**<sup>4</sup>. In May, the co-legislators adopted the new **LIFE Regulation** and the Commission approved

<sup>4</sup> See [https://ec.europa.eu/info/files/recovery-and-resilience-facility-annual-report\\_en](https://ec.europa.eu/info/files/recovery-and-resilience-facility-annual-report_en) published in March 2022

an investment package of more than EUR 290 million for 132 new LIFE projects, which will mobilise a total investment of EUR 662 million across Member States.

**Environmental governance** was significantly reinforced. An agreement was reached on the **8<sup>th</sup> EU Environment Action Programme**, which will play a key role in coordinating



stakeholders' efforts and in monitoring progress towards achieving the environmental objectives of the European Green Deal. A swift agreement was reached also on the updated rules on **access to justice** in environmental matters. The new Aarhus Regulation enables citizens and their organisations to help enforcing environmental law at EU, national and local levels. The Commission also adopted a proposal on **Environmental Crime** developed by DG Environment and DG Justice and Consumers to strengthen the protection of the environment through criminal law. Across policies, the DG dedicated significant resources to fulfil **Better Regulation** requirements. More than 20 evaluations and impact assessment were completed or in progress during the year. Improving the assessments following the recommendations of the Regulatory Scrutiny Board was particularly challenging. Special attention was also given to the evidence provided by the **European Court of Auditors'** reports, notably concerning the application of the Polluter Pays principle<sup>5</sup>.

Tackling the interconnected crises of climate change, biodiversity loss and pollution requires an **ambitious global response**. In 2021, DG Environment, together with the European External Action Service and the relevant Commission DGs, engaged in global **Green Deal Diplomacy** outreach, in line with the mandate of the European Green Deal and the DG policy strategies. Ensuring the sustainability of the **global recovery effort** from the COVID-19 crisis added a new dimension to the DG's engagement. The focus was on promoting EU Environment policy and the green recovery as model for action in third countries, and driving forward global cooperation.



**External communication** activities supported corporate and environmental priorities, aiming to bring the EU closer to the citizens and promote their engagement. The DG deployed a proactive information policy addressing the general public through publications, social media and the web, and engaging in citizens dialogues and debates, notably in the context of the **Future of Europe**. Several events with a thematic focus were organised with key stakeholders and materials such as clips and games were developed to reach youth audiences. **GreenWeek 2021**, the DG's flagship communication event, was dedicated to Zero Pollution.

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<sup>5</sup> In addition to that report, in 2021 the European Court of Auditors issued four special reports of particular interest for DG Environment (on the interplay between Common Agricultural Policy and Climate; on Sustainable water use in agriculture, EU funding for biodiversity and climate change in EU forests and on Sustainable finance) as well as two broad reviews, one of EU action and challenges in electronic waste and another of the EU framework for large transport infrastructure projects (more information is available in annex 14 to this report)

## B. Key Performance Indicators (KPIs)<sup>6</sup>

<p>KPI 1 (Specific Objective 1)</p> <p><b>Municipal waste generation and treatment</b> [Kg/person on Y]</p> <p><b>Targets:</b> Reduce generation and landfill. Increase recycling</p> <p>Data source: Eurostat (Data extracted on 21/03/2022)</p>	<table border="1"> <caption>Municipal waste generation and treatment (Kg/person on Y)</caption> <thead> <tr> <th>Year</th> <th>Landfill</th> <th>Recycling</th> <th>Other</th> </tr> </thead> <tbody> <tr><td>2010</td><td>180</td><td>180</td><td>140</td></tr> <tr><td>2011</td><td>170</td><td>180</td><td>140</td></tr> <tr><td>2012</td><td>160</td><td>180</td><td>140</td></tr> <tr><td>2013</td><td>150</td><td>180</td><td>140</td></tr> <tr><td>2014</td><td>140</td><td>180</td><td>140</td></tr> <tr><td>2015</td><td>130</td><td>180</td><td>140</td></tr> <tr><td>2016</td><td>120</td><td>180</td><td>140</td></tr> <tr><td>2017</td><td>120</td><td>180</td><td>140</td></tr> <tr><td>2018</td><td>120</td><td>180</td><td>140</td></tr> <tr><td>2019</td><td>120</td><td>180</td><td>140</td></tr> <tr><td>2020</td><td>120</td><td>180</td><td>140</td></tr> </tbody> </table>	Year	Landfill	Recycling	Other	2010	180	180	140	2011	170	180	140	2012	160	180	140	2013	150	180	140	2014	140	180	140	2015	130	180	140	2016	120	180	140	2017	120	180	140	2018	120	180	140	2019	120	180	140	2020	120	180	140
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<p>KPI 2 (Specific Objective 2)</p> <p><b>Terrestrial and marine areas protected under Natura2000</b></p> <p>Data source: Eurostat (Data extracted on 21/03/2022)</p>	<p><b>Target:</b> Increase and contribute to the 30% increase of EU land, oceans and seas protected by 2030</p> <table border="1"> <thead> <tr> <th>Baseline (2019)</th> <th>Latest results (2020):</th> </tr> </thead> <tbody> <tr> <td>Land: 763 986 Km<sup>2</sup></td> <td>Land: 764 222 Km<sup>2</sup></td> </tr> <tr> <td>Oceans and seas: 441 001 Km<sup>2</sup></td> <td>Oceans and seas: 450 752 Km<sup>2</sup></td> </tr> </tbody> </table>	Baseline (2019)	Latest results (2020):	Land: 763 986 Km <sup>2</sup>	Land: 764 222 Km <sup>2</sup>	Oceans and seas: 441 001 Km <sup>2</sup>	Oceans and seas: 450 752 Km <sup>2</sup>																																										
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<p>KPI 3 (Specific Objective 3)</p> <p><b>Percentage of EU urban population exposed to air pollution. Particulate Matter (PM)</b></p> <p><b>Target:</b> 0% exposure to levels above EU limits</p> <p>Data source: EEA (Data extracted on 21/03/2022)</p>	<table border="1"> <caption>Percentage of EU urban population exposed to air pollution (Particulate Matter)</caption> <thead> <tr> <th>Year</th> <th>PM2.5 (%)</th> <th>PM10 (%)</th> </tr> </thead> <tbody> <tr><td>2014</td><td>8</td><td>16</td></tr> <tr><td>2015</td><td>7</td><td>23</td></tr> <tr><td>2016</td><td>5</td><td>13</td></tr> <tr><td>2017</td><td>8</td><td>17</td></tr> <tr><td>2018</td><td>4</td><td>15</td></tr> <tr><td>2019</td><td>1</td><td>10</td></tr> </tbody> </table>	Year	PM2.5 (%)	PM10 (%)	2014	8	16	2015	7	23	2016	5	13	2017	8	17	2018	4	15	2019	1	10																											
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<p>KPI 4 (Specific Objective 5)</p> <p><b>Compliance with the principles of environmental governance framework</b></p> <p>Data source: DG Environment</p>	<p><b>Target:</b> Close open infringements</p> <table border="1"> <thead> <tr> <th>Baseline (2019)</th> <th>Latest results (2021)</th> </tr> </thead> <tbody> <tr> <td>a) Number of infringement cases relating to the breach of the EU environmental governance framework: <b>45</b></td> <td>a): <b>12</b> of the 45 baseline cases closed (new total number of <b>56</b> including new infringement cases).</td> </tr> <tr> <td>b) Number of infringement cases relating to the breach of access to justice rights in EU environmental rules: <b>15</b></td> <td>b) <b>6</b> of the 15 baseline cases closed (new total number of <b>30</b> including new infringement cases).</td> </tr> </tbody> </table>	Baseline (2019)	Latest results (2021)	a) Number of infringement cases relating to the breach of the EU environmental governance framework: <b>45</b>	a): <b>12</b> of the 45 baseline cases closed (new total number of <b>56</b> including new infringement cases).	b) Number of infringement cases relating to the breach of access to justice rights in EU environmental rules: <b>15</b>	b) <b>6</b> of the 15 baseline cases closed (new total number of <b>30</b> including new infringement cases).																																										
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<sup>6</sup> For the first three KPIs, the 'latest results' dates refer to the date of the data as published by the source



As regards organisational management, the key indicator chosen is the **risk at closure**, expressed as the percentage of relevant expenditure at risk of mismanagement at closure, reflecting the degree of sound financial management achieved.

In 2021, the **risk at closure** was **0,29%** of the total relevant expenditure, well below the target of 2%.

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

In line with the Commission's Internal Control Framework DG Environment has assessed its internal control systems during the reporting year and has concluded that is effective and the components and principles are present and functioning well overall, but some improvements are needed as minor deficiencies were identified. Please refer to AAR section 2.1.3 for further details.

In addition, DG Environment has systematically examined the available control results and indicators, including those for supervising entities to which it has entrusted budget implementation tasks, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

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

### **D. Provision of information to the Commissioner**

In the context of the regular meetings during the year between the DG and the Commissioner on management matters, the main elements of this report and assurance declaration have been brought to the attention of Commissioner Sinkevičius, responsible for Environment, Oceans and Fisheries.

## 1. KEY RESULTS and progress towards achieving the Commission's general objectives and DG's specific objectives

In 2021, DG Environment worked towards achieving the six Specific Objectives set out in its Strategic Plan 2020-2024, which reflect the main environmental ambitions of the Commission's first general objective (GO), the European Green Deal. The DG's objectives are key to achieve the Sustainable Development Goals and a climate neutral Europe. They contribute to other Commission general objectives, including a digital Europe (GO2), an economy that works for people (GO3) and a push for European democracy (GO6). By projecting the European Green Deal abroad, the DG is also supporting a stronger Europe in the world (GO4).

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

The implementation of the **Circular Economy Action Plan** continued in 2021, with a focus on products and product design. Substantial progress was made on a new



**Sustainable Products framework** that will extend the scope of the Ecodesign Directive beyond energy-related products and apply wider criteria such as durability, reparability and recyclability to products sold in Europe. A proposal to substantiate **green claims** using footprint methods was also under development, to avoid greenwashing and ensure consumers can trust environmental claims on products. Impact assessments were conducted for the two files, however, work on the proposals had to be extended to address the recommendations received from the Regular Scrutiny Board.

As regards high-impact sectors, **guidance on single-use plastic** products was adopted, as well as important implementing acts necessary for the implementation of the Single Use Plastics Directive<sup>7</sup>. A policy framework for biobased, biodegradable and compostable plastics was under development, and an impact assessment was launched to identify best options and measures to reduce the unintentional release of microplastics into the environment. A comprehensive EU strategy for **sustainable textiles** was prepared, in collaboration with DG Internal Market, Industry, Entrepreneurship and SMEs. Initially planned for 2021, it was rescheduled for adoption in 2022, together with the Sustainable Product Framework. On the important proposal on **Batteries**, delivered in 2020, the DG continued to support the legislators in their negotiations, together with DG Internal Market, Industry, Entrepreneurship and SMEs and the Joint Research Centre. An agreement, however, was not reached and negotiations will remain a priority for the first half of 2022, under the French Presidency of the Union.

The **waste reforms** announced by the European Green Deal was another key strand in 2021. A proposal for a new Regulation on the **Shipments of Waste** was delivered to ensure that waste exported outside the EU is treated in a sustainable manner, facilitate the shipment of waste for recycling within the EU and tackle illegal waste shipments. This will contribute to reduce the EU external environmental footprint and to build an internal market for secondary raw materials. Trust in the safety and quality of secondary materials is important in boosting demand and in turn improving recycling rates. In 2021, DG Environment delivered an update of the rules on **Persistent Organic Pollutants** in waste<sup>8</sup> with *inter alia* the aim to enhance this trust. The **restrictions of hazardous substances** in electric and electronic equipment adopted in 2021 will also contribute to the uptake of secondary materials (see specific objective 3).

**Waste prevention** is at the pinnacle of the waste hierarchy under the circular economy. **KPI1** generally demonstrates the overall effectiveness of waste legislation in reducing the generation of waste and the amounts of waste going to landfill. However, the EU figures mask significant divergences across EU countries. Updating the EU waste legislation will be key to further improvements. Particularly relevant will be the revision of the **packaging**



**waste legislation** with the objective to reduce packaging and its waste, and make all packaging reusable or recyclable by 2030. The **plastics own resource**, a new national contribution to the EU budget based on the amount of non-recycled plastic packaging waste, entered into force on 1 January 2021<sup>9</sup>, as a powerful practical application of the

polluter pays principle. A uniform call rate of EUR 0.80 per kilogram will be applied to the weight of plastic packaging waste that is not recycled, with a mechanism to avoid excessive contributions from less wealthy Member States. This will not only be a new source of revenue to the EU budget but also provide a strong incentive to advance the circular economy and zero pollution agendas.

Strategic compliance and **enforcement** action continued with a focus on ensuring the complete transposition of waste legislation. Ongoing infringement procedures continued against 18 Member States. Action was also pursued against three Member States that had failed to close and rehabilitate their illegal and substandard landfills<sup>10</sup> and against six that had failed to ensure appropriate treatment of waste before landfilling. The DG also maintained the dialogue with Member States to accelerate the alignment of national plans to the EU's circular economy objectives and the attainment of waste targets.

<sup>8</sup> See details in the performance tables – Specific Objective 1, Other outputs

<sup>9</sup> Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom - OJ L 424, 15.12.2020, p. 1–10

ELI: <http://data.europa.eu/eli/dec/2020/2053/oj>

<sup>10</sup> In 2021, penalty payments of EUR 71.196.057 were collected from four Member States following second judgments of the Court of Justice of the EU

Implementing the international chapter of the Circular Economy Action Plan, the DG formally launched the **Global Alliance on Circular Economy and Resource Efficiency**

22/02/2021

#### EU launches GACERE

The Global Alliance on Circular Economy and Resource Efficiency (GACERE) is one of the deliverables of the EU's Circular Economy Action Plan.

more



(GACERE) at the United Nations Environment Assembly (UNEA 5.1) and initiated the process to join relevant regional alliances in Africa and Latin America. Discussions advanced on a **Global Plastics Agreement** to better manage plastics throughout their lifecycle and avoid marine litter. Bilaterally, the DG continued to strengthen Circular Economy cooperation with a number

of G20 partner countries such as Japan, China, India, and South Africa (see specific objective 6).

The **European Circular Economy Stakeholder Platform** (ECESP) continued to operate as a network-of-networks, generating strong interest with a 30% increase in social media presence (including 270% increase of Linked-In followers and 145% increase on Twitter). Particularly successful were the **#EUCircularTalks**, which combined on-line dialogues with written outcomes. In partnership with the European Economic and Social Committee, 26 events took place virtually and more than 700 case studies and best practice examples were uploaded on the website. The ECESP took also part in international events such as the World Circular Economy Forum, the Climate Change Conference (COP26) and the Dubai Expo.

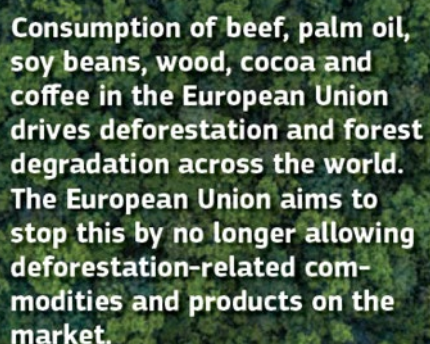
**External communication** activities accompanied the adoption of each Circular Economy deliverable under the European Green Deal, contributing to raise citizens awareness of daily concrete impacts and benefits of EU's action.

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

In 2021, the implementation of the **EU Biodiversity Strategy for 2030** made decisive strides. Supported by the new Knowledge Centre for Biodiversity, a new **governance framework** was established to coordinate the implementation of strategy and an **online dashboard** was developed to monitor the progress. Several **guidance documents** were published to facilitate the achievement of the biodiversity targets, notably regarding the designation of additional protected areas, the improvement of conservation of protected species/habitats and for the removal of barriers for river restoration. Efforts continued to complete the **Natura2000 network**, as reflected in the DG's second Key Performance Indicator (KPI2). The 6<sup>th</sup> edition of the **Natura 2000 Award** honoured leading nature conservation achievements connected to the Natura 2000 network of protected areas.

**Forests** were high on the agenda, in connection to their essential role to achieve the EU's climate and biodiversity objectives. In collaboration with DG Agriculture and Rural Development and DG Climate Action, a new **EU Forest Strategy** was delivered to enhance forest protection, restoration and sustainable management. A core aim was to increase forests' resilience to wildfires and pests as well as their role as carbon sinks.

The need to address the EU's global footprint was tackled through the adoption of a legislative proposal to minimise the risk of **deforestation and forest degradation**



Consumption of beef, palm oil, soy beans, wood, cocoa and coffee in the European Union drives deforestation and forest degradation across the world. The European Union aims to stop this by no longer allowing deforestation-related commodities and products on the market.

associated with products placed on the EU market. The fitness check of the EU Timber<sup>11</sup> and Forest Law Enforcement, Governance and Trade (FLEGT)<sup>12</sup> Regulations provided evidence for this proposal, also supported by a dedicated impact assessment and public consultation. The views of the European Parliament, as reflected in its legislative initiative resolution<sup>13</sup>, were duly considered.

Soil is another strategic priority. In November, a new **EU Soil Strategy** set up an overarching framework and concrete actions to achieve healthy soils across the EU by 2050. Preparatory work started for the development of the Soil Health Law announced in the strategy, as well as on a new Action Plan on **Integrated Nutrients Management**.

Reversing the decline of wild pollinators, a key indicator of the health of agroecosystem (monitored as result indicator 2.3), remained a central concern. A report on the **EU Pollinators Initiative** showed that, despite important progress, significant challenges remain. Comprehensive stakeholder consultation activities were launched with a view to deliver a revised initiative in 2022 and legally binding targets on pollinators were considered for the Nature Restoration proposal, to be adopted in 2022. To raise awareness, the DG launched **The Pollinator Park**, a virtual reality exhibition based on using innovative technology to bring nature closer to citizens won the best non-entertainment game award at the 2021 Belgian Games Awards.

In October, the DG delivered the first implementation report under the **EU Invasive Alien Species** Regulation. It showed progress towards the main Regulation objectives - the prevention and management measures, information sharing and awareness of the problem – but also challenges. A proposal to add 30 new species to the Union list of Invasive Alien Species was prepared to deal with the most threatening situations. Important efforts were also dedicated to the development of a proposal to set binding **nature restoration targets** and its impact assessment. Delivery of the proposal, however, was postponed due to its complexity.

**Seas and oceans** continue to be under severe pressure. Extensive public and stakeholders consultations were carried out for the review of the Marine Strategy Framework Directive, to help evaluating the existing measures as well as exploring options for improvement. In parallel, the DG assessed Member States' reporting on their marine strategies, with a view to deliver a comprehensive EU report in 2022. In collaboration with DG Maritime Affairs and

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<sup>11</sup> Regulation (EU) No 995/2010 laying down the obligations of operators who place timber and timber products on the market.

<sup>12</sup> Council Regulation (EC) No 2173/2005 on the establishment of a (FLEGT) licensing scheme for imports of timber into the European Community.

<sup>13</sup> European Parliament resolution of 22 October 2020 with recommendations to the Commission on an EU legal framework to halt and reverse EU-driven global deforestation, 2020/2006(INL)

Fisheries, a targeted consultation was launched to support the development of an upcoming action plan to conserve fisheries resources and protect marine ecosystems.

**Enforcement action** continued to address structural shortcomings in the implementation of the nature Directives. Action was taken against 9 Member States to ensure the completion of the Natura 2000 network and the adequate conservation of the Special Areas of Conservation, and was pursued against 5 Member States to address the insufficient protection of species and habitats in decline due to infrastructure projects, agricultural practices or illegal logging. Finally, action was taken against 18 Member States for their failure to adopt measures to prevent the spread of invasive alien species. Ensuring adequate funding for biodiversity notably through mainstreaming into the biggest EU funds, is also fundamental for the implementation of the nature legislation and the objectives of the Biodiversity Strategy (as described under Specific Objective 4).

At the **international level**, work towards an ambitious global biodiversity framework at

EU Environment  
ENV Today, EU takes further steps aimed at effectively banning most forms of EU trade in ivory



the 15<sup>th</sup> Conference of the Parties to the United Nations **Convention on Biological Diversity** (COP15) continued as a first priority. Preparations were also ongoing for the 15<sup>th</sup> Conference of the Parties to the UN Convention to Combat **Desertification**, both expected to take place in June 2022. The implementation of the CITES Convention on International **Trade in Endangered Species** continued, aligning international and EU efforts to protect endangered species through the regulation of their trade. Rules on ivory products were tightened and

guidance issued to effectively prevent EU trade in ivory. The EU Action Plan against **Wildlife Trafficking** was under revision with the aim to adopt a new plan in 2022, to ensure continuity of action against this type of global organised crime.

DG Environment took active part in the ministerial meetings of the three **Regional Sea Conventions** to which the EU is a contracting party<sup>14</sup>. Outcomes include the creation of a large marine protected area in the North East Atlantic, the decision to establish a Sulphur emissions control area in the Mediterranean; and regional strategies to protect the marine environment in the three sea regions.

Biodiversity remained a key **external communication** priority, to build momentum for action within the EU and globally and support the EU's leading role in the upcoming international negotiations. The Global Coalition United for Biodiversity, launched in March 2020, continued mobilising zoos and aquariums, botanic gardens, parks and protected areas, research centres, universities and museums to boost public awareness about the nature crisis and the importance of EU intervention to address it.

Preparations started for the DG's first youth engagement campaign on nature and biodiversity, '**On the Green Track**', developed in co-creation with young people and youth

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<sup>14</sup> . OSPAR (June 2021); HELCOM (October 2021) and a BARCELONA conference of the parties (December 2021)

organisations. A call for events received 84 applications from young organisers from across the EU; and over 30 were selected to be implemented with Commission support in spring 2022, in the run-up to COP15. In 2022, DG Environment's Green Track will be the flagship initiative of the green strand of the European Year of Youth.

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

Pollution of air, water and soil continues to be of high concern for European citizens. The European Green Deal calls for an integrated governance in tackling pollution sources, to build a Healthy Planet for Healthy People. The COVID-19 pandemic has also strengthened the need for a stronger, integrated health and environment agenda. In 2021, DG Environment presented a **Zero Pollution Action Plan** to tackle pollution with a systemic approach across sources. It set out a vision for 2050 to reduce air, water and soil pollution to levels that are not considered harmful to health and natural ecosystems and respect the planetary boundaries, thereby creating a **toxic-free environment**. The vision is translated into six key 2030 targets to speed up reduction of pollution at source, supported by nine innovative flagship initiatives and 33 additional actions. In line with the EU digital strategy, the action plan was complemented by two Staff Working Documents, on monitoring relevant data and on **digital solutions**. The **EU Green Week**, fully virtual in 2021, was dedicated to the Zero Pollution Action Plan and provided an opportunity to launch a dedicated Stakeholder Platform. The first meeting of the **Zero Pollution Stakeholder Platform** took place on 16 December 2021, bringing together the selected members from business, civil society and other organisations.



Implementation of the **Chemicals Strategy for Sustainability** adopted in 2020<sup>15</sup> was under way, to better protect citizens and the environment from hazardous chemicals, and encourage innovation for the development of safe and sustainable alternatives. The first meeting of the **high-level roundtable** created under the Strategy took place in May. With support from DGs Environment and Internal Market, Industry, Entrepreneurship and SMEs, leaders from Member States, industry, NGOs, international organisations and scientists defined their role as ambassadors of the toxic-free environment and exchanged views on the challenges and opportunities of the industrial transition.

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<sup>15</sup> COM(2020) 667 final, adopted in October 2020

Impact assessments were launched to revise the two cornerstones of the EU chemicals legislation<sup>16</sup>. Their implementation continued in parallel, in particular regarding restrictions and authorisations under REACH. Important work was done to minimise the presence of substances of concern under the Directive on the **Restrictions of Hazardous Substances** in electric and electronic equipment, most notably regarding mercury-containing fluorescent lamps, which will end most of the persisting uses of mercury in lamps permitted during the transition period. These actions will contribute to improve recycling rates (see specific objective 1).



With regards to risks for public health, **air pollution** remains the first environmental challenge, despite the progress made in recent years – as reflected by the third Key Performance Indicator (**KPI3** on particulate matter). To address the main remaining challenges identified in 2020 through a fitness check, the DG started working on a revision of the EU Air Quality legislation to be adopted in 2022. An impact assessment was launched and stakeholder consultations were conducted. At the third EU Clean Air Forum, decision makers, stakeholders and experts from across the EU discussed options to further improve air quality.

As regards water, several work strands were ongoing to improve **water quality and efficiency** by raising water quality standards and integrating circular principles. In December 2021, an agreement was found with Member States on a first watch list of substances to be monitored throughout the whole drinking water supply chain. A broad review of EU water legislation was launched with a view to better tackle chemical pollution. Work on the revision of the Urban Waste Water Treatment Directive, scheduled for 2022, made important progress and preparations started for the entry into force of the revised Drinking Water Directive and the new Water Reuse Regulation in 2023.

The update of EU measures on **industrial emissions**, called for by the European Green Deal, was also undertaken. A broad impact assessment, supported by extensive public and stakeholder consultations, was carried out and received a positive opinion from the Regulatory Scrutiny Board. Two proposals were under preparation, for adoption by the Commission in April 2022. They will contribute to the deep industrial transformation starting already and leading up to 2050, so that industry and the industrial emissions framework play their part in achieving the objectives of zero pollution and net zero GHG emissions.

**Enforcement action** focused on addressing structural or systemic shortcomings. In particular, action was taken to address:

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<sup>16</sup> Regulation(EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures



- the insufficient measures by 7 Member States to meet air quality standards for key pollutants (PM<sub>10</sub>, NO<sub>2</sub> and PM<sub>2.5</sub>) and certain planning obligations;
- the absence of noise maps and action plans in one Member State;
- instances of non-conform transposition of the environmental directives on industrial emissions and on the prevention of industrial accidents in 9 Member States;
- serious health risks resulting from non-compliance with the rules on drinking water or the operation of industrial plants in three Member States;
- the failure of 8 Member States to ensure collection and treatment of urban wastewaters and provide appropriate reporting<sup>17</sup>;
- the lack of designation of vulnerable zones and the insufficient measures taken by action plans regarding pollution from nitrates in one Member State.

At **international level**, the preparation of the 5<sup>th</sup> session of the International Conference on **Chemicals Management**, which will address the sound management of chemicals and

EU Environment @EU\_ENV · Sep 29, 2021  
 On this 1st day of the @UNECE #WaterConvention #MOP9, we have concluded all assessments.



waste globally, continued through several virtual meetings. The DG contributed substantially to that process as well as to the virtual segment of the Conferences of the Parties to the **Stockholm** (persistent organic pollutants), **Rotterdam** (international trade in hazardous chemicals and pesticides) and **Basel** (transboundary movement of hazardous waste) conventions. Under the **Minamata Convention on mercury**, based on a proposal prepared by the DG, the EU proposed to further restrict global uses of mercury in products and

manufacturing processes. The proposal will be considered at the Conference of the Parties taking place in March 2022. DG Environment continued promoting the UNECE **Water Convention**, and participated in the 2021 Meeting of the Parties, as well as major global events, such as the 2021 World Water Forum and the United Nations General Assembly Water conference.

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

**Environmental integration** is about taking environmental concerns fully into account across EU policies. It is essential to make certain that **public and private investments** achieve ambitious environmental objectives.

<sup>17</sup> In 2021, penalty payments of EUR 47.427.122 were collected from 4 Member States following second judgments of the Court of Justice of the EU

Contributing to build the EU **sustainable finance** framework is a priority, in collaboration with DG Financial Stability, Financial Services and Capital Markets Union, DG Climate Action, Joint Research Centre and other core DGs. In 2021, work focused on revising the sustainable finance strategy and developing criteria for the identification of green economic activities based on environment objectives. These criteria will be applied widely, including through the Commission's proposal for an EU green bond standard.

#### Environmental sustainability

187 reform measures

872 investment measures

€183.4 billion

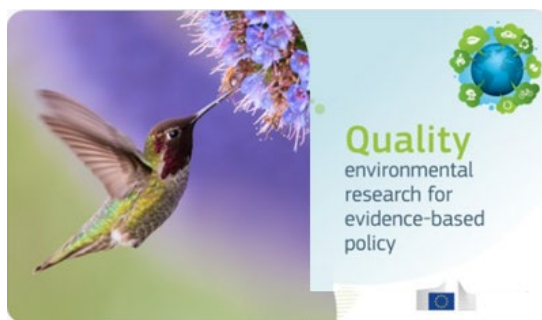


Greening the **European Semester** cycle of economic and employment policy coordination was another priority, to ensure that the EU's macroeconomic policies are sustainable not only economically and socially, but also environmentally. In 2021, huge progress was made in transforming the EU economies for the green transition, mainly via the implementation of the **Recovery and Resilience Facility** in line with the European Green Deal. Embedded in the European Semester, the Facility is a key tool to advance an ambitious **green reforms and investments** agenda. Investment and reforms to reduce air, water and soil pollution at source will save the economy important costs, such as for healthcare, lost workdays and crop losses. Improving environmental infrastructure (for example in the areas of water and waste), protecting and restoring biodiversity and natural ecosystems as well as ensuring sustainable food systems will strengthen resilience, create new business opportunities and improve public health. The green transition and circular economy is supported by other **EU funding instruments** such as cohesion policy, the Just Transition Fund and InvestEU. DG Environment continued providing the necessary input to seek for complementary EU funding to support investment needs.

Environmental integration is also key for compliance with the **do no significant harm** principle. In 2021, DG Environment contributed to develop technical guidance on the application of this principle under the Recovery and Resilience Facility, as well as on the linkages with the strategic environmental assessments under Cohesion policy, including the elaboration of a Commission Explanatory Note on the application of the do no significant harm principle under Cohesion Policy in line with the Common Provisions Regulation (EU) 2021/1060. The DG contributed also to the coherent and practical application of these principles and methodology across the **sectoral EU budget instruments**, with a focus on Cohesion policy, Trans-European networks for Transport and Energy, InvestEU and the Common Agricultural Policy.

A new methodology for **tracking biodiversity expenditure** across EU funding programmes was also finalised and will help to implement the EU decision to allocate at least 10% of the Multiannual Financial Framework to biodiversity in 2026 and 2027 (and 7.5% in 2024). Adequate funding for biodiversity is crucial for the implementation of the EU Biodiversity Strategy for 2030, which calls to unlock at least EUR 20 billion/year for nature. Ensuring that the national **Common Agriculture Policy** Strategic Plans are in line with the European Green Deal objectives is also a priority and requires significant efforts from DG Environment, in parallel with the implementation of the transitional Common Agricultural Policy Regulation for 2021/2022.

With regard to **Research & Development** activities, the DG contributed to ensure that Horizon Europe supports the environmental priorities of the European Green Deal, notably through that new EU missions, which aim to tackle big challenges in health, climate and the environment, and to achieve ambitious and inspiring goals in these areas.



The DG worked successfully to ensure the full integration of environmental priorities in EU **external, enlargement, neighbourhood and development**, in close collaboration with the European External Action Service, DG International Cooperation and Development, DG Neighbourhood and Enlargement Negotiations and the Service for Foreign Policy Instruments. This is particularly reflected in the unprecedented high number of multiannual indicative programmes that prioritize action on environment. The DG managed new projects under the Cooperation Agreements with the United Nations Environment Programme, and secured a substantial sub-delegation under the Global Europe instrument to support global environmental governance for the new budgeting period 2021-2027. This will enable the DG to support effective multilateralism on global environmental issues and promote the external dimension of the European Green Deal.

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

A sound **governance framework** and collaboration with Member States and stakeholders are key to achieving the full implementation of environmental legislation as well as an effective green transition.

In 2021, DG Environment, together with DG Climate Action, actively supported the co-legislators in reaching an ambitious agreement on the **8<sup>th</sup> Environment Action Programme** (8<sup>th</sup> EAP). The 8<sup>th</sup> EAP will guide public authorities and stakeholders action towards implementing the European Green Deal and will ensure a stable strategic framework for environmental policy until 2030. In parallel to the interinstitutional negotiations, and working together with other Commission services and stakeholders, the DG started developing a monitoring framework to enable measuring progress, facilitate communication and strengthen coherence with other monitoring frameworks that also cover environmental and climate policies.

A swift interinstitutional agreement, facilitated also by DG Environment, was reached on the revised rules on **Access to Justice** in environmental matters. The revised Regulation enhances the consistency between EU environmental laws and non-legislative acts in policy areas such as energy, agriculture, transport, health, internal market. They also meet the Union's international obligations under the **Aarhus Convention**, thereby closing a long

standing case against the EU. To help Member States implement the renovated rules, the [Cooperation with Judges Programme](#) provided training to national judges and updated information about access to judicial review in environmental matters was made available on [the eJustice portal](#), also contributing to empowering EU citizens.

**Environmental crime** is the fourth largest criminal activity in the world, growing at a rate of between 5-7% per year. DG Environment collaborated with DG Justice and Consumers in the revision of the Environmental Crime Directive, delivering a draft proposal that was adopted by the Commission in December. The proposal, accompanied by a Communication on stepping up the fight against environmental crime, will help to ensure a more effective enforcement of the EU's environment legislation through criminal law.



The **Strategic Environmental Assessment** (SEA) and **Environmental Impact Assessment** Directives are crucial to enhance planning and project governance. In 2021, DG Environment delivered **guidance** clarifying the obligations of authorities and developers regarding changes and extension of projects and installations, including also a much expected chapter on how the Environmental Impact Assessment Directive applies to the extension of the lifetime operation of existing nuclear power plants. The preliminary judgment of the Court of Justice of the EU in the Doel case required clarifications about the application of the Environmental Impact Assessment Directive in these cases to ensure coherent application of the Directive in the Member States and in alignment with the Espoo Convention.

Granting easy access to high quality information is another key to improving governance. An evaluation of the INSPIRE Directive on geographical data was in progress and will contribute to the **GreenDataForAll** initiative, launched under the EU Data Strategy to modernise data collection and management, making it easier for public authorities, businesses and citizens to support the green transition while reducing administrative burden.

Strategic **enforcement action** continued to support the implementation of the horizontal instruments that underpin good governance. Ten infringement cases were successfully closed, as obstacles to access justice were removed or identified transposition problems were corrected<sup>18</sup>. In the framework of an interstate complaint brought by Czechia against Poland under Article 259 TFEU concerning the prolongation of the coal mining concession in Turów (Poland), DG Environment acted as an honest broker, providing support to both countries and encouraging them to work together and solve the matter amicably. The European Court of Justice imposed financial penalties to Poland in the course of proceedings, of EUR 500 000 per day to be paid to the EU budget. The Commission took the necessary measures to collect the fines (which remain due even in case of friendly settlement between the parties, which is not retroactive).

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<sup>18</sup> Additional actions, prepared in 2021, were taken in January 2022 against nine Member States to ensure that governance rules are effectively implemented.

Environmental action is particularly important in **urban areas** where a majority of EU citizens live. In 2020, DG Environment launched the **Green City Accord** to motivate city authorities to achieve by 2030 a significant improvement in air and water quality; considerable progress in conserving and enhancing urban biodiversity, an important reduction in noise pollution and enhanced progress towards the circular economy with significant improvements in waste management. During 2021, a further 80 cities from across the EU Member States joined the Accord. The Green City Accord is expected to make



an important contribution to delivering the European Green Deal locally. It is supported by the **European Green Capital and Leaf awards**, which reward cities that are leading in urban sustainability. In September, Tallinn was awarded the title European Green Capital 2023, while Valongo and Winterswijk were awarded jointly the European Green Leaf 2022.

To multiply the **external communication** of environmental priorities and support corporate communication, DG Environment continued deploying tools and initiatives to bring environmental policy closer to citizens and promote their engagement. An active **information policy** addressed the general public -via media including press, publications, website and social media- while key stakeholders were targeted with specific conferences and events. The DG continue working with **networks** such as the **Green Spiders** Network of national communication correspondents and the Global Coalition **United for Biodiversity** gathering zoos and aquariums, botanic gardens, parks and protected areas, research centres, universities and museums (see specific objective 2). The DG also engaged actively in dialogues and debates with citizens, including in the context of the Conference of the Future of Europe. Following the announcement of the **European Year of Youth** by the Commission, a dedicated DG Environment Youth Engagement Strategy was developed, for implementation in 2022. Its key objective is to engage youth in all environmental policy areas through campaigns, dialogues, events, ambassadors schemes and other initiatives.

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

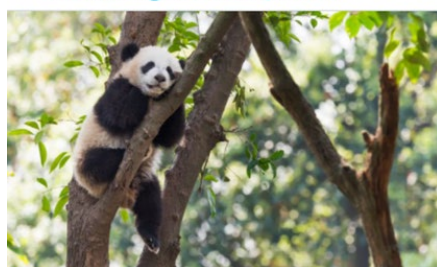
With a strong domestic environment *acquis* and a set of ambitious strategies under the European Green Deal, pressures on the environment emanating from third countries came increasingly into focus. DG Environment contributed to enhancing the EU's global role as an anchor of responsibility, cooperation and solidarity, by addressing the interlinked global challenges of biodiversity loss, pollution, resource depletion and climate change and by promoting circular economy as a solution to a **green global economic recovery**.

In 2021, despite the difficulties of reaching out in the COVID-19 pandemic, DG Environment continued to pursue bilateral policy advocacy and other forms of exchanges in the

framework of **Green Deal diplomacy**. Outreach to partner **countries and regions** was geared towards supporting a green and just recovery oriented towards a fundamental transformation to sustainable production and consumption systems worldwide. The thematic focus followed the **external dimension of the European Green Deal** and the international chapters of the Biodiversity Strategy, the Circular Economy and the Zero-pollution Action Plans. Another focus was to ensure that the highest standards of environmental protection are upheld in EU **Free Trade Agreements** ensuring effective implementation of the relevant trade and sustainable development chapters.

An enhanced presence in **Africa**, in line with the political priorities of this Commission, was pursued, contributing to the implementation of the Communication “Towards a comprehensive strategy with Africa”<sup>19</sup>. The EU-AU Summit, initially expected in 2021, was postponed to February 2022, however work started with contributing to green deliverables in the EU-AU ministerial meeting that took place in Kigali in October 2021. At continental level, active engagement continued with the African partners in the context of the African Ministerial Conference on the Environment (AMCEN) which took place virtually in 2021.

To ensure minimum disruption of diplomatic relations with **strategic partners**, high-level dialogues on the broader environment agenda were conducted through video-conferencing, paving the way for technical exchanges and project-based cooperation. This included dialogues with ASEAN, Brazil, China, India, Indonesia, Japan, Mexico, Republic of Korea, South Africa and other key countries and regions. In line with the Communication on a “new transatlantic agenda”<sup>20</sup> DG Environment sought to step up its dialogue and technical cooperation with the **United States** building on the relaunched partnership with the Environmental Protection Agency and the working arrangements agreed in 2019, and taking advantage of opportunities developing under the new administration. The DG



engaged actively with **India** on the implementation of the EU-India Resource Efficiency and Circular Economy Partnership launched in 2020 and contributed to the conclusion of the first-ever Green Alliance with **Japan** during the latest Summit in May 2021, laying the foundations for further deepening in a “whole-of-government” approach. Finally, the DG continued to closely engage with **China** as host of the Convention on Biological Diversity’s 15<sup>th</sup> Conference of the Parties and indispensable partner for greening supply chains and

transitioning to a global circular economy, in particular through the Environmental Policy Dialogue led by Commissioner Sinkevičius and the High-level Dialogues on Environment and Climate Change led by Executive Vice President.

Following the Ministerial meeting of the **Eastern Partnership**, DG Environment actively contributed to the revision of the multilateral architecture, to the **Eastern Partnership Summit** and to the organisation of the Ministerial meeting on Environment and Climate of the **Union for the Mediterranean** (Cairo, 4 October 2021), which adopted an ambitious

<sup>19</sup> JOIN(2020) 4 final

<sup>20</sup> JOIN(2020) 22 final

declaration for a common green agenda in the Euro-Mediterranean region. Environment priorities were also clearly reflected in the **Southern Neighbourhood** and in the new **EU Arctic Policy**

In the **enlargement** area, the DG's work on supporting enlargement negotiations resulted in opening of the negotiations on the environment chapter with Serbia a major deliverable in enlargement negotiations. The DG also worked very closely with DG Neighbourhood and Enlargement Negotiations in steering the development and adoption of an Action Plan for the Implementation of the Green Agenda for the **Western Balkans** which was endorsed at the EU-Western Balkans Summit.

At the **multilateral level**, DG Environment engaged in particular to prepare the EU's contribution to the fifth session of the **United Nations Environment Assembly** (UNEA5) focusing *inter alia* on a **Global Plastics Agreement** to reduce pollution worldwide. It collaborated with the Sustainable Consumption and Production programmes such as the 10 Years Framework Programmes (10YFP) and One Planet network. UNEA5 provided also the occasion to formally launch the **Global Alliance on Circular Economy and Resource Efficiency**, one of the deliverables of the Circular Economy Action Plan (see specific objective 1). DG Environment's work was key for the EU's leading role and ambition to protect people and the planet at the first phase of **COP15**, the UN Biodiversity Summit (specific objective 2). The DG was also present at **COP26**, the UN Climate Change Conference, participating in side-events such as on "Circular solutions to reach the 1,5-degree target", and in the official launch of the Glasgow Declaration on Climate Action in Tourism, an event hosted by the UN World Tourism Organization to unite those leading the transformation of the tourist sector

DG Environment participated in relevant G20 and G7 meetings, notably those of **G20/Resource Efficiency Dialogue** and **G7/Resource Efficiency Alliance**. Ambitious environmental commitments were achieved, including the adoption of the G20 2021-2023 RED Roadmap on resource efficiency and circular economy to contribute to global sustainability of production and consumption, as well as the leaders' declarations on the recognition of Marine Protected Areas (G20) and the adoption of the 2030 Nature Compact (G7).

In a year in which Conferences of the Parties were held under seven major **Multilateral Environment Agreements**, the DG, representing the EU, strived to achieve outcomes in line with the Green Deal ambitions, seizing opportunities within a multilateral setting more favourable to environmental priorities than in past years.

## **2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL**

### **2.1. Financial management and internal control**

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

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

- the annual reports and declarations by AOD and AOSDs in which all financial (trans)actions are verified;
- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;
- the reports on control results from entrusted entities such as the European Investment Bank (EIB) as well as the result of the Commission supervisory controls on the activities of these bodies, and participation in the management board meetings of the European Climate Infrastructure and Environment Executive Agency (CINEA);
- the contribution of the Internal Control Coordinator, including the results of internal control monitoring at the DG level, and the contribution of the Risk Coordinator;
- the outcome of the DG ex-post audit plan 2021;
- the observations, recommendations and the conclusions on the state of internal control reported by the Internal Audit Service (IAS);
- the observations and the recommendations reported by the European Court of Auditors (ECA);
- the annual review report of the DG Environment's Advisory Committee on procurement (ENVAC);
- Periodic reports and dashboards to management on resource issues.

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Director-General of DG Environment.

This section covers the control results and other relevant elements that support management's assurance. It is structured into 2.1.1 Control results, 2.1.2 Audit observations and recommendations, 2.1.3 Effectiveness of internal control systems, and resulting in 2.1.4 Conclusions on the assurance.



### 2.1.1. Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO) <sup>(21)</sup>. The DG's assurance building and materiality criteria are outlined in AAR's Annex 5. The Annex 6 of the AAR outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

#### **OPERATIONAL STRUCTURE**

DG Environment is structured around six directorates divided in units. By the end of 2021, the DG had 415 officials, 36 Seconded National Experts, 41 contract agents, 24 trainees and 22 service providers.

#### **FINANCIAL OVERVIEW AND MANAGEMENT PARTNERS**

DG Environment is responsible for the implementation of the environment part of the LIFE programme. Other expenditure includes the contributions to the budgets of the European Environment Agency (EEA) and the European Chemicals Agency (ECHA) and contributions to multilateral international environmental agreements, pilot projects and preparatory actions, as well as routine administrative expenditure. This represents in 2021 a total budget of EUR 534 million in commitment appropriations and EUR 440 million in payment appropriations.

Most of the LIFE budget implementation is delegated to the European Climate Infrastructure and Environment Executive Agency (CINEA). In 2021, the total amount delegated by DG Environment to CINEA (mainly) or to other DGs was EUR 419 million in commitment appropriations and EUR 273 million in payments. Supervision arrangements are in place, based on memoranda of understanding and/or reporting obligations. DG Environment is member of the Steering Committees of CINEA; daily contacts and monthly meetings between both entities ensure good implementation of the LIFE programme and allow feedback from projects to policies. Further information on CINEA's activities under the LIFE programme is available in the executive agency's Annual Activity Report.

The commitments and payment appropriations administered directly by DG Environment in 2021 amount to **EUR 112 million** and **EUR 162 million** respectively. The consumption of commitment and payment appropriations is very satisfactory **with implementation rates above 99%** at year-end<sup>22</sup>. DG Environment implements its budget mostly through direct management, but some specific actions are implemented in indirect management mode.

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<sup>(21)</sup> 1) Effectiveness, efficiency and economy of operations; 2) reliability of reporting; 3) safeguarding of assets and information; 4) prevention, detection, correction and follow-up of fraud and irregularities; and 5) adequate management of the risks relating to the legality and regularity of the underlying transactions, taking into account the multiannual character of programmes as well as the nature of the payments (FR Art 36.2). The 2nd and/or 3rd Internal Control Objective(s) (ICO) only when applicable, given the DG's activities.

<sup>22</sup> Appropriations carried out automatically to the next budgetary year (e.g. payment appropriations for administrative expenditure, assigned revenue from recoveries) can be implemented in 2022. Therefore, they are deducted for the calculation of the implementation rates.

The table below gives an overview of the budget implementation in 2021. A short presentation of the bodies that collaborate with DG Environment for the implementation of the budget and/or as recipients of contributions from the budget are provided in Annexes 7 "Specific annexes related to "Financial Management", Annex 11 "Implementation through national or international public-sector bodies" and 13 "Decentralised agencies".

### **CONTROL STRATEGY SUPPORTING MANAGEMENT'S ASSESSMENT**

The vast majority of the DG Environment's payments authorised in 2021 relate to grants/contributions agreements with international organisations, procurement and contributions to decentralised agencies. The control strategies for grants and procurement are further explained in Annex 6 "Relevant Control System(s) for budget implementation".

### **Financial overview DG Environment**

<b>Overview table (amounts in EUR million) of payments made in 2021</b>						
<b>Activities</b>	<b>Grants</b>	<b>Procurement</b>	<b>Contributions to agencies</b>	<b>Contribution agreements with International Organisations</b>	<b>Mandatory contributions to international agreements to which the EU is party</b>	<b>Total</b>
<b>Administrative expenditure</b>	0,00	0,02				0,02
<b>LIFE</b>	24,33	38,31		0,74		63,38
<b>Contributions to decentralised agencies (EEA and ECHA)</b>			56,70			56,70
<b>Multilateral Environment Agreements</b>					3,44	3,44
<b>Pilot Projects and Preparatory Actions</b>	1,32	4,05				5,37
<b>Co-delegations received from other DGs</b>	15,45	1,15		13,57		30,17
<b>Totals</b>	<b>41,10</b>	<b>43,52</b>	<b>56,70</b>	<b>14,31</b>	<b>3,44</b>	<b>159,07</b>

The assessment by management is based on the results of key controls performed in 2021, notably ex-ante controls, on-site monitoring of LIFE projects by the external monitoring team and ex-post audits. The most relevant quantitative control indicators for 2021, compared to 2020 and 2019, are available in annex<sup>23</sup>. Management's factual conclusion on the control results, their completeness and reliability is positive. Therefore, DG Environment reports reasonable assurance about the achievement of each of the relevant internal control objectives. No significant issue requiring a reservation has been identified.

DG Environment is overall satisfied with the cooperation with CINEA, as well as the management of the LIFE projects entrusted to CINEA. For the EIB's financial instrument Natural Capital Financing Facility (NCF), due to the slow uptake of the loans by the final beneficiaries, the risk of irregularities or loss of assets is currently close to zero.

<sup>23</sup> See Annex 7, Table "Key control indicators for 2021"

## **SPECIFIC REPORTING STEMMING FROM THE FINANCIAL REGULATION**

In line with the 2018 Financial Regulation<sup>24</sup>, DG Environment's assessment for the new reporting requirement is as follows:

- Cases of "confirmation of instructions" (new FR art 92.3):  
This procedure has been used to authorise two Head of Units to sign in blue ink procurement contracts and grant agreements, as well as amendments of those, on behalf of all the Authorising Officers of DG Environment.
- Cases of financing not linked to costs (new FR art 125.3):  
No such cases for the DG.
- Financial Framework Partnerships >4 years (new FR art 130.4):  
No such cases for the DG.
- Cases of flat-rates >7% for indirect costs (new FR art 181.6):  
No such cases for the DG.
- Cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2):  
No such cases for the DG.

### **1. Effectiveness of controls**

#### **a) Legality and regularity of the transactions**

DG Environment uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned. The control objective is to ensure that the final amount at risk related to payments authorised in 2021 does not exceed 2%.

#### **Procurement**

The risk of payment-related errors is considered insignificant as: 1) there is an extremely limited number of pre-financings, 2) in case of partial delivery the full contract amount is not paid and 3) technical reports and deliverables required for the payments are discussed with the contractor and approved before the final payment. The risk of errors related to the selection and award process is deemed to be low in the light of the existing ex-ante control systems, and finally controls and meetings are implemented during the management of the contract.

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<sup>24</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union

Thorough ex-ante controls apply to procurement-related transactions in DG Environment. In addition to the mandatory initiator/verifier controls of all commitments and payments, procurement specialists in the financial unit systematically provide advice and support the operating units, for the whole lifecycle of a contract, from the terms of reference until the final payment/de-commitment.

Also, the DG Environment Advisory Committee (ENVAC) for procurement performs verifications of all contracts above EUR 500 000 and all framework contracts issued, all procurement contracts corresponding to European Parliament's Pilot Projects and Preparatory Actions, plus a sample of contracts of lower value, covering different procurement options (negotiated procedures, specific contracts under Framework contracts, etc.) and all DG policy areas. The value and type of procedures are the main factors of ENVAC's risk-based approach.

### **Grants/Contribution agreements with International Organisations**

For grants under the LIFE programme, the estimation of the amount at risk is based on ex-post audits performed in 2021. The ex-post audit team sampled 27 of the 102 LIFE grants for which a final payment was made throughout 2020. The audited grants represent an audit coverage of 26 % of the number of projects closed in 2020 and 40 % of the total value of those grants. The sample is based on a random selection through the MUS methodology (Monetary-Unit Sampling).

The European Court of Auditors, in its 2018 Annual Report and its review of the Commission's ex-post audits, observed that the methodology for calculating the error rate leads to an understatement of the error rate. As a result, DG Environment has adapted its methodology for the calculation of the LIFE program error rate in line to the Court's observations. Starting 2019, the detected error rate (DER) has been calculated using the new method. The 2021 detected error rate of 0.07 % is also calculated accordingly. The residual error rate (RER) for 2021 is 0.04 %, well below the materiality threshold of 2 %<sup>25</sup>.

Contribution agreements are signed with 'pillar assessed' international organisations, i.e. entities that have undergone an ex ante assessment that demonstrated a level of financial management and protection of the EU's financial interest equivalent to that of the Commission. In 2021, DG Environment signed agreements with UNEP, UNECE, UNCCD and OECD.

### **Contributions to decentralised agencies**

For the two EU decentralised agencies (European Environment Agency, and European Chemicals Agency for its activities in the area of environmental directives) for which DG Environment was responsible in 2021, the Court of Auditors gave a positive declaration of assurance for the year 2020. The comments made by the Court do not call into question reasonable assurance on the operating budget managed by the EU agencies. From its own monitoring and supervision work as a responsible DG, DG Environment did not become

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<sup>25</sup> Please see further details about the calculation of error rates in Annex 7

aware of anything that would indicate control weaknesses as regards legality and regularity.

### **CONCLUSION ON LEGALITY AND REGULARITY OF TRANSACTIONS**

DG Environment's portfolio consists of segments with very low error rates. This is, respectively, thanks to the inherent risk profile of the beneficiaries and funding modalities and the performance of the related control systems.

Therefore, reasonable assurance can be provided given the following cornerstones:

- robust ex-ante controls performed at various stages in the financial circuit;
- quality advice provided by procurement experts to the desk officers and authorising officers in the operational/policy units;
- independent and positive ENVAC verifications;
- guidance on how to deal with EDES (Early Detection and Exclusion System) cases, with IPR and training for officers participating in Evaluation Committees;
- no significant errors and weaknesses detected by the internal and external auditors.
- a specific COVID-related assessment on the signature of contracts was conducted in 2021 to ensure the sound financial implementation and to check the validity of mitigation measures that have been put in place for the completion of contract signatures. The assessment indicated that the signatures of all procurement contracts and amendments have been executed in a correct and timely manner.

### **ESTIMATED OVERALL AMOUNT AT RISK AT CLOSURE**

DG Environment's relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table X<sup>26</sup>: Estimated risk at payment and closure.

The estimated overall risk at payment for 2021 expenditure amounts to EUR 572 977 representing 0,30% of the DG's total relevant expenditure for 2021. This is the AOD's best, conservative estimation of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

Some of this expenditure, i.e. the LIFE grants, will subsequently be subject to ex-post controls and a proportion of the underlying errors will be detected and corrected in subsequent years. For other types of expenditure, there are no audits planned to be carried out and as result of this the estimated future corrections are zero. The conservatively estimated future corrections for 2021 expenditure amount to EUR 9 706.

The difference between those two amounts results in the estimated overall risk at closure of EUR 563 271 representing 0,29% of the DG's total relevant expenditure for 2021. This is

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<sup>26</sup> Please see Annex 9, Specific annex related to "Control Results"

a significant decrease when compared to 2020, which is mainly due to the very low detected error rate this year.

For an overview at Commission level, the DGs' estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the AMPR.

DG ENV	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
(1)	(2)	(3)		(4)		(5)	
	m EUR	m EUR	%	m EUR	%	m EUR	%
Administrative expenditure	0,02	0,00				0,00	
LIFE - grants and contribution agreements	89,27	0,06	0,07%	0,01		0,05	
LIFE - procurement	38,20	0,19				0,19	
Contributions EEA	47,76	0,24				0,24	
Contributions ECHA	3,03	0,02				0,02	
Multilateral Env. Agreements	3,44	0,02				0,02	
Preparatory Actions & Pilot Projects	4,05	0,02				0,02	
Co-delegations from other DGs	4,40	0,02				0,02	
Co-delegation from DG INTPA	1,20	0,01				0,01	
<b>DG total</b>	<b>191,36</b>	<b>0,57</b>	<b>0,30%</b>	<b>0,01</b>	<b>%</b>	<b>0,56</b>	<b>0,29%</b>

## FRAUD PREVENTION, DETECTION AND CORRECTION

DG Environment has developed and implemented its own anti-fraud strategy since 2013, on the basis of the methodology provided by OLAF. It is updated every three years. It was last updated on 16.11.2020. Its implementation is being monitored and reported to the management of the DG Environment and to the Commissioner on an annual basis. The strategy includes eight actions out of which four have been already implemented (Minutes of the annual risk management assessment, meeting between ENV and CINEA, Conflict of Interest Guidelines on the intranet, note to the file on analysis on the waivers of recovery orders within a timeframe of 2019-2021). The implementation of the remaining actions is in progress; their completion is expected by the end of 2022

DG Environment also contributed to the Commission anti-fraud strategy by for example cooperating through the Fraud Prevention and Detection Network (FPDNet) and followed-up 100% of OLAF's financial recommendations for the cases issued between 2010 and 2017, as the DG has accepted the six recommendations of recovery of funds in their entirety. Out of the six recommendations, one has been implemented successfully in totality (100%) and the remaining five are at different stages of implementation (100% recovery proposed, 80% recovery proposed, waiver to be relaunched, while 2 cases are being consulted with the legal service).

By implementing these various anti-fraud actions DG Environment contributed to the implementation of several specific actions of the Commission Anti-Fraud Strategy (CAFS) action plan and DG Environment’s Management Plan 2021.

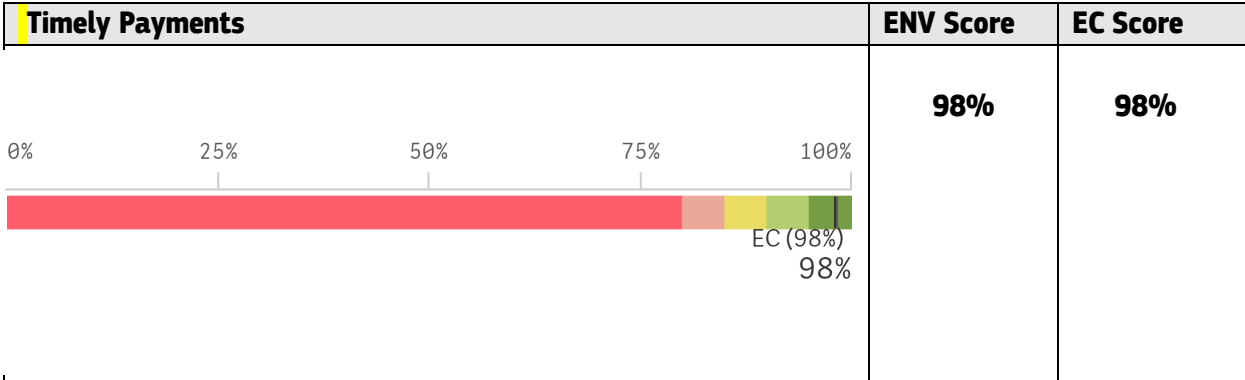
One of the results achieved during the year was the launched cooperation with CINEA focused on potential fraud patterns, fraud cases and exchange of good practice. In addition, a workshop (action 7 of the DG Environment Anti-Fraud Strategy) was organised on 27.01.2022 and turned out to be very successful. Lastly, corrective measures in the form of recoveries of unduly paid amounts have been launched. A thorough analysis of the OLAF recommendations helped to better understand root causes of fraud.

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

**2. Efficiency of controls**

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

**Time to pay:** DG Environment paid on time 98% of the total amount paid in 2021, which is in line with the Commission global performance. This is also an improvement when compared to last year, in which only 90% of the amounts paid were on time.



**Time to grant:** In 2021, DG Environment established a number of grants and agreements under direct and indirect management. The average time to grant was 3,8 months (from the final date of submission of the complete proposals to the signature of the grant or agreement).

**Time to procure:** In 2021, DG Environment procured contracts on average within 4,6 months for Open Calls, whereas for the few negotiated procedures of Low or Middle Value the time was 3,44 months. Specific contracts under the various Framework contracts of DG Environment or other DGs that DG Environment is using are procured normally within 1,91 months (8-9 weeks).

DG Environment uses a set of controls to improve the performance of its procurement system and to establish that risks in financial management have been minimised to the extent possible for both procurement and grants. The DG verification team does not only

verify transactions but intervenes upfront in the procurement and grant phase by verifying tender specifications and calls for proposals, guarantying the quality of the tendering procedures. From 2019, this practice extended to the requests for specific contracts above the value of EUR 150 000. Furthermore, the ENVAC committee systematically controls independently the quality of procurement files and particularly those files of high risk.

From 2017, DG Environment makes full use of a simplified circuit for low-value transactions (below EUR 15 000 and 5 000), under which the role of the verifier and the AOS has merged. However, in 2021, only 27 low-value payments executed using this simplified circuit. The significant reduction observed in relation to the 50 payments reported last year is due to the radical reduction of low-value payments for conferences, meetings, invited experts, etc. in 2021, due to the Covid-19 pandemic.

### ***3. Economy of controls***

#### ***Economy = the estimated cost of controls***

##### **CONTROL EFFICIENCY AND COST-EFFECTIVENESS**

The total cost of controls, for procurement and grants, stands at **EUR 2,12 million**<sup>27</sup>.

### ***4. Conclusion on the cost-effectiveness of controls***

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

**Benefits of Controls:** The costs of the controls made, both for procurement and grants, are matched against benefits that are derived from:

- savings during the ex-ante phase (where, the full amount dedicated to a call not having been consumed, the balance becomes available for re-use), and
- the supervisory/ex-post checks performed during the running life of a procurement contract or a grant agreement on payments (resulting in a reduction of the amount finally paid as corrections of any detected errors).

Apart from these quantifiable benefits, the control of procurement procedures means that in 2021 DG Environment has avoided reputational costs and damages, and has not faced any legal action and complaints to the European Court and the European Ombudsman.

In addition, there are a number of non-quantifiable benefits resulting from the controls applicable during the programming phase, aimed to ensure that the financed projects contributed to the achievement of the policy objectives, and from the deterrent effect of ex-post controls. Furthermore, DG Environment considers that the necessity of these

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<sup>27</sup> Cf. annex 7



controls is undeniable, as the totality of the appropriations would be at risk in case they were not in place. In conclusion, the control system in place is effective and efficient.

### 2.1.2. Audit observations and recommendations

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

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

Based on the IAS work undertaken in the period 2019-2021, the IAS concludes that the internal control systems in place for the audited processes in DG Environment are effective, except for two observations giving rise to 'very important' recommendations, formulated in the context of the audit on *Relations with decentralised agencies (EEA and ECHA) in the Directorates-General for Environment and Climate Action*.

The auditors consider that **DG Environment should enhance its supervision and coordination mechanisms with the European Environment Agency (EEA)**. The auditors recommend DG Environment to put in place a detailed overview of the activities and projects being implemented by the Agency, better coordinate with other Commission Services and better define DG Environment's role of coordinating and monitoring the work of the EEA. Also, **DG Environment should enhance its oversight role in relation to the EEA's resources**. Alignment should be sought between DG Environment's needs in terms of the Agency's support activities and the resources granted to the EEA to deliver them. For activities where the EEA, DG Environment and other Commission services work together, the resourcing arrangements should be in place prior to starting projects. Finally, roles and responsibilities in the implementation of certain activities between DG Environment and the EEA should be clarified.

DG Environment has drawn up an action plan, which has been accepted by the IAS. The work to address the recommendations has already started and they are expected to be fully implemented by the end of 2022.

#### **Conclusion**

As explained in Annex 7 to the AAR, work to address the recommendations is already well under way. Taking into account that the recommendations are planned to be fully implemented by the end of the year, sufficient mitigation actions are already put in place or on their way and any possible damage should be avoidable.

### 2.1.3. Assessment of the effectiveness of internal control systems

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

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

Based on the internal control indicators set out for 2021 and other sources of information (e.g. the staff survey), the assessment of the state of internal control in DG Environment did not identify any major deficiencies. Some deficiencies were found under principles No. 4 (staff mobility), No. 14 (internal communication and collaboration), both based on the staff survey, and No. 6 related to the very important recommendations on the IAS audit on decentralised agencies. However, DG Environment is confident of having the necessary procedures, staff skills and experience to identify and manage the main operational, financial and legal/regulatory risks and successfully address any shortcomings during 2022. This conclusion is based on a thorough review of all available information (please see annex 8).

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

### 2.1.4. Conclusions on the assurance

The information reported in Section 2 stems from the results of management and auditor monitoring contained in the reports listed, which are a systematic analysis of the evidence available. No significant information has been omitted. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a comprehensive coverage of the budget delegated to the AOD, in this case the Director-General of DG Environment.

Assurance for the LIFE is notably based on the results of ex-post controls and the on-site monitoring of LIFE projects. The measures taken in recent years to decrease the LIFE error rate are effective. Additional assurance is obtained from the mandatory controls of all procurement commitments and payments, but also from the annual declarations of the Authorising Officers by Sub-delegation, where they confirm that the transactions they authorised in 2021 were correct. No non-compliance events were recorded in 2021. Thanks to these efforts – which are now the standard – the likely "amount at risk" in relation to transactions authorised in 2021 is below the materiality threshold of 2%.

The audit work performed by the IAS in 2021 concluded that the internal control systems audited are effective, except for the two 'very important' recommendations to be

addressed, in line with the agreed action plans, which DG Environment is implementing. ECA audits on DG Environment transactions and accounts have also not revealed any significant weaknesses.

There is good cooperation with CINEA, which reports and gives assurance for the part of the LIFE programme it implements in the CINEA's AAR.

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

### 2.1.5. Declaration of Assurance

*I, the undersigned,*

*Director-General of DG Environment*

*In my capacity as authorising officer by delegation*

*Declare that the information contained in this report gives a true and fair view<sup>28</sup>.*

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

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

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

*Brussels, 31 March 2022*

*[Signed]*

*Florika FINK-HOOIJER*

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<sup>28</sup> True and fair in this context means a reliable, complete and correct view on the state of affairs in the DG

## 2.2. Modern and efficient administration

### 2.2.1. Human resource management

In 2021, DG Environment had a heavy work programme with a high number of legal obligations and commitments under the European Green Deal. Delivering in time while maintaining and, if possible, increasing the skills and motivation of staff was very relevant throughout the year.

The last staff satisfaction survey showed that DG Environment scored higher than the Commission average *inter alia* on staff recognition, but was lower regarding work-life balance and acceptable workload. As a follow-up, **work-life balance** and well-being were at the centre of concerns, and flexible ways of working continued to facilitate conciliation and boost efficiency. **Internal communication** activities increased to create a sense of shared objectives and collective ownership of the achievements of the DG. Several townhall meetings, online coffee breaks with managers and a new policy newsletter with contributions from across the DG helped keeping an open communication channel.

**Ageing** is one of the specific issues that the DG needs to address<sup>29</sup>. The HR team worked together with managers and the DG knowledge team to ensure that in-depth knowledge is transmitted to other colleagues and preserved in the DG. In the field of **equal opportunities**, DG Environment continued its proactive approach to gender balance at management level and met the corporate 50% target<sup>30</sup> with the appointment of one woman and one man as Head of Unit. With all the above in mind, and waiting for the corporate HR Strategy to be adopted, in 2021 the DG continue to work on specific strategies, building on the work launched in 2020 and focused on aligning resources with the **policy priorities**.

At the end of 2021, DG Environment moved to a **new building** with open dynamic workspaces. Several internal surveys, a dedicated website and staff meetings were organised to prepare the ground and gather staff opinion. Finally, a small **structural reorganisation** was designed through a collaborative process that involved the participation of several volunteers organised in working groups, as well as broad consultations and dedicated meetings in particular with the management of the DG.

### 2.2.2. Digital transformation and information management

In the context of the European Green Deal, the improvement of data, knowledge and information governance, crucial for evidence-based policymaking and implementation, has become key for the DG to deliver on the environmental priorities.

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<sup>29</sup> During the last mandate, average age has increased from 45.2 to 47.2 years (1/06/2019).

<sup>30</sup> The baseline for the first female management target is 1 December 2019. The target will be revised and extended for the period 2023-2024 by January 2023.

In 2021, DG Environment continued implementing the relevant strategies and guidelines integrating corporate requirements into the existing **Data, Information and Knowledge governance** of the DG. Two meetings were organised at management level to inform and discuss the strategic aspects. At the technical level, meetings were organised on a regular basis to make sure that the DG's Data Platform is updated and the relevant information uploaded in the EC Data catalogue. Further efforts were made to ensure proper treatment of ungoverned data.

Under the new Data, Information and Knowledge action plan, a key action to harness the potential of data in support of the political priorities was the creation of a **green dataspace**. At the end of 2020, a Green Data Task force was created together with the Environment Knowledge Community (EKC). In 2021, the Task force met four times.

As part of the Commission Modernisation Plan, the DG enhanced its data management, integration and communication platforms to better support the policy work. Multiple **data sets** were on boarded, and the management of several others significantly improved. A prototype of **electronic data exchange** on the revised Waste Shipment Regulation was delivered and is in use by multiple Member States. **IT Security** remained a priority and the DG has started documenting formal compliance with the controls in place.

As regards **records management**, the objectives defined in the DG Strategic Plan continued to be pursued, in line with user needs and taking account of the corporate eDomec, personal data protection and information security rules. The concept of "sensitive personal data" was covered in in-house training sessions, and awareness was raised on the use of markings as a means to protect relevant documents. In line with the Commission's Common Retention List, a major exercise was launched to close DG files (both in paper and electronic form) and to eliminate or transfer them to the Commission's Historical Archives, as adequate. The annual appraisal of files/records remains an important objective to ensure compliance with personal data protection and records management rules.

Further steps were also taken to raise awareness and ensure full compliance with the **Data Protection** Regulation (EU) 2018/1725. Internal working methods were updated to ensure that the DG Data Protection Coordinator is consulted on procurement and other relevant activities, to ensure they comply with the applicable rules. Local training and coaching sessions on records management, personal data protection and information security were organised, and staff was also proactively encouraged to participate in Commission's centrally organised in-depth trainings.

### 2.2.3. Sound environmental management

DG Environment continued implementing the local **EMAS action plan** adopted in 2019. Raising awareness and providing staff with adequate equipment to reduce their footprint at work are at the core of this plan. Teleworking and videoconferences continued to be the main trend in 2021, as their to reduce **commuting emissions** was confirmed, and a significant number of the DG external events went hybrid (including DG Environment's flagship communication event, EU GreenWeek 2021).

Internally, the implementation of the electronic signature for middle and senior management allowed the DG to make further savings on **printing paper**. While observed reductions may still be linked to the pandemic, indicators seem to start reflecting a more sustainable trend. In addition, recognising the growing environmental impact of the **digital sector**, and as part of its efforts to reduce **carbon footprint**, the DG reduced considerably the number of documents exchanged internally by e-mail by promoting document sharing on a new SharePoint platform.

The corporate work on greening the Commission's **procurement**, launched in 2020, continued in 2021 and green procurement criteria were provided for all DGs. Based on those, DG Environment continued elaborating internal guidelines to integrate green criteria in its own procurement actions.

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

In view of the high political priority of environment policies within the European Green Deal and the limited resources available, DG Environment continued to further simplify its internal functioning and implement local measures leading to **synergies and efficiency** gains, notably in the IT and document management domain, but also on public procurement, logistics and human resources.

The DG completed the transition to full **electronic workflows** and **e-signature** in Ares for its internal procedures, including financial transactions that do not need blue ink. Updated guidelines and training were provided to staff, in particular for newcomers. The introduction of **e-invoicing** in new contracts and the rollout of the e-signature for contracts and grant agreements was in progress. Following the pilot phase with Microsoft M365, MS **Teams** became the default tool for virtually all internal and most external meetings (a small number of WebEx licences was kept to cater for specific situations).

As regards the **LIFE programme**, the streamlined procedures devised for the management and implementation of the new programme were fully deployed, in cooperation with DG Climate Action and DG Energy. These include multi-annual financing decisions and the use of a simplified budget nomenclature, the simplification of LIFE grants management and the promotion of Integrated Projects, which, thanks to complementary funding from other EU, national and local funds, can create synergies across EU policies.

In the field of **human resources**, building on the experience acquired in 2021, a collaborative and dynamic management of the available resources was promoted. Internal redeployments within directorates were encouraged to respond quickly to emerging needs, and secondments from other services and agencies were also considered. , Work within projects teams was encouraged and systematised while available resources were deployed towards the most urgent and sensitive priorities.