



European
Commission

Annual Activity Report 2020

Annexes

DG BUDGET

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

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

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

Brussels, 31 March 2021

e-signed

Reinder van der Zee

Director in charge of Risk Management and Internal Control

¹ C(2017)2373 of 19.04.2017.

ANNEX 2: Performance tables

General objective 3 : An economy that works for people			
Impact indicator 1: Employment rate of persons aged 20 to 64			
Source of the data: Eurostat (Eurostat online data code: sdg_08_30), based on the EU Labour Force Survey			
Baseline (2018)	Interim Milestone (2020)	Target (2024)	Last known result ² (2020)
72.4%	75%	Increase	71.3%
Impact indicator 2: Young people (15-29 years old) neither in employment nor in education and training			
Source of the data: Eurostat (Eurostat online data code: sdg_08_20), based on the EU Labour Force Survey			
Baseline (2018)	Interim Milestone (2020)	Target (2024)	Last known result ³ (2020)
13.1%	Decrease	Decrease	12.6%
Impact indicator 3: Investment share of GDP			
Source of the data: Eurostat (Eurostat online data code: sdg_08_11)			
Baseline (2018)	Interim Milestone (2020)	Target (2024)	Last known result ⁴ (2020)
21.42%	Increase	Increase	22.45
Impact indicator 4: Gross domestic expenditure on research and development			
Source of the data: Eurostat (Eurostat online data code: sdg_09_10)			
Baseline (2018)	Interim Milestone (2020)	Target (2024)	Last known result ⁵ (2020)
2.19%	Increase	Increase	2.2%
Specific objective 3.1. Design, negotiate and manage EU budget expenditure and revenue that delivers efficiently on Union priorities and finances EU public goods.			Related to spending programme(s): All
Result indicator 1: Conclusion of negotiations on the post-2020 MFF, implementation, including own resources' legislation.			
Explanation: Stability and predictability of the available resources for implementation of programmes.			
Source of data: MFF regulation and technical adjustments of the MFF, Own Resources Decision			
Baseline (2020)	Interim milestone (2021)	Target (2024)	Last known result (2020)
Concluded negotiations for post-2020 MFF	Implementation of the MFF	Mid-term revision proposed	Negotiations on the post-2020 MFF successfully concluded with adoption of legislation in December 2020. The Council adopted the Own Resources Decision on 14 December 2020.
Result indicator 2: Economic analysis of the impact and outcome of EU public spending – financing EU public goods			
Explanation: Improve the design and management of future and existing programmes with particular focus on EU added value.			
Source of data: MFF regulation and technical adjustments of the MFF; analysis of budget performance			
Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known result (2020)
Definition and start of the work programme	Preparation of analytical notes Develop closer linkages with specialised stakeholders	Contribution to the MFF mid-term review Analytical basis for the preparations of the future MFF	Overview of political agreements reached for the 2021-2027 spending programmes, following the MFF agreement of December 2020. Inter-service Working Group on the performance of the EU budget agreed in December 2020 to present the core performance indicators for the 2021-2027 programmes in Communication.

² https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Employment_-_annual_statistics

³ https://ec.europa.eu/eurostat/databrowser/view/sdg_08_20/default/table?lang=en

⁴ https://ec.europa.eu/eurostat/databrowser/view/sdg_08_11/default/table

⁵ https://ec.europa.eu/eurostat/databrowser/view/sdg_09_10/default/table?lang=en

Result indicator 3: New own resources are developed in the period 2020-2024

Explanation: Following an agreement on the Multiannual Financial Framework for 2021-2027 – and in line with international commitments, negotiations carried out OECD level, and the EU's climate ambition – BUDG undertakes to develop new own resources in the course of the MFF period. Measured on the basis of legislative proposals adopted by the Commission and co-legislators

Source of data: European Commission, Council of the European Union, European Parliament

Baseline (2019)	Interim milestone (2021)	Target (2024)	Last known result (2020)
Ongoing negotiations on the Own Resources Decision between the Council of the European Union and the European Parliament	Proposals for digital levy, carbon border adjustment mechanism and EU Emission Trading System	New basket of own resources (digital levy, carbon border adjustment mechanism, EU ETS) enters into force. Additional proposals for new own resources which could include a Financial Transaction Tax and a financial contribution linked to the corporate sector or a new common corporate tax base.	The new Own Resources Decision adopted on 14 December simplified the own resource based on value added tax (VAT) and introduced a new own resource based on non-recycled plastic packaging waste. The Inter-institutional agreement established a roadmap for new resources to be introduced by 2023 and 2026 respectively.

Result indicator 4: Facilitate the adoption and implementation of the annual budget within the deadlines set in the Treaty respecting the political priorities and taking account of the programmes' performance.

Explanation: Establish a budget in close collaboration with other services, facilitate the timely adoption and ensure full implementation. Assist the both the DGs and horizontal units in the area of performance.

Source of data: Agenda Planning

Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known result (2020)
Budget 2020 adopted on 27 November 2019	Target to be achieved each year	Adoption of annual budget in December at the latest	2021 budget adopted on 18/12/2020
Timely support to the Council and European Parliament on budget negotiations	Target to be achieved each year	Amending letters and all input documents provided before the start of the conciliation period	Amending letter (including a political agreement on the MFF) was provided on 13/11/2020, before the start of the conciliation.
2019 Execution rate: Commitments and payments after carry overs: (99.5 %)	Target to be achieved each year	100%	2020 budget almost fully implemented (99,9% in commitments and 99,9% in payments), including 9 amending budgets and all proposed transfers.
New structure of the budget aligned with the post 2020 MFF prepared for the launch of 2021 budget procedure	Targets to be achieved each year	Full translation of the MFF governance, significant simplification of the budget structure (reduced number of budget lines) structure and alignment of IT tools in the annual budget	New budget structure in place on 1 January for the start of the budget year; alignment of the IT tools (BadgeBud, ABAC/SUMMA) done.
Assessment of the programme statements in the context of the preparation of the budget.	Share programme knowledge across the DG. Active involvement in 2020 and 2021 in the design of the new	Provide support to the horizontal units and DGs in the area of performance including when appropriate	Streamlined format of AMPR (incl. PPO) adopted on 24 June 2020, together with draft budget 2021

Long-term forecast of future inflows and outflows of the EU budget 2020-2024	performance framework for the AMPR. Long-term forecast of future inflows and outflows of the EU budget 2023-2027	the consequences in the preparation of the annual budget Long-term forecast of future inflows and outflows of the EU budget 2025-2029	Adopted on 30 June 2020, COM(2020)298
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Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Last known result (2020)
A multiannual financial framework (MFF) in place for the period 2021-2027	Adoption of the revised MFF Regulation, Interinstitutional Agreement and Own Resources Decision	Adoption before end-2020	MFF Regulation, Interinstitutional Agreement and Own Resources Decision adopted in December 2020
Political agreement on the amendment of the Own Resources (OR) Decision including temporary increase of the OR ceiling and authorisation to borrow, in the context of the preparation of the budgetary response to the COVID-19 crisis fallout	Interinstitutional agreement underpinning the main elements of the new system of Own Resources (OR), including proposed amendments to the OR Decision in the context of the budgetary response to the COVID-19 pandemic	European Council Conclusions and European Parliament resolution adopted; Commission adopts proposal for ORD amendment	The European Parliament delivered a favourable opinion on the Own Resources Decision on 16 September 2020. The Council adopted the Own Resources Decision based on the May 2018 proposal and on the May 2020 amendment, on 14 December 2020.
Technical adjustments of the MFF	Technical update of 2021 after adoption of 2021-207 MFF	Timely adoption for the Annual budget procedure	Technical adjustment 2021 was adopted on 17 December 2020, COM(2020)848 Final.
Enhance agility of the budget by strategic planning and foresight though providing annually a long-term forecast of revenue and expenditure	Define and update scenarios for the future 5 years on the annual revenue projections and payment needs for all MFF (sub-) headings and regularly inform the budget authority - to be published in a long-term forecast report (planning, monitoring and forecasting under Art.247.1(c) of the Financial Regulation)	Manage the MFF based on sound and regularly updated long-term forecasts and provide relevant information for the decision-making process on future annual budgets and the MFF 2021-2027 on annual basis.	The long-term forecast report was adopted on 30 June 2020, COM(2020)298 final; in addition the updated payments forecast taking into account July's EUCO agreement was provided on 18 September 2020 (MFF Fiche N°88).
Develop new OR implementing legislation for MFF 2021-27 (Implementing Regulations, Making Available Regulation)	Adoption of OR implementing legislation in question	Agreement before Summer (or September)	Finalisation of Implementing Regulation (IMSOR) and Making Available Regulation (MAR2) is ongoing.
Establish an annual budget for 2021 according to needs within legal deadlines respecting the political priorities	Difference between the Draft Budget (DB) and authorized budget	Difference < 1%	Final adopted budget for 2021 very close to the Amending Letter 1/2021
	Timely adoption of estimates and DB for 2021	Commission adopts estimates of expenditure by legal deadline	SoE and DB adopted on 24 June and 24 July (within legal deadlines of 30 June and 1 September respectively (followed updated proposal for the MFF).
	Timely adoption of amending letters & amending budgets aligned with political priorities	Budget 2021 adopted by EP and Council before the end of 2020. All amending budgets approved by the budget authority by mid-December 2020	B2021 adopted late December (due to delays linked to the MFF adoption process). 9 out of 10 AB adopted as proposed (DAB 6 became obsolete when Council decided not to revise 2020 MFF).
Annual budget implementation making use of transfers and	Degree of annual budget implementation	Full implementation making use of transfers and carryovers	2020 budget implemented 99,9% in commitments and

carryovers			100% in payments.
	Number of transfers accepted by the budgetary authority	Budgetary Authority approves all transfer requests;	All 28 transfers approved as proposed.
	Timely adoption of the justified carryover requests	Decision taken by 15/2/2020	Carry-over from 2019 to 2020 adopted on 13/2/2020
New budget nomenclature aligned with the post 2020 MFF ready for the launch of 2021 budget procedure	New structure of the budget aligned with the post 2020 MFF - adequate budgetary governance of multi-DG programmes (Horizon Europe, SMP)	Full translation of the MFF governance, simplification of the budget structure (reduced number of budget lines) structure and alignment of IT tools in the annual budget	B2021 was adopted and is implemented in the completely new structure.
Allocate Human Resources to Commission services to promote efficiency and alignment to political priorities	Decision consistent with occupation of the establishment plan, corresponding salary credits and Commission policy orientations (new mandate, new MFF)	Decisions in parallel with DB to reflect priorities of the current Commission.	1st Complementary allocation 2020 adopted 8/4/2020 2nd Complementary allocation 2020 adopted 24/7/2020 Final Allocation 2021 prepared by 15/12/2020
		Pro-active monitoring of efficiencies	Ongoing monitoring and integration of progress into allocation decisions.
Regular monitoring and control of decentralised agencies resources	Timely production of the working document on agencies, which accompanies the draft budget	Working document on agencies published together with DB 2021	Published in June 2020 (COM(2020)300)
Assess budgetary implications and ensure sound budgeting within the MFF for new legal acts / Commission decisions	Interservice consultations (ISC) processed on time	At least 95% of replies to ISC within normal ISC deadline	99.2% of ISC replied within deadlines (1220 replies out of 1230).
Align the IT tools to the new business needs	Alignment of IT environment to the modified budgetary structure for the next MFF	New development of BadgeBud and link to SUMMA (in collaboration with Directorates C and R) available by end 2020	IT tools (BadgeBud, ABAC) adjusted to new budget structure before the end of 2020. Further developments in BadgeBud necessary.
ACOR forecast - Calculation of Own Resources basis	Approval in the ACOR meeting: revised TOR and VAT&GNI basis for 2020; forecast for TOR and VAT&GNI basis for 2021	Approval obtained on time	The agreement of the Member States obtained on time via written procedure (19-25 May)
Calculation of UK rebate	Approval in the ACOR meeting: update of 2016-2019 UK correction	Approval obtained on time	The agreement of the Member States obtained on time via written procedure (19-25 May)
Calculation of UK contribution for 2021	Input to the Revenue part of Draft Budget 2021	Provide timely input for Draft budget	Done on time (May 2020)

Specific objective 3.2. Develop policy-relevant knowledge, performance and financial intelligence in order to optimize the use of resources, influence policy design and ensure efficient and effective implementation of the programmes.

Related to spending programme(s): All

Result indicator 1: Develop a performance culture in the Commission, which puts a strong focus on budgetary performance in the annual reporting and integrates performance concepts in the annual and multiannual budget cycles with a view to deliver a budgetary policy based on evidence.

Explanation: In order to be able to move performance towards the core of EU spending, the Commission must continue its work towards a cultural change inside. Such a cultural change will have an impact in particular on the Commission's annual reporting as well as on the budgetary procedures. It will require continued capacity building both within DG BUDG and the other spending DGs. The effect of successively changing the EU's spending narrative to focus more on performance will be self-enforcing in the sense that changing the narrative will contribute and correspond to a change in mindset which in turn will reinforce that narrative.

Source of data: DG BUDG

Baseline	Interim milestone					Target	Last known result
	2020	2021	2022	2023	2024		
2019	2020	2021	2022	2023	2024	2020	
Performance information presented in the AMPR 2018, as well as in the programme statements and Programmes' Performance Overview accompanying the DB 2020	Continuous improvement of budget performance reporting; Successively incorporate performance assessment into annual budget procedure					Integrated online presentation of performance information embedded in the annual draft budget and performance reporting cycle.	Streamlined format of AMPR (incl. Programmes' Performance Overview) adopted on 24 June 2020, together with draft budget 2021.
Performance Overview accompanying the DB 2020	New section to assess the performance of programmes in Programme Statements and Programme Performance Overview	Communication on Performance; Specific training on performance information and optimisation of its use for DGs	Tracking and performance reporting of EU budget expenditure on high level political priorities	Interactive online presentation of performance information	-	Performance assessment sections were introduced in Programme Statements and Programmes' Performance Overview.	
MFF 2021-2027 proposal based on the spending review 2017.	Contribute to developing the monitoring and evaluation framework for the MFF.	-	Participate in the final evaluations of the MFF programmes 2014-2020.	Performance information used in the Midterm Review of the 2021-2027 MFF.	Commission proposal for post-2027 MFF based on performance information	Programme and Performance factsheets approved in inter-service group on 9 December 2020.	

Result indicator 2: Develop a shared understanding of budgetary performance with the main stakeholders, in particular the European Parliament, the Council and the European Court of Auditors.

Explanation: During the budgetary cycles, the Commission does not act alone but always in conjunction with key stakeholders. Therefore, it is important that key concepts of budgetary performance and its meaning are shared across the different institutions so that a fruitful discussion on the basis of these concepts can emerge.

Source of data: DG BUDG

Baseline	Interim milestone				Target	Last known result
2019	2020	2021	2022	2023	2024	2020
Performance information presented in the AMPR 2018, as well as in the programme statements and Programmes' Performance Overview accompanying the draft budget 2020.	Proactively working with the Court, the Parliament and the Council to ensure that the Commission's performance reporting corresponds to the needs of those stakeholders;				Stakeholders acknowledge Commission's efforts to strengthen the focus on performance of EU budget spending, and share a common understanding of the key concepts across all levels of reporting.	New format of AMPR (incl. PPO) welcomed by stakeholders.
	Acknowledgement of the Commission's continuous efforts to improve performance reporting in the first ECA Annual Report on Performance.	First annual high-level Conference on topics surrounding EU budget performance with active participation by all groups of stakeholders	Positive feedback from stakeholder groups on how the MFF transition has been reflected in performance reporting.	Positive feedback from stakeholder groups on Commission reporting on political priorities		ECA's performance report (November 2020) concludes that the Commission's performance reporting continues to improve.

Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Last known result (2020)
Development of the Just Transition Mechanism	Set-up of the Just Transition Mechanism	Adoption of the Just Transition Fund and the Public Sector Loan Facility proposals, supporting and in collaboration with DG REGIO	Commission proposals for JTF and the Public Sector Loan Facility under JTM were adopted in May 2020. Political agreement by the co-legislators on 09/12/2020.
Assess budgetary implications and ensure sound budgeting within the MFF 2021-2027, support legislative passage of MFF related legislation	Revision of the MFF 2021-2027	Participation in the amendment of the Commission's 2018 proposal and alignment with the new political priorities	Amended proposals for the 2021-2027 MFF and NGEU published in May 2020. Horizontal landing clauses in 16 sectoral acts ensuring coherence under the Next Generation EU package. Support in the design and the negotiations of all sectoral basic acts under the 2021-2027 MFF, including in actively shaping the new Recovery and Resilience Facility Ensured continuity of EU support as from day one of the 2021-2027 MFF through horizontal provisions allowing retroactive application of sectoral basic acts.
	Adoption of sectoral legislation for new MFF period	Adoption before end 2020	Amended proposals for the 2021-2027 MFF and NGEU published in May 2020. Adoption of the MFF 2021-2027 in December 2020. Political agreement reached by the co-legislators for numerous sectoral legislation (Common Provisions Regulation, ERDF/CF, Interreg, RRF, JTF etc.) before the end of 2020.

Help Member States to deal with the effects of the COVID 19 outbreak	Implementation of the Coronavirus Response Investment Initiative (CRII) and CRII +	Setting up and running the CRII Secretariat, replying to queries from national authorities on the implementation on the CRII and CRII PLUS.	CRII secretariat which coordinated between Commission services and communicated with Member States' authorities in the first weeks of the outbreak set up and run by BUDG. Online Q&A platform set up by BUDG on which several hundred questions from MS are answered (mainly by REGIO and EMPL). Adopted Emergency Support Regulation providing first emergency response from the Union budget to address urgent COVID 19 related needs (April 2020). Full disbursement to Member States of the CRII and CRII+ amounts to Member States.
		Participation in the amendment of the Regulatory framework for shared management programs.	Adoption of the CRII, CRII PLUS and REACT EU regulations which provided additional liquidity, financial resources and unprecedented flexibility to Member States to deal with the effects of the crisis.
Developed policy knowledge for the next MFF	Participation in the development of the Recovery Plan/NGEU	Amendment and development of new sectoral acts for the revised MFF proposal 2021-2017	Amended proposals for the 2021-2027 MFF and NGEU published May 2020, adopted December 2020
Organising the delegation of the implementation of programmes to executive agencies	Ensure efficient allocation of programmes, appropriate staffing, timely decisions to allow implementation on time	Implementation by agencies starting on 1st January 2021	Draft delegation package submitted to the budgetary authority and Committee for Executive Agencies in December 2020 to be finalised in Q1 2021.
Monitoring of the results delivered by the Trust Funds	Timely production of the working document on Trust Funds, annexed to the draft budget	Working document on Trust Funds published together with DB 2021	Working document on Trust Funds was published on 26/06/2020 (COM(2020) 300)
Facilitating data-driven decision-making	Dashboard showing the productivity in terms of financial performance/ budget execution	31/03/2020	The dashboard is now live with 6 indicators. These indicators are included in the Annual Activity Report 2020.
Reinforce BUDG's role as the centre of competence for financial reporting of the Commission and its agencies.	Prepare the implementation of an EC corporate planning and forecasting tool	31/12/2020	The forecasting tool is under development and will be ready by mid-March 2021 when the DGs will encode their financial forecasts. The tool also integrates treasury forecasts on a monthly basis and a full NGEU forecasting cycle.
In-depth performance analysis, with focus on EU added value	Publication of programme statements (annexed to DB 2021)	Adoption June 2020	Working Document on Programme Statements adopted on 24 June 2020.
	Publication of programme performance overview (annexed to AMPR 2019)	Adoption June 2020	PPO (annexed to AMPR 2019) adopted on 24 June 2020.
	Publication of AMPR 2019	Adoption June 2020	AMPR 2019 adopted on 24 June 2020.
Improved reporting on Sustainable Development Goals	Publication of programme statements (annexed to DB 2021)	Adoption June 2020	Strengthened SDG reporting in AMPR and programme statements (e.g. consistency check).
Commission's performance efforts acknowledged by ECA	Publication of ECA pilot annual report on performance	Published November 2020	ECA's performance report (of 13 November 2020) concludes that the Commission's performance reporting continues to improve.

Specific objective 3.3. Enhance agility of the budget by strategic planning and foresight, asset management and use of the budgetary headroom Related to spending programme(s): All

Result indicator 1: Implementation of the post 2020 MFF publishing regular long-term forecasts of future inflows and outflows.

Explanation: Best use of MFF resources and flexibility instruments to respond to current and new priorities, adequate level of appropriations throughout the MFF period. Ensuring the respect of the ceilings throughout the MFF period and preventing the build-up of backlog and bottlenecks.

Source of data: Technical adjustments of the MFF, monthly and yearly reports on budget execution, yearly annual accounts, yearly long-term forecasts of future inflows and outflows.

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
Concluded negotiations for post-2020 MFF	Adequate level of implementation of commitment and payment appropriations	Adequate level of implementation of commitment and payment appropriations	Negotiations on the post-2020 MFF successfully concluded with adoption of legislation in December 2020.
Long-term forecast of future inflows and outflows of the EU budget 2020-2024	Milestone to be achieved each year	Long-term forecast of future inflows and outflows of the EU budget 2025-2029	Adopted on 30 June 2020, COM(2020)298.

Result indicator 2: Prudent management of budgetary headroom

Explanation: For the possibility for the EU budget to react to unforeseen circumstances in an adequate manner, it is important to manage the EU budget carefully and ensure sufficient budgetary headroom in order to maintain the confidence of markets in the EU budget. As a proxy for measuring whether the headroom is managed sufficiently prudent, the credit rating of the EU budget can be used.

Source of data: Moody's / S&P / Fitch/DBRS*/Scope* (*non-solicited ratings)

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
AAA/Aaa/AA respectively by Fitch/Moody's/S&P's AAA/AAA respectively by DBRS/Scope (non-solicited)	Target to be achieved every year	Maintain high ratings, account being taken of evolving circumstances	AAA/Aaa/AA respectively by Fitch/Moody's/S&P's AAA/AAA respectively by DBRS/Scope (non-solicited)

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target	Last known result (2020)
Asset Management Designated Service (AMDS) activity: Commission Decision delegating to the EIB the management of the revenues of the Innovation Fund.	Adoption of the proposal by the Commission on 25 March 2020	Adoption in March 2020	Adopted on 25 March 2020
Provide a basis for the Common Provisioning Fund functioning and decision on the identity of the asset manager of the CPF - Commission Decision 2020/1986 on the Asset Management Guidelines for the CPF, adopted on 25/03/2020.	Adoption of the Commission Decision 2020/1986	Adoption in March 2020	Adopted on 25 March 2020
Establish methodology for calculating effective provisioning rate for provisions held in the CPF, according to the requirement of the Article 213 of the Financial Regulation 2018/1046	Adoption of the Commission Delegated Decision supplementing Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council with detailed	Adoption in 2020	Adopted on 12 November 2020. The delegated decision received no objections during the scrutiny period from the European Parliament and the Council

	conditions for the calculation of the effective provisioning rate of the common provisioning fund C(2020) 7684 final		
Funding for SURE. Provide the funding for the financial support (in the form of loans) that will be granted to a number of Member States under the SURE Instrument, as the EU's internal response to the economic fallout of the COVID-19 crisis, as well as to a number of countries in the enlargement and neighbourhood regions as the EU's external response to the economic fallout of the COVID-19 crisis.	Successful placement of the related bond issuances on capital markets and disbursement of corresponding proceeds to the corresponding proceeds to the Member States and third countries concerned.	Q3 2020-2021	The Council has approved a total of €90.3 billion in financial support to 18 Member States. By 31.12.2020 the European Commission had issued €39.5 billion bonds in three rounds under the EU SURE instrument. The funds have been disbursed to 15 Member States. The Commission adopted a proposal for €3 billion MFA package to 10 enlargement and neighbourhood partners. By 31.12.2020 two borrowing operations for financing disbursements of a total amount of 885 million for 6 different MFA beneficiary countries.
Council Regulation on the establishment of the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 virus outbreak (in collaboration with DG ECFIN).	Adoption of the proposal by the Commission and adoption of the Regulation by the Council.	Adoption in Q2 2020	Adopted on 19 May 2020
EU Recovery Instrument	Preparation of COM ability to undertake large scale borrowing to finance EU recovery Plan, communication and negotiation and management of large-scale issuance and lending programme	Q2 2020-2024	Regulation on EURI NGEU) adopted on 14 December 2020. Recruitment of a large number of financial markets specialists, in particular in funding activities. Enhanced communication strategy towards banks and international investors.
Other important outputs			
Output	Indicator	Target	Last known result (2020)
Ensuring optimal use of the available resources through careful forecasting	Timely production of the Active Monitoring and Forecast of Budget Implementation reports	The Active Monitoring and Forecast of Budget Implementation report published in April 2020	2 AMFBI reports were submitted to the EP and the Council in 2020 – on 17/4 and 22/10
Maintain the top EU rating of the EU	EU credit rating to remain at AAA/Aaa/AA respectively by Fitch/Moody's/S&P's AAA/AAA respectively by DBRS/ Scope (non-solicited)	Confirmation that the current EU rating remains (or is improved) in the annual rating reviews of Fitch, Moody's, S&P, DBRS, Scope	AAA/Aaa/AA respectively by Fitch/Moody's/S&P's AAA/AAA respectively by DBRS/ Scope (non-solicited) Affirmation the EU's credit ratings by all rating agencies.

Prudent management of budgetary headroom	Ensure that at any point of time, the headroom is sufficient to cover all contingent liabilities falling due in the same year	Maintain high ratings, account being taken of evolving circumstances	Agreement on the increase of the Own Resources ceiling, which determines the available headroom, was reached in 2020. Legislation (Own Resources Decision) adopted and under ratification.
CPF technical implementation: Implementation of an accounting and apportionment of assets system to record the inflows and outflows of the CPF, the valuation of assets in the fund and to keep track of the share of assets belonging to each guarantee or instrument Reporting of CPF Financial Asset Management operations	Availability of highly automated and flexible tool for managing CPF investment flows in Back Office, Reconciliation and Accounting, and managing information specific to individual unit holders. Correct and timely reporting and accounting of the related CPF operations.	01/01/2021	CPF went live on target on 1/1/21 with the full migration of EFSI GF assets being the only contributing instrument until Q1 2021. Valuation module and shareholder register implementation was delayed into Q1 2021 due to unforeseen staff shortages in IT.
Design a sound Tactical Asset Allocation (TAA) to implement investment strategy in 2020 for the portfolios under management (EUR 14+ billion in Asset Under Management) in the context of a challenging market context	The TAA is prepared and adopted twice a year (in principle spring and autumn) in accordance with established governance. Market developments are regularly analysed in order to calibrate the TAA.	Prepare and adopt twice a year (in principle Spring and Autumn) the TAA. Calibration of the TAA in the regular meetings of the IC, in accordance with established governance	The TAA was designed timely and adopted in Q4 2020, in line with the planning and the existing governance arrangements.
AMDS Activity: A contribution to the negotiation and drafting of the Contribution Agreement with EIB (Member States funds)	Signature of Contribution Agreement for the Modernisation Fund	Q4 2020	Contribution agreement finalised within Commission.
Preparation and approval of the CPF Manual and procedures	Timely adoption of the procedures, rules and manuals, concerning the operational issues of CPF	2020 H2	Finalised in December, pending approval. It will need to be updated in 2021 H2 following the activation of constituent compartments of The CPF through early 2021.
SURE Social Bond Framework ensures that all bonds are used for social projects and that the issuer will report about the corresponding social impact. The framework is compliant with the social bond principles defined by the International Capital Market Association and has been recognized as such by Sustainalytics, a market leader on ESG (environment, social, governance) matters.	The SURE Social Bond Framework development internally in BUDG.E in collaboration with DG ECFIN and DG EMPL. And publication on Commission's website.	September 2020	Social label contributed to the success of the SURE bond issuances in Q4 2020.

General objective 5 : Promoting our European Way of Life

Impact indicator 1: Perceived independence of the national justice systems in the European Union

Explanation: This indicator measures the percentage of the general public that perceives the independence of national justice systems as very or fairly good

Origin of the indicator: EU Justice Scoreboard

Source of the data: EU Justice Scoreboard (based on Eurobarometer survey)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known result ⁶ (2020)
56%	Increase	Increase	56%

Impact indicator 2: Return of migrants with no right to stay

Explanation: This indicator shows the percentage of effected returns to third countries compared to return decisions issued by the Member States⁷. Origin of the indicator: DG HOME

Source of data: Eurostat (Eurostat online data code: migr_eirtn / migr_eiord)

Baseline (2018)	Interim milestone (2020)	Target (2024)	Last known result ⁸ (2020)
32.0%	Increase	Increase	29.0%

Specific objective 5.1. Secure that the amounts allocated from the EU budget are invested for the intended purpose, and ensure strict compliance with the financial rules in order to minimize errors, prevent fraud, enhance transparency, and pave the way to the discharge. Related to spending programme(s): All

Result indicator 1: Align the financial regulation to the outcome of the negotiations and agreement on the new Multiannual Financial Framework (MFF)

Explanation: A new set of financial rules is needed to adapt future spending programmes to the new MFF when agreed

Source of data: DG BUDG

Baseline (2020)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Current Financial Regulation	Proposal to modify Financial Regulation adopted by the Commission to bring it in line with future spending programmes	New Financial Regulation proposal adopted by the co-legislator	Preparation started but proposal can only be finalised in 2021 once negotiations of the basic acts implementing the MFF have been finalised.

Result indicator 2: Facilitate compliance with financial regulation through simpler and more coherent rules and simplification tools

Explanation: Maximised uptake of simplification tools, including simplified cost options, will minimize errors while at the same time reducing the administrative burden for beneficiaries.

Source of data: DG BUDG

Baseline (2018)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Currently, there are authorising Decisions for simplified costs for approximately 12 programmes	2 additional programmes or DGs per year	20 programmes/ DGs use the simplification tools in order to the error rates and simplify the implementation of programmes	2 SCO horizontal (SME owners, Travel cost) and 15 validated for several spending programmes

⁶ <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/90541>

⁷ Eurostat collects both the nominator and the denominator annually from the Ministries of Interior / Border Guards / Police of the Member States. The data heavily depend on national circumstances and policies. In addition, the time lag between the return decision and its execution means that the reference population of the nominator and denominator are not the same

⁸ https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_eirtn&lang=en and https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=migr_eiord&lang=en

Result indicator 3: European Parliament granting discharge to the Commission

Explanation: When granting discharge to the Commission, the European Parliament confirms that the Commission has implemented the EU budget in line with the principles of sound financial management.

Source of data: European Parliament

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
European Parliament granted discharge to the Commission for the financial year 2018 with no postponement	Target to be achieved every year	European Parliament to grant discharge to the Commission with no postponement	Discharge granted in May 2020 in respect of financial year 2018

Result indicator 4: Confirmation by the European Court of Auditors of the effectiveness of the Commission's own resource management and control systems

Explanation: The indicator measures the effectiveness of the measures put in place by the Commission in terms of control of the own resources system

Source of data: Annual report of the ECA.

Baseline (2019)	Interim milestone	Target (2024)	Last known results (2020, data for 2018)
Positive DAS opinion on own resources by ECA	Target to be achieved each year.	Positive DAS opinion on own resources by ECA	Clean opinion given on the 2018 own resources by the ECA.

Result indicator 5: Amount of provisions held against total exposures under the guarantees.

Explanation: Provisions constitute some form on risk budget held against contingent risks emanating from budgetary guarantees. The growth budgetary guarantees and hence in provisions leads to an increase in contingent risks to the budget that will need to be properly monitored and managed within the Commissions unified risk management framework.

Source of data: DG BUDG

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
15bn (EFSI, EFSD, ELM, MFA)	Key reporting should be in place and the risk management framework should be mature by that time, with the unified credit risk model being available	To be determined – It depends on final amounts agreed for InvestEU and EFSD+/NDICI in the MFF proposal	The development of the reporting and risk management framework (including the unified credit risk model) for contingent liabilities is on track.

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target	Last known result
Development of the responsible ESG-factor investing approach within the CPF portfolio management framework, promoting Commission "green values", and transparency in that regard.	Non-legislative policy initiative to timely include the ESG factor investing in to the asset management approach for the CPF	2020 December	First level of ESG factor investing to be implemented as from start of CPF operations in January 2021, further work is needed.
Establish robust governance arrangement for budgetary guarantees and asset management including adoption of COM Decision establishing a steering committee for budgetary guarantees	Ensure COM adoption of Decision establishing steering committee on budgetary guarantees; codify new governance arrangements for Directorate E financial risk and asset management in BUDGET internal rules and COM governance framework	Q1-Q2 2020	A COM Decision establishing a steering committee for budgetary guarantees was adopted in 2020. The Governance arrangements for asset management were validated following consultation within DG BUDG. Formalization of these arrangements is ongoing and it will take the form of an internal decision of DG BUDG.

Other important outputs

Output	Indicator	Target	Last known result (on 31/12/2020)
EP grants 2018 discharge	EP adopts discharge report	Adoption in May 2020	2018 Discharge granted in May 2020
Maintain good relations with the ECA and EP CONT committee	Smooth and constructive audit and adversarial procedures Positive feedback from the CONT and its secretariat on cooperation	High number of instances where the ECA and the Commission can find common ground in ECA reports; timely and high quality Commission replies to ECA reports. High quality of information provided to the CONT; respect of deadlines.	Replies to the Annual Report delivered within the legal deadline, for both the compliance and the performance annual reports. For special reports, replies to 6 special reports delivered within the deadline, replies to 9 reports delivered in the week after the deadline, replies to 5 reports in the two weeks after and for 6 reports after two weeks. High quality information and replies provided to CONT within the deadline set out in the discharge timetable.
Effective management of the Commission's own resource	Degree of correct recording of all transactions of the MS in respect of own resources	100%	100%
Advising internal and external stakeholders on any legal issues relevant for own resources issues and the Protocol and the Privileges and Immunities of the EU	Satisfaction with output	High satisfaction achieved	All incoming questions have been dealt with adequately and on time.
Ensure respect of financial rules when implementing EU budget through executive agencies	Finalise template for Establishment of executive agencies for next MFF. Finalise template for future delegation of programmes to executive agencies for next MFF.	May 2020 May 2020	Templates prepared. Draft delegation package prepared on basis of revised templates submitted to the budgetary authority and the Committee for Executive Agencies in December 2020 and to be finalised by adoption of Commission decision in

	Adoption of Commission Decision establishing guidelines for the establishment and operation of executive agencies financed by the general budget of the Union.		Q1 2021.
Facilitate compliance with financial regulation through simpler and more coherent rules and simplification through on boarding on corporate IT tools	Number of programmes using simplified cost options Number of programmes/DGs enrolling IT corporate tools	2 additional programmes or DGs per year. Most of programmes under direct and indirect management on boarded in eGrants and e Experts. Most of the DGs onboarded in eProcurement and SEDIA	15 Simplified cost options decisions validated from several spending programmes. 31 out of 49 spending programme (45 are expected in 2021 and all 49 in 2022) onboarded in eGrants. Most of Commission services using REA validation services eSubmission for open procedure above the directive threshold, available for all Commission services.
Establishment of Commission-wide risk management framework for contingent liabilities	Establishment of Steering Committee for coordination with other DGs; unified credit risk model; corporate data management system for integrated reporting and monitoring	Throughout 2020	The Steering Committee has been established and essential elements of a reporting process for budgetary guarantees has been agreed.
Ensuring a proper discharging of the Commission's reporting obligations related to financial instruments and budgetary guarantees	Supplementary report attached to the annual budget; overview report on budgetary guarantees`	Throughout 2020	In light of new reporting requirements for budgetary guarantees in the Financial Regulation, a set of new reporting templates have been agreed with authorising services and the details of a reporting process defined.
IPSAS 41 implementation: A new accounting treatment shall better align financial reporting with financial performance reporting of portfolios under management and the economic value of guarantees provided by the EU budget.	Availability of a new EU accounting rule	01/01/2021	The new accounting rule reflecting IPSAS 41 was approved by the EU Advisory Group of Experts on Accounting Standards and put into application as from 01/01/2021. The IPSAS 41 calculation methodology (calculation of forward looking provisions for loans and guarantees) is currently under development. Contacts are initiated with the stakeholders to gather the data necessary for the calculations.
Maintenance and supply of financial reporting and accounting on asset management portfolios, financial guarantees and financial instruments. Implementation and development of accounting and reporting for new instruments (CPF, Invest EU, SURE...). Handling audit requests (external audit, IAS, ECA)	Clean audit opinion, discharge of accounts	Recurrent	Financial reporting was provided timely and accurately with a clean audit opinion. Monthly Risk and Performance reports were provided throughout 2020 for the EC managed portfolios. All the information requested in the context of the audits was delivered on time.
A proposal for a Council Decision amending Decision 2003/77/EC laying down multiannual financial guidelines for managing the	Adoption of the proposal by the Commission and adoption of the Decision (amending Council Decision	2nd quarter 2020	Commission proposal adopted on 16/7/2020 as Proposal for a decision COM(2020)319

assets of the ECSC in liquidation and, on completion of the liquidation, the Assets of the Research Fund for Coal and Steel	2003/77/EC) by the Council.		
Smooth processing of financial transactions (investments, lending, borrowing), notably cash, foreign exchange and security transaction settlements as well as reconciliation of cash- and security accounts. Acting as back-office for lending and borrowing transactions (EU financial assistance).	No settlement incidents	Recurrent	A small number of settlement incidents occurred in 2020, most of which attributable to the counterparty. EUR 28k were paid by the Commission as cost related to incidents, out of which EUR 22k were recovered from the counterparties. Relating to Lending activities, the Commission paid EUR 34k negative interest charges from early interest and capital payments from the loan beneficiaries.
Coordination and modernisation of financial management across the Commission: - Promote simplification, coherence and sound financial management within the existing legal framework - Professionalization of financial community	Timely reply and positive feedback on SFC helpdesk questions and Advice on the application of the Financial Regulation based on Quality indicator	Timely contributions and positive feedback	776 requests were received for advice on the interpretation of the Financial regulation, implementing rules and guidance via the Helpdesk. Most of them were related to procurement, grants under Covid circumstances and Brexit matters.
	Positive feedback on quality of services based on: quality indicator, number of users and visits of BudgWeb and outreach to finance community: 1. Training on Expenditure lifecycle, grants, public procurements, EDES, internal control and ABAC. 2. RUF, Internal Control Coordinators. 3. Regular update of manuals and templates 4. Finance communities of practice, 5. Further strengthening of corporate reference centre for online knowledge management in financial management via the corporate website 6. Finance community newsletter 7. Implementation of an automated Pillar assessment workflow	Timely contributions and positive feedback 1 update per year on grants, procurement, indirect management, etc. 5. Continue updates and maintenance of BudgWeb Creation of knowledge management tool for guidelines and interpretation of the Financial Regulations articles Case study approved by end 2020	1. The satisfaction rate for financial trainings provided by the CFS colleagues and for ABAC trainings reached 87%. 2. In 2020, 11 RUF meetings were organised in addition to a biannual RUF seminar on the new 2021-2027 MFF challenges. 3. All manuals were updated once during 2020. 4. 2 Procurement expert platform communities of practice and 1 procurement workshop were held. 5. The corporate financial website (BudgWeb) reaches on average 9.000 users monthly and has around 30.000 visits per month showing that BudgWeb is a valuable working tool in finance that provides updated information and models. Completed 3 annotated Titles of the Financial Regulation 6. The Finance Community newsletter reached around 3.000 members. 7. Project Charter validated in December 2020. Draft functional specifications ongoing since autumn 2020, to be delivered in April 2021
High quality and readable reporting, with a positive impact on discharge discussion	Annual Management and Performance Report	Report to be adopted in June 2020	AMPR 2019 adopted on 25 June 2020

Specific objective 5.2. Strengthen the protection of the EU budget from financial risks including to the generalized deficiencies as regards the rule of law in the Member States.			Related to spending programme(s): All
<p>Result indicator 1: A Strategic Member state information platform is managed by DG BUDG which is up-to-date and accurate</p> <p>Explanation: DG BUDG manages an internal online platform, contributing to a wider JRC/SG initiative on knowledge management, which gathers and assesses budget related information (including conflict of interest, rule of law and anti-fraud / corruption) regarding the 27 member states. Following the COVID-19 pandemic and Next Generation EU, the platform should be immediately operative at least regarding relevant information for the implementation of the Recovery and Resilience Facility (RRF).</p> <p>Source of data: DG BUDG dedicated Information system (CONNECTED)</p>			
Baseline (2019)	Interim milestone	Target (2024)	Last known results (2020)
Budget related information for 2 Member States	Budget related information for 6 additional Member States per year	Budget related information for all 27 member states	Since November 2020 the platform is ready to host RRF relevant information for all 27 member states (based on information received and available for BUDG).
<p>Result indicator 2: Protection of the EU budget through increased clarity on conflict of interest rules, availability and interoperability of high-quality data on EU funds beneficiaries, and improved enforcement of recoveries.</p> <p>Explanation: DG BUDG proposes an Action Plan with a number of actions in the areas of availability and interoperability of information on EU beneficiaries, conflict of interest, and enforcement of recoveries. Actions include amendments to existing provisions of the Financial Regulation, future basic acts and guidance note on conflict of interest.</p> <p>Source of data: DG BUDG</p>			
Baseline (2020)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Existing Financial rules	Action plan adopted for improvement of existing Financial Rules	Action plan implemented on time by all stakeholders concerned	Actions on enhancement of beneficiaries data proposed to co-legislators for CPR, CAP, RRF and BAR. Depending on acceptance of these actions, additional ones to be considered for the FR. Guidance note on conflicts of interest finalised (to be published in all EU languages during first half of 2021).
<p>Result indicator 3: EU budget protected against deficiencies with respect to the Rule of law</p> <p>Explanation: The Commission has made a proposal for an EP/Council Regulation to protect the EU budget in case of generalized deficiencies with respect to the rule of law. If adopted, the Commission needs to develop the tools to correctly apply this measure.</p> <p>Source of data: DG BUDG</p>			
Baseline (2020)	Interim milestone	Target (2024)	Last known results (2020)
Proposal made by The Commission to Council and EP.	(2020) Adoption of the proposal by EP and Council (2021) Link to / cooperation with rule of law mechanism run by DG JUST in place (2022) Methodology in place how to apply the regulation (e.g. which measures like suspension to apply in which case of rule of law deficiencies.	Commission can ensure that EU budget is fully protected with respect to generalised rule of law deficiencies in all Member States.	Regulation 2020/2092 on a general regime of conditionality for the protection of the Union budget adopted on 16 December 2020. In force since 1 January 2021.

Main outputs in 2020:			
Other important outputs			
Output	Indicator	Target	Last known results (on 31/12/2020)
Ensure correct and uniform interpretation and application of conflict of interest rules	Adoption of Guidance note on conflict of interest rules	July 2020	Guidance note due to be published in Q1 2021
Proposal for an EP/Council Regulation to protect the EU budget in case of generalized deficiencies with respect to the rule of law and development of tools to correctly apply this measure.	Timely adoption of the proposal by EP and Council	End 2020	Regulation 2020/2092 on a general regime of conditionality for the protection of the Union budget adopted on 16 December 2020. In force since 1 January 2021.
Improve quality and interoperability of data on EU funds beneficiaries and enforcement of recoveries	Adoption of Action Plan	End 2020	New provisions in CPR and RRF agreed in December 2020 by the co-legislator to enhance the quality of the beneficiaries' data.
Digitalisation of Commission working methods / the creation of a knowledge management tool	Pilot project will involve 3 annotated titles of the financial regulation.	End of 2020	Knowledge Management working group completed its mandate to prepare the concept for the implementation of a new Knowledge Management System. Preparations to implement the project have started.
Set up the Better Spending Network - Partnership with Member States	High level conference to endorse the setting up of the Better Spending Network	End of 2020	Due to COVID, high-level conference postponed twice in 2020. Now provisionally scheduled for June 2021.

Specific objective 5.3. Promote strong enforcement culture to protect the EU budget, including the revenue side		Related to spending programme(s): All	
<p>Result indicator 1: Modern and efficient management and control framework for own resources - Timely and accurate collection of own resource contributions and related payments from Member States, thanks to a close monitoring of the implementation of the own resources regulations and the full implementation of the inspection programmes</p> <p>Explanation: The indicator tracks the rate of collection of revenue stemming from own resources and degree of implementation of the inspection programmes.</p> <p>Source of data: Monthly information on making available of own resources, inputs to the annual VAT and GNI balances exercise, and follow-up and reporting on implementation of inspections.</p>			
Baseline (2019)	Interim milestone	Target (2024)	Last known results (2020)
100% collection and full implementation of inspection programme in 2019	Target to be achieved each year	100% collection and full implementation of inspection programmes	Owing to the restrictions put in place under the pandemic, 80% of the 14 planned VAT-based own resource inspections have been carried out as planned, but remotely. The remainder has either been split or postponed. For the GNI-based own resource, no information visits were planned in 2020.
<p>Result indicator 2: Development and implementation of a strengthened enforcement strategy for traditional own resources</p> <p>Explanation: The indicator tracks progress towards more efficient and proactive action of DG BUDG to improve the collection of traditional own resources by Member States</p> <p>Source of data: TOR inspection reports and risk analysis tools and results, developments in the customs policy, analysis produced at EU level and results obtained</p>			

Baseline (2019)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Risk analysis process based on regular knowledge sharing and internal stocktaking annual meeting taking into account other DGs' input.	Use of an evaluation grid to structure and document the risk analysis process.	Structured and documented risk analysis ensuring that the focus of the inspection work is on the most risky areas	Evaluation grid introduced for 2020 and updated for 2021 inspection planning.
Annual programme of inspections planned in N-1 and ad-hoc follow-up of the findings from a legal perspective.	Design and implementation of flexible ad-hoc inspections to address swiftly emerging threats to TOR and ensure effective and proactive follow-up of the results, including via the early start of infringements proceedings.	Up and running thread of ad hoc inspections further mitigating the risks related to TOR coupled with a dynamic follow-up of the findings via a pro-active infringement follow-up.	New team created within the inspection sector to monitor import trends constituting risks for the EU budget and carrying ad hoc controls and follow-ups on targeted risks
Silo analysis of the risks related to TOR, by MS and at Commission level.	Joint Analysis of Customs and trade data at EU level on risky products and trade patterns, feeding the control, inspection and investigation work at EU and MS level.	Fully-fledged risk analysis capacity at EU level allowing coordinated control approach between EU and MS and effective mitigation of the risks for TOR.	Ongoing analysis and planning between the relevant Commission services (e.g. regular trilateral meetings at Director level between BUDG, TAXUD and OLAF).
Silo approach to customs policy development	Gradual integration of TOR-related issues in customs policy development, especially regarding risk management and controls.	Coordinated and cooperative approach of customs policy development	Follow-up on financial risk criteria guidance provided by TAXUD. Active contribution to project group with Member States to address financial customs risks (undervaluation)

Result indicator 3: Successful implementation of the control system for new and reformed own resources

Explanation: The indicator measures the successful transition to a control system adequate for new and reformed own resources

Source of data: Annual progress reports

Baseline (2019)	Interim milestone (2020)	Target (2024)	Last known results (2020)
Internal reflection at service level.	Adoption of the relevant legislation and implementing measures	Implementation of the new control system	Finalisation of Implementing Regulation (IMSOR), Making Available Regulation (MAR2) and the VAT OR regulation (1553/89) is ongoing. Preparation of a revised VAT Own Resource control guideline.

Result indicator 5: Systematic-driven adoption of administrative sanctions against unreliable persons and entities claiming EU funds

Explanation: to ensure that unreliable persons or entities are effectively sanctioned across all budget areas

Source of data: DG BUDG

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
Ongoing awareness exercises on the sanctions mechanism across Commission, other institutions, agencies and Member States	Propose extension of EDES to shared management	Ensure that all Commission services, other institutions and agencies protect the budget by initiating administrative sanctions in all the cases that is	2 training seasons

required

Main outputs in 2020:

Other important outputs

Output	Indicator	Target	Last known results
Cases on early detection and exclusion are systematically brought to the EDES Panel Follow up of OLAF financial recommendations and, where applicable, related cases sent to EDES Panel	Cases are brought by Commission's DGs, executive agencies and other EU bodies and Institutions Improve data and monitoring	Not less than 10 new cases by end of 2020 and 10 cases for exclusion by end of 2020 Better recovery rate.	20 panel cases 28 cases under instruction
Pillar assessments undertaken on the basis of terms of references adopted by the Commission in April 2019	Guidance on Complementary pillar assessments Guidance on cross reliance on assessments Guidance on equivalence	End 2020	Support to INVEST EU Pillar assessed A entities, UN and other IO
Control of the Union's traditional own resources (TOR)	Implementation and reporting of TOR inspections in accordance with the annual programme; Timeliness of assessment of Member States' write-off reports and related financial impact	100% All irregular TOR write-off amounts are made available to the EU budget	Due to COVID crisis DG BUDG carried out 12 out of 23 planned on-the-spot inspections in 2020. 9 inspections were postponed, while 2 inspections had to be cancelled. Completion of the inspection plan: 52%.
Modern and efficient management of Member States' own resources payments – TOR	1. Timely and accurate collection of OR contributions and related payments 2. Opinion of the Court of Auditors	100% ⁹ Positive opinion	100% as of December 2020 Positive opinion by ECA for the year 2019
Launching infringement procedures against MS in breach of own resources rules	Adoption by the College of the relevant documents: Letter of formal notice, Reasoned Opinion, Referral to Court	To be achieved each year	As planned, two new infringement procedures have been launched for loss of TOR/VAT own resources (against PL and the UK)
Modern and efficient management and control framework for own resources – VAT and GNI	Timely and accurate collection of own resource contributions and related payments from Member States, thanks to a close monitoring of the implementation of the own resources regulations and the full implementation of the inspection programmes	100% collection and full implementation of inspection programme VAT	In 2020, only 3 MS (France, Cyprus and Malta) had a very short delay in making available their own resources monthly contributions; the bulk of the monthly contributions for VAT and GNI MS having been made available on time and in full by Member States. The delays do not affect the overall result as they concern only 0,02 % of the total budget. Owing to the restrictions put in place under the pandemic, 80% of the 14 planned VAT-based own resource inspections have been

⁹ 4 MS (France, Cyprus, Ireland and Malta) had exceptionally a very short delay in making available their own resources monthly contributions. This delay does not affect the overall result as it concerns only 0,02 % of the total budget.

			carried out as planned, but remotely. The reminder has either been split or postponed. For the GNI-based own resource , no information visits were planned in 2020.
	Successful implementation of the control system for new and reformed own resources	(Pending) adoption of relevant legislation and implementing measures	Finalisation of implementing regulation (IMSOR, amended 1553/89 regulation) is ongoing.

General objective 7: A modern, high performing and sustainable European Commission			
Impact indicator 1: Image of the European Union			
Explanation: This indicator is based on the question 'In general, does the EU conjure up for you a very positive, fairly positive, neutral, fairly negative or negative image?' The indicator gives the share of positive and fairly positive views on this question Origin of the indicator: Eurobarometer Source of the data: Eurobarometer			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known result ¹⁰ (2020)
43%	Increase	Increase	40%
Impact indicator 2: Staff engagement index in the Commission			
Explanation: Staff engagement measures staff's emotional, cognitive and physical connection to the job, organisation and the people within it Origin of the indicator: European Commission Staff Survey Source of the data: European Commission			
Baseline (2018)	Interim milestone (2022)	Target (2024)	Last known result (2020)
69%	Increase	Increase	69%

¹⁰<https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/standard/surveyky/2262>

<p>Specific objective 7.1. Act as a center of excellence and trustful partner for Commission services, other institutions, Member States and beneficiaries regarding:</p> <p>financial governance, single (simplified) rulebook, transparency, smart reporting and derived intelligence, single audit approach, compliance and accountability sound and efficient management of accounts, treasury, financial risks and corporate financial IT systems stronger central oversight and management of debt, asset, and contingent liabilities performance optimisation through developing, implementing, monitoring and evaluating policies in an evidence-based, transparent and collaborative way with stakeholders and experts robust internal control that helps the Commission to achieve its objectives and sustain operational and financial performance.</p>			<p>Related to spending programme(s): All</p>
<p>Result indicator 1: Annual accounts adopted on time by the Commission and by relevant other authorities</p> <p>Explanation: this indicator measures the achievement of a key regulatory requirement, the preparation of annual accounts</p> <p>Source of data: Published accounts</p>			
Baseline (2019)	Interim milestone	Target (2024)	Last known results (2020)
Annual accounts adopted on time	Target to be achieved each year	Annual accounts adopted on time	Annual Accounts for 2019 adopted on 26 June 2020
<p>Result indicator 2: Positive DAS on annual accounts from ECA</p> <p>Explanation: this indicator measures a key element of success for the Commission, a clean annual discharge</p> <p>Source of data: ECA</p>			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known results (2020)
DAS positive	Target to be achieved each year	DAS positive	Clean ECA opinion on the 2019 accounts
<p>Result indicator 3: Efficient and effective treasury management, through speedy execution of payments with minimal negative interest paid</p> <p>Explanation: The central treasury of the Commission processes some 2.5 million payments annually, on a continuous basis</p> <p>Source of data: Daily banking status, SAP</p>			
Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known results (2020)
Effective management achieved	More efficient payment processes to remote countries	Processes as efficient as possible	SLA with EEAS for provision by BUDG of new payment methods signed in December 2020
<p>Result indicator 4: Corporate Datawarehouse with financial and operational information</p> <p>Explanation: The 'need to share' will become the norm for sharing data, information and knowledge. It should lead to an EC corporate Datawarehouse containing financial and operational information</p> <p>Source of data: ABAC/SUMMA – OPSYS – SFC – SYGMA</p>			
Baseline (2020)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Obtain links to existing corporate data warehouses	Identify important fields from operational data warehouses	Virtualise data to obtain a single corporate data warehouse	<p>Access to the SyGMA datastore (H2020) is used for improving the information on net balances. Access to CRIS Datawarehouse (External aid) is used to develop the Covid-19 report.</p> <p>Assessment of the use of all OECD related criteria, which are embedded in the CRIS DWH, is being finalised to ensure that the quality of the data from the CRIS DWH is sufficient to be passed on to SUMMA for its thematic reporting.</p>

Result indicator 5: Domain leader in financial reporting with a significantly increased reporting capacity, including performance data and SDGs

Explanation: With the transition to Summa, an improved reporting capacity is being developed, which should also deal in future with the UN sustainable development goals

Source of data: ABAC/SUMMA

Baseline (2020)	Interim milestone (2021)	Target (2024)	Last known results (2020)
Financial flash reports expanded	Development of a corporate financial performance scorecard	Domain leader in financial reporting with a significantly increased reporting capacity	A first partial version of the financial scorecard was released in Autumn 2020. The 6 indicators also are a new annex of the AAR (Annex 4). For 2021, the remaining indicators will be developed and replace the current flash report in an incremental way.

Result indicator 6: Degree of implementation of the new corporate financial platform (SUMMA)

Explanation: The successful modernisation of the Commission corporate financial system is very much linked to the timely implementation of the project

Source of data: DG BUDG

Baseline (2019)	Interim milestone	Target (2024)	Last known results (2020)
Phase I and II successfully implemented – detecting high-level needs. GAPS and specific needs being identified during 2020	2021: Pilot agencies rollout 2023: shareCommission rollout	All entities rolled out in SUMMA	The solution design and build of the SUMMA pilot agency solution progressed in line with the objective of going live at the end of 2021

Result indicator 7: The internal control framework is effectively implemented across the Commission

Explanation: The Commission departments conclude that their internal control systems are functioning effectively overall and that actions are taken to address identified weaknesses.

Source of data: Annual Management and Performance Report

Baseline (2020)	Interim milestone	Target (2024)	Last known results (2020)
Commission departments assess their internal control systems as effective	Target to be achieved each year	Commission departments assess their internal control systems as effective	In AMPR 2019 (June 2020), Commission departments reported their internal control systems as effective.

Result indicator 8: As Business domain leader, DG BUDG contributes to the design of the Corporate IT architecture for the Financial Management

Explanation: Developing more efficient corporate workflows for grants, procurement, financial instruments and budgetary guarantees and the Commission departments onboard IT Corporate systems for next MFF

Source of data: ITCB reporting

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
Adoption by the College of the Corporate Model Grant agreement	Declination of the corporate Model grant for all spending programs Corporate Model contracts are at the disposal of the DGs	All Spending programs are managed in corporate IT for grants and procurement	Corporate Model Grant Agreement adopted by Decision C(2020)3759. Declination of the corporate model for majority of programmes completed. 45 of 49 programmes integrated in the IT tools. Overall target should be reached in 2022.

Result indicator 9: As domain leader, DG BUDG establishes an information system for the management and monitoring of the Commission's Internal Control Framework.

Explanation: The Commission departments monitoring and report on their control systems in their Annual Activity Report. The objective is to have a Corporate tool to ensure uniform and automated reporting

Source of data: Annual Management and Performance Report (AMPR)

Baseline (2020)	Interim milestone (2022)	Target (2024)	Last known results (2020)
Definition of Scope	Pilot project(s) Test version by Q4 2021	Corporate Tool fully implemented	Technical specifications approved at the IT Steering Board of 15/12/2020

Result indicator 10: DG BUDG's processes are integrated in an efficient Knowledge Management System

Explanation: DG BUDG develops and maintains a Knowledge Management System, accessible to its staff, which ensures the continuation of operations and supports the achievement of its objectives

Source of data: KM Steering Committee

Baseline (2020)	Interim milestone	Target (2024)	Last known results (2020)
BudgWeb, BudgNet & Collaborative web spaces	Knowledge Management working group prepares a concept of KM system	First roll out of BUDGpedia Knowledge management System	Coordination of this project was entrusted to D5 unit. Knowledge Management working group prepared concept of KM system

Main outputs in 2020:

Other important outputs

Output(s)	Indicator(s)	Target(s)	Last known results
Reinforce DG BUDGET's role as the centre of competence for financial reporting of the European Commission and its different agencies.	Corporate Financial Scorecard for each of the five financial management areas: Budget, Absorption, efficiency, risks and data quality. For each of these, a story-telling dashboard will be developed allowing increased intelligent analysis towards data driven decision-making.	31/12/2020	Simplified financial scorecard became AAR2020 annex 4 (included in the AAR exercise before 31/12/2020).
	Revamped Financial Transparency Website, offering evolution of funding, improved user experience, and additional information such as consumed amount, project duration, LC category and enhanced geo data	30/06/2020	The revamped FTS website is already available within the Commission and will go-live on Europa together with the FTS update for 2020 data in June 2021. This should help to dilute the focus on the new website and limit the questions generated by the more transparent user interface.
Provide the enabling IT tool for the swift and secure execution of the budget, asset and treasury management and a source for the reporting foreseen by the EU legal framework, for the Commission and more than 50 other EU entities.	Accounting & Financial Information System aligned with the new MFF and other legal and business requirements.	31/12/2020	End of December 2020 ABAC was adapted to the new MFF and its budgetary structure and the first transactions could be recorded.

Issue annual opinion on the reliability of local systems to derive complete and accurate information for the preparation of the annual accounts and financial reports	Annual report on the Validation of Local Systems	31/03/2020	Report on the Validation of Local Systems issued on 27/03/2020
Manage the budgetary structure in the financial IT systems, ensuring that appropriations are timely available for implementation in compliance with the applicable regulatory provisions.	To minimise the period of unavailability of carried forward appropriations at the beginning of the financial year.	14/01/2021	ABAC was adapted to the new MFF and its budgetary structure and the first transactions could be recorded on time. The carry forward activities were finished before the deadline of 15 February 2021 (FR Art.12.3).
Deliver EU, Commission, EDF and other accounts on time and to a high quality, as well as providing prompt, high quality guidance & support to all EU entities on accounting matters	Annual accounts adopted on time by the Commission and by relevant other authorities & positive DAS on annual accounts from ECA	30/06/2020	Annual Accounts for 2019 adopted on 26 June 2020. Clean ECA opinion on 2018 accounts.
Follow up on all open debts, offsetting as many as possible. To strengthen the EU recovery policy. Manage competition fines. Strengthen EU recovery policy.	Awareness at corporate level of strengths and weaknesses of recovery policy Recovery rate following OLAF financial recommendations Percentage of covered fines, including a coherent management policy for guarantees	31/12/2020	Discussions at Corporate Management Board. 11% of amount recommended, 21% of amount established. 99.7% of fines covered. Guarantee risk management policy has been updated.
Full execution of budget payments to ensure credibility and achievement of all policy objectives	All authorised payments executed without delay	31/12/2020	100% authorised payments executed without delay.
Integration of new MFF instruments in budgetary and financial management, allowing smooth operations, robust reporting and diligent accounts.	Comprehensive financial and budgetary workflows in place	31/12/2020	The processes for the budgetary, treasury and accounting management of the operations of the Innovation Fund, the Common Provisioning Fund and the European Peace Facility were designed, documented and partially deployed in 2020. The operational implementation of these financing structures will continue in 2021.
Contribute to transparency of budget execution through clear identification of beneficiaries	Contribute to transparency of budget execution through clear identification of beneficiaries	31/12/2020	More than 26.000 new beneficiaries and 35.000 new bank account have been registered in the central financial system of the EC. Processing time was below 1.7 day in average.
Ensuring political accountability vis-à-vis the Discharge Authority, following-up on EP/Council discharge requests and using lessons learnt from the past discharge	Report on the follow-up to the discharge (political priorities) as part of the Integrated Accountability and Financial Reporting - Art 247 of the Financial Regulation. Detailed reports to the EP and Council on actions taken to address the various	Follow-up report (political requests) by 30 June 2020. Detailed reports on individual discharge requests to EP/Council in September 2020.	Follow-up report to the discharge (COM(2020)311) adopted as part of the Integrated Financial and Accountability Reporting Package.

procedures and ECA reports to improve the future.	individual discharge requests. Overview notes to the Audit Progress Committee when requested. Analysis of ECA recommendations and input to e.g. budgetary and legislative processes on an ad hoc basis.	Overview notes to the Audit Progress Committee.	
Implementation of the new Corporate Finance Platform SUMMA to maintain a modern and high quality Information System	The Solution Design phase is completed for the pilot, and results in a list of functional specifications describing the enhancements/gaps to be built on S/4HANA.	Management validates the backlog of enhancements / gaps (with a prioritisation and effort indicator) in multiple batches with completion in October 2020.	The solution design for the pilot agencies progressed as planned. A limited number of solution design decisions were outstanding in December 2020 and are planned for completion in Q1 2021, which remains compatible with the overall timeline of the programme.
	The Solution Build phase starts	The Solution Build phase starts in Q1 2020	The build of the pilot agency solution started as planned in Q1/2020, and progressed in line with objectives, with a substantial part of the "fit" build completed as at end of 2020.
	The integration of SUMMA with the other corporate tools, especially eProcurement, is clarified between DG BUDGET and DIGIT	The detailed business scope of SUMMA versus eProcurement is documented and presented to the GPSB (Grants & Procurement Board) and SUMMA Steering Board for approval by September 2020	A common working group between GPSB and SUMMA was established investigating the grey areas to avoid overlapping functionalities. eGrants was also included in the scope of this analysis and the final details of the business scope will be confirmed in Q1/2021. In the meantime, a first level of integration between eProcurement and SUMMA was agreed for the pilot agencies and the implementation was initialised.
Business continuity of BUDG corporate IT systems (ABAC, BadgeBud, EDES, pillar Assessment automated workflow - PAAW) and all BUDG local applications	Availability, security and reliability of the IT systems Align the IT systems with legal obligations and business requirements	Continuous monitoring during 2020	For IT systems in production business continuity has been achieved. PAAW is under analysis for development decision.
Implement a new version of SAP covering all Financial Asset Management needs (SUMMA project)	Correct and timely reporting related to Financial Asset Management operations, timely payment instructions, implementation of business processes based on best practices and industry standards in SUMMA	End of Year 2023	During 2020, as planned, no activities were carried out for Financial Asset Management as this business process is not part of the SUMMA pilot agency scope. Work in this area is planned to start in 2021, in view of SUMMA rollout to the Commission at end of 2023.
Contract Management. Ensure an efficient and timely management/renewal of contracts with external data providers enabling Directorate E to perform its range of financial operations.	Continuous availability of the specialized data and information necessary for the performance of operations.	Throughout 2020	Dashboard to monitor the implementation of contracts' renewals was handed over to BUDG by ECFIN.

Coordinate transfer of infrastructure-related IT activities from ECFIN to BUDG R	Directorate BUDG R is able to provide timely support for the FAM IT infrastructure	June 2020	Done in December 2020. The implementation of 'SWIFT Archive' was completed in a secured manner by mid-February 2021 following a period of 'parallel running' of the former and the new solution
Upgrade Financial Asset Management related part of SAP to the EHP8 version	FAM process working correctly in the upgraded version of SAP	June 2020	Done in July 2020, on time and on target
Maintain, implement new functionalities and provide user support for SAP	Correct and timely reporting related to Financial Asset Management operations, timely payment instructions, implementation of business processes based on best practices and industry standards in SAP ERP 6	No end date	Business continuity has been maintained.
Promote and nurture a strong internal control culture: - Facilitate sharing of good practice among DGs - Provide guidance and feedback on the implementation of the ICF	At least 3 ICCNet meetings	End 2020	4 ICCnet meetings
	Quality of reporting on the state of IC in the AARs	End 2020	5 DGs shared best practices on the IC implementation in the ICCnet meetings
Contribute to corporate oversight for effective risk management Sound assessment and management of critical risks	List of critical risks is comprehensive (in line with IAS assessment)	End 2020	Critical risks were reported in the context of the 2021 management plans. The conclusion of the critical risk exercise has been shared with the IAS. 4 Peer review meetings related to the "regular" critical risk exercise were held in December 2020. Critical risks reported in the context of the Covid-19 risk assessment. The conclusion of the critical risk exercise has been shared with the IAS. One peer review meeting related to COVID risk exercise was organised (8/07/2020).
Consistent and comprehensive accountability reporting in line with the corporate instructions and guidance Annual Activity Reports provide true and fair view on financial management and internal control	No shortcoming identified by ECA and discharge authority as regards completeness and reliability of reporting	April 2020	No issue identified by the ECA (CONT 22/23 February 2021 - Draft Report 2020/2140(DEC))
Modernisation of the internal control monitoring and reporting tools	Approach agreed between central services formalised in Joint note for the CMB (IT Board)	End 2020	Agreement on CENTRICS reached in ITCB meeting of 17/12/2020

Coordination and communication outputs

General objective: 3. An economy that works for people

Main outputs in 2020:

New policy initiatives

Output	Indicator	Target	Last known result
Just Transition Mechanism proposal	Adoption by Council and EP	Adoption in 2020	Provisional agreement on JTF reached by the co-legislators in December 2020
Coronavirus Response Investment Initiatives (CRII, CRII) and ESI	Adoption by Council and EP	Adoption by mid-April 2020	CRII adopted on 30 March 2020 CRII+ adopted on 23 April 2020
Development of the Brexit Adjustment Reserve	Set-up of the Brexit Adjustment Reserve	Adoption of the Brexit Adjustment Reserve proposal by the end of the year, supporting and in collaboration with REGIO	BAR proposal adopted by the Commission on 25 December 2020
Revamped MFF proposal including Own Resources Decision and Recovery instrument	Adoption by Council, consent by EP	Adoption before end-2020	The European Parliament delivered its opinion on the ORD on 16 September 2020. The Council adopted the Own Resources Decision on 14 December 2020.

Initiatives linked to regulatory simplification and burden reduction

Output	Indicator	Target	Last known result
Organisation and management of the CRII Secretariat	Dedicated website providing information and replies to the questions from the MS	200 questions replied in the first month. All the questions replied during the year.	CRII secretariat which coordinated between Commission services and communicated with Member States' authorities in the first weeks of the outbreak set up and run by BUDG. Online Q&A platform set up by BUDG on which several hundred questions from MS are answered (mainly by REGIO and EMPL).

External communication actions

Output	Indicator	Target	Last known result
Revamped EU budget website on Europa	Number of visits [web analytics]	300 000	435 394
	Number of visitors identified by browsers [web analytics]	250 000	355 616 unique visitors
	Number of page views [web analytics]	600 000	854 753

Production and publication of the AMPR	Number of readers of the publication or online readers [EDICS, OP orders, REPS]	500	350 (no paper dissemination this year due to COVID-19)
Production and publication of the IFAR package including the brochure	Number of readers of the publication or online readers [EDICS, OP orders, REPS]	300 on line	1 600
Production and publication of EU budget in my country	Number of readers of the publication or online readers [EDICS, OP orders, REPS] Percentage of publications produced in more than one linguistic version (at least 20%)	1 000 24 languages"	2 000 Publications produced in all languages
Coordination of communication activities	Smooth running of communication activities; timely submission of quality documents	Continues	All relevant communicated material submitted timely and of very high quality
Production and publication of EU budget at the glance	Number of readers of the publication or online readers [EDICS, OP orders, REPS] Percentage of publications produced in more than one linguistic version (at least 20%)	4 000 24 languages	4 500 Publications produced in all languages
Production and publication of communication material on EU budget support to the COVID-19 crisis	Number of readers of the publication or online readers [EDICS, OP orders, REPS]	5 000 on line	2 200 OP views on BUDG related publications 12 108 unique page views on Europa for the press releases
Production and publication of the myth busting material	Number of readers of the publication or online readers [EDICS, OP orders, REPS] Percentage of publications produced in more than one linguistic version (at least 20%)	500 24 languages	1 400 Publications produced in all languages
Communication material on the budgetary decisions (e.g. Draft budget, Discharge, IFAR, DABs...) such as press releases, memos, LLT, Q&A	Number of online views of media releases [web analytics]	300 on line	350 OP views of BUDG factsheets 38 082 unique page views on Europa
Communication campaign around revamped MFF proposal and Recovery instrument (Press material; Technical briefings; Factsheets; Articles; outreach)	Number of online views of media releases [web analytics]	3 000	2 200 only OP views of BUDG factsheets 126 270 unique page views press releases on Europa 21 000 unique page views factsheets

EU budget Twitter account	Number of impressions	100 000 impressions per month	63 700 per month on average
	Number of followers / fans / subscribers	20 000	21 067
	Number of posts	5 per week	5 per week
Speeches for the Commissioner	Quality and timeliness of drafts	Deadlines respected	Briefings delivered to the CAB on time
Director General' Twitter account (launched in January 2020)	Number of impressions	150 000 per month on average	200 000 per month on average
	Number of followers / fans / subscribers	3 000	3 450
	Number of posts [social media metrics]	5 per week	5 per week

Other important outputs

Output	Indicator	Target	Last known result
Revamped manual of procedures	All internal BUDG procedures updated and published on BudgNet	Summer 2020	Manual of procedures produced, published in July and amended further in the second semester 2020
Coordination of inter-institutional activities (GRI, EXCO, EP questions, national parliaments opinions, consultative committees)	Quality in the running of procedures and respect of deadlines in the submission of quality documents	Smooth running of procedures; timely submission of quality documents	Procedures run smoothly throughout the year; Active participation in inter-institutional activities; Documents, comments and contributions delivered within deadlines
Coordination of internal procedures (legislative coordination, comitology, briefings, access to documents, citizens questions, ombudsman, corporate management board)	Quality in the running of procedures and respect of deadlines in the submission of quality documents	Smooth running of procedures; timely submission of quality documents	Procedures run smoothly throughout the year; Documents delivered on time
Conclusion of important steps in relation to Brexit	Finalisation of the negotiations on the new partnership agreement with the EU	End of 2020	Negotiations concluded in December 2020
	Implementation of the Withdrawal Agreement	Implemented as planned	Report on contingent financial liabilities and financial instruments under Article 143(1) prepared. Preparatory work for reports due in 2021 started. Continuous participation in Specialised Committee on Financial Provisions.

General objective: 5. Promoting our European way of life

Main outputs in 2020:

External communication actions

Output(s)	Indicator(s)	Target(s)	Last known result
Coordination of communication activities on the rule of law and conflict of interest	No incidents	0	All necessary material prepared according to policy needs
"Better spending conference" with BUDG D1	Number of attendees: physical	50	Postponed due to COVID-19
Promotion of the Financial Transparency System	Number of visitors on the FTS web page	5 000	106 506 page views
Presentations delivered via Visitor Centre	Number of presentations	20	Responded to all requests and proactively organised presentations for Commission Representations and events with think-tanks in the context of the MFF negotiations

General objective: 7. A modern, high performing , sustainable Commission

Main outputs in 2020:

Other important outputs

Output(s)	Indicator(s)	Target(s)	Last known result
Contribute to the BUDG communication activities as domain leader on financial management led by BUDG D5	Number of contributions to the RUF newsletter	5	6 newsletters
Promotion of SUMMA and SEDIA (E-grants, E-procurement)	Articles in RUF newsletter	One every three months	3 articles on SUMMA in RUF newsletters
Promotion of BUDG related initiatives	Number of articles on Intracomm	At least 5	7 articles published
BUDGTimes Newsletters	Regular weekly publication	90%	88%
	Openings per issue	428 (85% of all staff)	1389
	Unique clicks per issue	377 (75% of all staff)	356
	Unsubscribe rate	< 5% of all staff	0
	Spam complaint rate	< 5% of all staff	0
BudgNet own content and web site administration	BudgNet publications about management, staff, project teams and internal networks	At least two per week	2 publications per week
Lunchtime presentations and learning seminars	Organisation and communication of BUDG lunchtime conferences and learning activities	At least 8 lunchtime conferences	7 meetings organised (number reduced due to COVID-19)
Internal communication network (Spokes4BUDG)	Number of meetings	6	3
	Number of articles submitted by Spokes4BUDG"	10 per month	2

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG BUDG - Financial Year 2020

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Additional comments

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

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG BUDG					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 01 Economic and financial affairs					
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.35	0.35	100.00 %
	01 02	Economic and monetary union	1.61	1.59	99.23 %
	01 03	International economic and financial affairs	240.15	240.15	100.00 %
Total Title 01			242.11	242.10	99.99 %
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	0.07	0.07	100.00 %
Total Title 02			0.07	0.07	100.00 %
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	0.24	0.24	100.00 %
	04 02	European Social Fund (ESF)	0.00	0.00	0.00 %
Total Title 04			0.24	0.24	100.00 %
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0.13	0.13	100.00 %
Total Title 05			0.13	0.13	100.00 %
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.08	0.08	100.00 %
Total Title 06			0.08	0.08	100.00 %
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	0.02	0.02	100.00 %
Total Title 07			0.02	0.02	100.00 %
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	1.40	1.40	100.00 %
Total Title 08			1.40	1.40	100.00 %
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.23	0.23	100.00 %
Total Title 09			0.23	0.23	100.00 %
Title 10 Direct research					
10	10 01	Administrative expenditure of the 'Direct research' policy area	1.04	1.04	100.00 %
Total Title 10			1.04	1.04	100.00 %
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.05	0.05	100.00 %
Total Title 11			0.05	0.05	100.00 %
Title 12 Financial stability, financial services and capital markets union					
12	12 02	Financial services and capital markets	0.03	0.03	100.00 %
Total Title 12			0.03	0.03	100.00 %

Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.09	0.09	100.00 %
Total Title 13			0.09	0.09	100.00 %

Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.02	0.02	100.00 %
Total Title 14			0.02	0.02	100.00 %

Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.21	0.21	100.00 %
Total Title 15			0.21	0.21	100.00 %

Title 16 Communication					
16	16 03	Communication actions	0.36	0.36	100.00 %
Total Title 16			0.36	0.36	100.00 %

Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.07	0.07	100.00 %
Total Title 17			0.07	0.07	100.00 %

Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.06	0.06	100.00 %
Total Title 18			0.06	0.06	100.00 %

Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.02	0.02	100.00 %
Total Title 19			0.02	0.02	100.00 %

Title 20 Trade					
20	20 02	Trade policy	0.01	0.01	100.00 %
Total Title 20			0.01	0.01	100.00 %

Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	0.28	0.18	64.54 %
Total Title 21			0.28	0.18	64.54 %

Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.14	0.14	100.00 %
Total Title 22			0.14	0.14	100.00 %

Title 23 Humanitarian aid and civil protection					
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.15	0.15	100.00 %
Total Title 23			0.15	0.15	100.00 %

Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.32	0.32	100.00 %
Total Title 26			0.32	0.32	100.00 %

Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	18.31	16.61	90.70 %
Total Title 27			18.31	16.61	90.70 %

Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	0.05	0.05	100.00 %
Total Title 29			0.05	0.05	100.00 %

Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	0.09	0.09	100.00 %
	32 02	Conventional and renewable energy	0.00	0.00	0.00 %
Total Title 32			0.09	0.09	100.00 %

Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.04	0.04	100.00 %
Total Title 33			0.04	0.04	100.00 %

Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.01	0.01	100.00 %
Total Title 34			0.01	0.01	100.00 %

Title 40 Reserves					
40	40 02	Reserves for financial interventions	0.00	0.00	0.00 %
Total Title 40			0.00	0.00	0.00 %

Total DG BUDG			265.62	263.81	99.32 %
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** Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).*

% Outturn on Commitment Appropriations in 2020 for DG BUDG



TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG BUDG					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 01 Economic and financial affairs					
01	01 01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.70	0.26	36.50 %
	01 02	Economic and monetary union	1.74	1.53	87.94 %
	01 03	International economic and financial affairs	240.15	240.15	100.00 %
Total Title 01			242.60	241.94	99.73%
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 01	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	0.14	0.07	49.10 %
Total Title 02			0.14	0.07	49.10%
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	0.24	0.00	0.00 %
	04 02	European Social Fund (ESF)	0.18	0.18	100.00 %
Total Title 04			0.42	0.18	43.77%
Title 05 Agriculture and rural development					
05	05 01	Administrative expenditure of the 'Agriculture and rural development' policy area	0.27	0.17	61.81 %
Total Title 05			0.27	0.17	61.81%
Title 06 Mobility and transport					
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.14	0.09	61.45 %
Total Title 06			0.14	0.09	61.45%
Title 07 Environment					
07	07 01	Administrative expenditure of the 'Environment' policy area	0.05	0.05	100.00 %
Total Title 07			0.05	0.05	100.00%
Title 08 Research and innovation					
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	2.56	1.71	66.92 %
Total Title 08			2.56	1.71	66.92%
Title 09 Communications networks, content and technology					
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.43	0.27	62.39 %
Total Title 09			0.43	0.27	62.39%
Title 10 Direct research					
10	10 01	Administrative expenditure of the 'Direct research' policy area	1.97	1.07	54.13 %
Total Title 10			1.97	1.07	54.13%
Title 11 Maritime affairs and fisheries					
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.10	0.10	100.00 %
Total Title 11			0.10	0.10	100.00%
Title 12 Financial stability, financial services and capital markets union					
12	12 02	Financial services and capital markets	0.00	0.00	100.00 %
Total Title 12			0.00	0.00	100.00%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.16	0.10	64.55 %
Total Title 13			0.16	0.10	64.55%
Title 14 Taxation and customs union					
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.04	0.03	77.94 %
Total Title 14			0.04	0.03	77.94%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.41	0.27	65.53 %
Total Title 15			0.41	0.27	65.53%

Title 16 Communication					
16	16 03	Communication actions	0.38	0.38	100.00 %
Total Title 16			0.38	0.38	100.00%
Title 17 Health and food safety					
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.14	0.14	100.00 %
Total Title 17			0.14	0.14	100.00%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.11	0.07	65.91 %
Total Title 18			0.11	0.07	65.91%
Title 19 Foreign policy instruments					
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.04	0.04	95.52 %
Total Title 19			0.04	0.04	95.52%
Title 20 Trade					
20	20 02	Trade policy	0.01	0.01	100.00 %
Total Title 20			0.01	0.01	100.00%
Title 21 International cooperation and development					
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	0.46	0.25	54.73 %
Total Title 21			0.46	0.25	54.73%
Title 22 Neighbourhood and enlargement negotiations					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.26	0.19	74.08 %
Total Title 22			0.26	0.19	74.08%
Title 23 Humanitarian aid and civil protection					
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.28	0.16	57.38 %
Total Title 23			0.28	0.16	57.38%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.42	0.17	40.46 %
Total Title 26			0.42	0.17	40.46%
Title 27 Budget					
27	27 01	Administrative expenditure of the 'Budget' policy area	32.24	23.85	73.98 %
Total Title 27			32.24	23.85	73.98%
Title 29 Statistics					
29	29 01	Administrative expenditure of the 'Statistics' policy area	0.09	0.04	46.41 %
Total Title 29			0.09	0.04	46.41%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	0.09	0.03	30.22 %
	32 02	Conventional and renewable energy	0.08	0.08	100.00 %
Total Title 32			0.17	0.11	63.74%
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.07	0.03	43.08 %
Total Title 33			0.07	0.03	43.08%
Title 34 Climate action					
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.01	0.01	51.53 %
Total Title 34			0.01	0.01	51.53%
Title 40 Reserves					
40	40 02	Reserves for financial interventions	0.00	0.00	0.00 %
Total Title 40			0.00	0.00	0.00%
Total DG BUDG			284.00	271.52	95.61 %

% Outturn on Payment Appropriations in 2020 for DG BUDG

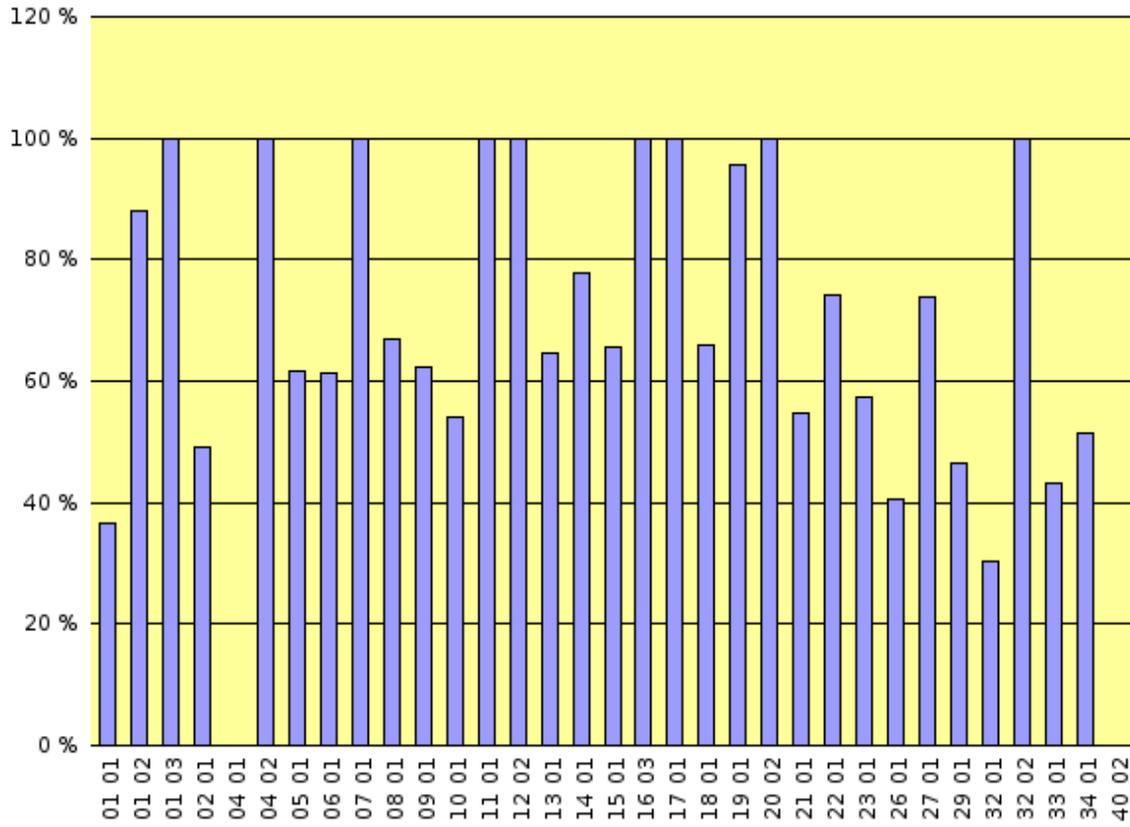


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
01	01	Administrative expenditure of the 'Economic and financial affairs' policy area	0.35	0.02	0.33	95.71%	0.00	0.33	0.35
	02	Economic and monetary union	1.59	0.75	0.85	53.05%	0.09	0.93	0.87
	03	International economic and financial affairs	240.15	240.15	0.00	0.00%	0.00	0.00	0.00
Total Title 01			242.10	240.92	1.18	0.49%	0.09	1.26	1.22

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02	Administrative expenditure of the 'Internal market, industry, entrepreneurship and SMEs' policy area	0.07	0.00	0.07	100.00%	0.00	0.07	0.07
Total Title 02			0.07	0.00	0.07	100.00%	0.00	0.07	0.07

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	0.24		0.24	100.00%	0.00	0.24	0.00
	02	European Social Fund (ESF)	0.00	0.00	0.00	0.00%	0.00	0.00	0.18
Total Title 04			0.24	0.00	0.24	100.00%	0.00	0.24	0.18

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05	Administrative expenditure of the 'Agriculture and rural development' policy area	0.13	0.03	0.10	77.70%	0.00	0.10	0.14
Total Title 05			0.13	0.03	0.10	77.70%	0.00	0.10	0.14

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Administrative expenditure of the 'Mobility and transport' policy area	0.08	0.02	0.05	69.19%	0.00	0.05	0.06
Total Title 06			0.08	0.02	0.05	69.19%	0.00	0.05	0.06

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Administrative expenditure of the 'Environment' policy area	0.02	0.02	0.00	0.00%	0.00	0.00	0.03
Total Title 07			0.02	0.02	0.00	0.00%	0.00	0.00	0.03

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 01	Administrative expenditure of the 'Research and innovation' policy area	1.40	0.55	0.85	60.47%	0.00	0.85	1.16
Total Title 08			1.40	0.55	0.85	60.47%	0.00	0.85	1.16

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Administrative expenditure of the 'Communications networks, content and technology' policy area	0.23	0.07	0.16	71.45%	0.00	0.16	0.21
Total Title 09			0.23	0.07	0.16	71.45%	0.00	0.16	0.21

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
10	10 01	Administrative expenditure of the 'Direct research' policy area	1.04	0.28	0.76	73.26%	0.00	0.76	0.93
Total Title 10			1.04	0.28	0.76	73.26%	0.00	0.76	0.93

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 01	Administrative expenditure of the 'Maritime affairs and fisheries' policy area	0.05	0.05	0.00	0.00%	0.00	0.00	0.05
Total Title 11			0.05	0.05	0.00	0.00%	0.00	0.00	0.05

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
12	12 02	Financial services and capital markets	0.03	0.00	0.03	100.00%	0.00	0.03	0.00
Total Title 12			0.03	0.00	0.03	100.00%	0.00	0.03	0.00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.09	0.04	0.06	59.44%	0.00	0.06	0.06
Total Title 13			0.09	0.04	0.06	59.44%	0.00	0.06	0.06

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Administrative expenditure of the 'Taxation and customs union' policy area	0.02	0.01	0.01	42.50%	0.00	0.01	0.02
Total Title 14			0.02	0.01	0.01	42.50%	0.00	0.01	0.02

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.21	0.06	0.14	68.40%	0.00	0.14	0.20
Total Title 15			0.21	0.06	0.14	68.40%	0.00	0.14	0.20

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 03	Communication actions	0.36	0.10	0.25	71.22%	0.03	0.28	0.30
Total Title 16			0.36	0.10	0.25	71.22%	0.03	0.28	0.30

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
17	17 01	Administrative expenditure of the 'Health and food safety' policy area	0.07	0.07	0.00	0.00%	0.00	0.00	0.07
Total Title 17			0.07	0.07	0.00	0.00%	0.00	0.00	0.07

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.06	0.02	0.04	66.60%	0.00	0.04	0.05
Total Title 18			0.06	0.02	0.04	66.60%	0.00	0.04	0.05

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
19	19 01	Administrative expenditure of the 'Foreign policy instruments' policy area	0.02	0.02	0.00	8.84%	0.00	0.00	0.02
Total Title 19			0.02	0.02	0.00	8.84%	0.00	0.00	0.02

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
20	20 02	Trade policy	0.01	0.00	0.01	100.00%	0.00	0.01	0.01
Total Title 20			0.01	0.00	0.01	100.00%	0.00	0.01	0.01

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
21	21 01	Administrative expenditure of the 'International cooperation and development' policy area	0.18	0.07	0.11	60.15%	0.00	0.11	0.18
Total Title 21			0.18	0.07	0.11	60.15%	0.00	0.11	0.18

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.14	0.07	0.07	49.74%	0.00	0.07	0.13
Total Title 22			0.14	0.07	0.07	49.74%	0.00	0.07	0.13

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
23	23 01	Administrative expenditure of the 'Humanitarian aid and civil protection' policy area	0.15	0.03	0.12	82.15%	0.00	0.12	0.14
Total Title 23			0.15	0.03	0.12	82.15%	0.00	0.12	0.14

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.32	0.08	0.23	73.67%	0.00	0.23	0.10
Total Title 26			0.32	0.08	0.23	73.67%	0.00	0.23	0.10

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
27	27 01	Administrative expenditure of the 'Budget' policy area	16.61	10.15	6.46	38.89%	0.00	6.46	13.93
Total Title 27			16.61	10.15	6.46	38.89%	0.00	6.46	13.93

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
29	29 01	Administrative expenditure of the 'Statistics' policy area	0.05	0.00	0.05	100.00%	0.00	0.05	0.04
Total Title 29			0.05	0.00	0.05	100.00%	0.00	0.05	0.04

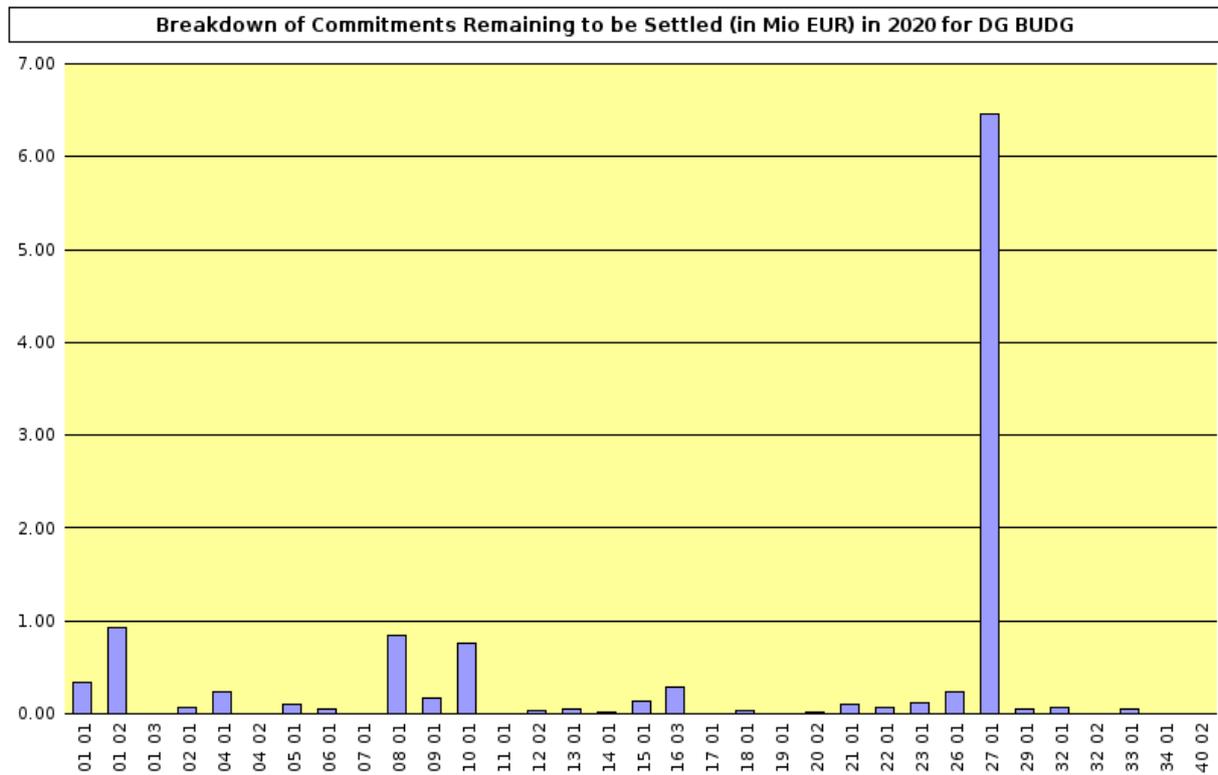
TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
32	32 01	Administrative expenditure in the 'Energy' policy area	0.09	0.03	0.06	69.78%	0.00	0.06	0.00
	32 02	Conventional and renewable energy	0.00	0.00	0.00	0.00%	0.00	0.00	0.08
Total Title 32			0.09	0.03	0.06	69.78%	0.00	0.06	0.08

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.04	0.00	0.04	100.00%	0.00	0.04	0.03
Total Title 33			0.04	0.00	0.04	100.00%	0.00	0.04	0.03

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
34	34 01	Administrative expenditure in the 'Climate action' policy area	0.01	0.00	0.01	100.00%	0.00	0.01	0.01
Total Title 34			0.01	0.00	0.01	100.00%	0.00	0.01	0.01

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG BUDG									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
40	40 02	Reserves for financial interventions							
Total Title 40									

Total :	263.81	252.70	11.11	4.21 %	0.11	11.22	19.43
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- *It should be noted that exceptionally, for confidentiality reasons, the tables 4, 5 and 5bis are not included in this version.*

TABLE 6: AVERAGE PAYMENT TIMES in 2020 for DG BUDG

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	931	729	78.30 %	14.33	202	21.70 %	80.80
45	1	1	100.00 %	5			
60	2	1	50.00 %	56	1	50.00 %	1298

Total Number of Payments	934	731	78.27 %		203	21.73 %	
Average Net Payment Time	30.11			14.38			86.80
Average Gross Payment Time	30.59			14.81			87.44

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	17	27	2.89 %	934	2,855,788.93	1.05 %	271,528,590.05

Late Interest paid in 2020			
DG	GL Account	Description	Amount (Eur)
BUDG	65010100	Interest on late payment of charges New FR	36 736.48
			36 736.48

In 2020 BUDG paid interest on late payments amounting to €36 736. The latter is partly attributed to the staffing challenges during the first quarter of 2020. During the second half of 2020 BUDG set an internal invoice validation target of maximum seven calendar days, which will help to avoid incidents of late payment interest in the future.

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 for DG BUDG

Chapter	Revenue and income recognized			Revenue and income cashed from			Outstanding balance	
	Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total		
	1	2	3=1+2	4	5	6=4+5		
11	LEVIES AND OTHER DUTIES PROVIDED FOR UNDER THE COMMON ORGANISATION OF THE MARKETS IN SUGAR (ARTICLE 2(1)(A) OF DECISION 2007/436/EC, EURATOM)	857.85	0.00	857.85	857.85	0.00	857.85	0.00
12	CUSTOMS DUTIES AND OTHER DUTIES REFERRED TO IN ARTICLE 2(1)(A) OF DECISION 2007/436/EC, EURATOM	19,816,613,405.54	2,290,851,855.96	22,107,465,261.50	19,811,114,267.71	55,429,829.13	19,866,544,096.84	2,240,921,164.66
13	OWN RESOURCES ACCRUING FROM VALUE ADDED TAX PURSUANT TO ARTICLE 2(1)(B) OF DECISION 2007/436/EC, EURATOM	17,191,081,737.68	0.00	17,191,081,737.68	17,191,081,737.68	0.00	17,191,081,737.68	0.00
14	OWN RESOURCES BASED ON GROSS NATIONAL INCOME PURSUANT TO ARTICLE 2(1)(C) OF DECISION 2007/436/EC, EURATOM	122,944,280,683.07	0.00	122,944,280,683.07	122,944,280,683.07	0.00	122,944,280,683.07	0.00
15	CORRECTION OF BUDGETARY IMBALANCES	147,188,636.78	0.00	147,188,636.78	147,188,636.78	0.00	147,188,636.78	0.00
16	Gross reduction in the annual GNI-based contribution granted to certain Member States	-7,615,050.16	0.00	-7,615,050.16	-7,615,050.16	0.00	-7,615,050.16	0.00
30	Surplus from previous year	3,218,373,955.21	0.00	3,218,373,955.21	3,218,373,955.21	0.00	3,218,373,955.21	0.00
31	VAT balances	643,093,968.64	6,542,295.60	649,636,264.24	643,093,968.64	19,605.60	643,113,574.24	6,522,690.00
32	GNI balances	2,448,930,383.61	0.00	2,448,930,383.61	2,448,930,383.61	0.00	2,448,930,383.61	0.00

33	Netting of VAT and GNI balances	-3,164,718,107.51	0.00	-3,164,718,107.51	-3,164,718,107.51	0.00	-3,164,718,107.51	0.00
34	Adjustment for non-participation in AFSJ	-670,555.37	0.00	-670,555.37	-670,555.37	0.00	-670,555.37	0.00
35	United Kingdom correction - adjustments	8,363,712.62	0.00	8,363,712.62	8,363,712.62	0.00	8,363,712.62	0.00
36	RESULT OF INTERMEDIATE UPDATES OF THE CALCULATION OF THE FINANCING OF THE CORRECTION OF BUDGETARY IMBALANCES FOR THE UNITED KINGDOM	13,426,218.06	0.00	13,426,218.06	13,426,218.06	0.00	13,426,218.06	0.00
40	MISCELLANEOUS TAXES AND DEDUCTIONS	99,300,545.87	9,183,030.15	108,483,576.02	86,245,591.10	9,183,030.15	95,428,621.25	13,054,954.77
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	-426,107.23	0.00	-426,107.23	-426,107.23	0.00	-426,107.23	0.00
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	5,148,250.96	0.00	5,148,250.96	5,148,250.96	0.00	5,148,250.96	0.00
63	CONTRIBUTIONS UNDER SPECIFIC AGREEMENTS	697,820,483.34	0.00	697,820,483.34	697,820,483.34	0.00	697,820,483.34	0.00
70	DEFAULT INTEREST AND INTEREST ON FINES	670,679,832.35	1,259,697,387.07	1,930,377,219.42	77,889,737.43	7,887,512.54	85,777,249.97	1,844,599,969.45
90	MISCELLANEOUS REVENUE	-5,045.59	0.00	-5,045.59	-5,045.59	0.00	-5,045.59	0.00
Total DG BUDG		164,730,867,805.72	3,566,274,568.78	168,297,142,374.50	164,119,523,618.20	72,519,977.42	164,192,043,595.62	4,105,098,778.88

TABLE 8 : RECOVERY OF PAYMENTS in 2020 for DG BUDG
(Number of Recovery Contexts and corresponding Transaction Amount)

Year of Origin (commitment)	Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
No Link			67	104,336,796.8		
Sub-Total			67	104,336,796.8		

EXPENSES BUDGET	Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS										
CREDIT NOTES							38	864,067.6		
Sub-Total							38	864,067.6		
GRAND TOTAL							105	105,200,864.4		

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2020 for DG BUDG

	Number at 01/01/2020	Number at 31/12/2020	Evolution	Open Amount (Eur) at 01/01/2020	Open Amount (Eur) at 31/12/2020	Evolution
2004	1	1	0.00 %	1,525.87	1,525.87	0.00 %
2009	1		-100.00 %	1,590,232.13		-100.00 %
2010	2		-100.00 %	2,002,500.97		-100.00 %
2012	2		-100.00 %	13,868,042.04		-100.00 %
2013	2	2	0.00 %	686,558.06	686,558.06	0.00 %
2014	5	3	-40.00 %	961,303.84	938,250.30	-2.40 %
2015	18	13	-27.78 %	4,600,201.91	4,475,341.33	-2.71 %
2016	8	6	-25.00 %	28,045,058.67	28,037,492.90	-0.03 %
2017	27	16	-40.74 %	15,410,686.96	7,004,509.78	-54.55 %
2018	19	13	-31.58 %	3,242,063.85	2,889,086.34	-10.89 %
2019	126	82	-34.92 %	3,500,240,226.58	3,453,212,507.13	-1.34 %
2020		113			616,716,388.30	
	211	249	18.01 %	3,570,648,400.88	4,113,961,660.01	15.22 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG BUDG

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG BUDG	
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Number of RO waivers	
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TABLE 11 : Negotiated Procedures in 2020 for DG BUDG		
Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 12 : Summary of Procedures in 2020 for DG BUDG		
Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 13 : BUILDING CONTRACTS in 2020 for DG BUDG					
Legal Base	Contract	Contractor Name	Contract Number	Contract Subject	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG BUDG					
Legal Base	LC Date	Contract Number	Contractor Name	Contract Subject	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - DG BUDG
<i>None of your FPA (if any) exceeds 4 years</i>

ANNEX 4: Financial Scorecard

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. 6 standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes)¹¹. For each indicator, its value (in %) for the Commission service is compared to the common target (in %). All the indicators displayed below are very good, very close to the EC average or better.

Indicator 1.	CA Implementation
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of commitment appropriations
Result	DG BUDG achieved 100% compared to the EC result of 99% 
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) - Value B: Credit Accepted Com Amount (Eur) <p>Scope: Commitments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> - Internal assigned revenue in first year (C4) - Internal assigned revenue from lettings and sale of buildings and lands (CL) - Repaid advances (structural funds) (C6) - External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TFS, TFC)
Indicator 2	PA Implementation
Category	Efficiency Controls / Budget
Objective	Ensure efficient use of payment appropriations
Result	DG BUDG achieved 97% compared to the EC result of 99% 
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> - Value A: Payment Accepted Amount (Eur) - Value B: Credit Accepted Pay Amount (Eur) <p>Scope: Payments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> • Internal assigned revenue in first year (C4) • Internal assigned revenue from lettings and sale of buildings and lands (CL) • Repaid advances (structural funds) (C6) • External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TFS, TFC) <p>Payments stemming from C1, C5, E0 outstanding commitments on the non-staff budget positions that will be carried-forward as C8 to the next financial year</p>

Indicator 3	CA Forecast Implementation
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of commitment implementation with the commitment forecast in a financial year
Result	DG BUDG achieved 100% compared to the EC result of 98% 
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> • Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur) • Value B: Commitment Forecast Amount (Eur) <p>*if Value A /Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A)/Value B)</p> <p>**if Value A /Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> • Commitments on all relevant Fund Sources • Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)

¹¹ If the EC service did not perform any transaction in the area measured by the indicator or the information is not available in the central financial system, the indicator is not calculated (i.e. displayed as “-”) in this Annex.

Indicator 4	PA Forecast Implementation
Category	Efficiency Controls / Budget
Objective	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year
Result	DG BUDG achieved 98% compared to the EC result of 99% 
Definition	<p>Formula: Value A / Value B*,**</p> <ul style="list-style-type: none"> Value A: Payment Accepted Amount (Eur) Value B: Payment Forecast Amount (Eur) <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to $1 - (ABS(Value B - Value A) / Value B)$</p> <p>**if Value A / Value B > 200 % then the result indicator will be equal to 0%</p> <p>Scope:</p> <ul style="list-style-type: none"> Payments on all relevant Fund Sources Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)
Indicator 5	Global Commitment Absorption
Category	Efficiency Controls / Absorption
Objective	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
Result	DG BUDG achieved 100% compared to the EC result of 98% 
Definition	<p>Formula:</p> <ul style="list-style-type: none"> Value A: Com L1 Consumption amount (Eur) Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommitment Amount (Eur) on all Fund Sources except for C8 and C9) <p>Scope:</p> <ul style="list-style-type: none"> Com L1 with FDC ILC date from 01/01 to 31/12 of the current year No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption) <p>Remark: Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>
Indicator 6	Timely Payments
Category	Efficiency Controls / Timeliness
Objective	Ensure efficient processing of payments within the legal deadlines
Result	DG BUDG achieved 97% compared to the EC result of 99% 
Definition	<p>Formula: Value A / Value B</p> <ul style="list-style-type: none"> Value A: Payment Accepted Amount (Eur) in time (Payment Bank Value Date <= Payment legal deadline) Value B: Payment Accepted Amount (Eur) <p>Scope:</p> <ul style="list-style-type: none"> Payments made in the current year Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y")

ANNEX 5: Materiality criteria

The criteria for making a reservation vary dependent on BUDG's activity:

- Materiality criteria related to the **budget executed by BUDG** directly (administrative expenditure) and indirectly (via entrusted entities: provisioning of the guarantee fund for the external actions). The main control indicators for direct management are based on results of ex ante controls, exception reporting, work done by the IAS and feedback from the annual internal control assessment. Concerning the expenditure under indirect management, the third party assurance is applied. Reservations would be made if the residual risk of error on legality and regularity of the underlying transactions is higher than **2%**.

In addition, for the expenditure under indirect management (the guarantee fund for the external actions), the external audit certificate for the given year provides the assurance for the management of the fund by the entrusted entity (the European Investment Bank).

- As regards revenue financial operations relating to the collection and making available of **own resources**, BUDG analyses the systems set up by Member States and assesses whether they provide reliable assurance as regards the accuracy of the information provided and the legality and regularity of these operations. In case BUDG determines that it cannot rely on some of these systems for assurance purposes, it would qualify its annual Declaration of Assurance in case the amount of revenue concerned has the potential to exceed **1%** of the total relevant resource-segment (i.e. TOR, or VAT/GNI -based own resources).
- In addition to the management of its own appropriations, BUDG also does **off-budget management** - horizontal financial activities such as treasury, asset management, borrowing and lending operations, guarantees such as those related to competition fines and VAT reimbursement. While the target error rate is 0%, materiality for reservation purposes has been set at **1%** for these activities. As these transactions are not directly linked to expenses, reservations would be made if fraud or improper safeguarding of assets has been observed during the processing of the related transactions in BUDG.
- Materiality criteria related to **systemic responsibilities for BUDG**. BUDG has the responsibility at Commission level for: securing of resources needed to implement the European Union's policies; management of the budgetary regulatory framework; implementation of the budget in compliance with the rules; provision of the treasury and accounting services to the institutions; provision of a corporate financial reporting; contributing to sound financial management in Commission departments; management of the Trust Funds on behalf of other Commission departments. Beyond its own operational responsibilities, it is a horizontal department operating as a service provider and thus also bears responsibility for the development and quality of the relevant processes. BUDG would consider making a reputational reservation (see below) if the review of the relevant processes, including those related to the Accountants responsibilities, identifies important weaknesses in the implementation of the underlying systems and tools or, in case of major changes, if the evidence on the outcome of the change was not yet available.
- Materiality criteria related to **reputational issues**. In line with the Commission's instructions, a combined or separate reputational reservation will be made for events that could cause serious damage (in terms of 'duration' + 'scope' of political/press/citizen attention) to the Commission's image due, for example, to financial fraud inside BUDG or serious breaches on provisions of the Treaty, linked to BUDG's activities.

Since 2019¹², a 'de minimis' threshold for financial reservations has been introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

¹² Agreement of the Corporate Management Board of 30/4/2019.

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

TOR, VAT and GNI

A –MS statements and collection of resources

Main control objectives: Timely and accurate collection of Own Resources from Member States

Main risks (it may happen (again) that...)	Mitigating controls	Coverage, frequency and depth of controls	Cost-Effectiveness indicators (three E's)
Member States do not provide the corresponding underlying data	Calculation of the amounts requested in the monthly call for funds (VAT, GNI and corrections)	Exhaustive control (100 %)	Costs: estimation of cost of staff involved Effectiveness: % of national contributions and TOR amounts reported in the A statements made available timely
Member States (MS) not paying amounts of Own Resources due or not paying them promptly.	Control of the TOR statements and introduction of information in the unit's database		
<i>(This risk is common to all three resources. BUDG monitors receipt of timely and full making available of resources)</i>	Control of receipt of VAT annual statements and entry of the data to the relevant data base	100 % of MS contributions	Number of accounting documents generated for actual/potential corrective payments by Member States of principal or interest ¹³
	Follow-up of related payments by using information received from the treasury: control of the correct amount and the respect of the due date.		
	Delays in paying own resources give rise to payment of interest by the MS concerned.	100 % of standing amounts are followed- up	Number of open infringement files and their annual variation
	Immediate reminders for the outstanding payments are sent, supported with contacts at high level.		
	Infringement procedures are launched when necessary.	100 % of relevant elements identified	Number of Commission infringement decisions taken (Art. 258 TFEU)
	Communication of elements that are considered relevant for units in charge of control of own resources (enrolment due to a specific demand resulting from a control report) in line with the internal rules.		
Contacts with MS aimed at preventing the risk materialising and to anticipate information on a possible delay on payments.	In case there is information that Member States might delay payments.	100 % of MS	Efficiency: Timely and comprehensive collection of Own Resources, considered free from material error (n.q) Economy Low Proportion of overall cost of controls over total value of contributions dully collected and on time
Pre and post-event reminders (VAT)			

¹³ Number generated by all control activities covering TOR.

B – Verification of TOR collected and VAT OR base calculation by MS/ Calculation of GNI contributions ⁽¹⁴⁾

Main control objectives: Obtain assurance on:

- a) The key procedures and systems in each MS that ensure correct and timely collection and making available of TOR.
- b) The data on which VAT and GNI OR contributions are calculated has been correctly compiled by Member States (including scrutiny of the adequacy of relevant systems and procedures).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Irregularities/errors in MS systems and/or statements might remain undetected and funds not duly collected. (TOR)</p> <p>Economical operators are not providing complete and correct customs declarations reducing the amount of import duties payable and, consequently the TOR available to the EU budget</p>	<p>On-the-spot TOR inspections in Member States according to an annual programme, covering risk based selected customs areas and Member States' TOR accounting (A and B accounts).</p>	<p>Risk based annual inspection programme</p>	<p>Costs: estimation of cost of staff involved and travel and subsistence budget for on the spot controls.</p> <p>Effectiveness: Timely assessment of MS' write-off reports for irrecoverable amounts of TOR and of individual cases of financial responsibility.</p> <p>Reasonable assurance can be given on the compliance of total value of TOR collected with relevant regulation (q.)</p> <p>Continuous improvement of MS internal control systems for TOR collection for instance by providing common audit tools. (n.q.)</p> <p>Amounts of TOR corrected and recovered from MS derived from irregularities detected by controls (q.)</p> <p>Efficiency: Complete and timely implementation and reporting of TOR inspections in accordance with the annual programme</p> <p>Economy: Proportion of cost of controls over total value of TOR collected and/ or over the total amount of errors detected and recovered from MS.</p>
	<p>Inspections are specially focused on Member States control systems and risk assessment for the performance of these controls.</p>		
	<p>A database is maintained with reported cases of irregularities and fraud (it serves as an input to risk-based analysis of inspection programmes)</p>		
	<p>Assessment of Member States' write-off reports</p>		
	<p>Follow-up of individual cases of financial responsibility</p>	<p>100 % of Write- Off reports communicated via the WOMIS IT application</p>	
		<p>100 % of cases detected</p>	
<p>Member States may not have compiled their annual VAT statements in compliance with the legal requirements leading to incorrect VAT OR contributions being collected.</p>	<p>Annual programme of on-the-spot inspections (in conjunction with ESTAT for some areas) ensuring that every annual VAT statement furnished by every Member State is subject to checks on its accuracy and completeness.</p>	<p>Annual programmes of inspections covering 100 % of statements for all Member States over a 2 to 3 year cycle</p>	<p>Costs: estimation of cost of staff involved and travel and subsistence budget for on the spot controls.</p> <p>Effectiveness: Obtain reasonable assurance that total value of VAT OR</p>

¹⁴ Verification of the underlying data for GNI OR is managed by ESTAT with BUDG managing and undertaking only those aspects directly applicable to budget accounting. BUDG draws assurance of the correctness of the underlying data by attending GNI Committee meetings so as to be informed about the content and results of the verification programme operated by ESTAT. In order to present the whole control activity performed on GNI data at Commission level, and purely for information purposes, the [Internal Control Template of controls performed by ESTAT has been included](#).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Time-bar may be activated before statements are subject to verification	Annual programmes assembled on basis of risk of statements going out of time.		collected has been calculated on compliant VAT OR bases (q). Provide reassurance to Member States that all are measured against the legal standard (n.q)
Incorrect amounts of VAT own resources being obtained because Member States fail to enact EU VAT legislation correctly	Scrutiny of infringement action taken by TAXUD to identify and follow-up all cases with the potential to affect the VAT base.	100 % of infringements are analysed and followed up if considered relevant to VAT OR.	Deter non-compliant behaviour and motivate Member States to fulfil obligations (n.q) Fulfilment of Commission legal obligation under Regulation 1553/89 (n.q) Ensure compliance of MS regulations on VAT with EU Regulation. (n.q.) Number of statements not subject to verification prior to becoming time-barred Efficiency: Complete and on time implementation of agreed programme of inspections throughout the cycle. Economy: Proportion of overall cost of controls over total value of VAT resources collected compliant with regulations.
Incorrect GNI contributions are calculated because of poor data from Member States Incorrect GNI contributions are calculated because ESTAT provides BUDG with incorrect GNI OR data (B2) <i>(GNI resource is the balancing resource and therefore there is no question of a shortfall in receipts but merely in the question of properly allocating their distribution across the MS)</i>	Member State provision of GNI data is subject to a peer-review system in the GNI Committee supplemented by ESTAT verification programme ensuring that data furnished by Member States is comparable, reliable and exhaustive. MOU between ESTAT and BUDG covering respective, roles, parameters for setting reservations and flows of information. Information received from GNI Committee and via digest from ESTAT – reconciliation possible.	Number of GNI committees organised (twice a year)	Costs: Estimation of cost of staff involved and travel and subsistence budget for on the spot controls. Effectiveness and Efficiency: See indicators reported by ESTAT in the ICT on the verification of GNI data Correct and compliant distribution of Member States share of GNI is calculated (n.q.) Economy: Compliant distribution of GNI achieved with a reasonable cost.

C – Follow-up of verification results

Main control objectives: Ensure that results from inspections are implemented (Funds recovered, corrections made, infringements initiated ...)

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Anomalies identified might not be explained or resolved.	Following up financial consequences of TOR control activity: on the spot inspections, assessment of Member States Write-Off reports and of individual cases of financial responsibility.	100 % of irregularities detected, MS write-off reports and individual cases of financial responsibility	<p>Costs: estimation of costs of staff involved</p> <p>Effectiveness: Financial irregularities detected are corrected / recovered (q.)</p> <p>Deficiencies (administrative, legal and financial) detected in Member States local systems and procedures are corrected (n.q)</p> <p>Efficiency: % of financial irregularities followed up via recovery orders created and paid (TOR)</p> <p>Proportion of VAT reservations in place for more than 5 years.</p> <p>% of VAT and TOR reports presented at first available ACOR meeting.</p> <p>Economy: Proportion of overall cost of controls over total TOR/ VAT resources collected compliant with regulations and/ or over TOR irregularities recovered</p>
	Submit TOR and VAT inspection reports to ACOR for scrutiny and discussion in Committee	100 % of TOR and VAT inspection reports presented at ACOR	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: Provide transparency of the control activity and assurance to Member States of equal measurement against agreed standards and equal treatment when performing controls.</p> <p>Areas for improvement detected are shared with all Member States (n.q.)</p>
	Follow up of apparent VAT anomalies and identified infringements via notification of reservations and monitoring progress until the reservation can be lifted and any necessary corrective action taken (follow-up database)	100 % of reservations are followed-up	<p>Costs: estimation of cost of staff involved.</p> <p>Amounts to be verified don't became time-barred (n.q)</p>

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
	Initiate infringements procedures against non-compliant Member States	100 % of applicable cases	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Ensure compliance with Own Resources EU regulation(n.q)</p> <p>Provide legal clarity on the application and interpretation of the legal framework for Traditional Own resources (case law) (n.q)</p>
	Follow-up of TOR findings made by the ECA during its audits in Member States	100 % of findings followed-up	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Ensure implementation of corrective/remedial action to resolve detected shortcomings and the recovery of amounts related to the errors detected (n.q)</p>
GNI irregularities/potential irregularities detected are not properly followed-up because no reservation is set	Guidelines agreed by ESTAT and BUDG on the correct use of GNI reservations (annex of MOU between the two DG').	100 % of reservations requested by ESTAT are properly and timely notified to MS	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: GNI data used for own resources calculation is correct and necessary corrective action is not time-barred.</p> <p>Percentage of communications from ESTAT regarding setting, lifting or varying GNI processed within 4 working weeks</p> <p>Efficiency: Compliant and timely management of GNI reservations</p> <p>Economy: results achieved with a reasonable cost.</p>

2- UK correction calculation

Main control objectives: Ensure that calculations on UK correction are correctly made.

Main risks	Mitigating controls	How to determine coverage frequency and depth*	Cost-Effectiveness indicators (three E's)
UK correction is incorrectly calculated	<p>Calculation of the correction is conducted separately by two different officials of the unit in charge.</p> <p>One of the main inputs for the calculation (allocated expenditure information) is checked and reconciled with accounting information.</p> <p>Parallel calculation is made by two additional officials from a different unit in the DG.</p>	Yearly calculation	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: % error rate detected after calculation.</p> <p>Efficiency: Calculation is made correctly and on time.</p> <p>Economy: Proportion of overall cost of controls over total amount of amounts correctly calculated and paid. Amounts paid to the Member State concerned are accurate and ulterior corrections are avoided.</p> <p>(q)</p>

Verification of GNI data – ESTAT ICT¹⁵

Stage 1: GNI Verification - multiannual

Main control objectives: Ensure GNI data are consistent with ESA

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
GNI inventories of MS are not submitted on time in sufficient quality	Detailed GNI inventory guidelines and GNI Inventory Assessment Questionnaire	GNI inventories of all MS, depth of controls based on risk assessment	Effectiveness: Number of inventories available by the agreed deadline, number of requests to MS to submit revised inventories.
Reservations on GNI data are incorrectly set or not set at all	Detailed checks of inventories, cross-country analyses, carrying out of information visits including direct verification exercises. Peer review through participation of GNI Expert Group (GNIG) experts in GNI visits and communication of mission reports to the GNIG.	Sources and methods for estimation of GNI for all MS, depth of controls based on risk assessment	Effectiveness: Number of action points and reservations placed
Member States do not perform the work required to address action points and reservations	Detailed checks of applied methodology in MS's reports and other available information	Coverage: all MS	Effectiveness: Regular GNIG documents (twice a year) on the state of play of action points and reservations

Stage 2: GNI verification annual

Main control objectives: Annual opinion of the GNIC that GNI data are fit for purpose

Main risks	Mitigating controls	How to determine coverage, frequency and depth	Cost-Effectiveness indicators (three E's)
GNI data and/or reports on quality are not submitted on time	Annual procedure to collect questionnaires and reports on quality	Receipt of annual GNI questionnaire and report on quality for all MS by the regulatory deadline	Effectiveness: Number of MS sending data and report on quality by the regulatory deadline with no need to resubmit
GNI data or reports on quality are not of sufficient quality	Quality checks done according to checklist (e.g. for completeness, plausibility, against published data)	GNI questionnaire and report on quality for MS with need to resubmission	Effectiveness: Number of requests for MS to resubmit data or report on quality
Opinion of GNI Expert Group is negative	Checks by GNI team for possible deficiencies that might lead to a negative opinion	Advance contact with MS leading to submission of revised GNI data or report on quality with deficiencies corrected	Effectiveness: Positive opinion of GNI Expert Group issued

¹⁵ In order to present the whole control activity performed on GNI data at Commission level, and purely for information purposes, the Relevant Control System of controls performed by ESTAT has been included.

Procurement and Administrative Expenditure

Stage 1 – Procurement

A – Planning

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The needs are not well defined (operationally and economically) and that the decision to procure was inappropriate to meet the operational objectives	Communication of intended procedures to AO(D) and units concerned.	100 % of the forecast procurements (open procedures with prior notification) are justified in a note addressed to the AO(D)	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: Number of projected tender cancelled.</p>
Discontinuation of the services provided due to a late contracting (poor planning and organisation of the procurement process)	Validation by AO(S)D of justification (economic , operation) for launching a procurement process	100 % of the forecast procurements	<p>Number of contracts discontinued due to lack of use (poor planning).</p> <p>Compliance with Internal procurement procedures and regulations and avoid missed opportunity of getting the wished services via internal resources or a framework contract already in place (n.q)</p> <p>Estimated Value of contracts published in procurement process which will be spent (as a maximum) on correctly identified needs. (q.)</p> <p>Needs understood by the tenderer and maximise the probability of getting the right deliverable(n.q)</p> <p>Efficiency: Timely definition of needs.</p> <p>Economy:</p> <p>Proportion of overall cost of controls over total estimated (maximum) value of contracts.</p>

B – Needs assessment & definition of needs

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The best offer/s are not submitted due to the poor definition of the tender specifications	AOSD supervision and approval of specifications	100 % of the specifications are scrutinised.	<p>Costs: estimation of cost of staff involved</p> <p>Effectiveness: N° of 'open' or procedures where only one or no offers were received. N° of complementary questions regarding the tender.</p> <p>Economy: Proportion of cost of controls over total estimated (maximum) value of contracts</p> <p>Estimated average cost of controls per procurement procedure. The quality of specifications approved is optimal to receive offers with prices and conditions according to internal expectations and market prices (n.q).</p>
	Consultation of legal experts of the DG	Risk based, taking as criteria the level of sensitivity and complexity of the procurement process	

C – Selection of the offer & evaluation

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	Formal evaluation process: Opening committee and Evaluation committee	100 % of the offers analysed.	<p>Costs: estimation of costs of staff involved</p> <p>Effectiveness: Numbers of 'valid' complaints or litigation cases filed. Value of contracts as a maximum) will be granted to the best offer (value free of error) (q.)</p> <p>Efficiency: Timely selection of offers</p> <p>Economy: Proportion of overall cost of controls over total estimated (maximum) value of contracts.</p> <p>Estimated average cost of controls per procurement procedure. Compliance with FR and internal rules designed to guarantee that the best value for money offer is selected (n.q)</p>
	Participation of a member of the financial cell in the Opening committee and Evaluation committee as observers and to provide technical advice if needed	100 % of procurement procedures	
	Opening and Evaluation Committees' declaration of absence of conflict of interests	100 % of the members of the opening committee and the evaluation committee	
	Exclusion criteria documented	100 % checked	
	Final verification /desk review on compliance with procurement procedures	100 % of selected tenders by committee	
	Authorisation by AO/AOD/AOSD		
	Publication of the offer finally selected Standstill period (opportunity for unsuccessful tenderers to put forward their concerns on the decision)	100 % of procurement procedures	

Stage 2 – Financial transactions (EX- ANTE control)

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>The products/services/works foreseen are not, totally or partially, provided in accordance with the technical description and requirements foreseen in the contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p> <p>Business discontinues because contractor fails to deliver</p>	<p>Operational and financial checks in accordance with the financial circuits.</p> <p>Operation authorisation by the AO</p> <p>Management of sensitive functions</p>	<p>100 % of financial transactions controlled (commitments, signature of contracts and payments)</p> <p>Review of sensitive posts every five years or in case structure changes happen.</p>	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: % error rate prevented (amount of errors/irregularities averted over total payments)</p> <p>Amount of irregularities, errors and overpayments prevented by the controls (q).</p> <p>Total amount of correct payments made during the year.</p> <p>Deterrence effect of controls (n.q)</p> <p>Efficiency:</p> <p>% of payments made on time</p> <p>Average time for payment</p> <p>Economy:</p> <p>Proportion of overall cost of controls over total amount of payments made</p> <p>Average control cost per financial transaction (commitments, signature of contracts and payments)</p>

Stage 3 – Supervisory measures (EX-POST controls)

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

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
An error or non-compliance with regulatory and contractual provisions, including technical specifications, or a fraud is not prevented, detected or corrected by ex-ante control, prior to payment	Supervisory desk review of sampled transactions	Random sample	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Amount of payments made during the year for which there is reasonable assurance that were made free of material error (q).</p> <p>Amounts associated with errors detected (related to fraud, irregularities and error). In % over total checked.</p> <p>N° system improvements made.</p> <p>N° of exception non-compliance / exception events reported to ICC and % of these reports giving place to control weakness</p> <p>Efficiency: Since controls are done after the payment is made, recovery may be possible</p> <p>Deterrents & systematic weaknesses corrected to improve procedures and to better address related risks (n.q)</p> <p>Economy:</p> <p>Proportion of overall cost of controls over total amount of payments made</p>

Guarantee Fund for external actions (indirect management)

Stage 1: Management of the Guarantee Fund for external actions ("GFEA") and the payments from/into the GFEA

Main control objectives: Ensuring that the management of the GFEA is compliant with the investment guidelines and the investment policy. Calls on the GFEA require specific procedures in place so that the claim can be established, amounts verified, recovery activities of the European Investment Bank followed up. A specific control environment has been defined and put in place to mitigate the risks and ensure that the residual risk is low (Legality and regularity; safeguarding of assets and information; fraud prevention and detection).

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
<p>Risks commonly associated to the treasury management operations, including delegation of asset management to an external entity (European Investment Bank).</p> <p>Operational risk: risk of errors during the ascertaining and calculation of amounts due or the payment operations from/into the GFEA following calls on defaulting loans.</p>	<p>The agreement signed between the EIB and the Commission defines the eligible assets and other rules.</p> <p>The EIB's annual investment strategy is approved by the Commission.</p> <p>Types of investments are limited. Acceptable financial risk levels (e.g. credit risk) in the managed portfolios were defined in advance.</p> <p>The compliance is ensured by control mechanisms: -reporting: the EIB submits monthly, quarterly and annually data and reports on the management of the portfolio to the Commission; -compliance reviews: BUDG's financial risk management unit, by using reports, verifies the EIB's compliance with the investment guidelines and policy; -audits: the EIB provides an audit certificate issued by its external auditor.</p>	<p>BUDG performs internal control activities based on, and complementing, the internal control systems of the EIB.</p> <p>The Risk Management department of the EIB provides a quarterly report to BUDG.</p> <p>The implementation by the EIB of the investment policy is supervised by EC's Asset Management Board.</p> <p>Annual financial audit certificate by EIB's external auditors on the key figures such as guaranteed amounts outstanding, etc.</p>	<p>Costs: estimation of cost of staff involved.</p> <p>Effectiveness: Compliance with budget procedures and financial management procedures & Financial Regulation.</p> <p>Deterrence effect of controls (n.q)</p> <p>Efficiency: N/A</p> <p>Economy: Proportion of overall cost of controls over total amount of payments made.</p>

Stage 2: Assurance building on the process and systems

Main control objectives: Verification that processes are working as intended / Feedback on adequacy of the system (Sound financial management; reliability of financial reporting; Fraud prevention and detection)

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Processes might be weak or not working as intended. The system might provide poor adequacy.	Supervision by heads of unit and senior management responsible. Procedures documented in manuals by concerned BUDG unit. Internal and external audit. Recommendations are followed up.	Annual financial audit certificate by EIB's external auditors on the key figures such as guaranteed amounts outstanding, etc.	Costs: estimation of cost of staff involved. Effectiveness: Compliance with budget procedures and financial management procedures & Financial Regulation. Deterrence effect of controls (n.q) Efficiency: N/A Economy: Proportion of overall cost of controls over total amount of payments made.

Stage 3: Sound financial management

Main control objectives: To avoid errors that may occur during the financial process

Main risks	Mitigating controls	How to determine coverage frequency and depth	Cost-Effectiveness indicators (three E's)
Undue or erroneous financial operations or payments Default of payment from a beneficiary	BUDG receives quarterly reports from EIB, including i.a. reporting on limit breaches. Annual report adopted by the Commission and addressed to the budgetary authority on guarantees covered by the EU budget. Annual report adopted by the Commission and addressed to the budgetary authority on the GFEA and its management. Comprehensive report on the functioning of the GFEA. Inclusion of data in the consolidated EU balance sheet. Evaluation of the GFEA target	Annual financial audit certificate by EIB's external auditors on the key figures such as outstanding guaranteed amounts, etc. Annual audits by ECA of the GFEA related operations.	Costs: estimation of cost of staff involved. Effectiveness: Compliance with budget procedures and financial management procedures & Financial Regulation. Efficiency: N/A Economy: Proportion of overall cost of controls over total amount of payments made. Estimate of the cost implied by the audit fees of the fund, estimate of the part of the management fees corresponding to the internal control of the EIB

ANNEX 7: Specific annexes related to "Financial Management"

7.1. Table Y: Overview of DG's/EA's estimated cost of controls (at the EC level)

NB. The absolute values are presented in million EUR.

Title of the Relevant Control System (RCS)	Ex ante controls			Ex post controls			Total**	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs (in EUR)	Related funds managed	Ratio (%) (a)/(b)	EC total costs (in EUR)	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%) (g)/(b)
TOR, VAT and GNI	-	163,308,000,000	0%	4,522,556	2,222,097,559,247	0.0002%	4,522,556	0.003%
Procurement and administrative expenditure	1,067,184	34,400,000	3.1%	1,114	1,133,539	0.098%	1,068,298	3.106%
Guarantee fund for external actions	1,137	240,100,000	0.0005%	31,015.74	-	-	32,152	0.013%
Other: DG-horizontal control tasks not attributable to a single RCS	-	-	-	-	-	-	305,460	-
Overall estimated cost of control at EC level	1,068,321	163,582,500,000	0.0007%	4,554,686	2,222,098,692,786	0.0002%	5,928,467	0.004%

7.2. Description of control systems on the area of Own Resources and detailed results

The starting point for all three Own Resources collected (Traditional Own Resources, VAT and GNI-based Own Resource) is the provision of data by the Member States, which are subject to verification including on the spot inspections by the Commission. It is an inherent feature of these arrangements that there will be subsequent revisions to amounts paid after the end of any budget year.

Each own resource system has a 4-year cut-off after which no corrections may be made. However, to protect the EU's financial interests the cut-off does not apply to those points notified by the Commission or the Member State concerned prior to the deadline. In these instances, corrective action may still be taken. Although the possible financial impact of these items can rarely be quantified until they are resolved, experience shows that compared with the overall amounts paid their impact is rarely material.

The management arrangements for each own resource vary. The Relevant Control System (RCS) for own resources in annex 6 demonstrates how the control system in place in the DG addresses the risks related to own resources as well as the indicators used to measure the effectiveness, efficiency and economy of these controls.

Traditional Own Resources (TOR)

Member States, and not the Commission, are primarily responsible for (1) establishing TOR, accounting for it, and collecting and making it available within prescribed time limits; and (2) implementing EU customs legislation and operating a framework of customs checks and controls to ensure that they collect the correct amount of customs duties at the right time. Failure to comply with the rules may lead to a financial liability to the EU budget.

Contributions for traditional own resources (TOR) are made on the basis of Member States' actual collection of the relevant duties and levies which Member States declare via a monthly statement.

Reasonable assurance concerning the accuracy and completeness of Member State data is provided by an annual inspection programme by which BUDG checks that Member States' administrations have complied with EU law when collecting TOR. The setting-up of the annual inspection programme has risk-based approach as not all MS can be inspected in the same year. BUDG monitors the timely and full receipt of traditional own resource statements and the corresponding payments and manages the recovery of the amounts related to detected errors resulting from the TOR control activity. Any delay in paying own resources gives rise to payment of interest by the Member State concerned.

VAT own resource

Contributions for the VAT-based own resource (VAT OR) are based on the value of supplies in a Member State that are chargeable with VAT according to EU law (the harmonised VAT base). Member States provide the Commission with an annual statement showing how they have calculated their base and its value.

As VAT-based own resource data is only available annually and in arrears VAT own resource payments during any particular year are based on forecasts (each month the Commission requests each Member State to pay one twelfth of the budgeted forecast amounts). Adjustments are made in the year n+2 (and in future years if corrections to the data first supplied are necessary) to adapt payments to reflect the actual VAT data.

Reasonable assurance concerning the accuracy and completeness of Member State data is provided by an annual inspection programme in which BUDG checks that Member States' administrations have complied with own resources regulations when calculating the value of their harmonised VAT base. Statement data is analysed and verified in-house and during on-the-spot checks (assisted by ESTAT for the most statistically-reliant aspects of the calculation). Member States receive and react to reports of these controls. BUDG monitors the receipt of VAT own resource base data from Member States. It also monitors proactively that amounts of own resources are paid promptly. Delay in paying own resources gives rise to payment of interest by the Member State concerned. Reservations are placed where Member States' data cannot be accepted and lifted when the concern is overcome with any necessary corrective action concerning past payments being made.

GNI-based own resources

GNI OR has a particular role to play as the balancing resource. Once the amount of agreed EU expenditure that will be funded by the TOR and VAT OR is known then GNI contributions are fixed to fund the remainder within the ceiling of no more than 1.20 % of total EU GNI. Member States provide the Commission with their GNI figures annually accompanied by a report on the quality of GNI data and supplemented for each verification cycle with a GNI inventory of the sources and methods used to

produce GNI aggregates. As GNI own resources data is only available annually and in arrears the own resources payments during that year are based on the amounts entered in the budget for the year concerned (i.e. each month the Commission - BUDG - requests each Member State to pay one twelfth of the budgeted forecast amounts). Adjustments are made in subsequent years by BUDG to adapt payments to reflect the GNI data. BUDG monitors proactively that GNI own resource contributions are paid promptly. Any delay in paying own resources gives rise to payment of interest by the Member State concerned.

ESTAT – Verification of GNI data

The arrangements for the collection and verification of GNI own resources are governed by a Memorandum of Understanding (MOU) agreed between ESTAT and BUDG. The data provided by Member States is analysed and verified by ESTAT which also makes GNI information visits in order to verify the quality of GNI aggregates, their components, and the compliance with ESA 2010 (Member States may choose to participate in these visits). Member States receive and react to reports of these visits and oversee their treatment in the GNI Expert Group. To prevent possible time barring, reservations are placed where Member States' data do not comply with the principles of reliability, comparability and exhaustiveness. Reservations are a protective measure. A reservation should not be assumed to imply that a MS's contribution to the Union's budget has necessarily been affected. Reservations are lifted when the concern is overcome and any necessary corrective action concerning past payments is made.

The MOU with ESTAT includes an annex setting out the good practice to be observed when setting (GNI) reservations.

In order to present the whole control activity performed on GNI data at Commission level, and purely for information purposes, the Relevant Control System performed by ESTAT has been included in Annex 6 together with the controls performed by BUDG.

Reasonable assurance on the accuracy and completeness of Member States' data is provided by the opinion of the GNI Expert Group, and the results of ESTAT's verification activities to which Member States contribute by taking part in verifications in other Member States. The annual opinion of the GNI Expert Group is a key element of assurance since it refers to the appropriateness of using the GNI data provided by Member States for own resources purposes and it means the acceptance of the data by all the Member States together with the Commission.

A – Member State statements and collection of resources

During 2020, 100% of national contributions were made available on time. The customs duties amounts reported in Traditional Own Resources A-statements by Member States were also made available to the EU budget two months later as required by the EU legislation. Verification of the amounts declared in the A Statements is ensured through on the spot inspections by BUDG. As a consequence, some adjustments are made to the initial statements and the corresponding documents are issued to adjust the due amounts. During 2020, 295 requests for accounting actions were made by the inspection units representing an adjustment of €712 m in principal and €633 m in late payment interest. 273 accounting documents were issued in order to enter these adjustments in the EU accounts. 327 Forecasts of Revenue were issued as appropriate. At the end of the year, there were nine open TOR infringement files. Two new infringement procedures were initiated during 2020.

BUDG has set a reservation on TOR amounts collected in view of the final report of OLAF's investigation (OF/2014/1274/B1) of 1 March 2017, confirmed by the conclusions arising from BUDG controls in terms of the lack of appropriate measures in the UK to prevent the systematic undervaluation of textiles and footwear from the People's Republic of China imported into the EU. As a consequence, BUDG and OLAF, estimate the loss of Traditional Own Resources at EUR 2 679.6 million (gross) between November 2011 and 11 October 2017. For further details, see section 2.1.5.

B – Verification of Traditional Own Resources collected and VAT-base OR calculated by Member States/ Calculation of GNI contributions

Traditional Own Resources (TOR)

For TOR, Member States are responsible for operating an appropriate administrative framework by which they collect customs duties to finance the EU budget. BUDG assesses this administrative framework by carrying out an annual inspection programme which covers various customs regimes and control methods. It also covers the procedures for accounting, recovering and making available of TOR. The programme varies from year to year based on a risk analysis. The focus of the inspections is to collect evidence of the adequacy of the key procedures and systems in each Member State that ensure correct and timely collection of TOR and making available to the Commission.

23 inspections were scheduled in 2020, but due to the COVID crisis, no inspections could be carried out in the 1st half of the year. However, 12 inspections were carried out in the 2nd half of 2020 (2 on-the-spot and 10 remotely), while 9 were postponed to 2021 and 2 had to be cancelled. Hence, the TOR inspection programme 2020 was implemented at 52%.

In 2020, the A and B accounting was the main inspection topic. All non-inspected Member States in 2020 were included in the 2021 inspection programme. Shortcomings identified during the inspections are being closely followed up by BUDG in collaboration with the Member States.

Member States issue write-off reports stating the TOR amounts assessed by them as irrecoverable. During 2020, a total of 153 write-off reports involving an amount of €76.1 m were evaluated by the Commission (BUDG in co-operation with the Legal Service, TAXUD and OLAF) within the legal six-month deadline for initial assessment in 100% of the reports. As a result of this evaluation, it was found that an amount of €46.1 m (60.6%) should have been made available by Member States and the amounts were claimed or the existing claims upheld. For an amount of €19.1 m (25%) additional information was sought from the respective Member State to reach a final assessment result. For a total of €10.9 m (14.4%), write-offs were considered justified or not involving TOR (the latter for example related to customs duties prior to accession or to destroyed cigarettes).

Another source of assurance is the ECA's annual report. In its financial year 2019, ECA concluded that the revenue systems examined were overall effective for TOR and that the level of error in revenue was not material. In addition, no errors were found in the transactions tested.

However, the ECA found weaknesses in the Commission's control systems with regard to the follow-up of longstanding open points. The Commission accepted the Court's recommendation to establish a system for monitoring TOR open points and to set deadlines for Member States to address shortcomings and follow-up actions. The Commission continues to strive to close long outstanding open points rapidly (25% of all longstanding open points in 2019; for 2020, the target was set at 20%). However, this depends also on Member States' cooperation and long-lasting national Court proceedings.

The Commission considers that its database contains sufficient information for monitoring the timeliness and completeness of the follow-up of its inspection work. The financial impact is monitored separately in the accounting system SUIVI.

The Commission is further increasing its efforts to follow-up open points, prioritising longstanding files with potential financial consequences. The Commission services will continue their initiative of inviting (physically or remotely) Member States with the highest number of open points to Brussels to accelerate, where possible, the closure of the open points. For this purpose, the 2021 TOR inspection programme leaves room for desk-reviews, ad-hoc inspections and management meetings with Member States. Finally, the Commission will accelerate infringement procedures in case of continued disagreement with Member States on longstanding open points with financial impact.

VAT- based Own Resource

All Member States are obliged to administer a value added tax system. The own resources legislation requires Member States to provide an annual statement detailing the calculation of their harmonised VAT base. BUDG monitors the timely receipt of these annual statements and checks their completeness and coherence with previous years, primarily by a yearly inspection programme. An indicator of good performance of BUDG controls is the timely execution of the inspection programme and the avoidance of Member States' statements becoming time barred (corrections can still be made). The objective is to guarantee that complete and accurate information is recorded in the VAT OR database that will serve for further calculations.

A new database application (VATRes) covering various aspects of the VAT- and GNI-based own resources was implemented during 2020.

During 2020, the annual inspection programme was executed under the constraints put in place under the pandemic (of the 14 inspections in total, 80% VAT-based own resource inspections have been carried out as planned, albeit remotely. The reminder has either been postponed). The results of inspections also show that 100 % of statements have been subject to verification prior to becoming time-barred. It is usual practice not to inspect all Member States in a given year but to do so by inspecting several financial years before time barring. A risk-based approach is used when deciding on a year's work programme.

GNI-based Own Resource

BUDG draws its assurance concerning the accuracy and completeness of GNI data for own resource purposes from the verification work undertaken by ESTAT together with Member States. The inter-relationship BUDG-ESTAT is governed by an agreed MOU, supplemented by the scrutiny of data by all Member States in the GNI Expert Group.

Where this process raises concerns and ESTAT wishes to prevent a particular year becoming time-barred then it requests BUDG to set or lift reservations. The indicator of performance of this control on GNI is the timeliness with which BUDG notifies Member States of changes in their reservation position.

The results show that the activity to notify setting and lifting of reservations in 2020 (129 transaction specific reservations set and 1 lifted, 1 process specific reservation set and 165 lifted, 136 transversal reservations set and 3 lifted) was carried out promptly, since 100% of the notifications were sent within the deadlines.

In the verification cycle 2016-2019, there were in total 158 transaction specific reservations and 143 transversal reservations. By now, 1 transaction specific reservation and 3 transversal reservations have been lifted. There is one general reservation concerning France. Furthermore, 5 process specific reservations are in place for the years 2016 – 2020 for the United Kingdom.

Assurance is also obtained from the annual opinion of the GNI Expert Group since it represents the acceptance of GNI data by both all Member States and by the Commission. Following its examination during the year, the GNI Expert Group, at its 4th meeting in November 2020 concluded that, in its opinion, the GNI data transmitted through the GNI Questionnaire 2020 are appropriate for use for own resource purposes with respect to reliability, comparability and exhaustiveness, in accordance with Article 4 of the GNI Regulation.

The ECA's annual report on financial year 2019 concluded that the revenue underlying the accounts for the year ended 31 December 2019 is legal and regular in all material respects.

C – Follow-up of verification results

The 2020 TOR control activity led to recovery orders (ROs) both for principal and belated interest for a total amount of €899.7 million (297 million in 2019). Out of this amount, already 82% was paid in 2020 (significantly higher than the payment rate of 31.81% in 2019). The average recovery rate since 2012 of ROs issued following inspection work is 77.69%¹⁶. The recovery rate on global TOR¹⁷ is 99.19%.

The proportion of VAT reservations set by the Commission and in place for more than 5 years is 24%, which is more than a year ago owing to the aging of ongoing Court cases. A total of 20% of these reservations are related to on-going infringement cases.

The annex included since April 2013 in the MOU between ESTAT and BUDG concerning the good practice when using GNI reservations, guarantees that criteria for placing specific reservations is clear and aims to reduce significantly the number of general reservations.

D- UK correction calculation

Calculation of UK correction was made on time. The strengthened procedures on checking the inputs were followed.

¹⁶ Total amount recovered up to end 2020 out of Recovery Orders issued since 2012.

¹⁷ The global TOR includes the monthly payments made by the Member States and the payments made following BUDG B3's TOR inspection activities.

7.3. Details on ongoing audits and recommendations

Internal Audit Service (IAS)

A. The following audits have been closed:

Audit on the effectiveness and efficiency of the new Early Detection and Exclusion system (EDES) in protecting the EU financial interests (from 2017): The objective was to assess whether this new system, in place as of 1 January 2016, ensures the early detection and prevention of financial and reputational risks. One recommendation was implemented before 2020. The second recommendation, on the need for providing guidance and raise awareness (very important) has not been fully implemented in the beginning of 2020. At this time, this remaining recommendation was downgraded by the IAS from “very important” to “important” as the actions implemented so far have increased the level of awareness on EDES overall and have therefore reduced the residual risk. For the third very important recommendation, “ensuring the application of EDES in practice” a follow-up audit was ongoing. Two recommendations from this audit, that were open at the beginning of 2020, were fully implemented and closed later during 2020.

Audit on Synergies and efficiencies review (SER)

The main objective of the audit was to assess whether the Commission has put in place a clear framework and methodology, as well as sound processes and controls to ensure that the objectives of the SER Communication are met and to assess the state of play of the SER Communication approximately two years after its adoption. One very important recommendation, no 3, was still open at the beginning of 2020, with a rating reduced by the IAS from very important to important. It was implemented and closed later in 2020.

B. Open audits

Audit on management of recovery orders for competition fines and for recovery orders in the context of the Commission’s corrective capacity

The overall objective of the audit was to assess whether the Commission has put in place an effective and efficient control system for the management of the recovery orders for competition fines (including guarantees for competition fines) and for recovery orders in the context of the Commission's 'corrective capacity' both at the central and the operational level. Two very important recommendations were issued related to i) dealing with insolvencies and bankruptcies (partially implemented) and ii) the offsetting process by the Accounting Officer (implemented and closed).

Recommendation no 4: **Offsetting process by the Accounting Officer**: in the first quarter of 2021, the IAS has performed a follow-up audit and closed this recommendation. The IAS recommended BUDG:

- 1) to ensure that recovery orders are encoded in ELC on a timely basis, to exchange on a timely basis relevant information for offsetting purposes between units and to provide to the staff member(s) responsible to update the ELC database with access to the relevant tools. In the long run, to integrate the ELC database and legal entities/bank accounts into SUMMA.
- 2) Clarify with the Legal Service whether the procedure and criteria to apply ‘exemptions’ to the offsetting rule is correct and complies with the financial regulation. BUDG should adapt procedures and criteria if needed based on the legal opinion.
- 3) Regarding fraud aspects, to consider the risk of fraud when analysing suitable payments for offsetting.

The internal procedures for the use of the ELC database and the exchange of information have been revised. The offsetting process will be fully supported under SUMMA, when it is deployed. DG Budget has sought the opinion of the legal service to clarify the modalities for implementation of Article 102(1) of the financial regulation and uses this opinion for its day-to-day management. The recommendation was closed by the IAS.

Recommendation no 2: **Dealing with insolvencies and bankruptcies** due on 30 June 2021.

The IAS recommended BUDG to instruct AODs to carry out checks on debtors and legal entities. In addition, BUDG should put in place preventive and detective risk-based controls to review regularly the financial and legal situation of economic operators with pending recovery orders. Considering the decentralised model for financial management of the Commission, BUDG should invite the Corporate Management Board (CMB) to decide on the set up of a comprehensive and reliable set of tools at Commission level.

The instructions to the authorising departments have been issued as recommended. BUDG is currently putting in place preventive controls to review regularly the financial and legal situation of economic operators with pending recovery orders. BUDG has concluded a contract with a commercial provider of financial information in order to regularly communicate to authorising departments the contractors and beneficiaries which have overdue debts, the amount of the debts as well as relevant financial information to assess the risk of insolvency. Authorising departments will therefore determine the risks when authorising commitments (e.g. to limit the amount of pre-financing) or payments (e.g. the claim would be offset against an outstanding recovery order). The information is expected to be made available before the end of March. These tools should enable the AODs and ultimately the Accounting Officer to be informed and alerted in a timely manner about the financial and legal situation of contractors and beneficiaries and take remedial actions when necessary.

Audit (multi-DG) on pillar assessment in the external action family (2020)

The objective of the audit was to assess the adequacy of the design, and the efficiency and effectiveness of the implementation of the pillar assessment process of entities to be entrusted with the implementation of Union funds in the external action domain and to assess if it enables the Commission to ensure a level of protection of the financial interests of the Union equivalent to the one that is provided when the Commission implements the budget directly. There were 5 very important recommendations issued:

1. BUDG should further develop its **corporate oversight** role to ensure coordination and coherence in the pillar assessment process across the Commission;
2. BUDG should develop, in cooperation with other Services and drawing from their experience, comprehensive **corporate guidance** including a process description, templates and tools for pillar assessment applicable to all Commission Services.
3. BUDG should: (i) adopt a roadmap with milestones towards the establishment of the **central repository/automated workflow** tool; (ii) refine and complete the functional and technical requirements of the planned automated workflow and central repository; (iii) correct errors in the current temporary inventory; (iv) make sure that the DGs provide complete information on the supervisory measures and include it in the current inventory; (v) include in its current inventory and central repository, if relevant, missing information on the discontinued sub-delegation pillar as long as the outcome of this pillar is relied on for the signature of new agreements.
4. BUDG should establish a mechanism enabling the lead services to verify compliance by the pillar assessed entities with the obligation to **report substantive changes** to their systems, rules and procedures. It should adopt a procedure and issue guidelines for assessing such changes,

and specify which measures to apply if substantive changes reported by an entity undermine the positive result of the pillar assessment.

5. Budget should inform the services concerned of **the conditions for making a presumption of conformity**, liaise with them to implement supervisory measures when this is not possible, and cooperate to verify the information regarding the **assessment of the sub-delegation pillar**. It should record the scope and outcome of the assessment of this pillar in its inventory in an adequate manner.

The BUDG's action plan was submitted in February 2021.

Audit on the management of the European Fund for Strategic Investments Guarantee Fund in BUDG and ECFIN (period 2018-2020)

The audit objective was to assess the adequacy and effectiveness of the internal control systems related to the management of the EFSI GF (including management of the EFSI GF's assets and calls on the EU guarantee) by DG BUDG and DG ECFIN, ensuring that the Commission is able to honour the calls on the EU guarantee. The audit scope covered the asset management related to the EFSI GF, the management of related financial and operational risks, the process related to processing calls on the EU guarantee and the monitoring of the recovery process carried out by the EIB.

BUDG received 6 important recommendations, of which 3 about compliance, 1 on relevance for asset management, 1 on legal review, and 1 on access rights. The BUDG's action plan was submitted in February 2021.

Audit on Commission's strategy for data, information and knowledge management (2020)

The objective of the audit was to assess the effectiveness of the Commission's strategy on data, information and knowledge management in addressing the challenges and expectations in this domain.

The audit was carried out in six services of the Commission, among which BUDG. No recommendation was issued for BUDG to follow up on.

European Court of Auditors

The table below presents an overview of the ECA's recommendations, opened at the end of 2020 (34).

ECA's report	Important	Very Important
European Court of Auditors - Annual report concerning the financial year 2018	14	1
European Court of Auditors - Annual Report on Compliance concerning the financial year 2019	2	1
European Court of Auditors - Annual Report on Performance concerning the financial year 2019	6	1
SPECIAL REPORT No 12 2019 E-commerce many of the challenges of collecting VAT and customs duties remain to be resolved	2	
SPECIAL REPORT No 17 2016 The EU institutions can do more to facilitate access to their public procurement		1
SPECIAL REPORT No 19 2019 INEA benefits delivered but CEF shortcomings to be addressed	1	
SPECIAL REPORT No 22 2020 Future of EU agencies – Potential for more flexibility and cooperation	3	
SPECIAL REPORT No 35 2018 Transparency of EU funds implemented by NGOs more effort needed		2
Grand Total	28	6

- Annual report on the financial year 2018 resulting in 15 recommendations for BUDG related to:
 - i) Ensuring effective management and up-to-date monitoring of the EU budget's exposure to the related guarantees;
 - ii) Including in the programme statements indicators that balance between inputs, outputs, results and impacts;
 - iii) Including in the programme statements indicators that have a clear link with the actions financed;
 - iv) Including in the programme statements indicators that reflect the achievements of EU spending programmes;
 - v) Including in the programme statements indicators that cover the programme objectives;
 - vi) Presenting to the budgetary authority the overall

amount and breakdown of funds from the EU budget for financial instruments managed by the EIB Group. vii) Proposing performance frameworks for all programmes with quantitative milestones; viii) Proposing performance frameworks for all programmes with quantitative targets, stipulating the year of the target; ix) Proposing performance frameworks for all programmes with data with the required level of quality; x) Aiming to receive timely performance information for all performance indicators; xi) To document the targets proposed so that the budgetary authority can assess their level of ambition; xii) Improving the Programmes' Performance Overview by using one method for calculating progress towards the target from the baseline; xiii) Improving the Programmes' Performance Overview by explaining the rationale for the method for calculating progress; xiv) Implementing a more structured and documented risk assessment for the TOR inspection planning; and xv) Reinforce the scope of the monthly and quarterly checks of TOR and account statements. 1 recommendation (on EDES) was closed in 2020, 1 was added with re-organisation (overall amount and breakdown of funds from the EU budget for financial instruments). None of them has been implemented yet.

- Annual Report on Compliance concerning the financial year 2019: 1 recommendation on ensuring the availability of payment appropriations in the context of the COVID-19 pandemic and 2 recommendations, on reviewing the procedure for monitoring of TOR open points and on setting the deadlines for the Member States and follow-up actions to address TOR shortcomings.
- Annual Report on Performance concerning the financial year 2019: 7 new recommendations, i) to report on the performance of the spending programmes under previous and new MFF in parallel, ii) to further improve readability of the performance information presented in the programme statements and the AMPR, iii) to explain in the programme statements how targets for indicators were set and where the underlying data comes from, iv) to include in its performance reports: a) more analysis of the efficiency and economy of programmes when information becomes available; b) more systematic analysis of the significant external factors affecting programme performance; c) clear assessments, for all the performance indicators reported on, of whether they are on track to meet their targets; d) clear and balanced assessments of performance, covering all programme objectives in appropriate detail.
- Special Report 17 2016 "The EU institutions can do more to facilitate access to their public procurement": 1 recommendation remaining related to collection and analysis of data procedure by procedure. It is partially implemented.
- Special report 35 2018 "EU funds implemented by NGOs more effort needed": 2 recommendations remaining on i) Enabling the various grants management systems to record the funding received by all beneficiaries contracted by the EU and ii) the adoption of a uniform approach to publishing in the FTS. Deadline for implementation is 30/06/2021.
- Special report No 12 2019 "E-commerce many of the challenges of collecting VAT and customs duties remain to be resolved": 2 recommendations for BUDG, to address the pending and future payment mismatches between Member States, seek explanations for them, and request the pending data and to carry out Inspections on Member States' controls of the low value consignment relief.
- Special report No 19 2019 INEA benefits delivered but CEF shortcomings to be addressed: 1 recommendation to define a framework which would allow INEA to re-allocate staff more flexibly between and across programmes.
- Special report No 22 2020 "Future of EU agencies – Potential for more flexibility and cooperation": 3 recommendations: i) to assess and compare, before each MFF period the requests for resources from all agencies, and propose to allocate resources; ii) timely review agencies' requests to align resources with evolving needs to allow greater flexibility in budgetary planning; and iii) monitor the implementation of the revised Commission guidelines (C(2020)2297) on the performance information to be provided by agencies for external scrutiny by the European Parliament, the Council and EU citizens, thereby shifting the focus from reporting on output and activities to contributions to EU policy.

7.4. Other control objectives: safeguarding of assets and information, reliability of reporting

To specifically address the risk that the **annual accounts** could be materially misstated (by fraud or other reasons), the resources under the responsibility of the Accounting Officer perform various types of controls and checks (in addition the controls performed by the authorising officer services). These include both controls throughout the year (e.g. review of the DGs accounting information ensuring ongoing accounting quality), as well as specific year-end controls (e.g. review all material year-end bookings of the Commission Services to ensure that there are no material misstatements). The controls in place are covered by written procedures and are documented.

The validation of local systems is also an important element of assurance to the Accounting Officer of the reliability of the information entered by the various authorising departments in the financial systems. The validation team evaluates the systems set up or modified by each of the 61 Directorates-General, Agencies and other EU bodies covered over a multiannual cycle. Additional details are provided in PART I.

The Commission's **treasury** resources are managed in accordance with the rules and principles laid down in the Council Regulation 609/2014 (amended by Council Regulation 804/2016) and in the Financial Regulation and its rules of application.

In addition to the own resources accounts (opened with the Member States Treasuries or their national central banks), other bank accounts are opened by the Commission, with central banks and commercial banks, for the purpose of executing payments and receiving receipts other than the Member State contributions to the budget.

In accordance with the Regulations referred to above, cash resources are kept in the own resources accounts and are transferred to Commission's accounts with commercial banks only when needed to cover the payments execution needs.

Treasury and payment operations are highly automated and rely on modern information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the Commission's internal control standards, and audit principles.

A written set of guidelines and procedures regulates the management of the Commission's treasury and payment operations with the objective of limiting operational and financial risk and ensuring an adequate level of control. They cover the different areas of operation (for example: payment execution and cash management, cash-flow forecasting, business continuity, etc.), and compliance with the guidelines and procedures is checked regularly. Additionally, information is exchanged between BUDG and the Directorate-General for Economic and Financial Affairs (ECFIN) on risk management and best practices.

Specific controls apply to **fines** imposed on companies breaching EU competition rules.

Fines provisionally cashed before 2010 are kept in bank accounts with commercial banks specifically selected (according to an internal risk management policy) for the deposit of provisionally cashed fines. Financial and operational risks are identified and evaluated and compliance with internal policies and procedures is checked regularly. Fines imposed and provisionally cashed from 2010 onwards are invested in a specifically created fund, BUFI (budgetary fines) Fund, which is managed by DG ECFIN till end-2019, and has as one of its main objectives the reduction of financial risks.

Significant amounts of guarantees issued by financial institutions are provided by the fined companies as an alternative to making provisional payments. The guarantees are managed in compliance with the internal risk management policy. Financial and operational risks are identified and evaluated and compliance with internal policies and procedures is checked regularly.

Regarding the **contingent liabilities** (OB.2.4) in annex 3 - table 5bis, this amount is considered correct¹⁸ and concerns fines imposed by the Commission for infringement of competition rules that have been provisionally paid and where either an appeal has been lodged or where it is unknown if an appeal will be made. The contingent liability will be maintained until a decision by the Court of Justice on the case is final.

ABAC is the corporate financial and accounting IT tool allowing for the execution and monitoring of all budgetary and accounting operations. In addition to the controls performed by the Authorising Officer and Accounting Officer services, ABAC includes a set of features ensuring the quality of the data and the reliability of reporting. These include continuous adaptation of the tool to ensure compliance with the Financial Regulation and its rules of application, and inbuilt security functionalities and other safeguards minimising the risk of erroneous data entry. Moreover, BUDG, as a horizontal DG, issues guidance to ensure the consistency, coherence and quality of the information entered by the Authorising Officer Services.

For the **management of financial assets**, the first set of investment restrictions is defined in the Asset Management Guidelines. The Asset Management Guidelines usually define the investment universe, i.e. the types of authorized investments. Typically, the portfolio managers are allowed to invest in bonds and money market funds. The risk framework for BUDG Asset Management activities is further specified in the Financial Risk Management Policy, in the Financial Risk Management Manual and in the Financial Risk Strategy.

The Financial Risk Management policy contains the basic principles and policy guidelines relating to the management of financial risks of Asset Management activities.

The Financial Risk Management manual describes the objectives and various roles performed by the Financial Risk Management team, including the strategic asset allocation and benchmarking process. The Financial Risk Management manual also describes the different types of risks of Directorate E's Asset Management activities (market risk, credit risk, liquidity risk, operational risks) and how those different risks are mitigated through an appropriate set of control measures.

Within the limits defined in the documents mentioned above (Asset Management Guidelines, the Risk Management Policy and the Financial Risk Management Manual), the Risk Strategy sets out further details or additional constraints, considering among others the current market environment. The main section of the Risk Strategy for CPF's management is the limit structure for bonds and deposits, with maximum limits set by issuer/issue rating and by type of issuer/issue. The Risk Strategy also contains the selection criteria for Money Market Funds and for Exchange Traded Funds.

Long-term investment guidance is provided to the portfolio managers through the Strategic Asset Allocation, which sets the ground for the construction of a strategic benchmark designed to reflect the long-term risk-return profile of the European Commission. The benchmark provides a reference structure in terms of maturity distribution, asset classes, credit quality and duration, against which the performance of the assets will be assessed on a regular basis. The benchmark is usually well diversified, allowing the optimization of the risk return profile of the portfolios. The decision process behind investing in a specific bond takes into account various constraints, current positioning against the benchmark, Investment Committee decisions, market trends, external analysis provided by banks/research firms and the application of the wide range of analytic tools provided by Bloomberg.

¹⁸ At the date of the report

Transactions are mainly done and recorded on the IT platform Bloomberg AIM. Bloomberg AIM contains a compliance module. In this specific module, the Risk Management team encodes the compliance rules coming from the risk framework (e.g. the compliance rules limiting the exposure by type of issuers/issues and by type of securities). Bloomberg AIM allows the real time monitoring of the compliance rules. Portfolio managers can check before entering any transaction that the transaction will not create a limit breach. Risk Management verifies at least on a daily basis the compliance module for possible breaches of the compliance rules.

The risk of fraud is mitigated through the implementation of four-eye controls along the investment process.

Performance and Risk reporting to the stakeholders (i.e. the DG's delegating the management of the assets to BUDG and BUDG senior management) is done a monthly basis for portfolios managed directly by BUDG. On a quarterly basis, EC receives the Performance and Risk reporting for the portfolios managed by the European Investment Bank. On top of this, BUDG has monthly meetings with the European Investment Bank to monitor the evolution of externally managed portfolios.

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

2021 internal control priorities:

Following the assessment of the effectiveness of internal control systems, described in section 2.1.3 in the body of the report, DG BUDG has initiated the following remedial measures per internal control principle concerned:

ICP3 (Structure and responsibility): Finalisation and promotion via BUDG intranet of Manual of procedures, explaining the decision mechanisms in BUDG.

ICP4 (Competence): Adoption of the Human Resources strategy to attract, develop and retain highly performing staff.

ICP7 (Risk assessment): Documenting the methodology and training to the members of the new internal control network.

ICP8 (Anti-fraud): Update of the Anti-Fraud strategy.

ICP10 (Control activities): Implementation of the IAS audit recommendations still open; adjustment of controls to better mitigate the risks if needed; review of financial circuits and strengthening of the ex-ante controls.

ICP13 (Document management / Data protection): implementation of 6 DPO's recommendations and deletion of old entries in the IT systems.

ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management

A. Human resource management

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

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

Source of data: DG BUDG

Baseline (female representation in management) (2019)	Target (2024)	Last known result (2020)
38%	Increase	41%

Indicator 2: DG BUDG staff engagement index

Source of data: Commission staff survey [data to be provided by DG HR]

Baseline (2019)	Target (2024)	Last known result (2020)
69%	Increase	69%

Main outputs in 2020:

Output(s)	Indicator(s)	Target(s)	Last known result
First female appointments to middle management positions	Number and percentage of first female appointments to middle management positions	46%	67% (2)
Increase BUDG staff engagement	DG BUDG staff engagement index	≥75%	69%
Promotion of equal opportunities	% women in management positions	≥40%	41%
Sound allocation of human resources ensuring effective and efficient operation of the DG	Occupation rate of posts in the DG	> 95%	96%
Internal mobility favours the efficient and effective operation of the DG through increased motivation and broadened experience of staff, while ensuring continuity of service	Internal mobility rate (%)	≥5%	12,3%

B. Sound financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Main outputs in 2020:

Output(s)	Indicator(s)	Target(s)	Last known result
Effective controls	Error rate	Remains at 0.5%	0.5%
Efficient controls	Budget execution	Remains at least 95% of commitment appropriations	100%
	On time execution of payments	More than 95%	97%
Economical controls	Overall costs of controls (%)	Maintain same levels as 2019	0.004%
	1) Administrative expenditure implementation	1) < 4%	3.1%
	2) Own Resources collection	2) < 0.5%	0.003%
Monitor of Internal Control Systems	Effective and representative assessment following corporate guidance	Once a year	Assessment done according to the guidance.
	Reporting to management and Commissioner		Last report provided in October 2020.
Business Continuity Plan - Monitor and update	Updated and efficient Business continuity plans Rotation of Duty Officers	Updated according to needs	Revised BCP submitted for validation.
Accounting Revision	According to corporate guidance	Twice a year	Revision done in April 2020.

C. Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy (CAFS)¹⁹ aimed at the prevention, detection and correction²⁰ of fraud

Main outputs in 2020:

Output(s)	Indicator(s)	Target(s)	Last known result
Regular update of DG BUDGET's Anti-Fraud Strategy	Updated anti-fraud strategy, elaborated on the basis of the methodology provided by OLAF	Update in the second half of 2020	In preparation, to be finalised in the first half of 2021.
Actions are implemented as described in the Anti-Fraud strategy	Degree of implementation	100%	Training and survey 100% of plan done. Other actions postponed until the new strategy.

¹⁹ Communication from the Commission 'Commission Anti-Fraud Strategy: enhanced action to protect the EU budget', COM (2019) 196 of 29 April 2019 – 'the CAFS Communication' – and the accompanying action plan, SWD (2019) 170 – 'the CAFS Action Plan'.

²⁰ Correction of fraud is an umbrella term, which notably refers to the recovery of amounts unduly spent and to administrative sanctions.

D. Digital transformation and information management

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

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions²¹

Source of data: DG BUDG

Baseline (2019)	Interim milestone (2021)	Target (2024)	Last known result
Current corporate financial system – ABAC	Roll out SUMMA (new corporate financial system) for Pilot agencies end 2021	Roll out of SUMMA for the whole Commission end 2023	At the end of 2020, the solution design and build of the new system have progressed towards rolling out SUMMA to the pilot agencies at the end of 2021.

Indicator 2: Percentage of DG BUDG key data assets for which corporate principles for data governance have been implemented

Source of data: DG BUDG

Baseline (2019)	Interim milestone (2022)	Target (2024)	Last known result
40%	50%	80%	40%

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

Source of data: DG BUDG

Baseline (2018)	Interim milestone	Target (2024)	Last known result
10%	25% of staff each year	100% of staff	25%

Indicator 4: Implementation of the new BUDG Knowledge Management System

Source of data: DG BUDG

Baseline (2018)	Interim milestone	Target (2021)	Last known result
BudgWeb, BUDGnet and collaborative working spaces	Knowledge Management working group completed its mandate to prepare the concept for the implementation of a new Knowledge Management System	New system (BUDGpedia) in operation integrating BUDGweb and BUDGnet.	Mapping of the information management processes completed.

²¹ The European Commission Digital Strategy (C(2018)7118) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made on the basis of the proposed modernisation plan. For each of the 3 solutions, a table will reflect – per principle – the progress achieved during the last year.

Main outputs in 2020:

Output(s)	Indicator(s)	Target (s)	Last known result
Implementation of SUMMA project	Degree of implementation of the digital solutions modernisation plan ²²	Roll out of SUMMA for the whole Commission end 2023	At the end of 2020, the solution design and build of the new system have progressed towards rolling out SUMMA to the pilot agencies at the end of 2021.
Implementation of principles of data governance for BUDG Key data assets	Percentage of DG BUDGET key data assets for which corporate principles for data governance have been implemented	80%	40%
Awareness raising amongst staff on data protection rules	Percentage of staff attending awareness raising activities on data protection compliance	25% of staff	25% in 2020.
Implementation of the new BUDG Knowledge Management System	Degree of Implementation of the new BUDG Knowledge Management System	New system (BUDGpedia) in operation integrating BUDGweb and BUDGnet in 2021	Knowledge Management working group completed its mandate to prepare the concept for the implementation of a new Knowledge Management System. Preparations to implement the project have started.

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

Main results and outputs in 2020:

Output	Indicator	Target	Latest known result
Promote staff awareness actions: about optimal energy use and “switching off, when not in use”, in line with DG BUDGET’s EMAS action plan. about sustainable commuting during EU Mobility week (September). Velo Mai 2020 has been cancelled due to the Corona crisis. on waste reduction and the use of plastics and on art exhibitions	N° of staff informed	Address all DG Increase sustainable commuters at DG	Data will be available in April 2021
Monitor DG’s energy consumption: 1) in collaboration with OIB; and communicate observed trends to staff (once per year), based on verified data from Commission’s Environmental Statement (2019 data – per building). 2) Participate in the end of the year energy saving action, by closing down DG’s buildings during the Christmas and New Year’s holiday period (+ week-ends)	N° of staff informed N°. buildings participating in the action	Address all DG Reduce energy consumption -1% in total energy consumption	Data will be available in April 2021

²² The European Commission Digital Strategy (C(2018)7118) calls on Commission services to digitally transform their business processes by developing new innovative digital solutions or make evolve the existing ones in line with the principles of the strategy. At the beginning of the year N+1, the Solution Owner and IT Investments Team will assess the progress made on the basis of the proposed modernisation plan. For each of the 3 solutions, a table will reflect – per principle – the progress achieved during the last year

<p>Paperless working methodologies at DG: financial circuits are already 100% electronic,</p>	<p>Statistics</p>	<p>Address all staff</p>	<p>Data will be available in April 2021</p>
<p>E-signatories are largely applied and will be further encouraged</p>			
<p>DG BUDG improvement of facilities:</p>			<p>Data will be available in April 2021</p>
<p>In order to meet the local cyclists' needs, DG BUDGET is providing 249 new bicycle-parking facilities, 248 lockers and 6 showers, in collaboration with OIB.</p>	<p>N°. of bike parking facilities</p>	<p>Implement action plan</p>	
		<p>Increase</p>	
<p>The new collaborative space will allow a gradual increase of VC-facilities in the DG</p>		<p>All staff</p>	
	<p>N°. of VC facilities</p>		
<p>Conduct an analysis of DG's carbon footprint related to missions (as part of the corporate analysis) and optimise DG BUDGET's missions accordingly (e.g. optimise the number of participants, promote the use more sustainable travelling options, and promote the use of videoconferencing).</p>	<p>Statistics</p>	<p>Reduce DG CO2 emissions from missions</p>	<p>Data will be available in April 2021</p>
	<p>N° of staff informed</p>		

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission (if applicable)

NOT APPLICABLE

ANNEX 11: EAMR of the Union Delegations (if applicable)

NOT APPLICABLE

ANNEX 12: Decentralised agencies and/or EU Trust Funds (if applicable)

NOT APPLICABLE