European Commission

Annual Activity Report
2021

Secretariat-General

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THE DG IN BRIEF

The Secretariat-General is at the heart of the European Commission as an institution and of its civil service. Under the authority of the President, it serves the College, oversees the implementation of the Commission's political priorities, and ensures the collegiality, consistency, efficiency and regularity of the Commission's action. To this end, the Secretariat-General is tasked with a range of policy development, steering and coordination functions, upstream and downstream of the decisions of the Commission, internally and externally.

The Secretariat-General is the service of the President and closely coordinates its work with the other presidential and central services, which together ensure the smooth functioning of the institution. In particular, the Secretariat-General:

☑ supports the President in defining the Commission's strategic objectives and operational priorities and shapes crosscutting policies;

☑ coordinates, facilitates, advises and arbitrates, so as to ensure the coherence, quality and timely delivery of policy, legislation and operations across policy areas and departments, in line with the principles of better regulation and evidence-based policy making;

☑ facilitates the smooth running of the Commission's decision-making processes through the operation of an efficient and modern registry;

☑ coordinates the control of the application of EU law by the Commission's Directorates-General;

☑ supports the Vice-Presidents in their coordination tasks, including the management of the Groups of Commissioners and Project Teams;

☑ supports the President in ensuring fairness, objectivity, transparency and efficiency in the relationship between all members of the College;

☑ fosters the Commission's institutional competences, good governance and the development of a modern, service-oriented, transparent and responsible EU administration that works to the highest standards of ethics and integrity;

☑ coordinates the Commission's work on policies with an external or international dimension, including the Union's external representation as provided for in the Treaties, and supports the President for all Summits with third countries, contacts with international partners and participation in international organisations and fora, notably the United Nations, the G7 and the G20; and acts as the Commission's interface with the European External Action Service;

☑ supports the President of the Commission as member of the European Council and participant in Leaders' meetings and other informal summits;

☑ acts as the interface between the Commission and the other European institutions, bodies, national Parliaments and non-governmental organisations and entities.

The Secretariat-General is at the heart of the Commission's corporate governance structure, chairing and organising meetings of the Corporate Management Board as well as several other specialised boards and groups, including the Information Technology and Cybersecurity Board, the Information Management Steering Board and the Group of Resource Directors. Additionally, one of the three Deputy Secretaries-General holds the role of the Commission's Chief Operating Officer.

The Secretariat-General is responsible for a few corporate policies and processes, including document management, business continuity and crisis management arrangements. Robust procedures and IT applications, such as the Decide system or GoPro, have been developed by the Secretariat-General in order to provide the best possible service to the Commission and to the other Directorates-General. All new applications rely on resilient systems built according to the accepted standards in the field.

The Recovery and Resilience Task Force (RECOVER) was created in 2020 within the Secretariat-General with the responsibility to steer the implementation of the Recovery and Resilience Facility (RRF) together with DG ECFIN. The joint work of RECOVER and DG ECFIN brings together the convening power and horizontal knowledge of RECOVER with the specific sectorial expertise of DG ECFIN. The analysis of draft national plans and assessment of Member States' performance are undertaken in a cooperative manner. In line with organisational requirements, the Director-General of DG ECFIN is the single Authorising Officer by Delegation.

The successful conclusion of the EU-UK Trade and Cooperation Agreement in December 2020 brought about the College's decision to end on 1 March 2021 the mandate of the Task Force for Relations with the United Kingdom. On the same day, a new Service for the EU-UK Agreements was established within the Secretariat-General to support the rigorous implementation and monitoring of the agreements with the UK. It is now integrated into the new "Western European Partners" directorate, with two units responsible for the EU-UK agreements and one for EEA, Switzerland as well as Andorra, Monaco and San Marino.

The Regulatory Scrutiny Board and the European Fiscal Board are independent entities administratively attached to the Secretariat-General.

The Secretariat-General is based in Brussels and, as of 1 March 2022, has 725 permanent staff members (active officials, temporary agents, contract agents and seconded national experts).

The breakdown of the 2021 total paid budget of EUR 21.1 million by type of activity is shown in the following graph.

BUDGET EXPENDITURES

Pie chart showing:
- Administrative expenses (IT, studies, corporate training) 63%
- Registries and publications 14%
- Historical archives of the EU 12%
- European Citizens' Initiative 9%
- Regulatory fitness and performance 2%
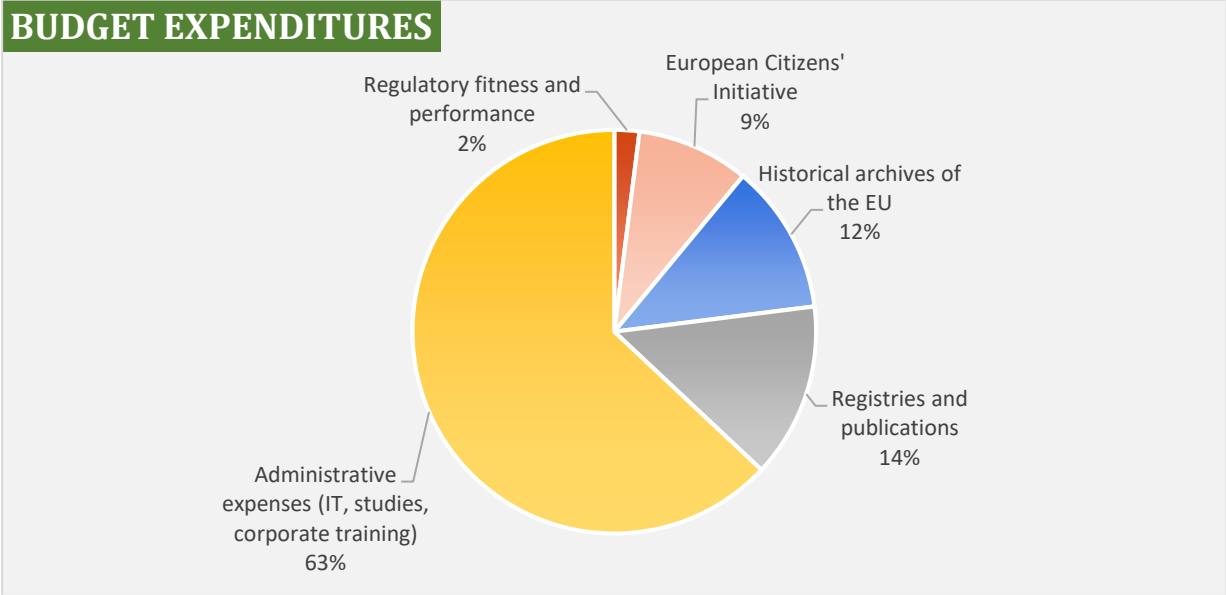
EXECUTIVE SUMMARY

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

The work of the Secretariat-General in 2021 was centred on the continuing efforts to respond to the pandemic and build a lasting recovery. The Secretariat-General ensured smooth adoption and promotion of **COVID-19 related initiatives** covering various aspects of the EU response, such as the EU Vaccine Strategy, the EU Digital COVID Certificate, etc. The Commission's corporate coronavirus response website, jointly managed by the Secretariat-General and DG COMM, has been central to the Commission's efforts to communicate on the response to the coronavirus crisis. At the same time, Re-open EU[1], one of the most popular Commission apps, has proven that the EU can directly connect with citizens by providing information that addresses their immediate and practical needs.

The twin **green and digital transitions** are a fundamental part of the EU's recovery strategy. These continued to figure prominently on the Secretariat-General's agenda in 2021. Under the European Green Deal, a package of 13 interconnected legislative proposals – "Fit for 55" were put forward, aiming at transforming the EU economy and meeting the climate targets. The challenges of the COVID-19 pandemic demonstrated that making Europe fit for the digital age is an imperative for the Union. The Secretariat-General played an important role in steering the Commission's work in this area, for example by coordinating work on a Digital Compass with clear targets for 2030 and tabling ambitious proposals on artificial intelligence and a European Digital Identity.

Another important responsibility was the implementation of the **Multiannual Financial Framework 2021-2027 and NextGenerationEU**, adopted in 2020. In 2021 the Secretariat-General was involved in the finalisation of negotiations on sectoral programmes and funds, as well as the delegation of programme management. The Secretariat-General also supported DG BUDG in the preparation of the new own resources package and in the implementation of the general regime of conditionality.

RECOVER steered, together with DG ECFIN, the work on the **Recovery and Resilience Facility**, the centrepiece of the EU's recovery plan. This temporary recovery instrument will make available some EUR 724 billion in grants and loans to help Member States implement reforms and investments in line with the EU's priorities. The aim is to mitigate the economic and social impact of the COVID crisis and make European economies and societies more

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[1] Managed by the Joint Research Center (JRC)

sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transitions. By the end of 2021, the Commission had received plans from 26 Member States. In total, the Commission positively assessed 22 plans, endorsed the corresponding proposals for Council implementing decisions and proceeded to a first disbursement to Spain. Finally, RECOVER reviewed and adapted all the processes related to the economic policy coordination of the European Semester in light of the implementation of the Recovery and Resilience Facility.

The **Conference on the Future of Europe**, launched by the von der Leyen Commission, gives the chance to the European people to shape the EU of the future. The Secretariat-General has strived to promote the Conference and achieve as broad a participation as possible from European citizens, facilitate information flow between the Conference and the Commission, and participate in deliberations.

When the Task Force for Relations with the United Kingdom ceased to exist as of 1 March 2021, the Commission established a new **Service for the EU-UK Agreements** within the Secretariat-General, now part of the Western European Partners directorate. This service continued to steer and coordinate work across the Commission on implementing the agreements governing the EU's relations with its former member, i.e. coordinating and implementing the EU-UK Withdrawal Agreement, including the Protocol on Ireland and Northern Ireland, implementing and applying the EU-UK Trade and Cooperation Agreement, negotiating the EU-UK agreement on Gibraltar.

The Commission published in 2021 the **second** EU-wide **report on the rule of law**, with the Secretariat-General at the centre of its preparation, together with DG JUST. The report consolidates the exercise launched by the 2020 report, deepening the Commission's assessment and further developing on the impact and challenges brought by the COVID-19 pandemic.

The **Communication on Better Regulation** adopted in April 2021 proposed several improvements to the EU law-making process, already recognised by the OECD[2] as one of the most advanced in the world. Based on this agenda, important actions have been followed in the rest of the year to continue cutting red tape, simplifying public consultations, introducing the "one in – one out" approach, and enhancing the analysis of impacts in particular to ensure a fair green and digital transition, foresight and sustainable development goals. The better regulation guidelines and toolbox were revised during the year, providing detailed guidance to the Commission services on how to implement the improvements brought by the Communication. They include also guidance on the "one in – one out" approach, which aims at offsetting new burdens resulting from the Commission's legislative proposals by equivalently reducing existing burdens in the same policy area. A

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[2] OECD Regulatory Policy Outlook 2021

pilot has been launched. Lessons learned from this pilot on methodology and technical implementation will be reported in the 2021 annual burden survey. The full approach is implemented starting with CWP 2022.

In July 2021, the European Parliament, the Council and the Commission started applying a new interinstitutional agreement making the **Transparency Register** mandatory for all interest representatives seeking to influence the work of the EU institutions. The Secretariat-General was at the forefront of this intensive work and, after the agreement, started implementing the new rules. It established, together with the other two institutions in the secretariat of the Transparency Register, a new registration form adjusting to information requirements resulting from the new agreement, as well as new guidelines for applicants and registrants and a new version of the website of the Transparency Register, all of which were made publicly available by the end of September 2021.

The Secretariat-General also continued to lead on a range of **corporate policies**, such as foresight, strategic planning and programming and data protection. It acted as the interface between the Commission and other Institutions and bodies, facilitating agreements on the legislation previously tabled, and coordinating the intensive dialogue with national Parliaments and the European Ombudsman.

Under the exceptional circumstances of often remote work and new arrangements for high-level meetings, the Secretariat-General has successfully adapted its working methods to protect its staff and to ensure efficient delivery. This allowed the **Commission's decision-making process** to function effectively, to the ultimate benefit of the European citizen.

B. Key Performance Indicators (KPIs)

Key performance indicator 1 – Rate of progress towards the implementation of the country-specific recommendations[3]

Due to the exceptional circumstances[4], the Commission will publish country reports in spring 2022 and they will include an assessment of the progress with respect to the 2019 and 2020 country-specific recommendations.

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[3] The Key performance indicator 1 relates to the Specific objective 3.1

[4] Given the large overlaps between the European Semester process and the early stages of implementation of the Recovery and Resilience Facility, it was necessary to temporarily adapt the 2021 European Semester cycle to the launch of the Facility. The country reports normally entail a formal assessment of the country-specific recommendations (CSRs) for the past year(s) and due to the lack of country reports in 2021, there is no update available including the data for 2020..

Key performance indicator 2 – Annual implementation rate of Commission Work Programme annex 1 initiatives[5]

The adjusted 2020 Commission work programme contained 97 new initiatives, of which 88 were planned for delivery in 2020 and 9 for delivery in 2021, following adjusted timelines after the outbreak of the pandemic. By the end of 2021, 94 out of the 97 initial initiatives were adopted. For the 2021 Commission work programme, 64 out of the 86 new initiatives announced in the programme were adopted by the end of 2021. The remainder of the initiatives are planned for adoption in 2022. This reflects the need to keep the programming of initiatives under review in light of changing circumstances, and to make scarce resources available for new urgent initiatives. The initiatives presented in 2022 will reflect lessons learned from the crisis and ensure respect for better regulation principles.
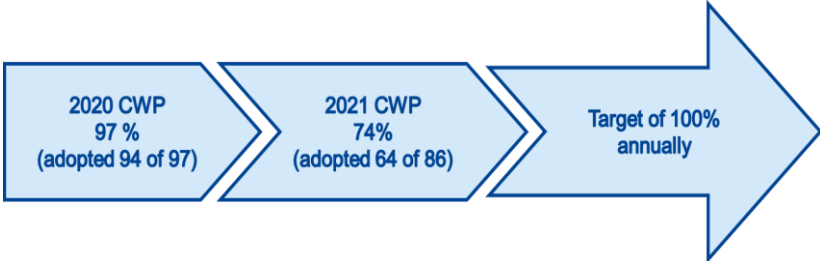
Key performance indicator 3 – Proportion of legislative initiatives (with impact assessment) with quantification of costs and/or benefits[6]

In 2021, 93% (77/83) of the impact assessments reviewed by the Regulatory Scrutiny Board contained quantification of costs and/or benefits, including partial quantification.
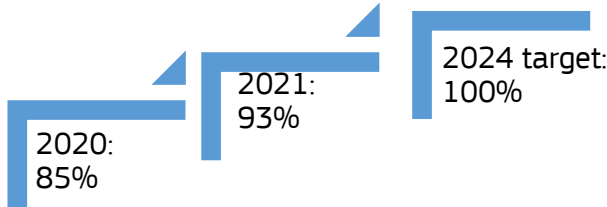
Proportion of impact assessment reviewed by the RSB with quantification of costs and/or benefits, including partial quantification

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[5] The Key performance indicator 2 relates to the Specific objective 7.1

[6] The Key performance indicator 3 relates to the Specific objective 6.5

Key performance indicator 4 – Percentage of Commission key data assets for which corporate principles for data governance have been implemented[7]:

In 2021, corporate principles for data governance have continued to be implemented for SG key data assets, reaching 55%.

2020: 50%

2021: 55%

2024 target: 80%
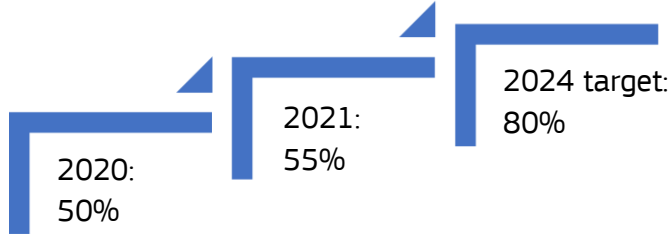
C. Key conclusions on financial management and internal control (executive summary of section 2.1)

In line with the Commission's Internal Control Framework, the Secretariat-General has assessed its internal control systems during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

In addition, the Secretariat-General has systematically examined the available control results and indicators, as well as the observations and recommendations issued by the internal auditor and the European Court of Auditors. These elements have been assessed to determine their impact on management's assurance about the achievement of the control objectives. Please refer to Section 2.1 for further details.

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

D. Provision of information to the President

In the context of the regular meetings during the year between the Secretariat-General and the President on management matters, the main elements of this report and assurance declaration, have been brought to the attention of President von der Leyen.

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[7] The Key performance indicator 4 relates to the Specific objective 7.6

1. Key results and progress towards achieving the Commission's general objectives and the Secretariat-General's specific objectives

GENERAL OBJECTIVE 1 – 'EUROPEAN GREEN DEAL'

Coordinating the European Green Deal[8]

In 2021, the Secretariat-General coordinated work on a number of major initiatives adopted under the 'European Green Deal' general objective.

In July 2021, the Commission proposed a package of 13 legislative proposals – the "Fit for 55" package - to transform the EU economy and to reach the EU 2030 and 2050 climate targets, as enshrined in the European Climate Law adopted on 9 July 2021. The "Fit for 55" legislative proposals cover a wide range of policy areas including climate, energy, transport and taxation and required strong coordination by the Secretariat-General during the preparation stage, which is continuing during the negotiating process. The Secretariat-General was also responsible for drafting the Communication accompanying the "Fit for 55" package and the coordination of the forest strategy.

"We want to leave the next generation a healthy planet as well as good jobs and growth that does not hurt our nature."

Ursula von der Leyen

President of the European Commission

In autumn 2021, rising energy prices required a horizontal approach involving various Commission departments to analyse the situation and to present a toolbox to Member States on mitigating the impact of price spikes and accelerating the clean energy transition that leaves no one behind. The Secretariat-General was co-responsible with DG Energy for

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[8] See in details Annex 2 - Specific objective 1.1

drafting the Communication and ensured coordination and consistency across the services of the Commission.

GENERAL OBJECTIVE 2 – 'EUROPE FIT FOR THE DIGITAL AGE'

Shaping Europe's digital future[9]

Europe's human-centric digital transformation, based on shared European values, is a key political objective of the Commission. The start of Europe's Digital Decade was marked by the pandemic, which demonstrated the central role of digital technologies in building a more resilient and prosperous future. A significant amount of the funding from the Recovery and Resilience Facility (20 %) is aimed at funding the digital transition. The crisis also exposed the risk of digital divides and Europe's external dependency in the field of new technologies.

To address these challenges, the Commission presented a Digital Compass setting targets for 2030 in its March Communication on Europe's Digital Decade. This was followed by a proposal for the Path to the Digital Decade Policy Programme in September. The Commission also made key proposals on the legal framework on artificial intelligence systems, an updated Industrial Strategy and a proposal to introduce a European Digital Identity. For all these initiatives, the Secretariat-General coordinated and facilitated the internal preparation. Moreover, the Secretariat-General has played an important role in preparing the proposal for the review of the Roaming Regulation.

The Secretariat-General also steered and coordinated work on fostering a human-centric digital transformation in cooperation with EU's international partners. In 2021, the Commission held the first Trade and Technology Council meeting with its United States counterparts, adopted a joint communication with the EEAS on an Indo-Pacific Strategy to enhance digital partnerships in September and adopted the Global Gateway Communication in December, announcing work with partner countries to deploy digital networks and infrastructure.

GENERAL OBJECTIVE 3 'AN ECONOMY THAT WORKS FOR PEOPLE'

Steering the European Semester and integrating sustainability[10]

The Secretariat-General reviewed and adapted all the processes related to economic policy coordination of the European Semester in light of the implementation of the Recovery and Resilience Facility. The two processes are intrinsically linked and the Secretariat-General

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[9] See in details Annex 2 – Specific objective 2.1

[10] See in details Annex 2 – Specific objectives 3.1 and 3.2

made every effort to avoid overlaps, make the best use of the existing synergies and avoid unnecessary administrative burden for Member States. This included developing a new and streamlined template for National Reform Programmes for the combined reporting under the Semester and the Recovery and Resilience Facility.

For Member States whose Recovery and Resilience Plans were positively assessed by the Commission and approved by the Council in 2021, the Secretariat-General and DG ECFIN drafted analytical staff working documents which accompanied the proposals for the Council implementing decisions. These documents assessed the substance of the Recovery and Resilience Plans and included an analysis of the extent to which each plan addressed the 2019-2020 country-specific recommendations. They replaced the European Semester country reports in 2021. Given the comprehensive and forward-looking nature of the Recovery and Resilience Plans, the Commission did not propose country-specific recommendations in 2021.

The Secretariat-General continued coordinating work on all policy development aspects of the Commission's economic, social, financial and regional policy agenda within the Commission, as well as coordinating interinstitutional negotiations with the European Parliament and Council on pending proposals. The Annual Sustainable Growth Survey 2022, drafted and coordinated by the Secretariat-General in the context of the Semester Autumn package, committed to the further integration of the Sustainable Development Goals into the European Semester documents, including the country reports.

Multiannual Financial Framework 2021-2027 and NextGenerationEU[11]

In 2021, the Secretariat-General coordinated the implementation of the multiannual financial framework 2021-2027 and NextGenerationEU. It oversaw the finalisation of negotiations on 50 sectoral programmes, providing guidance to services, maintaining coherence with the overall political ambitions and consistency across sectoral policies. The Secretariat-General also oversaw the delegation of programme management to the new executive agencies. Following adoption of the new programmes, the Secretariat-General supported their implementation, including the adoption of programming documents, calls and first actions on the ground. The Secretariat-General continued to coordinate work on the participation of third countries in EU programmes and the definition of reporting methodologies for crosscutting themes such as climate change.

In line with the interinstitutional agreement that is part of the overall MFF agreement, the Secretariat-General also supported DG BUDG (DG Budget) in the preparation of the new own resources package, adopted on 22 December 2021. The Commission proposed three new own resources based on a carbon border adjustment mechanism, the Emissions Trading Scheme and the OECD Pillar 1 agreement, thereby aligning the revenue side of the

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[11] See in details Annex 2 - Specific objective 3.4

EU budget with the Commission's climate and digital priorities. These new own resources will help finance the Social Climate Fund and the repayments of NextGenerationEU borrowing. The Secretariat-General also supported DG BUDG in the first year of implementation of the new general regime of conditionality. Draft guidelines were prepared and circulated to the Parliament and the Member States for comments, in preparation for their adoption in March 2022. Throughout 2021, the Commission monitored the situation in Member States, building on the information sources mentioned in the Regulation. The Commission has sent requests for information to two Member States.

In 2021, the Commission (RECOVER and DG ECFIN) worked closely together with all 27 Member States to help them prepare their national Recovery and Resilience Plans and shape them in line with the requirements of the Recovery and Resilience Facility Regulation. By the end of 2021, the Commission had received plans from 26 Member States. RECOVER and DG ECFIN steered work across the Commission on the assessment of the national plans. In total, the Commission positively assessed 22 plans and endorsed the corresponding proposals for Council implementing decisions. RECOVER and DG ECFIN together prepared and coordinated the accompanying staff working documents analysing the content of each plan.

Assessment of the plans

The Commission (RECOVER and DG ECFIN) assessed the plans submitted in a consistent and transparent manner, following the 11 criteria set out in Article 19(3) of the Recovery and Resilience Facility Regulation and against the backdrop of the six pillars of the Regulation. In most cases, the Commission had to seek additional information for a comprehensive assessment. The Commission supported Member States to put forward ambitious plans with clear and realistic milestones and targets to monitor their progress of the implementation, while taking into account the national context and financial contribution size. The Commission's assessment is still pending on four plans (submitted by Bulgaria, Hungary, Poland and Sweden) for which discussions with national authorities required to ensure full compliance of the plans with the Recovery and Resilience Facility legal requirements are still ongoing.

Overall, the assessment and eventual endorsement of the 22 first Recovery and Resilience Plans followed a swift and smooth process. RECOVER and DG ECFIN had a leading role in all phases of the preparation, negotiation and assessment of plans. RECOVER and DG ECFIN coordinated the guidance provided to Member States, for instance on the preparation of Recovery and Resilience Plans, on the technical implementation of the Do No Significant Harm principle (within the meaning of Article 17 of Regulation (EU) 2020/852 the principle of 'do no significant harm') or by answering several hundred questions asked by national authorities through the Recovery and Resilience Facility Q&A platform. This guidance was essential to reflect the strict eligibility conditions set by the Recovery and Resilience Facility Regulation, whereby Member States are to provide a detailed self-assessment for each measure. For most plans, the Commission adopted its positive assessment in less than the 2 months foreseen in the Regulation (Article 18(1)). The Council was then also able to approve the assessment of most Recovery and Resilience Plans within less than a month.

STEERING COMMISSION WORK ON THE NATIONAL RECOVERY AND RESILIENCE PLANS

Following the adoption of the plans, the Commission concluded a financing agreement – and where relevant, a loan agreement – with the Member State concerned.

The 22 Recovery and Resilience Plans approved by the Council in 2021 account for a total allocation of EUR 291 billion in non-repayable financing and EUR 154 billion in loans. Seven Member States requested loans (Cyprus, Greece, Italy, Poland, Portugal, Romania, Slovenia). These 22 Recovery and Resilience Plans include a total of 3,742 measures (around one third reforms and two thirds investments), and a total of 5,155 milestones and targets to be fulfilled by 2026. Some Recovery and Resilience Plans are 'front-loaded' with a concentration of milestones and targets rather at the beginning of the period, while others are 'back-loaded' with a concentration in the second half of the Recovery and Resilience Facility timeline. The same applies to the payment profile, which has been agreed according to each Member State's specific circumstances.

While taking into account the specific situation and challenges of each Member State, reforms and investments included in the Recovery and Resilience Plans shall contribute to the six policy pillars, (Article 3, Recovery and Resilience Facility Regulation). In order to report on such contribution, the Commission developed a methodology which assigns each (sub-) measure to a primary and a secondary policy area associated to one of the six pillars. To the extent possible, the pillar reporting is consistent with other tagging exercises (climate, digital, social expenditure). Moreover, the Commission has adopted a methodology to report on social expenditure in the Delegated Regulation 2021/2105. Reforms and investments with a social dimension have been associated to one of nine social policy areas, each linked to one of four social categories (namely, employment and skills, education and childcare, health and long-term care, and social policies) as set out in the Annex to the Delegated Regulation. This is complemented by the flagging of measures with a focus on children and youth and/or on gender equality.

The Recovery and Resilience Facility Regulation also required each Member State to dedicate at least 37% of its recovery and resilience plan's total allocation to measures contributing to climate objectives and at least 20% of the total allocation to digital objectives. About 40% of the total plans' allocation is related to measures supporting climate objectives and a number of Recovery and Resilience Plans exceed by a substantial margin the 37% climate target set in the Regulation.

Likewise, the reforms and investments proposed by Member States have exceeded the 20% target; total digital expenditure in the adopted plans amounts to EUR 117 billion, about 26% of the total plan allocation.

The Commission disbursed the pre-financing payment of 13% of the financial contribution to the 21 Member States which requested it (of which 20 in 2021), following the signature of the financing agreement, and loan agreement when relevant. In accordance with Article 13 (1), the pre-financing payments only concern Member States whose Recovery and Resilience Plans were endorsed by the Council in 2021. In total, the Commission disbursed more than EUR 56.6 billion in pre-financing. Payments of the pre-financing were executed within 5 business days after the signing of the Financing Agreement (and/or Loan Agreements where relevant), well ahead of the 2-month deadline. This pre-financing will be then cleared proportionally at the time of the payment of each instalment. With this performance-based instrument, any subsequent disbursement is conditional on fulfilling the relevant milestones and targets underpinning the reforms and investments by the time of the payment request.

The control framework

Member States

- Firstly, Member States are solely responsible to check that the financing provided has been properly used in accordance with all applicable national and EU regulations.

- Secondly, Article 22(2) of the Recovery and Resilience Facility Regulation, as well as the Key Requirements of the Member State's control system contained in the Recovery and Resilience Facility Financing Agreement, identify as a priority the prevention, detection and correction of fraud, corruption and conflicts of interests. Whilst such issues need to be addressed by measures wider than only audits, audits are a key aspect of providing assurance that the Member State systems to prevent, detect and correct fraud, corruption and conflicts of interests are functioning. Furthermore, in terms of content to be covered by audits related to the protection of the financial interests of the Union, Article 4(2) of the Financing Agreement provides an obligation on Member States to ensure that no double funding takes place. Decisions specific reforms and corresponding milestones aiming to remedy certain deficiencies in their control systems (see detail in annex 14).

- Finally, audits related to the effective functioning of Member State systems in terms of collecting, storing, verifying and certifying reliable and accurate data on the achievement of milestones and targets are part of the assurance framework that supports the management declaration.Whilst not necessarily linked to the data that underpins a payment request, it provides assurance to the authority signing off on the management declaration that the applicable rules have been complied with.

Out of the 22 plans adopted in 2021, 16 Member States have been required to include in their Council Implementing. The identified deficiencies in the Member States' control systems included for instance the absence of a repository system able to collect and store data as required by the Recovery and Resilience Facility regulation, the absence of legal mandates for the various bodies in charge of implementing and auditing the funds, the insufficient administrative capacity of the implementing and audit bodies in charge of the implementation of the RRP, the lack of a clear audit strategy or anti-fraud measures. The milestones included in the Council Implementing Decisions to address these deficiencies must be achieved before the first payments are requested.Several capacity building actions for Member States took place in 2021. The Commission provided guidance to Member States on a number of issues. For instance, in October, during the 7th informal expert group meeting on Recovery and Resilience Facility implementation, the Commission presented the new Recovery and Resilience Facility audit and control framework and gave the opportunity to the Member States' audit bodies to ask for clarifications related to their obligations in term of audit work to be performed. Two other expert group meetings took place on 29 November and on 1 December, focusing respectively on system audits on the protection of financial interests of the Union, on system audits on milestones and targets, on sampling and on IT systems. The Commission provided guidance notes on audit & control issues.

Commission

For the Commission, the legality and regularity of payments is solely linked to the satisfactory fulfilment of the milestones and targets. The Commission has also to check that the management and control systems put in place by the Member States ensure the protection of the financial interests of the Union. On this basis, the control framework at Commission level includes the following elements:

Ex-ante controls at the payment stage

Upon receiving a payment request the Commission will check the documentation provided as supporting evidence for the completion of milestones and targets.

The Member State will need to provide due justifications, i.e. a demonstration why they have gained assurance that the milestone or target has been fulfilled, specifying their reasoning, and providing the underpinning evidence. As a rule, the documentation underpinning the payment request should be sufficiently detailed for the Commission to be able to assess that all elements outlined in the implementing decision have been complied with and by default primary evidence should be preferred as supporting data. The Commission will check the underlying evidence, where relevant, on a sampling basis.

The Commission's controls are targeted to prevent, detect and correct errors and irregularities in the evidence that is provided to establish that the milestones and targets have been satisfactorily completed. The Commission may ask for additional information and may decide to carry out additional controls in order to obtain the necessary complementary assurance on the achievement of the milestones and targets before making the payment. If the milestones and targets have not been satisfactorily fulfilled, payments will first be partially or fully suspended, as per article 24(6) of the Recovery and Resilience Facility. As per article 24(8), where the Member State concerned has not taken the necessary measures to ensure the satisfactory fulfilment of the milestones and targets within a period of six months from the suspension, the Commission shall proportionately reduce the amount of the financial contribution and, where applicable, of the loan after having given the Member State concerned the possibility to present its observations.

First payment requests in 2021

In 2021, the Commission disbursed a first payment to Spain. Spain was the first Member State to submit a payment request on 12 November 2021, following the signing of the operational arrangements. It concerned the fulfilment of 52 milestones, mainly relating to reforms that were already met by the second quarter of 2021. Moreover, as Spain had shared most of the information required for assessment prior to the official submission of the payment request, the Commission was able to process the payment request expeditiously and disbursed EUR 10 billion of the financial contribution to Spain on 27 December.

In total, four Member States had submitted their first payment request at the at the end of 2021 (Spain, France, Italy, Greece).

During the assessment of the payment requests, SG RECOVER and DG ECFIN assessed whether the milestones and targets were satisfactory fulfilled. This entailed assessing for instance the evidence provided by Spain as part of its payment request to conclude the positive preliminary assessment. Following the submission of the French payment request on 26 November 2021, the Commission started to assess the evidence submitted by the French authorities; the preliminary assessment was completed within the two-month period.

GENERAL OBJECTIVE 4 'A STRONGER EUROPE IN THE WORLD'

Strengthening coordination on strategic external policy issues[12]

The Secretariat-General continues to provide the secretariat for the External Coordination Group, which prepares the external relations points of College meetings and ensures the overall consistency of the EU's external action.

In 2021, the Secretariat-General was involved in preparing and coordinating several important communications and proposals such as the joint communication 'Renewed partnership with the Southern Neighbourhood', 'A new Agenda for the Mediterranean' and the linked 'Economic Investment Plan'; the regular EU enlargement package and its country reports; the joint communication on Strengthening the EU's contribution to rules-based multilateralism; the joint communication on a stronger EU engagement for a peaceful, sustainable and prosperous Arctic; the proposal for a Regulation on the protection of the Union and its Member States from economic coercion by third countries and the proposal for a Regulation on applying a generalised scheme of tariff preferences and repealing Regulation (EU) No 978/2012 of the European Parliament and of the Council.

The Secretariat-General also played a key role in coordinating the preparation of the Communication on Global Gateway, updating the EU's connectivity strategy and bringing it to the global level.

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[12] See in details Annex 2 – Specific objective 4.1

Boosting the Foreign, Security and Defence Policy[13]

Upon taking office in 2019, President von der Leyen committed that the new Commission will 'ensure cross-fertilisation between civil, defence and space industries' and 'focus on improving the crucial link between space and defence and security'. To this end, in March 2020 the Industrial Strategy for Europe announced an Action Plan on synergies between civil, defence and space industries.

The Action Plan adopted by the Commission on 22 February 2021 presented a methodology which starts with the identification of critical technologies, then develops roadmaps for these critical technologies and finally applies these technologies to real projects. The Plan also launched a dialogue and development work on three flagship projects, proposed targeted actions (support to SMEs, dual use innovation, standards, cyber and disruptive technologies) and promoted synergies by improving coordination of EU funding instruments. The Secretariat-General played a key role in preparing the action plan and is leading the implementation of the eleven actions announced in it, following a fully inclusive approach as regards relevant stakeholders.

Coordination of the implementation of the agreements governing EU-UK relations

The Secretariat-General, through its 'Service for the EU-UK Agreements' (SG.UKS) – a new entity set up on 1 March 2021 and now part of the new Western European Partners directorate - continued to coordinate the implementation of the agreements that govern the EU's relations with the UK: the EU-UK Withdrawal Agreement including the Protocol on Ireland/Northern Ireland, the EU-UK Trade and Cooperation Agreement, the EU-UK Security of Information Agreement and the EU-UK Agreement on cooperation in the safe and peaceful uses of nuclear energy.

As regards the Withdrawal Agreement, the Secretariat-General provided the secretariat and successfully coordinated the Union representation in the meetings of the EU-UK Joint and Specialised Committees. Concerning the Protocol on Ireland/Northern Ireland, the Secretariat-General coordinated action in order to ensure its full implementation and, together with the relevant Directorates-General, prepared proposals for a wide range of bespoke solutions addressing issues that people and businesses in Northern Ireland have been experiencing because of Brexit and the type of Brexit chosen by the UK government. The Secretariat-General led the technical discussions with UK counterparts on these bespoke solutions.

As regards the Trade and Cooperation Agreement, the Secretariat-General advanced and successfully coordinated work on its conclusion, its entry into force on 1 May 2021 and its implementation. This took place through inaugural meetings of the joint bodies established

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[13] See in details Annex 2 – Specific objective 4.2

by the agreement, including the Partnership Council, Trade Partnership Committee, 8 Specialised Committees and 10 Trade Specialised Committees. The implementation of the agreement in the area of fisheries and level playing field required particular attention.

The Secretariat-General also coordinated the preparations for a future EU-UK agreement in respect of Gibraltar, including the negotiations with the UK on the basis of the guidelines adopted by the Council in October 2021, following the Commission's proposal in July 2021.

GENERAL OBJECTIVE 5 'PROMOTING OUR EUROPEAN WAY OF LIFE'

Deepening the Security Union[14]

New and increasingly complex cross-border and cross-sectoral security threats continue to emerge, and the COVID-19 pandemic has tested the resilience of Europe's critical infrastructure, crisis preparedness and crisis management systems and accentuated key vulnerabilities.

In 2021, the EU continued to implement the 2020 Security Union Strategy to protect everyone in the EU and promote our European way of life, with new initiatives on terrorism and radicalisation, organised crime, cybersecurity and hybrid threats. The Secretariat-General prepared two reports on the implementation of the Security Union Strategy, focusing on the most significant emerging threats in this period and highlighting the need to intensify cooperation not only within the EU, but also internationally, with a broad array of stakeholders and partners.

The Secretariat-General also contributed to ongoing work in the area of migration and asylum. The Secretariat General prepared the Commission's first progress report a year after the adoption of the New Pact on Migration and Asylum, noting that, until there is a comprehensive reform of the EU's asylum and migration system, the EU will remain more vulnerable and less prepared to react to changing circumstances. The situation in Afghanistan and at the Union's Eastern borders has brought to the fore the urgent need to address both security and borders challenges and agree on a comprehensive and sustainable solution for migration in line with the New Pact on Asylum and Migration. Following Belarus' attempts to destabilise the EU and its Member States, the Secretariat-General prepared a Communication, providing for determined action and effective measures taken in response to the state-sponsored instrumentalisation of migrants at the EU external border. At the same time, provisional emergency measures were proposed for the benefit of Latvia, Lithuania and Poland, as well as a regulation addressing situations of instrumentalisation in the field of migration and asylum. Work has also been stepped up to reinforce security in the Schengen area. A substantial new package including measures to

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[14] See in details Annex 2 – Specific objective 5.1

enhance police cooperation and the security of the Schengen area was prepared by the Commission to provide further improvements in this regard. EU agencies are fully involved in this work.

Stepping up European cooperation on crisis management[15]

The Secretariat-General plays a central coordinating role in ensuring that the Commission is able to respond, in an effective and coherent way, to crises that require action at European level.

The Secretariat-General coordinated various initiatives to combat COVID-19, working closely with the responsible policy departments to clarify, improve and embed political steer and coherence. These initiatives covered different areas of the EU's response including those related to the single market, free movement, civil protection, and communication, amongst others. Key examples included the Advance Purchase Agreements for COVID-19 vaccines, the EU Vaccines Strategy, the EU Digital Passenger Locator Form and launch of the EU Digital COVID Certificate that made it easier for people to travel safely around Europe and beyond. The Secretariat-General was responsible for drafting and coordinating a number of policy communications setting out the political direction of the Commission and providing useful guidance and recommendations for the EU Member States, as the pandemic evolved. Learning from the pandemic, and as a part of its response and preparedness, the Commission has laid the foundations to build a stronger European Health Union, launching in September the European Health Emergency Preparedness and Response Authority (HERA).

The Commission's coronavirus response website, for which the Secretariat-General coordinated updates providing content for the main pages, has proven popular, as confirmed by more than 41 million visitors in 2021. This has to some extent been driven by the announcement and rollout of the EU Digital COVID Certificate. The success of Re-open EU website and mobile apps has greatly exceeded expectations, attracting more than double the number of expected users.

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[15] See in details Annex 2 – Specific objective 5.2

GENERAL OBJECTIVE 6 'A NEW PUSH FOR EUROPEAN DEMOCRACY'

Building a European Rule of Law Mechanism[16]

This Commission has set out concrete actions to strengthen the Union's capacity to promote and uphold the rule of law. The EU has enlarged its pre-existing toolbox and kick-started an inclusive debate on the rule-of-law culture across the EU, with the Annual Rule of Law Report at the heart of the process. In July 2021, the Commission published the second EU-wide report on the rule of law, which looked at the new developments since September 2000. The 2021 report deepened the assessment of issues identified in the previous report and took into account the impact of the COVID-19 pandemic. Overall, the report showed many positive developments in the Member States, including where challenges identified in the 2020 report are being addressed. The report also underlined the strong resilience of national systems during the COVID-19 pandemic.

Implementing the Cooperation and Verification Mechanism[17]

The Cooperation and Verification Mechanism (CVM), established at the time of the accession of Bulgaria and Romania to the EU to address deficiencies in the field of justice, anti-corruption and, in the case of Bulgaria, organised crime, remains in place until all its benchmarks have been satisfactorily fulfilled. The Secretariat-General is leading the Commission's work related to this mechanism.

Regarding Romania, the CVM continues in parallel to the rule of law mechanism until all its benchmarks are satisfactorily met. The CVM report of June 2021 concluded that the situation has seen a positive trend, but that political commitments still needed to be translated into concrete positive steps. It is important to continue rolling back on negative reforms from the past, and to maintain good progress. Given the remaining challenges, a closing of the CVM could not be considered in 2021. Monitoring and reporting on wider rule of law issues in Romania also takes place in the context of the rule of law mechanism.

In the case of Bulgaria, while the Commission position has not changed since the last CVM report of October 2019, there are still some important outstanding actions from the conclusion of the report that Bulgaria should finalise (notably amended legislation on the accountability of the general prosecutor after consulting with the Venice Commission). The CVM is still formally in place, as the situation in Bulgaria did not justify that the Commission repeals its Decision establishing this mechanism. However, monitoring and reporting at EU level is ensured by the Commission in the context of the rule of law mechanism.

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[16] See in details Annex 2 – Specific objective 6.1

[17] See in details Annex 2 – Specific objective 6.2

The Conference on the Future of Europe[18]

The Conference on the Future of Europe was launched in 2021. The Joint Declaration was signed on 10 March 2021 by the Presidents of the three lead institutions (the European Parliament, the Council and the Commission) and the Conference's multilingual digital platform was launched on 19 April 2021. Through the platform, citizens and other stakeholders can upload their ideas/proposals, endorse and/or comment on other people's proposals as well as organise (virtual and, when possible, in-person and hybrid) events and report on the results of these.

The Conference is built on the interplay of deliberations on the multilingual digital platform, the European Citizens' panels and the Conference Plenary. Deliberative, pan-European Citizens' Panels were kicked off in mid-September 2021. Young people aged between 16 and 25 make up one third of each of the four panels[19]. Altogether, 9 European Citizens' Panels took place in 2021. The results of the panels feed the discussions in the Conference Plenary. In 2021, there have been two meetings of the Plenary in June and in October.

The Secretariat-General, together with DG Communication, has been working on promoting the Conference to make sure as broad participation as possible can be achieved from citizens from all corners of Europe and all walks of life. The Secretariat-General coordinated and facilitated the collection and dispatch of substantial information from the Conference towards and from Cabinets, Directorates-General and other services in terms of EU policies and organisational aspects of the Conference alike.

The Secretariat-General also participated as observer in European Citizens' Panels and Conference Working Groups, monitoring debates and deliberations on topics under its horizontal competence, and, upon request, providing assistance as fact-checkers.

Supporting the Commission's work on demography

Demographic trends in Europe reflect the success of our social market economy, as people live longer and healthier lives than ever before. However, with the share of people above 65 projected to increase from 20% to 30% by 2070, and the share of people above 80 expected to more than double, our policies need to anticipate and address these trends.

The Secretariat-General steers the Commission's work on demography and drafted the Green paper on ageing for publication in January 2021, following the 2020 Report on the impact of demographic change. Its 'life-cycle' approach reflects the universal impact of

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[18] See in details Annex 2 - Specific objective 6.3

[19] Panel 1 discusses Stronger economy, social justice, jobs/education, youth, culture, sport/digital transformation, Panel 2 deliberates on Values, rights, rule of law, democracy, security, Panel 3 is about Climate change, environment/health, while Panel 4 is dealing with EU in the world/migration.

ageing on all generations and aims to strike the right balance between sustainable solutions for our welfare systems, and intergenerational fairness and solidarity. The public consultation on the Green paper looked into a range of policy issues and the synopsis report offers a glimpse into the rich feedback from stakeholders on topics such as active and healthy ageing, pensions, long-term care or the territorial dimension of ageing.

The Secretariat-General also promotes the mainstreaming of demography-related issues in initiatives across all relevant EU policies (e.g. the long-term vision for the EU's rural areas, Atlas of Demography, interactive publication on Demography of Europe, the forthcoming European care strategy).

Strengthening the Commission's better regulation policy[20]

Better regulation is a key priority of the Commission. A communication on better regulation[21] set out the agenda to enhance evidence-based and transparent policy making. Among its main messages is the introduction of the 'one in – one out' approach, a priority of the von der Leyen Commission. The approach concerns all compliance costs. Adjustment costs will be transparently presented in impact assessments, including benefits of legislation. Compensatory measures will be presented to the greatest possible extent. Administrative costs resulting from Commission proposals will be offset by equivalently reducing existing burdens in the same policy area. The approach was trialled in a pilot phase in the second half of 2021 and is fully deployed with 2022 Commission Work Programme. The outcome of the pilot is reported in the 2021 Annual Burden Survey.

The Communication also introduced an improved consultation process through a single call for evidence, the integration of strategic foresight, as well as improved analysis of key impacts and link to the UN Sustainable Development Goals. In addition, the Communication established that all initiatives should be subject to a European Climate Law consistency check and that all initiatives with impact assessments should comply with the principles of 'do no significant harm' and 'digital by default' to support the twin green and digital transitions.

The better regulation guidelines and toolbox[22] were updated in November 2021 to operationalise these improvements. The Fit for Future platform, which supports the Commission to simplify legislation and reduce burden adopted its Annual work programme[23] and most of its opinions (13 out of 15 opinions) in 2021; the remaining two opinions have been adopted in 2022, completing the 2021 Annual work programme.

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[20] See in details Annex 2 – Specific objectives 6.4 and 6.5

[21] Better regulation: Joining forces to make better laws – COM(2021)219/3

[22] Better regulation guidelines and toolbox – Nov 2021

[23] F4F platform - annual work programme

On 2 December, the Commission organised a high-level conference, which focused on the improvements and how better regulation can contribute to Europe's recovery. The Commission also stepped up its effort to promote public consultations on the Have Your Say portal through social media, with promotions in key areas such as democracy, equality, social pillar or green transition. The communication strategy has proven successful, as reflected in the high number of unique visitors on the Have Your Say Portal.

Promoting transparency and stakeholder involvement[24]

Engaging with stakeholders enhances the quality of EU decision-making by providing channels for external views and opinions to be given. In the context of the dialogue with stakeholders and the civil society, the Commission applies strict rules on transparency concerning interest representation. On 20 May 2021, the Commission signed with the European Parliament and the Council of the European Union a new Interinstitutional Agreement on the mandatory Transparency Register. The agreement sets higher standards on lobbying transparency and makes registration of lobbyists a necessary precondition for carrying out certain key interest representation activities. The Secretariat-General coordinated, on behalf of the Commission, with the Parliament and the Council the complex process of implementing the agreement in the second half of 2021.

In terms of transparency and traceability of the legislative process, the European Parliament, the Council and the Commission continued work on the creation of a Joint Legislative Portal, to be delivered by the Publications Office. It will provide an overview of the state of play of legislative files and enable access related documents online.

Promoting the highest ethical standards[25]

The Secretariat-General engaged in discussions with representatives of the European Parliament in view of the Parliament's Own-Initiative Report on the creation of an EU ethics body common to all institutions, as supported by the Political Guidelines of the President. The resolution on 'Strengthening transparency and integrity in the EU institutions by setting up an independent EU ethics body' was adopted by the Parliament on 16 September 2021.

The Secretariat-General prepared a position of the Commission on this matter in view of interinstitutional discussions in 2022. Moreover, the Secretariat-General contributed to promoting and ensuring the highest ethical and integrity standards for both staff and Members of the Commission and cooperated in this regard notably with the Directorate-General for Human Resources and Security and the Cabinets of the Members of the Commission. The Secretariat-General also provided secretarial support to the Commission's Independent Ethical Committee.

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[24] See in details Annex 2 - Specific objectives 6.6 and 6.7

[25] See in details Annex 2 - Specific objective 6.8

Giving citizens a say in policy-making: the European Citizens' initiative[26]

In 2021, the Commission registered all submitted European citizens' initiatives (ECI) with only one exception, thanks to the new rules introduced in 2020. These rules allow organisers to review their initiative when it initially does not meet all requirements for registration. As a result, the Commission registered 11 initiatives, making a total of 16 initiatives since 2020, when the new rules on the ECI started to apply. In parallel, a record number of initiatives were collecting statements of support, 10 of which use the secure Commission online collection system. These initiatives, significantly impacted by the pandemic, have also benefitted from extensions of their collection periods under the COVID-19 rules. In 2021, the Commission also responded to two successful initiatives. Two further initiatives managed, thanks to an extension of their collection period under the COVID-19 rules, to gather more than one million statements of support. If the verification by the Member States confirms that the required thresholds have been met, the organisers can invite the Commission to prepare an answer in 2022.

The 'EU Take the Initiative' communication campaign continued in 2021 with targeted social media and local promotion activities in the Member States, which led to a 66% increase of the traffic to the ECI website and an overall positive trend in terms of new requests for registrations.

Coordinating the Equality Task Force[27]

The Task Force on Equality and its secretariat situated in the Secretariat-General continued to support the Commissioner for Equality to ensure that equality is mainstreamed in all EU policies, as set out in Articles 8 and 10 of the Treaty on the Functioning of the European Union, including in the recovery from the pandemic. The Task Force also ensured smooth delivery of the fifth Union of Equality strategy, the EU Strategy for the Rights of Persons with Disabilities 2021-2030, and contributed to the implementation of the four Union of Equality strategies adopted in 2020. The secretariat of the Task Force provided guidance for equality mainstreaming through the first edition of the equality mainstreaming toolbox published on the Commission's internal website and organised four training sessions (two training courses on equality mainstreaming, one on disability mainstreaming and one on gender mainstreaming). The secretariat also provided support to Directorates-General and offices to develop their equality mainstreaming work plans. In collaboration with DG Human Resources and Security, it carried out a survey on diversity and inclusion of staff. The Task Force held its second annual event in December 2021.

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[26] See in details Annex 2 – Specific objective 6.9

[27] See in details Annex 2 – Specific objective 6.10

Embedding strategic foresight in the policy process[28]

The Secretariat-General, in close cooperation with the Joint Research Centre, has continued embedding strategic foresight into the EU policy-making process. In 2021, the second annual Strategic Foresight Report on the EU's capacity and freedom to act was adopted by the College and promoted through numerous events. The Secretariat-General supported the Joint Research Centre in the finalisation of the resilience dashboards, their presentation to Member States and launch of the interactive tool helping to navigate through the dashboards and their indicators. It also contributed to the publication of targeted reports aimed at informing specific policy initiatives: on defence and space industries, European territories, and on the European labour market. On the external side, an EU-wide Foresight Network with Member States was set up to develop synergies that draw on public administration foresight capabilities, exchange best practices, and hold strategic exchanges.

GENERAL OBJECTIVE 7 'A MODERN, HIGH-PERFORMING AND SUSTAINABLE EUROPEAN COMMISSION'

The Commission Work Programme and coordinating the policy-making process[29]

In 2021, the Secretariat-General prepared the 2022 Commission work programme. The programme sets out the next steps of the Commission's transformative agenda towards a post COVID-19 Europe that is greener, fairer, more digital and more resilient. The programme also reflects the lessons learnt from the unprecedented crisis caused by the pandemic. In addition, the programme fully deploys the 'one in, one out' approach to ensure that when introducing unavoidable new burdens, the Commission will reduce burdens linked to existing EU legislation in the same policy area.

Providing briefings and political intelligence[30]

The Secretariat-General prepares briefings for the President, the (Executive) Vice-Presidents, and the Secretary-General. They support their discussion and negotiations with interlocutors from outside the institution and help them to deliver on the President's headline ambitions.

In 2021, the Secretariat-General produced a great number of briefings and flash reports ensuring that the institution's political leadership was adequately and in a timely manner informed on meetings and political and institutional developments. Amongst others, the Secretariat-General prepared the participation of the President in the European Parliament

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[28] See in details Annex 2 – Specific objective 6.11

[29] See in details Annex 2 – Specific objective 7.1

[30] See in details Annex 2 – Specific objective 7.2

meetings and the European Council and supported the Vice-President for Interinstitutional Relations and Foresight in his coordination role by preparing his participation in the General Affairs Council.

Briefings for the President, Vice-Presidents and the Secretary-General
Statistics 2015 - 2021

2015	2016	2017	2018	2019	2020	2021
1496	1432	1342	1422	1028	2161	2654
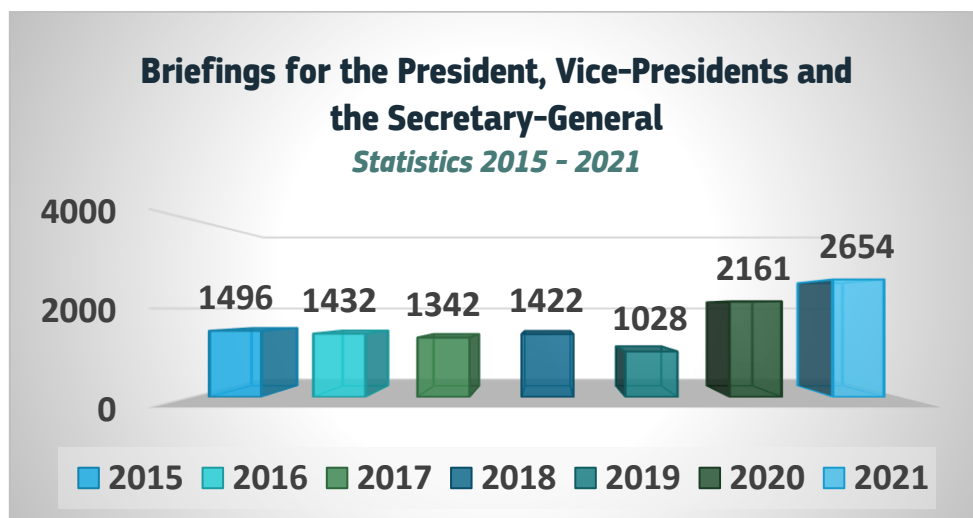
The chart is based on statistics on the majority of briefing types, with the exception of those prepared for informal or particular purposes.

Leading the Commission's strategic planning and programming[31]

The strategic planning process underpins the performance culture in the Commission by requiring all services to set clear objectives and subsequently to monitor and report on achievements. In 2021, the Secretariat-General coordinated across the Commission the preparation of the 2022 management plans and the 2020 Annual Activity Reports, under the strategic framework set for 2020-2024. The final plans[32] and reports[33] are published on the Europa website. The 2020 Annual Activity Reports were the basis for reporting in the Commission's Annual Management and Performance Report 2020[34], also coordinated by the Secretariat-General with DG BUDG.

In parallel, the Secretariat-General organised the annual Commission-wide critical risk assessment exercise, which focused on the measures in place to mitigate the impact of the pandemic on Commission staff and processes, as well as on the performance and management of the EU budget.

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[31] See Annex 2 for details – Specific objective 7.3

[32] https://ec.europa.eu/info/strategy/strategic-planning/management-plans_en

[33] https://ec.europa.eu/info/strategy/reporting/annual-activity-reports_en

[34] https://ec.europa.eu/info/publications/annual-management-and-performance-report-2020_en

Overseeing the implementation of strengthened data protection rules[35]

In 2021, the Data Protection Officer of the European Commission (DPO) closely monitored the compliance of Commission services with the Data Protection Regulation for the EU institutions and bodies (Regulation (EU) 2018/1725) and the Commission's Implementing rules. The DPO did so in line with the Commission's Data Protection Action Plan and its Review[36], which set out a number of specific actions to be completed by Commission departments in view of attaining compliance.

The DPO also put in place structural guidance in order to ensure a harmonised approach to data protection in the Commission, in particular by issuing benchmarks for Data Protection Coordinators and Commission's records of processing operations.

The DPO monitoring exercises in 2021 have shown that the Commission has – for the most part – built up a solid level of awareness, competence, accountability and ownership in data protection within the institution. As regards the areas that require additional attention, the DPO provided his recommendations to the Corporate Management Board, the Information Technology and Cybersecurity Board and the Group of Resource Directors.

The DPO invested significant efforts in providing tailor-made awareness-raising sessions (for senior and middle managers of the Commission), as well as dedicated training sessions (e.g. on data protection in general, management of personal data breaches, Data Protection Records Management System).

Ensuring a high level of business continuity[37]

The Commission continued working in business continuity mode in 2021 and proved its high level of resilience. The Secretariat-General guided and facilitated efforts among the various services to ensure overall business continuity, while keeping staff safe and healthy.

The Secretariat-General worked closely with DG Human Resources and Security to inform staff and contributed to the effective implementation of remote work, the phased approach for the return to the office, and of virtual collaboration.

The Secretariat-General launched work to gather lessons learnt from the crisis from a business continuity angle to improve the Commission's resilience. This will feed the review of the Commission's Business Continuity framework. Together with DG Human Resources and Security, the Secretariat-General worked to streamline the committees for business

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[35] See in details Annex 2 – Specific objective 7.4

[36] C(2018) 7432 and C(2020) 7625, respectively

[37] See in details Annex 2 – Specific objective 7.5

continuity and security and to improve procedures, including the relocation arrangements for the College.

Managing the Commission's IT, cyber-security, information and data management policies[38]

The Information Technology and Cybersecurity Board (ITCB) carried out a mid-term review of the implementation of the European Commission Digital strategy[39]. As a follow-up to an IAS audit, the ITCB endorsed actions to promote and strengthen the secure adoption of cloud services. The Board further approved actions to address the legacy of IT solutions and endorsed an approach for the modernisation of information systems that favours the reuse of existing solutions and the use of proven market solution over bespoke developments. The ITCB also adopted a revised IT security strategy for 2021-2022.

The Information Management Steering Board (IMSB) focussed on the effective implementation of corporate data, collaboration and country-knowledge actions. To enhance the Board's functioning in follow-up to an IAS audit of its work, the Secretariat-General put in place a new mandate for the IMSB. The Secretariat-General shaped a new, agile rolling action plan for 2022-2024. The Secretariat-General strengthened the security of its records management system and continued to integrate it with other IT systems. It has also made it easier to use the qualified electronic signature in different types of business contexts.

Managing the decision-making procedures[40]

The Secretariat-General continued applying procedural flexibilities for accelerating interservice consultations and adoption procedures allowing for swift adoption of urgent decisions to tackle the COVID-19 pandemic whilst preserving legality, collegiality, transparency, and proper cooperation both at service and at political level.

From a total amount of 10 163 adoptions, the Commission adopted 1 102 initiatives identified as COVID-related in 2021, out of which 602 state aid decisions. To cope with COVID and other political urgencies, 33% of the written procedures were adopted with shorter deadlines (less than 3 days).

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[38] See in details Annex 2 - Specific objective 7.6

[39] C(2018) 7118 final – European Commission Digital Strategy, A digitally transformed, user-focused and data-driven Commission

[40] See in details Annex 2 - Specific objectives 7.7 and 7.8

10 163 ACTS ADOPTED THROUGH ORAL, WRITTEN, EMPOWERMENT AND DELEGATION PROCEDURE IN 2021

ORAL: 156

EMPOWERMENT: 2126

DELEGATION : 3986

WRITTEN: 3895

1 102 COVID-19 RELATED ACTS ADOPTED THROUGH ORAL, WRITTEN, EMPOWERMENT AND DELEGATION PROCEDURE IN 2021

ORAL: 9

EMPOWERMENT : 243

DELEGATION: 60

WRITTEN: 790
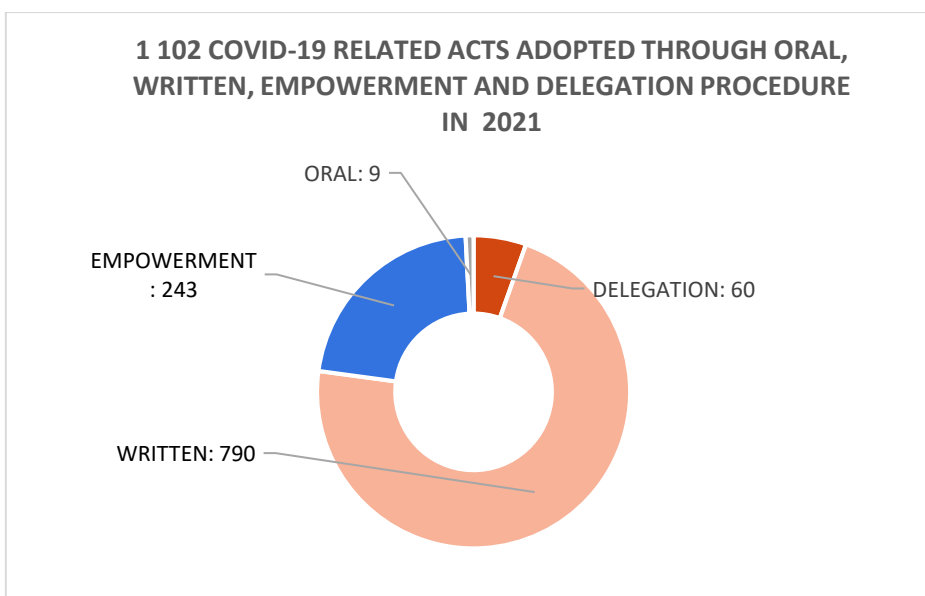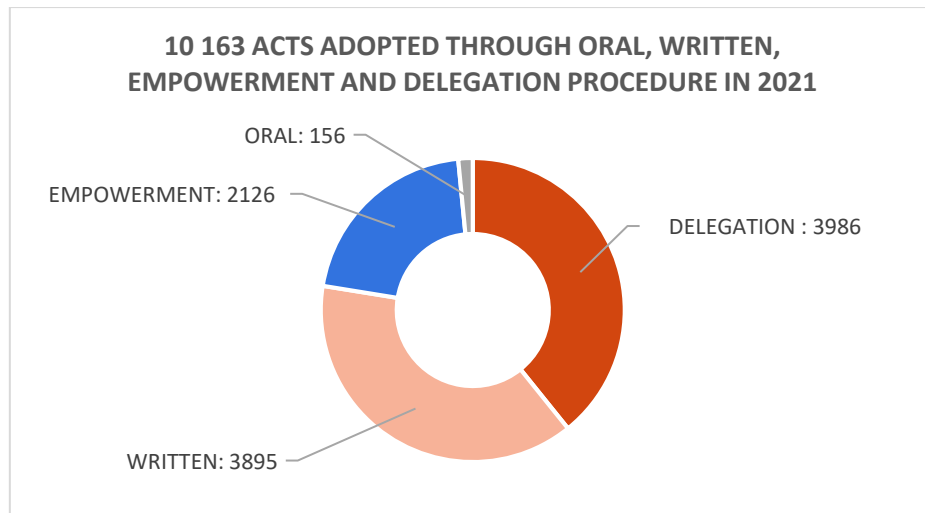
Source: Decide

The IT tools supporting the decision-making process have been further improved in 2021 and processes streamlined, notably:

- The revamped e-College application now provides a more intuitive and modern interface and allows for an easier management of College meetings and improved security and flexibility;

- Replies to interinstitutional requests have been further streamlined by integrating the handling of petitions in Decide and by simplifying the interservice consultation process for replies to parliamentary questions and Ombudsman's inquiries;

- The end-to-end digitalisation of the legislative lifecycle in Decide was further enhanced with a particular focus on security.

Managing the Commission's relations with the other institutions

In 2021, the Secretariat-General continued to play its key role for the Commission's relations with all institutions and bodies of the European Union, in particular the European Parliament and the Council of the European Union, as well as national Parliaments.

The Secretariat-General represented the Commission in all strands of the European Parliament's work, both in parliamentary committee meetings, meetings of the EP governing bodies and at plenary sessions, being physically present in the latter in spite of the restricted working conditions linked to the COVID-19 pandemic., It also coordinated the Commission's replies to the Parliament's increasing number of questions.

On the Council side, Coreper I, Coreper II and Political and Security Committee (PSC) meetings continued to be held physically in 2021, with Secretariat-General attendance, and the Secretariat-General continued to ensure active participation and support at the highest level in the General Affairs Council. In addition, the SG participated and provided support in European Councils, Leaders' video conferences and Euro Summits.

The Commission, through the Secretariat-General, continued to work closely with national Parliaments, the European Economic and Social Committee, the European Committee of the Regions and EU decentralised agencies. Additionally, the Secretariat-General coordinated the Commission's relations with the European Ombudsman, notably by ensuring the adoption of around 200 replies to requests from the Ombudsman and by facilitating an agreement between the Council and the European Parliament on a new Statute for the European Ombudsman.

Developments for all proposals pending in the legislative process are monitored by the Secretariat-General. The Interinstitutional Relations Group and the Group for External Coordination ensure collegiality for new positions and follow-up to work in the European Parliament and the Council.

2. MODERN AND EFFICIENT ADMINISTRATION AND INTERNAL CONTROL

2.1. Financial management and internal control

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

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

- the reports from AOSDs;

- the reports from Authorising Officers in other DGs managing budget appropriations in cross-delegation;

- the contribution by the Director(s) in charge of Risk Management and Internal Control, including the results of internal control monitoring at DG level;

- the reports on recorded exceptions, non-compliance events and any cases of 'confirmation of instructions' (Art 92.3 FR);

- the reports on ex-post supervision and/or audit results;

- the limited conclusion of the Internal Auditor on the state of internal control, and the observations and recommendations reported by the Internal Audit Service (IAS);

- the observations and the recommendations reported by the European Court of Auditors (ECA).

These reports result from a systematic analysis of the available evidence. This approach provides sufficient guarantees as to the completeness and reliability of the information reported and results in a complete coverage of the budget delegated to the Secretary-General, including the budget from the Task Force for the United Kingdom which existed as a separate entity until 1 March 2021.

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

2.1.1 Control results

This section reports and assesses the elements identified by management which support the assurance on the achievement of the internal control objectives (ICO)[41]. The Secretary-General's assurance building and materiality criteria are outlined in AAR Annex 5. The AAR Annex 6 outlines the main risks together with the control processes to mitigate them and the indicators used to measure the performance of the relevant control systems.

The Secretariat-General uses the following definitions of a positive conclusion for the five Internal Control Objectives and their associated indicators:

- Residual Error Rate: below 2%
- Cost-Effectiveness: error rates, time-to-pay and time to contract, and costs of controls lead to a positive conclusion on cost-effectiveness
- Anti-Fraud Strategy: the 2021 action plan is implemented and recommendations are accepted by management
- Safeguarding of assets: all pre-financings are correctly booked
- Reliability of Reporting: no material error and no reservations

The Secretariat-General has a low-risk profile in financial management mainly because of the small size of its budget and because almost all contracts entered into are against framework contracts. Furthermore, the Secretariat-General manages a single grant, exempt from the requirement to have a call for proposals.

At the Secretariat-General, financial operations relate to (payments under) direct budget management. More specifically, direct management includes expenditures for grants, procurement and administrative expenses. No (reputational) event or unmitigated risk has been identified by the management that could have a significant impact on assurance on the achievement of the internal control objectives. The Secretariat-General's management has supported the assurance on the achievement of each of the relevant internal control objectives and no reservation in section 2.1.4 is necessary.

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

Overview table (amounts in EUR million)

Risk-type / Activities	Grants (e.g. actual costs based, or lump sums, or entitlements)	Procurement (e.g. minor or major values)	Shared mngt (MS's OPs, PAs, etc) + EAC (for NAs)	Cross-delegations to other DGs (other AOXDs)	Contributions and/or funds to EE (EU Agency, EA, JU)	Delegation / Contribution agreements with EE (EIB, Int-Org, etc)	Other (describe any other expediture not covered by the previous columns)	Total Expediture	NEI, e.g. Revenues, Assets, OBS ((in)tangible or financial assets & liabilities)
Procurement, administrative expenses and grant without a call for proposal	2.46	6.57	*n/a*	*n/a*	*n/a*	*n/a*	*n/a*	9.03	3.83
Totals (coverage)	**2.46**	**6.57**	***n/a***	***n/a***	***n/a***	***n/a***	***n/a***	**9.03**	**3.83**
Links to AAR Annex 3	***Overall total (m EUR); see Table 2 – payments made***						***Overall total (m EUR)***	***n/a***	***Table 4 – assets***

Legend for the abbreviations: OP=Operational Programme, PA=Paying Agency, NA=National Agency, AOXDs =Authorising Officer by Cross-Delegation, EA=Executive Agency, JU=Joint Undertaking, NEI =Non-Expenditure Item(s), OBS= Off-Balance Sheet, ICO = Internal Control Objective, L&R=Legality and Regularity, SFM= Sound Financial Management, AFS= Anti-Fraud Strategy measures, SAI=Safeguarding Assets and Information, TFV=True and Fair View, RER=Residual Error Rate, CEC=Cost-effectiveness of controls, Mngt =Management

In line with the 2018 Financial Regulation, the Secretariat-General's assessment for the new reporting requirement is as follows:

- No cases of "confirmation of instructions" (new FR art 92.3)

- No cases of financing not linked to costs (new FR art 125.3)

- No financial Framework Partnerships >4 years (new FR art 130.4)

- No cases of flat-rates >7% for indirect costs (new FR art 181.6)

- No cases of "Derogations from the principle of non-retroactivity [of grants] pursuant to Article 193 FR" (new Financial Regulation Article 193.2)

Cost-effective controls are those that are effective to fulfil the intended control objectives in an efficient manner and at a reasonable cost. In order to decide whether controls are cost-effective, it is necessary to assess their effectiveness, efficiency and economy.

1. *Effectiveness of controls*

a) Legality and regularity of the transactions

The Secretariat-General uses internal control processes to ensure sound management of risks relating to the legality and regularity of the underlying transactions it is responsible for, taking into account the multiannual character of programmes and the nature of the payments concerned.

Based on control results and all other relevant information available, the Authorising Officer by Delegation (AOD) can conclude that for each segment of expenditure with a given risk profile and subject to the same or a similar control system, no reservation should be made.

Based on the controls results and on the inherent risks of the various transactions, the error rates for each key segment (or sub-segment) are as follows:

- For the grant to the European University Institute: 0.5%. The core of the grant's expenses is for personnel which belong to a dedicated administrative entity and whose costs are standardised. Furthermore, the ex-post control carried out at the end of 2021 confirmed the results of previous audit work of an external consultant. These showed that adequate control procedures are in place to identify the staff working on the action grant and to prevent double payments; supporting documents and related invoices for payments made; reliable beneficiary's accounts; and very minor non-eligible payment claims.

- For procurement and other administrative expenses: 0.5%. Controls aim at systematically detecting and preventing breaches of legality and regularity; the first measure of the error rate is therefore the one resulting from the analysis of the

recording of exceptions: control overrides and non-compliant events. The analysis of these exceptions shows that 0.5% is the best estimate.

The Secretariat-General's portfolio consists of segments with a relatively low error rate, i.e. administrative expenses and a grant without a call for proposals.

This is, respectively, thanks to the inherent risk profile of the financial transactions and the performance of the related control systems.

Given the nature of the transactions and the absence of errors, except occasionally and marginally, Secretariat-General does not need recoveries and financial corrections for correcting errors. During the reporting year the executed corrective capacity amounted in total to EUR 0.0 million representing 0.0 % of the relevant expenditure.

The Secretariat-General's (including UKTF) relevant expenditure, its estimated overall risk at payment, estimated future corrections and risk at closure are set out in Table X: Estimated risk at payment and at closure.

The estimated overall risk at payment for 2021 expenditure amounts to EUR 0.045 million, representing 0.5% of the Secretariat-General's total relevant expenditure for 2021. This is the AOD's best, conservative estimate of the amount of relevant expenditure during the year not in conformity with the contractual and regulatory provisions applicable at the time the payment was made.

As explained above, this expenditure will subsequently not be subject to ex-post controls to have a proportion of the underlying errors detected and corrected in subsequent years. The conservatively estimated future corrections for 2021 expenditure amount to EUR 0.0 million.

The difference between those two amounts results in the estimated overall risk at closure of EUR 0.045 million, representing 0.5% of the DG's total relevant expenditure for 2021. This is a slight decrease mainly due to the ex-post control on the Historical Archives of the European Union that confirms the financial results of the audit carried out in 2017 and helped lower the average error rate for this activity.

For an overview at Commission level, the Secretariat-General's estimated overall risk at payment, estimated future corrections and risk at closure are consolidated in the Annual Management and Performance Report.

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

The full detailed version of the table is provided in Annex 9.

Secretariat-General	Relevant expenditure	Estimated risk (error rate %) at payment		Estimated future corrections and deductions		Estimated risk (error rate %) at closure	
(1)	(2)	(3)		(4)		(5)	
	m EUR	m EUR	%	m EUR	%	m EUR	%
Procurement, administrative expenses and grant without a call for proposal	9.11	0.045	0.5%	0.0	0.0%	0.045	0.5%
DG total	**9.11 EUR**	**0.045EUR**	**0.5%**	**0.0EUR**	**0.0%**	**0.045EUR**	**0.5%**

b) Fraud prevention, detection and correction

The Secretariat-General has developed and applied its own anti-fraud strategy since 2014, on the basis of the methodology provided by OLAF. It is updated where necessary and at a minimum every three years. It was last updated in 2020. Its implementation is being monitored and reported to the management at least once per year. All necessary actions including the ex-post control of the European University Institute were implemented.

The Secretariat-General also contributed to the Commission anti-fraud strategy and had no financial recommendations from OLAF to follow up.

The results achieved during the year thanks to the anti-fraud measures in place can be summarised as follows: all newcomers were offered trainings in ethics and anti-fraud and the local anti-fraud strategy reflected the actions taken at corporate level. Newcomers represent the most relevant population and sessions had to be organised remotely. The positive results included in the 2017 audit report on the Historical Archives of the European Union were confirmed by the ex-post control that took place at the end of 2021, see in details Annex 7.

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

To counteract potential reputational risks, the Secretariat-General will continue ethics-related training and awareness-raising activities to maintain the highest standards of professional integrity. Anti-fraud culture remains in focus and is promoted on a continual basis. In general, the Secretariat-General has a low-risk profile in financial management as it has a small size budget with low-risk administrative expenses.

Corporate oversight

The Secretariat-General continued to ensure appropriate corporate oversight, by the Corporate Management Board, of anti-fraud policy. It continued to hold regular preparatory meetings with all relevant horizontal services on the follow-up of OLAF recommendations addressed to the Commission. These resulted in a first-time comprehensive overview of the state of implementation of financial recommendations issued by OLAF during the period 2012-2019. First insights were thus gained into discrepancies between amounts recommended by OLAF for recovery, amounts established, those eventually recovered, and the underlying reasons. These will feed into corporate guidance. A similar exercise was launched as regards the follow-up of OLAF's administrative recommendations. The Secretariat-General thus continued to contribute to one of the two main axes of the 2019 Corporate Anti-Fraud Strategy, which is to enhance the governance of anti-fraud policy.

c) Other control objectives: safeguarding of assets and information, reliability of reporting

The Secretariat-General plays a key role in managing sensitive and classified information, both in relation to its own information and in its corporate role. The core principles in this respect are confidentiality on a 'need to know' basis, integrity and availability. The Secretariat-General also protects access to assets and information by managing access to the offices of the Secretary-General and her staff. The Secretariat-General takes the necessary measures to protect the security of its ICT systems and services – including the information and knowledge held on them – in order to safeguard its image, reputation and business interests.
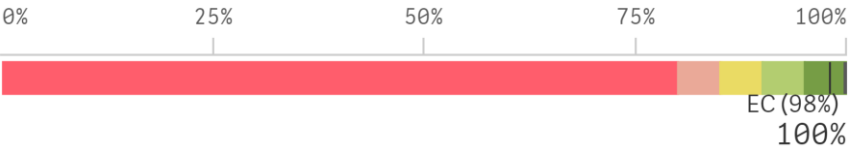
To safeguard classified information, the Secretariat-General operates the Commission's Central EU Classified Information Registry. During the induction day, the Secretariat-General's newcomers are informed about the main principles, rights and obligations under the Staff Regulation, with a particular focus on the obligation of discretion and the importance of mitigating information and documents' leakage. The Secretary-General has put emphasis on enhancing the security culture in the Secretariat-General and the Local Security Officer is helping to raise awareness of staff for security-related topics and trainings.

Safeguarding of assets is related to the pre-financing paid by the Secretariat-General to beneficiaries and contractors. Each pre-financing transaction has been adequately booked to show on the balance sheet. In conclusion, safeguarding of assets and information controls are deemed effective.

2. Efficiency of controls

With respect to efficiency, two main indicators are used: time to pay and time to contract (time to inform and time to grant do not apply to the historical archives grant). In 2021 (Annex 3 refers) the average time to pay with suspension was 8 days (8 days in 2020). The

periods specified in Article 116(1) of the Financial Regulation were complied with and 0.24% of the transactions were in excess of the time-limits (none with respect to target time limits). The financial scorecard shows 100% for the timely payments (Annex 4 refers) which demonstrates the high level of professionalism of the Secretariat-General's staff and their close monitoring of payment deadlines. Monthly reports were provided to the operational units to adequately monitor un-committed and un-paid appropriations. The controls are deemed efficient.

Timely Payments	SG Score	EC Score
0% 25% 50% 75% 100% EC (98%) 100%	100%	98%

The financial scorecard shows 100% for the timely payments (see Annex 4) which demonstrates the high level of professionalism of the Secretariat-General's staff and their close monitoring of payment deadlines.

The average time to contract starting from receiving the offer and ending, with the contract signed by both parties was 10 days (13 days in 2020). The use of eOrders, which allows contracts to be signed electronically within the same day is an essential element of this positive result, and its further deployment in 2021 has helped achieving even better results. In 2019, the Secretariat-General moved to eWorkflows and eTools such as eTed, eSubmission, eOrders, and others, the impact of which has been to rely heavily on standardised operating procedures coupled to related IT systems. In 2021, the Secretariat-General reaped the benefits of such a digital approach when the pandemic occurred and staff had to work online.

3. Economy of controls

Being a small spending Directorate-General, the Secretariat-General has a single indicator for the costs of controls per control system. Furthermore, it should be kept in mind that the costs of all stages are included (even filing and archiving), but compared only to the payment stage amounts. This aggregate indicator will therefore be the costs of controls irrespective of whether these controls apply to a call, a contract, a commitment or a payment; these costs are then divided by the total payments made. The costs of controls amount to EUR 1.1 million and are based on staff work activities, as recorded by the screening exercise. These include financial management; programme management; budget and accounting; management; general coordination; and information and communications technology, depending on the persons involved (Annex 6 refers). These costs amount to 12.6% of the total payments (13% in 2020). Such a number can be explained by the scope

and the diversity of activities linked to the cost of controls (6 out of a total of 32 generic activities); the number of operational units involved; and the low number and low magnitude of the financial transactions at the Secretariat-General. As there were no significant changes to the budget and the control workforce, the control environment remained stable.

4. Conclusion on the cost-effectiveness of controls

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

Three main indicators are used to determine the cost-effectiveness of controls: the error rate, the time-to-pay/timely payment (and the time-to-contract), and the cost of controls.

The respective indicators were 0.5% of error rate, 8 days on average to pay / 100% of timely payments (and 10 days on average to contract), and a cost of controls of 12.6% in percentage of the total payments. Given the stable control environment and control strategy and the fact that the Secretariat-General (with the UKTF) is a small spending Directorate-General, that error rate and time-to-pay are well within acceptable margins and that the cost of controls is not excessively high, the conclusions on the control strategy (details of which are provided under Annex 7) and on the cost-effectiveness of controls are positive.

Considering the diversity of the activities linked to the cost of controls and the low number and magnitude of the financial transactions of the Secretariat-General, the cost of controls is not excessively high.

2.1.2 Audit observations and recommendations

This section sets out the observations, opinions and conclusions reported by auditors – including the limited conclusion of the Internal Auditor on the state of internal control. Most of these observations refer to the Secretariat-General's corporate and policy coordination role rather than to its internal control system. Summaries of the management measures taken in response to the audit recommendations are also included, together with an assessment of the likely material impact of the findings on the achievement of the internal control objectives, and therefore on management's assurance.

Internal Audit Service

The Internal Audit Service's limited conclusion on the state of the Secretariat-General's internal control is based on the audit work carried out in the period 2019-2021. The Internal Audit Service concludes that the internal control systems in place for the audited processes are effective, except for the observations giving rise to the very important recommendations related to the IAS audit on data protection. The action plan produced in

response to this audit was approved by the Internal Audit Service and these open recommendations will be implemented by the second quarter of 2022. Two other very important recommendations were closed in 2021 (see section 2.2.2 for details).

The Secretariat-General also had four very important open recommendations with respect to data, information and knowledge management, but they have all been addressed and are ready for review (implemented and to be audited by the IAS). One very important recommendation was closed in 2021. See section 2.2.2 for details.

The recommendations from the Internal Audit Service and from the European Court of Auditors do not have a negative impact on the state of internal control, or on the declaration of assurance by the Authorising Officer by Delegation. Details of these recommendations are provided in the next paragraphs.

European Court of Auditors

ECA Annual Report

The Court of Auditors (ECA) issued their second report on the performance of the EU budget – Status at the end of 2021. The Court recognised improvements on the better regulation approach which helped the Commission to identify lessons learnt from past implementation of policies and programmes and use them to improve future performance. The ECA found that, allowing for constraints related to the MFF cycle, the Commission had complied with the 'evaluate first' principle in most of the legislative procedures examined. However, it did not carry out an impact assessment for the common provisions regulation. The Court made a number of recommendations to further improve.

The Commission accepted all recommendations as identified by the Court in its horizontal chapter. These will be implemented in the timeframe indicated in the report under the coordination of the Secretariat-General and DG BUDG. The revamped performance framework under the 2021-2027 multiannual financial framework will allow the Commission to continue making progress in this respect.

ECA Special Reports in 2021

The Secretariat-General is responsible for the implementation of certain recommendations from the following ECA Special Reports:

The Secretariat-General as lead DG for certain recommendations:

- Disinformation affecting the EU: tackled but not tamed (9/2021).

- Gender mainstreaming in the EU budget: time to turn words into action (10/2021).

- Air passenger rights during the COVID-19 pandemic: Key rights not protected despite Commission efforts (15/2021).

- EU readmission cooperation with third countries: relevant actions yielded limited results (17/2021).

- Regularity of spending in EU Cohesion policy: Commission discloses annually a minimum estimated level of error that is not final (26/2021, linked to reporting in the AMPR).

Secretariat-General as associated DG: EU readmission cooperation with third countries: relevant actions yielded limited results (17/2021; lead DG is DG HOME).

The Commission accepted or partially accepted the recommendations in these reports. The Commission will implement the agreed recommendations within the timeframe agreed.

ECA Special Reports in 2020:

Recommendations – work in progress, where the Secretariat-General is the lead DG: The European Semester (16/2020).

Recommendations – work in progress, where the Secretariat-General is associated:

- Combating child poverty – Better targeting of Commission support required (20/2020; lead DG is DG EMPL)

- Future of EU agencies – Potential for more flexibility and cooperation (22/ 2020)

- Capital Markets Union – Slow start towards an ambitious goal (25/ 2020)

2.1.3 Assessment of the effectiveness of internal control systems

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

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

The key objective has been to assess the internal control system's ability, in its entirety, to manage meaningful risks to organisational objectives. Therefore, an appropriate balance between risk and the level of control was required to ensure objectives are met. The Secretariat-General has assessed its internal control system during the reporting year and has concluded that it is effective and that the components and principles are present and functioning as intended. In 2021 as in 2020, active interaction with staff and managers was more difficult. As there were no elements to suggest that there were weaknesses in the control system, the Secretariat-General has opted for reporting procedures to assess its control system. The assessment of the Secretariat-General's internal control system, conducted in 2021 is based on the following criteria:

- Reports by the operational units on the five internal control objectives
- Reports by the second line units on the values of the monitoring indicators
- Registry of non-compliance events and exceptions
- Reports by the authorising officers

Main findings:

- Reports by the operational units on the five internal control objectives: all reports show full compliance with the requirements of the five internal control objectives.

- Reports by the operational units on the values of the monitoring indicators: no deficiencies to be reported were identified.

- Registry of non-compliance events and exceptions: there were no non-compliance events or exceptions that would negatively affect the declaration.

- Reports by the authorising officers: authorising officers did not disclose elements that would negatively affect the declaration.

The assessment focuses on how the internal control framework has helped achieving the five internal control objectives enshrined in the Financial Regulation. Therefore, recommendations on corporate data protection and corporate knowledge management do not impact negatively this assessment.

The Secretariat-General has assessed its internal control system during the reporting year and has concluded that it is effective and the components and principles are present and functioning as intended.

2.1.4 Conclusions on the assurance

This section reviews the assessment of the elements already reported above (in Sections 0, 0 and 0), and the sub-conclusions already reached. It draws an overall conclusion to support the declaration of assurance and whether it should be qualified with reservations.

The five internal control objectives for financial management were assessed for the whole budget delegated to the Secretariat-General (and the UKTF) under section 2.1.1, complemented where necessary by sections 2.1.2 and 2.1.3. The objectives of having resources used for their intended purpose and the non-omission of significant information were assessed on the basis of the reports from the authorising officers where this was explicitly spelled out. There is no element to be reported that would qualify the declaration of the Secretary-General.

In conclusion, based on the elements reported above, management has reasonable assurance that, overall, suitable controls are in place and working as intended; risks are being appropriately monitored and mitigated; and necessary improvements and

reinforcements are being implemented. The Secretary-General, in her capacity as Authorising Officer by Delegation has signed the Declaration of Assurance.

2.1.5. Declaration of Assurance

Declaration of Assurance

I, the undersigned,

Secretary-General

In my capacity as authorising officer by delegation

Declare that the information contained in this report gives a true and fair view [42].

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

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

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

Brussels, 31 March 2022

(signed)

Ilze Juhansone

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[42] True and fair in this context means a reliable, complete and correct view on the state of affairs in the Secretariat-General.

2.2. Modern and efficient administration – other aspects

2.2.1. Human resource management

Faced with persistent challenges, in particular the pandemic, 2021 was a very challenging year for our staff. Coordinating the EU's response to COVID-19 crisis and steering the implementation of the Recovery and Resilience Facility implied increased workload for Secretariat-General staff in 2021. Many colleagues took on additional tasks and went the extra mile to deliver results outside of standard workhours. The Secretariat-General managed this challenge thanks to the high commitment of staff and strong teamwork.

The Secretariat-General's HR actions supported the organisation and its staff members in its core mission of coordinating the work of the Commission. To make the best use of its resources, the Secretariat-General ensured swift recruitments and maintained the vacancy rate below the Commission's average in 2021 (4.2% compared to 6% for the Commission). To support teams, long-term absences were covered by the recruitment of temporary staff.

The Secretariat-General continued efforts to further improve gender parity in its management team. By December 2021, 40.5 % of the middle management team and 44.4 % of the senior management team were women.

New colleagues in the Secretariat-General received support through training and guidance to have a successful on boarding. Digital skills trainings and coaching programmes helped staff members to adjust to the new hybrid working environment. Additionally, through the EU Policymaking Hub coordinated by the Secretariat-General more than 18.000 colleagues across the Commission attended courses on EU policy and decision-making.

The Secretariat-General carried out a consultation of all staff on how to work better together. The key conclusions were summarised in the draft HR strategy for the Secretariat-General. Staff identified the ability to disconnect as the key obstacle in achieving a good work-life balance. As a response, a Digital Etiquette for the Secretariat-General was put in place. To support staff wellbeing, training courses on developing resilience (six sessions) and taking care of wellbeing (four sessions) have been organised.

In the Secretariat-General, the three main vehicles for internal online Communication were the weekly 'Management Debrief', MySGnet and the 'Newsflash' newsletter. Strong internal communication helped to ensure high staff engagement.

2.2.2. Digital transformation and information management

To foster the transformation to a digital, agile, flexible and transparent institution, the Secretariat-General improved the way data, information and knowledge are managed, harnessing the opportunities brought by digital solutions and achieving progressively compliance with data protection obligations.

Digital transformation

Building on the principles identified by the European Commission Digital Strategy, in 2021 the Secretariat-General continued optimising and digitising corporate processes in the domains of:

☑ **decision-making:**

Major progress was made for the end-to-end digitalisation of the decision-making process, thanks to the analysis of the implementation of the qualified electronic signature for the adoption and authentication of acts.

Petitions are now handled in Decide, thus widening its coverage of the landscape of acts handled in the Commission decision-making process. The handling of replies to Parliamentary Questions and Ombudsman's inquiries was rationalised by streamlining interservice consultation processes.

The e-College application was upgraded and modernised, resulting in an easier management of College meetings and improved security and flexibility, and new functionalities have been added to respond to the needs of the members of the College.

EdiT – the new legislative drafting tool – is now being used in pilot mode by a limited number of DGs for the drafting of legislative proposals and the interservice consultation in Decide. This tool facilitates drafting and allows for inclusive and cooperative ways of working.

☑ **records and archives management:** the Secretariat-General continued the development of the new Archives Management System to provide a single integrated solution to manage the paper and digital archives of the Commission, and exchange data with the system at the EU Historical Archives in Florence. It improved the functionality and related features of the qualified electronic signatures in records management processes, making them more widely available. It reinforced the security and privacy by introducing a flag to indicate the presence of sensitive personal data in a document, and took initiatives to inform Secretariat-General staff about its purpose and monitor its use. It completed a study on the future development of Hermes/Ares/NomCom and will do a follow-up gap analysis in 2022 to determine how we can remodel the system. It intensified its electronic working methods by using the e-signatory to validate the vast majority of its internal and external documents when they do not require a handwritten signature and promoted the use of the qualified electronic signature when required.

☑ **EU Law monitoring:** the Secretariat-General further developed the Themis/Infringements new statistical and reporting module and the THEMIS/EU Pilot user management module. It started development activities of Themis/Complaints, the last module which will complete the new set of applications managing the full life-cycle of infringements of EU Law from the receipt of complaints to the implementation of Court of Justice rulings, as well as development activities for the integration with e-Poetry. The

compliance with the data protection requirements for complaints will be guaranteed in Themis/Complaints (Q2 2022). The integration of Themis with e-Translation and BriefingsNet, and the addition of the new benchmarks stemming from the single market enforcement action plan will be completed in 2022.

In addition to the priorities in the domain of EU Law monitoring, the Secretariat-General implemented new functionalities in CHAP, the current application used for the handling of complaints, in order to introduce necessary changes related to Brexit.

Data, information and knowledge management

As part of the implementation of the corporate data governance and data policies, the Secretariat-General updated its key data assets on the corporate data catalogue. In collaboration with other Commission services, the Secretariat-General continued to organise data for policymaking trainings, to enhance data management and use, and launched preparations to complement the corporate learning offer aiming to increase data literacy of staff.

Information on the action plan adopted in response to the IAS audit on the Commission's strategy for data, information and knowledge management, is under Annex 7 to this report.

Data protection

Data protection is not a one-off exercise, but continuous work involving all Commission staff. Therefore, the Secretariat-General maintained its efforts to raise data protection awareness among its staff: largely over 20% of its personnel participated in awareness-raising activities in 2021, including middle management. These activities consisted, for example, in two introductory sessions to data protection for newcomers, an information session on how to handle sensitive personal data in the Commission's document management system, a yearly workshop of controller units with the Commission Data Protection Officer and a data protection quiz on the occasion of the 2021 Data Protection Day.

The Secretariat-General continued to ensure a high level of protection of the personal data it processes and to implement the Commission's data protection action plan. All of the 40 personal data processing operations under the responsibility of the Secretariat-General have published detailed and transparent information by means of records of processing and data protection notices.

To ensure accountability for processing operations that are carried out Commission-wide and to establish efficient procedures for handling data subject requests, the Secretariat-General has put in place several internal arrangements with other Commission departments. The Secretariat-General applies an administrative procedure for the swift and sound handling of data subject requests. Awareness-raising continued to prevent personal data breaches from happening and to build up capacities for their accurate management

should a breach occur. The Secretariat-General monitored the use of appropriate data protection clauses in its agreements with third parties.

Information on the action plan adopted in response to the IAS audit on the Commission's data protection is under Annex 7 to this report.

2.2.3. Sound environmental management

The Secretariat-General actively engaged with its staff on draft plans on greening of the Commission and held a staff consultation. This consultation helped to map areas, such as business trips, commuting and paperless procedures, where the Secretariat-General and its staff could make additional efforts on greener workplace.

To further promote pro-environmental behaviour among its staff, the Secretariat-General shared information about environmental initiatives and best practices within the Commission. In total, the Secretariat-General promoted eight environmental actions among its staff. Increased use of digital tools and workflows helped the Secretariat-General to decrease the use of paper. A local awareness raising initiative called on staff to cancel printed newspaper subscriptions and rely on digital editions when possible.

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

Implementation of the strategy for the Secretariat-General's Registers

The new Register of Commission Documents ('RegDoc') went live in May 2021. The new RegDoc features new search functionalities, an improved user interface and improved presentation of documents. With this new version, additional document types started being published on RegDoc, a trend that will continue in 2022. Finally, the new RegDoc has a new and improved IT architecture. Thanks to this, it will be possible to integrate RegDoc with other registers managed by the Secretariat General, which is the next phase of the project. The first on the list is the Comitology Register. Thanks to such integrations, documents published on other Secretariat-General registers will be available also via RegDoc, ultimately transforming RegDoc into a single-entry point for Commission documents.

New digital solution for handling request for access to documents

Electronic Access to European Commission Documents ('EASE') is a project whose objective is to develop:

- a new online portal allowing citizens to submit requests for access to Commission documents (including the appeals), have an overview of their ongoing and closed requests, receive the reply electronically, search for documents disclosed to other applicants etc.

- A backend part allowing the Commission to handle such requests throughout their lifecycle (registration, attribution, handling, validation, sending and publication of documents), including at the appeal stage.

EASE was planned to go live by the end of 2021 but, due to the size and complexity of the project, additional time was needed. The system is expected to go live in the first half of 2022.

e-College and Edit

The revamped **e-College** application, introduced in September 2021, has further improved and digitalised the preparation of College meetings. Its new and user-friendly features allow for a fully electronic availability and timely delivery of documents for the meeting. Its robustness and security have been strengthened in accordance with the security rules and the need-to-know principle. It is expected to further reduce paper consumption.

EdiT is the Commission new drafting tool for legal acts that will gradually replace LegisWrite. During 2021, the Secretariat-General continued its integration with Decide, improved the drafting and collaboration features, implemented the needs of the Legal Service and provided trainings to almost 500 colleagues in the Commission. EdiT makes legislation drafting more efficient, intelligent and future proof. It facilitates content-focused drafting, efficient online collaboration and smooth interinstitutional exchange with documents structured in machine-readable format. This format opens opportunities for information management and use of innovative technologies like artificial intelligence.