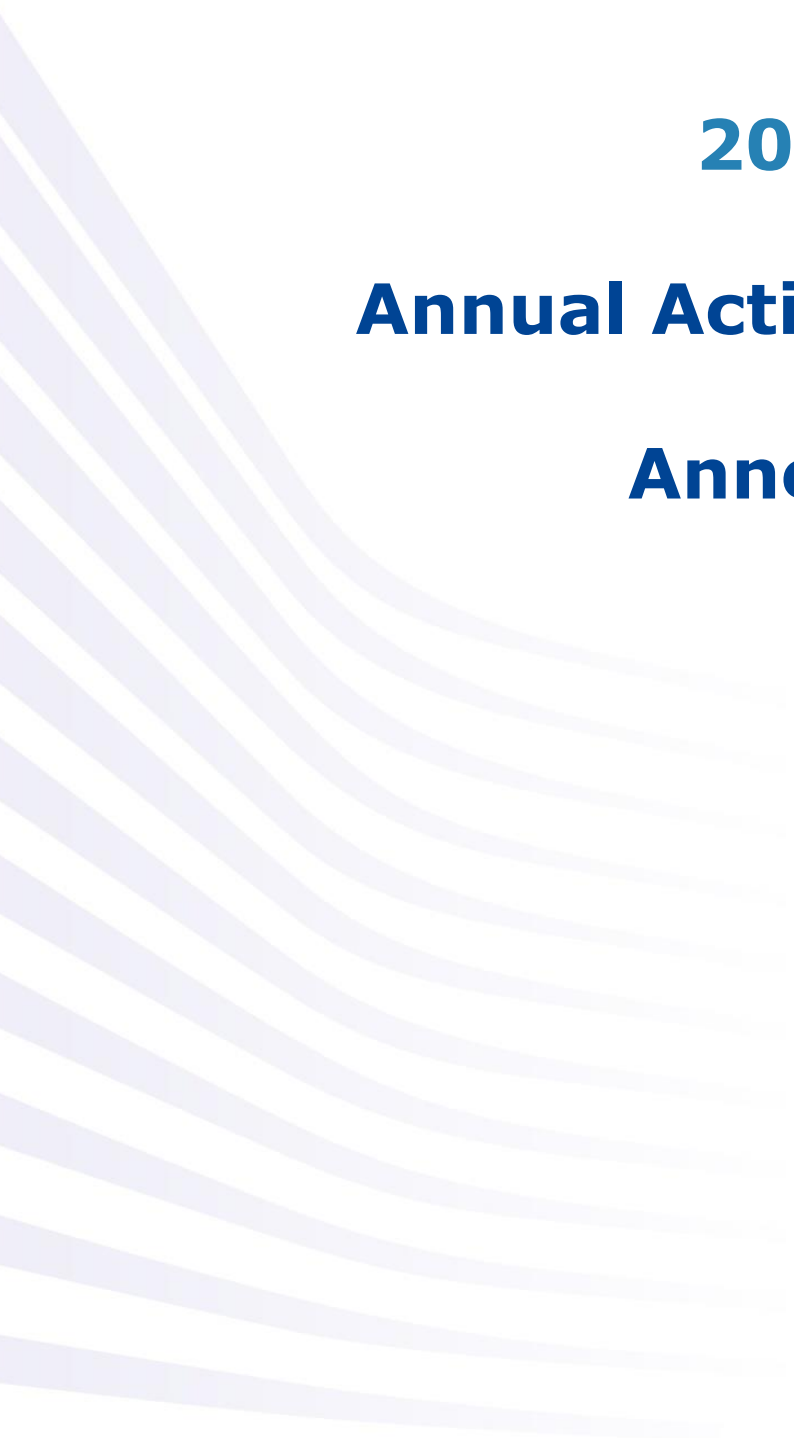




2018

Annual Activity Report

Annexes

**Directorate-General
for Energy**

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

For the Director in charge of risk management and internal control:

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

I hereby certify that the information provided in Section 2 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

Date

Agnieszka KAZMIERCZAK

For the Director taking responsibility for the completeness and reliability of management reporting on results and on the achievement of objectives:

"I hereby certify that the information provided in Section 1 of the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete."

Date

Megan RICHARDS

¹ C(2017)2373 of 19.04.2017.

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

This annex is the annex of section 2.2 "Other organisational management dimensions".

Human resources

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

Indicator 1 (mandatory): Percentage of female representation in middle management
Source of data: HR Analytics Platform (QlikView)

Baseline	Target (please indicate the corresponding year)	Latest known results 2018
01/12/2015 25%	40% - Targets for female representations in management functions for the years 2015-2019 adopted by the Commission on 15 July 2015	38%

Main outputs in 2018:

Description	Indicator	Target	Latest known results (2018)
Meet new targets for first female appointment to middle manager function	Share of first female appointments to middle-management positions	2 new appointments by end 2019	3 new appointments

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

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

Source of data: Commission staff satisfaction survey

Baseline	Target by 2020	Latest known results (2018)
2014: 30.6%	Target by 2020: Commission average (35% in 2016) Target agreed internally by the hierarchy on the basis of analysis of the 2016 state of play.	52% at Commission level and 49% at DG ENER level.

Main outputs in 2018:

Description	Indicator	Target	Latest known results (2018)
Promote well-being and fit@work	Number of lunchtime conferences and events dedicated to these topics	Minimum 3	- Aromatherapy workshop in Brussels on 19/04/2018 - Two conferences on nutrition (one in Brussels on 24/04/2018 and one in Luxembourg on 07/06/2018) - Mental health day conference in Brussels on 10/10/2018 - Conference on "5 steps

			to save a life" in Brussels on 09/11/2018 • Two health weeks (28/05/2018-01/06/2018 in Brussels and 18-22/06/2018 in Luxembourg)
Promote ethics and organisational values	Lunchtime conference	1	One conference in Brussels on 07/06/2018 One conference in Luxembourg on 09/10/2018
Implementation of the ALARA (as low as reasonable achievable) principle in operational radiation protection of exposed workers	Average annual occupational radiation dose and annual collective dose	By Q4 2018: Average annual occupational radiation dose is < 1 mSv and annual collective dose is < 0.05 personSv	Between December 2017 and November 2018, average annual occupational radiation dose was < 1 mSv and annual collective dose was < 0.05 personSv.
Operation of the laboratories in accordance with the license requirements and implementing the radiation safety	Accident-free operation	By Q4 2018: Zero incidents affecting the EUFO offices or environment	There were no incidents affecting the EUFO offices or environment in 2018.
Accreditation of the Radiation protection laboratory in accordance with the ISO 17025 requirements	Keeping the accredited status	By Q4 2018: Accredited status kept	Accredited status of the Radiation protection laboratory was kept in 2018.

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

Indicator 3 (mandatory) Staff engagement index

Source of data: Commission staff satisfaction survey

Baseline	Target by 2020	Latest known results (2018)	
2014	Commission average (64% in 2016) or beyond Target agreed internally by the hierarchy on the basis of analysis of the 2016 state of play.	69% at Commission level and 70% at DG ENER level.	
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Improve communication and staff engagement	Staff event	Minimum 1	One ENER staff event on 26/11/2018. Several Away-Days/Team Buildings took place at Directorate/Unit level.

	Newcomers welcome session	2	Two sessions organised (02/03/2018 and 02/10/2018).
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Better regulation

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

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

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

Source of data: ENER A4 monitoring

Baseline 2015	Interim milestone 2016	Target 2020	Latest known results 2018
DG ENER in 2015: 60% (3 out of 5) Commission average: 68%	Stable trend compared to DG's 2015 situation	75%	67%

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

Explanation: Better Regulation principles foresee that regulatory acquis is evaluated at regular intervals. As evaluations help to identify any burdens, implementation problems, and the extent to which objectives have been achieved, the availability of performance feedback is a prerequisite to introduce corrective measures allowing the acquis to stay fit for purpose.

Relevance of Indicator 2: The application of better regulation practices would progressively lead to the stock of legislative acquis covered by regular evaluations to increase.

Source of data: ENER A4 monitoring

Baseline 2015	Interim milestone 2016	Target 2020	Latest known results 2018
Percentage of the DG's regulatory acquis covered by retrospective evaluations and Fitness check not older than 5 years <10%	Positive trend compared to baseline	Positive trend compared to interim milestone	Positive trend compared to baseline

Information management

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

Indicator 1 (mandatory – data to be provided by DIGIT): Percentage of registered documents that are not filed² (ratio)

Source of data: Hermes-Ares-Nomcom (HAN)³ statistics

Baseline 2015	Target	Latest known results 2018
5.13%	Target 2020 <1%	2.66%

Indicator 2 (mandatory– data to be provided by DIGIT): Percentage of HAN files readable/accessible by all units in the DG

² Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

³ Suite of tools designed to implement the [e-Domec policy rules](#)

Source of data: <i>HAN statistics</i>			
Baseline 2015	Target	Latest known results 2018	
97.69%	To be maintained above 95%	96.75%	
Indicator 3 (mandatory – data to be provided by DIGIT): Percentage of HAN files shared with other DGs			
Source of data: <i>HAN statistics</i>			
Baseline 2015	Target	Latest known results 2018	
0.31%	25% files registered as from 2016	0.24%	
Main outputs in 2018:			
Description	Indicator	Target	Latest known results
Documents are retrievable in ARES and properly filed - staff has easier access to information.	Percentage of registered documents that are not filed	Below 4%	2.66%
Increase efficiency of electronic workflows, and reduce paper storage in eligible cases.	1) Review of paperless workflows in Brussels 2) Introduction of paperless workflows in Luxembourg	1) Generally positive assessment ⁴ 2) Q3 2018	1)Positive assessment: Increase of +3% use of e-signatory (89%) Increase of +16.5% use of SIGN&LOCK (20%) Decrease of -12% paper signatory in parallel (25%) 115 scanned incoming paper mails have been destroyed after 6 months 2) Paperless workflows for financial files fully implemented
Set out the principles and first steps towards an Information Management strategy	Information Management Review on HAN files accessibility Implementing rules on files accessibility	Q2 2018 Q4 2018	Active files in ARES are still under assessment
Monitoring of Information Management performance	Create a Dashboard section in the collaborative space including main Information Management indicators	Q1 2018	The Dashboard on Information Management Indicators has been created Main indicators uploaded quarterly : 03/2018, 06/2018, 9/2018, 12/2018
To ensure physical security of information and a systematic control of files content at the end of their activity	Implementation of Archives Schedule – transfer of closed files to the DG Intermediate Archives Annual exercise of closure of files, including preservation requirements and accessibility	100% by December 2018	Finalisation of the first files closure annual exercise started in 2017

⁴ Only minor improvements to be done.

Consolidation of the E-Domec correspondents network – awareness and communication	Number of workshops/meetings with the correspondents network	At least two specific workshops to be carried out in 2018	Brussels: 15/03/2018 – E-Domec correspondents meeting + presentation of OIB – HAS 05/06/2018 – visit to HAS 16/10/2018 – E-Domec correspondents meeting. Luxembourg: 24/05/2018 – E-Domec correspondents workshop 26/10/2018 – Workshop on Areslook with DMO BXL.
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Communication

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

Indicator 1 (mandatory – provided in a ready-to-use form by DG COMM): Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer (DG COMM budget) [*monitored by DG COMM [here](#)*]

Baseline 2014	Target 2020	Latest known results 2018
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	

Main outputs in 2018:

Description	Indicator	Target	Latest known results 2018
Direct reach of the DG communication actions via websites	Number of unique visitors to the websites	(increase of approx. 2-3.0% compared to 2016) There is 3.918.569 visits in 2017 compared to 3.865.275 increase of 1.38%.	

Annual communication spending (based on estimated commitments):

Baseline 2017	Estimated commitments (2018)	Total amount spent	Total of FTEs working on external communication
1.500.000 Euro	1.500.000 Euro		

ANNEX 3: Draft annual accounts and financial reports

AAR 2018 Version 1

Annex 3 Financial Reports - DG ENER - Financial Year 2018

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

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

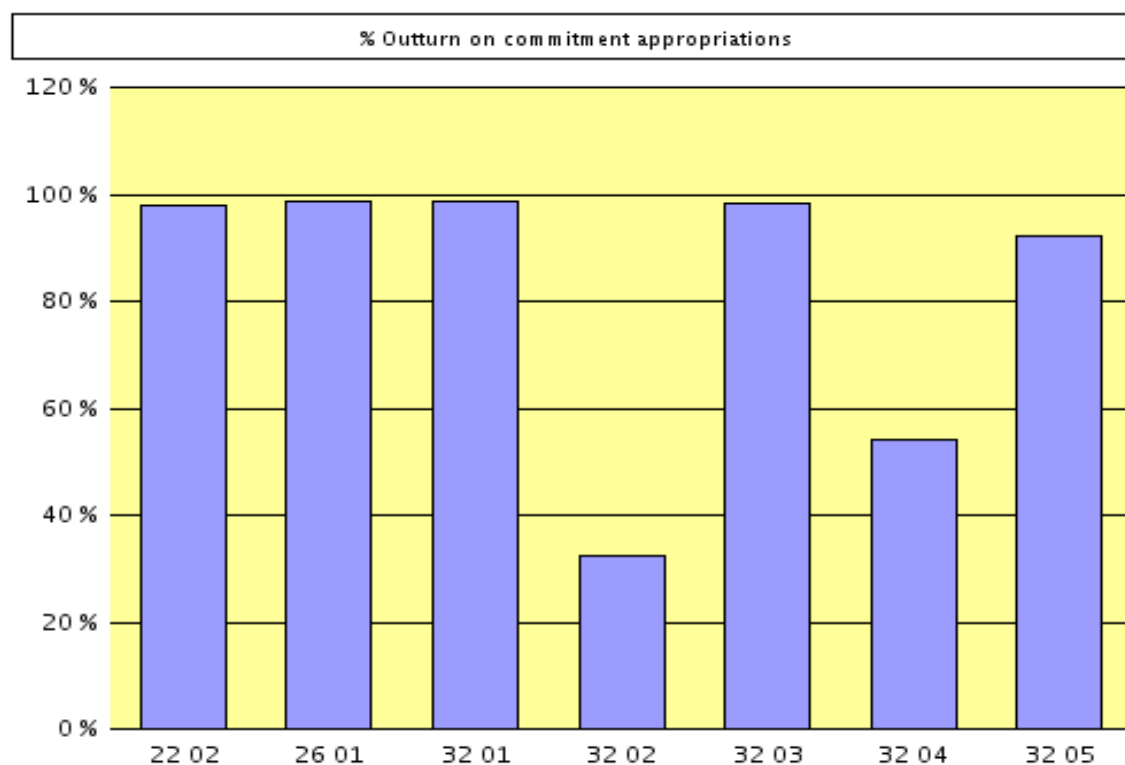
Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

Additional comments

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

Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2018 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 22 Neighbourhood and enlargement negotiations					
22	22 02	Enlargement process and strategy	4,61	4,51	97,89%
Total Title 22			4,61	4,51	97,89%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0,20	0,20	98,50%
Total Title 26			0,20	0,20	98,50%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	13,33	13,15	98,61%
	32 02	Conventional and renewable energy	79,51	25,77	32,42%
	32 03	Nuclear energy	162,13	159,48	98,37%
	32 04	Horizon 2020 - Research and innovation related to energy	175,37	94,84	54,08%
	32 05	ITER	419,79	387,72	92,36%
Total Title 32			850,12	680,96	80,10%
Total DG ENER			854,93	685,67	80,20%

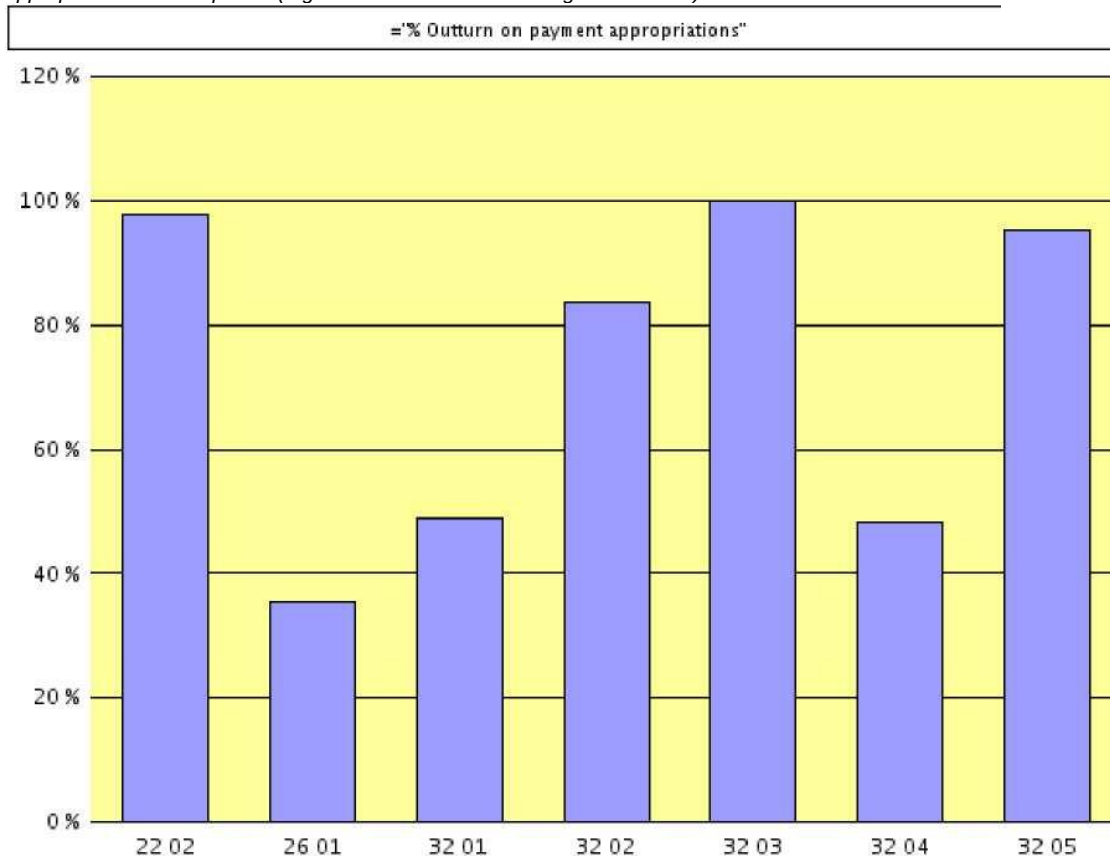


Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2018 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments	%
			1	2	3=2/1
Title 22 Neighbourhood and enlargement negotiations					
22	22 02	Enlargement process and strategy	4,61	4,51	97,89 %
Total Title 22			4,61	4,51	97,89%
Title 26 Commission's administration					
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0,43	0,15	35,31 %
Total Title 26			0,43	0,15	35,31%
Title 32 Energy					
32	32 01	Administrative expenditure in the 'Energy' policy area	3,78	1,85	48,81 %
	32 02	Conventional and renewable energy	321,63	268,83	83,58 %
	32 03	Nuclear energy	216,06	215,78	99,87 %
	32 04	Horizon 2020 - Research and innovation related to energy	168,26	81,21	48,27 %
	32 05	ITER	691,98	659,91	95,37 %
Total Title 32			1.401,71	1.227,57	87,58%
Total DG ENER			1.406,76	1.232,24	87,59 %

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



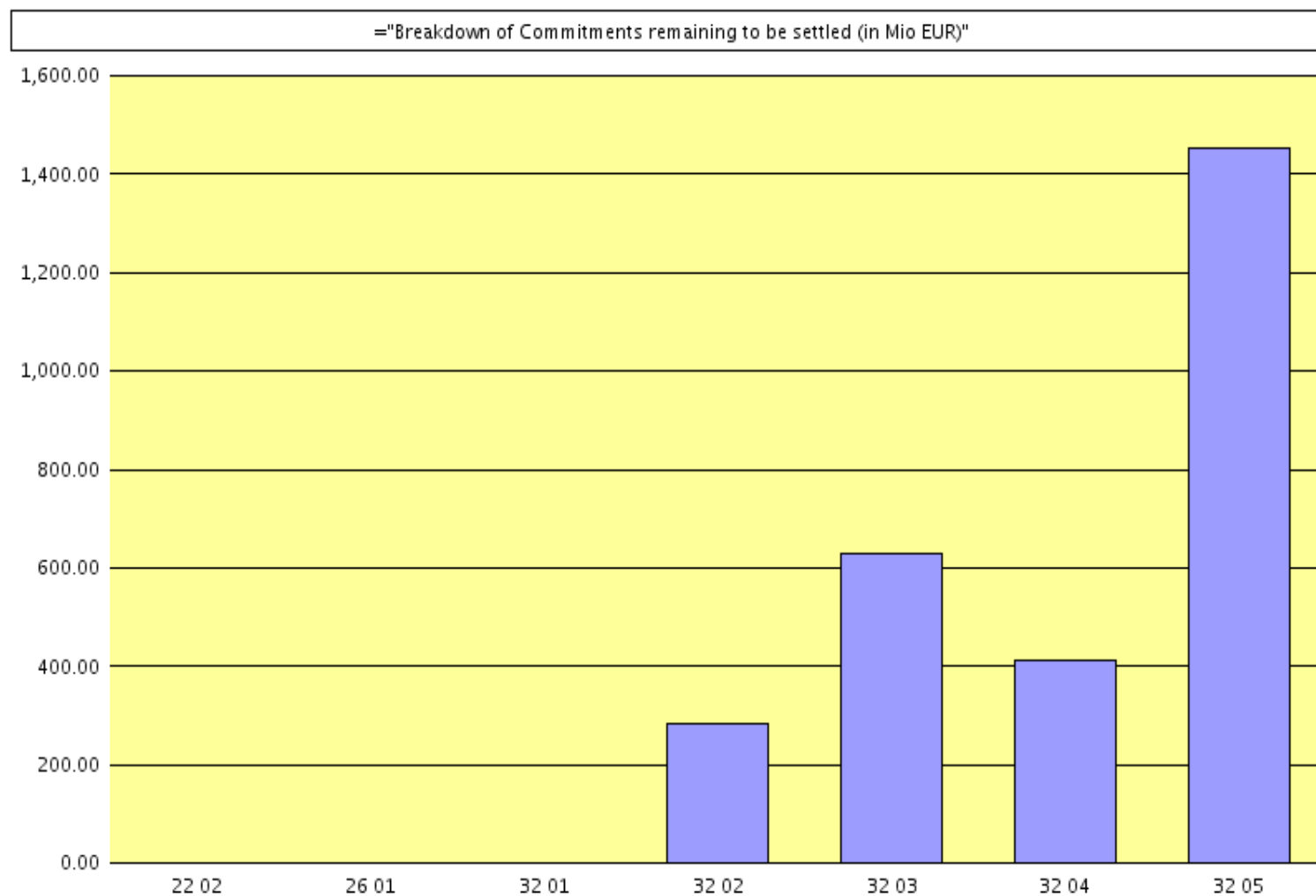
Note : The figures are those related to the provisional accounts and not yet audited by the Court of Auditors

Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2018 (in Mio €)									
Chapter			2018 Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2018	Total of commitments to be settled at end of financial year 2017
			Commitments 2018	Payments 2018	RAL 2018	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
Title 22 : Neighbourhood and enlargement negotiations									
22	22 02	Enlargement process and strategy	4.51	4.51	0.00	0.00%	0.00	0.00	0.00
Total Title 22			4.51	4.51	0.00	0.00%	0.00	0.00	0.00
Title 26 : Commission's administration									
26	26 01	Administrative expenditure of the 'Commission's administration' policy area	0.20	0.02	0.17	88.65%	0.00	0.17	0.26
Total Title 26			0.20	0.02	0.17	88.65%	0.00	0.17	0.26
Title 32 : Energy									
32	32 01	Administrative expenditure in the 'Energy' policy area	12.46	10.14	2.31	18.56%	0.00	2.31	1.98
	32 02	Conventional and renewable energy	25.77	14.55	11.22	43.53%	271.50	282.72	664.42
	32 03	Nuclear energy	159.48	9.10	150.38	94.30%	478.45	628.83	691.50
	32 04	Horizon 2020 - Research and innovation related to energy	94.84	3.63	91.21	96.17%	321.60	412.81	403.99
	32 05	ITER	387.72	66.61	321.11	82.82%	1,132.97	1,454.08	1,726.27
Total Title 32			680.27	104.03	576.24	84.71%	2,204.51	2,780.75	3,488.16
	Total DG ENER		684.98	108.57	576.41	84.15%	2,204.51	2,780.92	3,488.42

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Report printed on 18/03/2019



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

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TABLE 4 : BALANCE SHEET ENER

BALANCE SHEET	2018	2017
A.I. NON CURRENT ASSETS	659,433,248.51	587,744,868.90
A.I.1. Intangible Assets	1,373,451.72	2,475,091.72
A.I.2. Property, Plant and Equipment	7,080,719.28	6,483,131.15
A.I.3. Invstmnts Accntd For Using Equity Meth	0.00	0.00
A.I.4. Non-Current Financial Assets	185,039,025.71	106,188,222.71
A.I.5. Non-Current Pre-Financing	465,940,051.80	472,598,423.32
A.II. CURRENT ASSETS	292,071,784.76	307,155,593.72
A.II.1. Current Financial Assets	6,556,684.00	750,516.00
A.II.2. Current Pre-Financing	260,623,890.10	291,514,203.12
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	13,849,390.25	11,787,064.19
A.II.6. Cash and Cash Equivalents	11,041,820.41	3,103,810.41
ASSETS	951,505,033.27	894,900,462.62
P.III. NET ASSETS/LIABILITIES	-4,349,515.71	-847,366.71
P.III.1. Reserves	-4,349,515.71	-847,366.71
P.II. CURRENT LIABILITIES	-93,525,065.06	-269,352,919.97
P.II.4. Current Payables	-34,181,074.72	-9,686,618.39
P.II.5. Current Accrued Charges &Defrd Income	-59,343,990.34	-259,666,301.58
LIABILITIES	-97,874,580.77	-270,200,286.68
NET ASSETS (ASSETS less LIABILITIES)	853,630,452.50	624,700,175.94
P.III.2. Accumulated Surplus/Deficit	3,241,798,622.17	2,163,730,091.21
Non-allocated central (surplus)/deficit*	-4,095,429,074.67	-2,788,430,267.15
TOTAL	0.00	0.00

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

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

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

Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE ENER

STATEMENT OF FINANCIAL PERFORMANCE	2018	2017
II.1 REVENUES	2,425,240.79	-4,770,548.18
II.1.1. NON-EXCHANGE REVENUES	-2,638,413.92	-9,370,742.70
II.1.1.5. RECOVERY OF EXPENSES	-2,618,625.99	-9,282,056.22
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-19,787.93	-88,686.48
II.1.2. EXCHANGE REVENUES	5,063,654.71	4,600,194.52
II.1.2.1. FINANCIAL INCOME	-18,938.00	-537,691.20
II.1.2.2. OTHER EXCHANGE REVENUE	5,082,592.71	5,137,885.72
II.2. EXPENSES	904,805,106.66	1,082,839,079.14
II.2. EXPENSES	904,805,106.66	1,082,839,079.14
II.2.10. OTHER EXPENSES	11,394,486.33	11,571,965.19
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	72,649,063.28	163,288,389.23
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	671,964,085.19	713,427,020.66
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	132,345,298.81	107,095,298.24
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	17,033,318.47	87,816,706.82
II.2.6. STAFF AND PENSION COSTS	-583,320.00	-361,375.00
II.2.8. FINANCE COSTS	2,174.58	1,074.00
STATEMENT OF FINANCIAL PERFORMANCE	907,230,347.45	1,078,068,530.96

Explanatory Notes (facultative):

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

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Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 5bis : OFF BALANCE SHEET ENER

OFF BALANCE	2018	2017
OB.1. Contingent Assets	35,209,540.49	100,532,953.06
GR for pre-financing	35,209,540.49	100,532,953.06
OB.2. Contingent Liabilities	-105,062,677.83	-16,268,549.22
OB.2.1. Guarantees given for EU FI	-98,566,108.83	-9,277,108.83
OB.2.7. CL Legal cases OTHER	-6,496,569.00	-6,991,440.39
OB.3. Other Significant Disclosures	-2,484,197,966.70	-3,193,988,769.99
OB.3.2. Comm against app. not yet consumed	-2,484,197,966.70	-3,193,988,769.99
OB.4. Balancing Accounts	2,554,051,104.04	3,109,724,366.15
OB.4. Balancing Accounts	2,554,051,104.04	3,109,724,366.15
OFF BALANCE	0.00	0.00

Explanatory Notes (facultative):

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Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 6: AVERAGE PAYMENT TIMES FOR 2018 - DG ENER

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	951	900	94.64 %	17.57	51	5.36 %	38.37
45	28	27	96.43 %	23.56	1	3.57 %	46.00
60	201	195	97.01 %	35.27	6	2.99 %	86.17
90	64	63	98.44 %	43.25	1	1.56 %	91.00

Total Number of Payments	1244	1185	95.26 %		59	4.74 %	
Average Net Payment Time	23.04			21.99			44.25
Average Gross Payment Time	26.26			25.08			50.03

Suspensions							
Average Report Approval Suspension	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
3	38	106	8.52 %	1244	195,051,172.28	16.07 %	1,213,606,455.21

Late Interest paid in 2018			
DG	GL Account	Description	Amount (Eur)
ENER	65010100	Interest on late payment of charges New FR	1 639.58
			1 639.58

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

Annex 3 Financial Reports - DG ENER
Report printed on 18/03/2019

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2018

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	85.00	0.00	85.00	85.00	0.00	85.00	0.00
64	CONTRIBUTIONS FROM FINANCIAL INSTRUMENTS	458,073.19	0.00	458,073.19	0.00	0.00	0.00	458,073.19
66	OTHER CONTRIBUTIONS AND REFUNDS	66,598,612.67	6,347,708.13	72,946,320.80	60,531,639.41	2,205,728.39	62,737,367.80	10,208,953.00
90	MISCELLANEOUS REVENUE	59,073.00	184,419.27	243,492.27	31,497.86	9,516.14	41,014.00	202,478.27
Total DG ENER		67,115,843.86	6,532,127.40	73,647,971.26	60,563,222.27	2,215,244.53	62,778,466.80	10,869,504.46

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

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TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2018 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2006	1	16952.88	1	16,952.88	1	16,952.88	100.00%	100.00%
2008	2	568,430.79	2	568,430.79	5	2,237,596.06	40.00%	25.40%
2009	4	794,399.03	4	794,399.03	9	2,106,106.16	44.44%	37.72%
2010	1	689.32	1	689.32	3	36,490,803.78	33.33%	0.00%
2011	4	327,131.70	4	327,131.70	7	606,639.97	57.14%	53.93%
2012	3	189,201.21	3	189,201.21	7	4,780,426.99	42.86%	3.96%
2013	2	78,209.61	2	78,209.61	5	1,591,233.70	40.00%	4.92%
2014					3	16,311,712.56		
2016					1	4,917.48		
2017					4	1,318,777.92		
No Link					1	2,482.38		
Sub-Total	17	1,975,014.54	17	1,975,014.54	46	65,467,649.88	36.96%	3.02%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES			5	2,822,456.34			5	2,822,456.34	7	2,896,355.40	71.43%	97.45%
NON ELIGIBLE IN COST CLAIMS			34	7,782,131.42			34	7,782,131.42	42	31,709,233.53	80.95%	24.54%
CREDIT NOTES	4	2,633.79	35	985,062.10			39	987,695.89	51	1,710,689.27	76.47%	57.74%
Sub-Total	4	2,633.79	74	11,589,649.86			78	11,592,283.65	100	36,316,278.20	78.00%	31.92%
GRAND TOTAL	4	2,633.79	91	13,564,664.40			95	13,567,298.19	146	101,783,928.08	65.07%	13.33%

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

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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2018 FOR ENER

	Number at 01/01/2018	Number at 31/12/2018	Evolution	Open Amount (Eur) at 01/01/2018	Open Amount (Eur) at 31/12/2018	Evolution
2010	1		-100.00 %	900,662.25		-100.00 %
2011	1	1	0.00 %	379,208.55	379,208.55	0.00 %
2014	9	8	-11.11 %	2,118,804.49	1,929,396.78	-8.94 %
2015	1	1	0.00 %	1,027,913.46	1,027,913.46	0.00 %
2016	3	2	-33.33 %	479,074.81	219,168.38	-54.25 %
2017	14	5	-64.29 %	1,889,500.90	1,024,232.76	-45.79 %
2018		16			6,552,621.59	
	29	33	13.79 %	6,795,164.46	11,132,541.52	63.83 %

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

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TABLE 10 : RECOVERY ORDER WAIVERS IN 2018 >= EUR 60.000						
	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233180012	3241615978	-259,906.43	Private Companies		
2	3233180032	3241009140	-900,662.25	Private Companies		
3	3233180188	3241701740	-117,942.14	Private Companies		
4	3233180189	3241708725	-148,709.90	International Organisations		

Total DG ENER	-1,427,220.72
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Number of RO waivers	4
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There are no waivers below 60 000 €

Justifications:

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

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG ENER - 2018

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Total		

TABLE 12 : SUMMARY OF PROCEDURES OF DG ENER EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Call for expressions of interest - Pre-selection of candidates (Art. 136.1(a) RAP)	1	135,000.00
Competitive procedure with negotiation (Art. 135 RAP)	1	499,750.00
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	1	112,500.00
Open Procedure (Art. 104(1) (a) FR)	19	17,653,853.58
Open Procedure (Art. 127.2 RAP)	3	3,653,800.00
Open procedure (FR 164 (1)(a))	5	10,030,995.00
Total	30	32,085,898.58

Additional Comments:

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organisation DG Code	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (€)

TABLE 15 : FPA duration exceeds 4 years - ENER

None of your FPA (if any) exceeds 4 years

ANNEX 4: Materiality criteria

A. Research Framework Programmes

↪ Common aspects

The assessment of the effectiveness of the different programmes' control system is based mainly, but not exclusively, on ex-post audits' results. The effectiveness is expressed in terms of detected and residual error rate, calculated on a representative sample.

- **Assessment of the effectiveness of controls**

The starting point to determine the effectiveness of the controls in place is the cumulative level of error expressed as the percentage of errors in favour of the EC, detected by ex-post audits, measured with respect to the amounts accepted after ex-ante controls.

However, to take into account the impact of the ex-post controls, this error level is to be adjusted by subtracting:

- Errors detected corrected as a result of the implementation of audit conclusions.
- Errors corrected as a result of the extrapolation of audit results to non-audited contracts with the same beneficiary.

This results in a residual error rate, calculated in accordance with the following formula:

$$\text{ResER}\% = \frac{(\text{RepER}\% * (P - A)) - (\text{RepERSys}\% * E)}{P}$$

where:

ResER%	residual error rate, expressed as a percentage.
RepER%	representative error rate, or error rate detected in the common representative sample, expressed as a percentage. For FP 7 this rate is the same for all Research services.
RepERSys%	portion of the RepER% representing (negative) systematic errors, expressed as a percentage. The RepER% is composed of two complementary portions reflecting the proportion of negative systematic and non-systematic errors detected.
P	total aggregated amount in euros of EC share of funding in the auditable population. In FP7, the population is that of all received cost statements, and the euros amounts those that reflect the EC share included in the costs claimed in each cost statement.
A	total EC share of all audited amounts, expressed in euro. This will be collected from audit results.
E	total non-audited amounts of all audited beneficiaries. In FP7, this consists of the total EC share, expressed in euro, excluding those beneficiaries for which an extrapolation is ongoing).

The Common Representative Audit Sample (CRAS) is the starting point for the calculation of the residual error rate. It is representative of the expenditure of each Framework Programme (FP) as a whole. Nevertheless, the Director-General (or Director for the Executive Agencies) must also take into account other information when considering if the overall residual error rate is a sufficient basis on which to draw a conclusion on assurance (or make a reservation) for specific segment(s) of FP7/Horizon 2020. This may include the results of other ex-post audits, ex-ante controls, risk assessments, audit reports from external or internal auditors, etc. All this information may be used in assessing the overall impact of a weakness and considering whether to make a reservation or not.

If the CRAS results are not used as the basis for calculating the residual error rate this must be clearly disclosed in the AAR, along with details of why and how the final judgement was made.

In case a calculation of the residual error rate based on a representative sample is not possible for a FP for reasons not involving control deficiencies⁵, the consequences are to be assessed quantitatively by making a best estimate of the likely exposure for the reporting year based on all available information. The relative impact on the Declaration of Assurance would be then considered by analysing the available information on qualitative grounds and considering evidence from other sources and areas. This should be clearly explained in the AAR.

As regards H2020, an entity specific residual error rate is also calculated, and used as the basis on which the amount at risk at closure is determined. The DG ENER specific rate is used for directly managed H2020.

- **Multiannual approach**

The Commission's central services' guidance relating to the quantitative materiality threshold refers to a percentage of the authorised payments of the reporting year of the ABB expenditure. However, the Guidance on AARs also allows a multi-annual approach, especially for budget areas (e.g. programmes) for which a multi-annual control system is more effective. In such cases, the calculation of errors, corrections and materiality of the residual amount at risk should be done on a "cumulative basis" on the basis of the totals over the entire programme lifecycle.

Because of its multiannual nature, the effectiveness of the Research services' control strategy can only be fully measured and assessed at the final stages in the life of the framework programme, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

In addition, basing materiality solely on ABB expenditure for one year may not provide the most appropriate basis for judgements, as ABB expenditure often includes significant levels of pre-financing expenditure (e.g. during the initial years of a new generation of programmes), as well as reimbursements (interim and final payments) based on cost claims that 'clear' those pre-financings. Pre-financing expenditure is very low risk, being paid automatically after the signing of the contract with the beneficiary.

Notwithstanding the multiannual span of their control strategy, the Director-Generals of the Research DGs (and the Directors of ERCEA, REA, and, for Horizon 2020, EASME and INEA) are required to sign a statement of assurance for each financial reporting year. In order to determine whether to qualify this statement of assurance with a reservation, the effectiveness of the control systems in place needs to be assessed not only for the year of reference but also with a multiannual perspective, to determine whether it is possible to reasonably conclude that the control objectives will be met in the future as foreseen.

⁵ Such as, for instance, when the number of results from a statistically-representative sample collected at a given point in time is not sufficient to calculate a reliable error rate.

In view of the crucial role of ex-post audits defined in the respective common audit strategies, this assessment needs to check in particular whether the scope and results of the ex-post audits carried out until the end of the reporting period are sufficient and adequate to meet the multiannual control strategy goals.

The criteria for making a decision on whether there is material error in the expenditure of the DG or service, and so on whether to make a reservation in the AAR, will therefore be principally, though not necessarily exclusively, based on the level of error identified in ex-post audits of cost claims on a multi-annual basis.

- **Adequacy of the audit scope**

The quantity of the (cumulative) audit effort carried out until the end of each year is to be measured by the actual volume of audits completed. The data is to be shown per year and cumulated, in line with the current AAR presentation of error rates. The multiannual planning and results should be reported in sufficient detail to allow the reader to form an opinion on whether the strategy is on course as foreseen.

The Director-General (or Director for the Executive Agencies) should form a qualitative opinion to determine whether deviations from the multiannual plan are of such significance that they seriously endanger the achievement of the internal control objective. In such case, she or he would be expected to qualify his annual statement of assurance with a reservation.

↪ **Specific aspects**

The control system of each framework programme is designed in order to achieve the operational and financial control objectives set in their respective legislative base and legal framework. If the effectiveness of those control systems does not reach the expected level, a reservation must be issued in the annual activity report and corrective measures should be taken.

Each programme having a different control system, the following section details the considerations leading to the establishment of their respective materiality threshold and the conclusions to draw with regard to the declaration of assurance.

- **Seventh Framework programme**

For the Seventh Framework programme, the general control objective, following the standard quantitative materiality threshold proposed in the Instructions for AAR, is to ensure that the residual error rate, i.e. the level of errors, which remain undetected and uncorrected, does not exceed 2% by the end of the programmes' management cycle.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

- **Horizon 2020 Framework Programme**

The Commission's proposal for the Regulation establishing H2020 framework programme⁶ states that:

It remains the ultimate objective of the Commission to achieve a residual error rate of less than 2% of total expenditure over the lifetime of the programme, and to that end, it has introduced a number of simplification measures. However, other objectives such as

⁶ COM(2011) 809/3 Proposal for a Regulation of the European Parliament and of the Council establishing Horizon 2020 – the Framework programme for Research and Innovation (2014-2020), see point 2.2, pp 98-1023.

the attractiveness and the success of the EU research policy, international competitiveness, scientific excellence and in particular the costs of controls need to be considered.

Taking these elements in balance, it is proposed that the Directorates General charged with the implementation of the research and innovation budget will establish a cost-effective internal control system that will give reasonable assurance that the risk of error over the course of the multiannual expenditure period is, on an annual basis, within a range of 2-5 %, with the ultimate aim to achieve a residual level of error as close as possible to 2 % at the closure of the multi-annual programmes, once the financial impact of all audits, correction and recovery measures have been taken into account.

Further, it explains also that:

Horizon 2020 introduces a significant number of important simplification measures that will lower the error rate in all the categories of error. However, [...] the continuation of a funding model based on the reimbursement of actual costs is the favoured option. A systematic resort to output based funding, flat rates or lump sums appears premature at this stage [...]. Retaining a system based on the reimbursement of actual costs does however mean that errors will continue to occur.

An analysis of errors identified during audits of FP7 suggests that around 25-35 % of them would be avoided by the simplification measures proposed. The error rate can then be expected to fall by 1.5 %, i.e. from close to 5 % to around 3.5 %, a figure that is referred to in the Commission Communication striking the right balance between the administrative costs of control and the risk of error.

The Commission considers therefore that, for research spending under Horizon 2020, a risk of error, on an annual basis, within a range between 2-5 % is a realistic objective taking into account the costs of controls, the simplification measures proposed to reduce the complexity of rules and the related inherent risk associated to the reimbursement of costs of the research project. The ultimate aim for the residual level of error at the closure of the programmes after the financial impact of all audits, correction and recovery measures will have been taken into account is to achieve a level as close as possible to 2 %.

In summary, the control system established for Horizon 2020 is designed to achieve a control result in a range of 2 to 5% detected error rate, which should be as close as possible to 2%, after corrections. Consequently, this range has been considered in the legislation as the control objective set for the framework programme.

The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

B. *EEPR and TEN-E programmes*

The reasoning explained for research programmes applies as well for EEPR and TEN-E.

Because of their multiannual nature, the effectiveness of the control strategy for the EEPR and TEN-E programmes can only be fully measured and assessed at the final stages in the life programmes, once the ex-post audit strategy has been fully implemented and systematic errors have been detected and corrected.

The general control objective for EEPR and TEN-E programmes, following the standard quantitative materiality threshold proposed in the AAR instructions, is to ensure that **the residual error rate, i.e. the level of errors which remain undetected and uncorrected, does not exceed 2% by the end of the management cycles**. The question of being on track towards this objective is to be (re)assessed annually, in view of the results of the implementation of the ex-post audit strategy and taking into account both the frequency and importance of the errors found as well as a cost-benefit analysis of the effort needed to detect and correct them.

The criteria for making a decision on whether there is material error in the expenditure of the DG or service, and so on whether to make a reservation in the AAR, will therefore be principally, though not necessarily exclusively, based on the level of error identified in ex-post audits of cost claims on a multi-annual basis.

Particularities for EEPR

As regards more specifically the EEPR programme, qualitative criteria have also been assessed to consider a potential reputational reservation:

- the nature and scope of the weakness;
- the duration of the weakness;
- the existence of compensatory measures (mitigating controls which reduce the impact of the weakness);
- the existence of effective remedial actions to correct the deficiencies (action plans and financial corrections).

Besides, it has to be noted that in addition to the results of DG ENER's own ex-post audits, the calculation of the error rates for EEPR also takes into account the audit results from ECA audits, if not complemented by a own audit and only for the amounts confirmed by DG ENER's analysis of ECA's findings.⁷

Particularities for TEN-E

The calculation of the error rates for TEN-E is based on ex-post audit data from the last five years, considered to provide sufficient audit coverage, representativeness and reliability.

Effectiveness of controls

The starting point to determine the effectiveness of the controls in place is the cumulative level of error expressed as the percentage of errors in favour of the EC, detected by ex-post audits, measured with respect to the amounts claimed.

However, to take into account the impact of the ex-post controls, this error level is to be adjusted by subtracting the errors detected corrected as a result of the implementation

⁷ This is in line with DG BUDG guidance on the calculation of error rates ([\\myintracomm.ec.europa.eu@SSL/DavWWWRoot/budgweb/EN/rep/aar/Documents/additional-guidance-error-rates.doc](mailto:myintracomm.ec.europa.eu@SSL/DavWWWRoot/budgweb/EN/rep/aar/Documents/additional-guidance-error-rates.doc)), when the DG's audit strategy aims for an exhaustive 100% coverage of its entire programme population.

of audit conclusions.

This results in a residual error rate, which is calculated in accordance with the following formula:

$$ResER\% = \frac{\left((P - A1) \times \left(\frac{Err}{A2} \right) \right) + NonImpErr}{P}$$

where:

ResER%	residual error rate, expressed as a percentage.
P	Total aggregated amount in € of EC share of all cost claims approved
A1	Total audited EC contribution amount from own audits + Non-audited part of EC contribution of audited companies with no or positive adjustment(s) + Total EC contribution from ECA audits not included in own audits, expressed in €
A2	Total EC share of audited cost statements, expressed in €
Err	Total amount (€) of negative adjustments as a result of audits
NonImpErr	Total EC share of audit adjustments (only results in favour of the Commission) not implemented (recovery, offsetting or forecast of revenue) by 1Q2016.

Note that results of audits for which the contradictory procedure with the beneficiary is still ongoing because of a contestation of the findings, are not been taken into account in the calculation of the detected error rate.

If the residual error rate is not (yet) below 2% at the end of a reporting year within the programme's management lifecycle, a reservation must be considered.

ANNEX 5: Relevant Control Systems for budget implementation (RCSs)

RCS 1) Grants under direct management – FP7 and Horizon 2020

Stage 1: Ex-ante controls

Effectiveness, efficiency and qualitative benefits are detailed per stages A to D.

Economy and quantitative benefits are calculated overall for the ex-ante controls and detailed at the end of Stage 1.

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The work programme and subsequent calls for proposals do not adequately reflect the policy objectives, priorities, are incoherent and/or the essential eligibility, selection and award criteria are not adequate to ensure the evaluation of the proposals.	1) For H2020 implementation, DG RTD centralises the budget planning and the monitoring 2) Harmonised planning procedures, guidance and IT tools within the Research Family DGs. 3) Hierarchical validation of the work programme and call for proposals within the DG Inter-service consultation, including all relevant services Adoption by the Commission	Coverage / Frequency: 100% Depth: All work programmes are thoroughly reviewed at all levels, including for operational and legal aspects.	Effectiveness: The work programme is adopted by the Commission. Success ratios in terms of "over-subscription": number of proposals retained for funding compared to number of eligible proposals received.

B - Selecting and awarding: Evaluation, ranking and selection of proposals

Main control objectives: Ensuring that the most promising projects for meeting the policy objectives are among the proposals selected; Compliance with legal base; Prevention of fraud

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The evaluation, ranking and selection of proposals is not carried out in accordance with the	1) Selection and appointment of expert evaluators; background check incl. conflict of interest checks	Coverage: total 100% experts vetted for technical expertise and	Effectiveness: Nr. of redress requests % of number of (successful)

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
established procedures, the policy objectives, priorities and/or the essential eligibility, selection and award criteria. This includes a potential conflict of interest of the expert evaluators vis-à-vis the future beneficiaries.	2) Assessment of proposals by multiple independent experts; harmonization of results 3) Comprehensive IT system supporting the evaluation stage and allowing the monitoring of the process 4) Validation by the AOSD of ranked list of proposals / opinion of advisory bodies / comitology / inter-service consultation (as needed) 5) Adoption by the Commission / publication 6) Redress procedure for beneficiaries	independence (e.g. conflicts of interests, nationality bias, ex-employer bias, collusion) 100% of proposals evaluated 100% of ranked list of proposals. Supervision of work of evaluators 100% of contested decisions are analysed by redress committee Frequency: once for each call, except establishing the reserve list of experts	redress challenges upheld / total number of proposals evaluated Nr. of CoI cases detected Efficiency Indicators: % of Time-To-Inform on time.

C - Contracting

Main control objectives: : Ensuring that the most promising projects for meeting the policy objectives are among the proposals contracted; SFM (optimal allocation of the budget available); Compliance; Prevention of fraud

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The selected beneficiaries lack the operational and/or financial capacity to successfully carry out the actions as per their proposal. Procedures do not comply with regulatory framework. The evaluation stage hasn't detected a potentially fraudulent proposal/beneficiary.	1) Validation of beneficiaries' financial and operational capacity 2) Systematic checks on operational and legal aspects performed before signature of the GA (by REA) 3) Risk assessment and risk based checks before the grant agreement signature and reinforced monitoring flagging if necessary 4) Ad hoc anti-fraud checks for riskier beneficiaries 5) Mandatory payments to the Participant Guarantee Fund.	Coverage: 100% of the selected beneficiaries are checked on operational and legal aspects Selected beneficiaries checked for financial capacity Risk-based checks according to risk assessment criteria Fraud checks according for risk criteria	Effectiveness: % of projects / grants completed Nr. of fraud cases detected by ex-post controls Efficiency Indicators: Average time to grant % of Time-to-grant on time

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
		Depth may be differentiated; determined after considering the type or nature of the beneficiary (e.g. SMEs, joint-ventures) and/or of the modalities (e.g. substantial subcontracting) and/or the total value of the grant.	

D - Monitoring the implementation

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement (for example deliverables, open access to results and publications...) The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions. The cost claims are irregular or fraudulent.	1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors 2) Effective external communication / guidance to beneficiaries 3) Anti-fraud awareness raising & training for project officers 4) Operational and financial verification in accordance with the financial circuits 5) Operation authorisation by the AO 6) For riskier operations: - Enhanced ex-ante controls - Selection and appointment of expert for scientific reviews of intermediate and/or final reporting - On-site verification visits 7) If needed, application of - Suspension/interruption of payments - Penalties or liquidated damages - Referring grant/beneficiary to OLAF	Coverage / Frequency: - 100% of the payments (op. & fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls. Depth: depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum - Risk criteria: red flags,	Effectiveness: % and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed Efficiency: Time-to-pay: % of payments made on time Time-to pay: Average number days net/gross + suspension days

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	8) Audit certificates required for beneficiaries claiming more than EUR 375.000	suspensions raised by POs, audit results, EDES, individual or "population" risk assessment	

Overall economy indicators for ex-ante control

a. Estimation of cost of staff involved in the ex-ante checks

- Programme management and monitoring
- Financial management
- Budget and accounting
- General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management
- Anti-fraud
- Development and support of IT systems linked to managing funding programmes

b. Estimation of other costs linked to ex-ante checks

- Cost of experts
- Costs of the relevant share of the IT external contracts of CSC (via DG RTD)

Stage 2: Ex post controls

Effectiveness, efficiency and qualitative benefits are detailed per stages A to D.

Economy is calculated overall for the ex-post controls and detailed at the end of paragraph 2.

E - Reviews, audits and monitoring

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error.	FP7 & H2020 1) As of 01/01/2014, common ex-post control strategy for the entire Research family is implemented by a central service (CSC of DG RTD) including: - audits on a representative sample of operations	Coverage / Frequency: - Audits on projects selected as part of the Common Representative Sample (CRaS)	Effectiveness: Audit coverage: number of audits finalised vs planned & value coverage Representative / detected error

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Lack of consistency in the ex-post audit strategy Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk	- centralized measurement of the level of error in the population after ex-ante controls have been performed; - additional audit sample to address specific risks; - when relevant, joint audits with the Court of Auditors. - In case of confirmed systemic errors: extrapolation of corrections to non-audited participations of the audited beneficiary	- Audits on risk-based selection of projects, determined in accordance with risk criteria to maximise deterrent effect and prevention of fraud or serious error. Depth: FP7: according to common audit ex-post methodology	rate. Residual error rate Efficiency: Cost of control of ex-post audits/value of grants in audit coverage Economy Cost of controls relative to expenditure

F - Corrections

Main control objectives: Ensuring that the results from the ex-post controls, including corrections from financial audits, lead to effective recoveries; ensuring appropriate accounting of the recoveries made

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	1) Systematic registration of audit / control results to be implemented and actual implementation 2) Validation of recovery in accordance with financial circuits 3) Authorisation of recovery/waiving of recovery by AO 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries	Coverage: 100% of final audit results with a financial impact Depth: All audit results are examined in-depth in making the final recoveries	Effectiveness: - % of adjustments recovered / offset vs. total value of new adjustments - Number/value/% of audit results pending implementation - Number/value/% of audit results implemented Efficiency: - total (average) annual cost of implementing audit audits compared with benefits

Overall economy indicators for ex-post control

Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategy_and in the implementation of audits
Costs of the appointment of audit firms and missions.

RCS 2) Grants under direct management – EEPR and TEN-E

Stage 1: Ex-ante controls

Effectiveness, efficiency and qualitative benefits are detailed per stages.

Economy and quantitative benefits are calculated overall for the ex-ante controls and detailed at the end of paragraph 1.

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

No longer applicable

B - Selecting and awarding: Evaluation, ranking and selection of proposals

No longer applicable

C - Contracting

Main control objectives: Ensuring that contract amendments are kept to the minimum to ensure the successful completion of projects in line with the original grant agreement

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Without a robust and complete justification of the envisaged amendments, DG ENER may accept grant amendments that might call into question the decision awarding the grant or without respecting the principle of equal treatment	1) Manual of procedures provides clear criteria, roles and responsibilities for accepting and managing amendments 2) Operational verification of necessity 3) Legal validation of legality and appropriateness 4) Clear documentation of amendments, including a workflow for approval	Coverage: 100% of the contractual amendments are reviewed and approved Depth: similar for each modification	Effectiveness: % contract amendments validated by Legal Service % contract amendments documented in ARES

D - Monitoring the implementation

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions; ensuring that the related financial operations comply with regulatory and contractual provisions; prevention of fraud; ensuring appropriate accounting of the operations

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the grant agreement (for example deliverables, open access to results and publications...) The amounts paid exceed what is due in accordance with the applicable contractual and regulatory provisions. The cost claims are irregular or fraudulent.	1) Kick-off meetings and launch events involving the beneficiaries in order to avoid project management and reporting errors 2) Effective external communication / guidance to beneficiaries 3) Anti-fraud awareness raising & training for project officers 4) Operational and financial verification in accordance with the financial circuits 5) Operation authorisation by the AO 6) For riskier operations: - Enhanced ex-ante controls - Selection and appointment of expert for scientific reviews of intermediate and/or final reporting - On-site verification visits 7) If needed, application of - Suspension/interruption of payments - Penalties or liquidated damages - Referring grant/beneficiary to OLAF 8) Audit certificates required for all beneficiaries except Member States 9) Specific communication to beneficiaries about reporting deadlines and payment requests	Coverage / Frequency: - 100% of the payments (op. & fin. checks) in normal financial circuits - Riskier operations subject to more in-depth controls. Depth: depending on risk criteria. However, as a deliberate policy to reduce administrative burden, and to ensure a good balance between trust and control, the level of control at this stage is reduced to a minimum - Risk criteria: red flags, suspicions raised by POs, audit results, EDES, individual or "population" risk assessment	Effectiveness: % and value of reductions made to EU contribution paid out through the ex-ante desk checks / total value of EU contribution claimed Efficiency: Time-to-pay: % of payments made on time Time-to pay: Average number days net/gross + suspension days

Overall economy indicators for ex-ante control

Similar to RCS 1

a. Estimation of cost of staff involved in the ex-ante checks

- Programme management and monitoring
- Financial management
- Budget and accounting
- General Coordination incl. Strategic Programming and Planning, internal control, assurance and quality management
- Anti-fraud
- Development and support of IT systems linked to managing funding programmes

- b. Estimation of other costs linked to ex-ante checks
 - Cost of experts
 - Costs of the relevant share of the IT external contracts of CSC (via DG RTD)

Stage 2: Ex-post controls

Effectiveness, efficiency and qualitative benefits are detailed per stages.

Economy is calculated overall for the ex-post controls and detailed at the end of paragraph 2.

E - Reviews, audits and monitoring

Main control objectives: Measuring the level of error in the population after ex-ante controls have been undertaken; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls; identifying possible systemic weaknesses in the ex-ante controls, or weaknesses in the rules

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The ex-ante controls (as such) do not prevent, detect and correct erroneous payments or attempted fraud to an extent going beyond a tolerable rate of error. Lack of consistency in the ex-post audit strategy Lack of efficiency for absence of coordination: multiple audits on the same beneficiary/same programme that leads to high administrative burden on beneficiaries, diminish interest in later calls, reputational risk	1) Multi-annual ex-post audit planning based - on representative sample in line with programme lifecycle - risk analysis and risk based audits 2) In case of fraud suspicion, referring the beneficiary or grant to OLAF.	Coverage / Frequency: - Audits on risk-based selection of projects, determined in accordance with risk criteria to maximise deterrent effect and prevention of fraud or serious error. Depth: standard ex-post audit programme	Effectiveness: Audit coverage: number of audits finalised vs planned & value coverage Representative / detected error rate. Residual error rate Efficiency: Cost of control of ex-post audits/value of grants in audit coverage Economy Cost of controls relative to expenditure

F - Corrections

Main control objectives: Ensuring that the results from the ex-post controls, including corrections from financial audits, lead to effective recoveries; Ensuring appropriate accounting of the recoveries made

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The errors, irregularities and cases of fraud detected are not addressed or not addressed in a timely manner	1) Systematic registration of audit / control results to be implemented and actual implementation 2) Validation of recovery in accordance with financial circuits 3) Authorisation of recovery/waiving of recovery by AO 4) Regular follow up of reported fraud cases with OLAF 5) Monitoring of recoveries / AO approval for waiving recoveries	Coverage: 100% of final audit results with a financial impact Depth: All audit results are examined in-depth in making the final recoveries	Effectiveness: - % of adjustments recovered / offset vs. total value of new adjustments - Number/value/% of audit results pending implementation - Number/value/% of audit results implemented Efficiency: - total (average) annual cost of implementing audit audits compared with benefits

Overall economy indicators for ex-post control

Estimation of cost of staff involved in the coordination and execution of the ex-post audit strategy and in the implementation of audits

Costs of the appointment of audit firms and missions.

RCS 3) EURATOM contribution to ITER / F4E under indirect management

This ICT covers the EURATOM contribution to the ITER project, entrusted to and implemented through the F4E JU⁸. Both entities were established before 2016; therefore this ICT focuses on monitoring, supervision and ex-post controls

Stage 1: Ex-ante controls

A – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / etc.)

Not applicable in 2018

B – Assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Not applicable in 2018

C - Operations: monitoring, supervision, reporting

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner. The Commission does not react upon and mitigate notified issues in a timely manner, which may reflect negatively on the Commission’s governance reputation and quality of	F4E Joint Undertaking 1) DG ENER supervision strategy for F4E (supervision needs & objectives, tools, working methods and procedures) 2) Delegation Act / Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – incl. the modalities of reporting on relevant and reliable control results 3) Reporting: F4E "Dash Board": information on progress of the EU contribution. Further revision to incorporate Key Performance Indicators and other	Coverage: 100% of the entity monitored/ supervised. Frequency: - Determined by delegation act / administrative agreement - Regular reports on use of resources and performance of tasks;	Effectiveness: -Effective implementation of the governance mechanisms and reporting channels. - Number of serious issues arising not identified through standard reporting channels - Absence of ECA, discharge or IAS audit observations Economy

⁸ Fusion for Energy Joint Undertaking.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
accountability reporting. If DG ENER has no complete and timely information on the activities of F4E and the potential issues arising, it may not exercise suitable supervision and intervene to ensure that issues are addressed in a timely manner, including, if necessary, a proper discussion at the ITER Organization or ITER Committee levels.	elements from the supervision strategy. 4) DG ENER Membership of F4E governance structure: - DG ENER representative in Governing Board, assisted notably by - the Administration and Management Committee, of which one member is Euratom - the Audit Committee, of which one member is proposed by Euratom - the Bureau - DG ENER membership in the steering committee for the annual F4E independent assessment - DG ENER also participates to the F4E Senior Management Meetings and has bilateral contacts with F4E Director 5) Revised Administrative Arrangements & Working Relations formalize the monitoring, reporting and supervision arrangements, including: - Regular coordination meetings at management level - Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues - Bilateral meetings when necessary 6) Management review of the supervision results and if needed: - reinforced monitoring of operational and/or financial aspects of the entity - potential escalation of any major governance-related issues with entrusted entities 7) Annual activity report based on BUDG guidance and template, submitted to DG ENER	- Annual reports on operation and budget implementation.	Evolution of the cost of control at entity level
If the ITER project supervision strategy is not comprehensive, DG ENER may not focus its activities on critical or high-risk areas.	Euratom obligations to ITER project 1) DG ENER supervision Strategy for the ITER project, defining supervision needs and objectives, Commission's strategy, supervision tools, key risks and key performance indicators. 2) Management review of the implementation of supervision strategy (completeness, effectiveness) on the basis of indicators 3) Participation in the ITER Council and its Advisory	Coverage: The elements taken into account for decisions taken in the Inter Council. Frequency: - as determined by ENER supervision strategy	Effectiveness Strategy exists and is up to date Administrative arrangements are aligned with the strategy

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	Bodies, including - Chairing of ITER Management Advisory Committee (MAC) - Chairing the Financial and Audit Board (FAB)		

D - Commission contribution: payment or suspension/interruption.

Main control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Bad cash forecast leading to the Commission paying too much compared to the EE's needs	1) Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting 2) Management review of the supervision results. 3) Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy 4) Good internal communication to ensure that issues are known and dealt with (see stage 3)	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments	Effectiveness : legality and regularity of payments made Efficiency : Time to pay Alignment of the evolution of the project with EU contributions made Economy Cost of control vs payments made

Stage 2: Ex-post controls

F - Audit and evaluation, Discharge

Main control objectives: Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission does not have sufficient information from independent sources on the entrusted entity's management	F4E Joint Undertaking 1) Subject to audit by IAS and IAC and the Court of Auditors (yearly audit on the legality and regularity of the operations & performance audits). DG ENER uses	Coverage: based on a sampling approach (e.g. random/representative, value-targeted, risk-based)	Effectiveness: Assurance being provided

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.	their reports, and the follow-up given to their recommendations by the JU, as an element of the supervision. 2) Annual independent assessment sent to the EP and the Council 3) The Governing Board is assisted by an Audit Committee, in which one member is proposed by Euratom. 4) Commission right to perform targeted financial and/or technical audits and on-the-spot checks on F4E beneficiaries and operations 5) Ad hoc independent reviews on demand by the Governing Board or by the Commission itself, when additional independent analysis provided by a group of experts is deemed opportune for a specific issue	Frequency: according to F4E & IAS internal audit planning / annual for DAS and external assessment The depth depends on the level of risks assessed.	

RCS 4) Nuclear Decommissioning Assistance Programmes under indirect entrusted management

This RCS covers the delegation to EBRD⁹, CPMA¹⁰ and SIEA¹¹ for the Nuclear Decommissioning Assistance Programmes in Bulgaria, Lithuania and Slovakia

Stage 1: Ex-ante controls

A - Establishment / prolongation of the mandate to the entrusted entities

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The establishment (or prolongation) of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity)	1) Pillar Assessments of delegated bodies (updated in 2015-2016) 2) Framework Administrative & Financial Agreement (FAFA) with EBRD; PAGoDA template 3) DAs based on BUDG template incorporating lessons-learned on: - Ex-post monitoring - key performance indicators - reporting and monitoring requirements - flat fee remuneration scheme 4) Hierarchical validation within the DG 5) Inter-service consultation including all relevant DGs for all DAs. New delegation agreement signed with - EBRD in December 2015 - SIEA in September 2016 6) DAs cover clear reporting requirements and were prepared in line with new NDAP regulation and OLAF requirements 7) Explicit allocation of responsibility to individual officials (reflected in job descriptions)	Coverage/Frequency: 100%/ before signature – prolongation of delegation agreement Depth: Determined by pillar assessment checklist & other relevant guidance	Effectiveness: - Performance of pillar assessments / validity of the Pas Adoption of the delegation acts No ECA or discharge or IAS criticism Efficiency: included in the efficiency of monitoring and supervision

⁹ European Bank for Reconstruction and Development

¹⁰ Central Project Management Agency (Lithuania)

¹¹ Slovak Innovation and Energy Agency (Slovakia)

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Conflicts of interest could impair the management of EU funds by the entrusted entity	Controls by DG ENER 1) Pillar assessment of internal control framework, incl. anti-fraud policy 2) Provisions of the respective Delegation Agreements with EBRD (2015), CPMA (2015) and SIEA (2016) 3) Regular assessment by DG ENER of the adequacy of control and anti-fraud strategies of implementing bodies As part of the pillar assessment, DG ENER evaluated the following controls put in place by the entrusted entities: 4) EBRD governance framework - Code of Conduct - Prohibited Practices guidelines - Integrity Risk policy - Modification of IDSF rules, to align them with the predominant role of the Commission as a donor. 5) CPMA's and SIEA's anti-fraud strategy and conflict of interest prevention policy	Coverage/Frequency: 100% / once Benefits: If risk materialises, part of the expenditure of the entrusted could be irregular. Possible impact 100% of budget involved and significant reputational consequences. Depth: punctual existence checks	Effectiveness: - No CoI occurrences - Existence of antifraud Strategies and policies at entity level - No ECA or discharge or IAS criticism - Existence of the necessary provisions.

B - Assessment of the entrusted entity's financial and control framework

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives (*legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy*).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).	1) Pillar assessment of entrusted entities before delegating funds: - EBRD: completed in 2016 - CPMA: reassessed in 2016 - SIEA: pillar assessment completed in 2016 2) Monitoring actions - site visits - meetings of the Monitoring Committees (CPMA-SIEA / Assembly of Contributors (EBRD) 3) Specific NDAP risk management plan	Coverage/frequency: 100% of entrusted entities Frequency of monitoring actions/visits/meetings determined by DA and internal control strategy Depth: determined by the DA (reporting, monitoring)	Effectiveness: - validity of the pillar assessments / updates carried out - Existence of the necessary provisions. - Absence of ECA, discharge or IAS audit observations - timely delivery of monitoring

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	4) Specific NDAP Control strategy 5) Use of key performance indicators covering financial management	meeting), risk management plan & control strategy	reports, aligned with reporting criteria Economy: control cost at entity level

C - Operations: monitoring, supervision, reporting

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, achievement of objectives, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner The Commission does not react upon and mitigate notified issues in a timely manner, which may reflect negatively on the Commission's governance reputation and quality of accountability reporting	EBRD 1) Joint management of multi-donor funds (as per fund rules) and EU Chair of the Assembly of Contributors 2) EU representation within the EBRD Board of Directors 3) Commission decision on procedures covering monitoring arrangements, evaluation and audit issues 4) Daily project execution monitored by EBRD 5) Programme monitoring Assemblies of Contributors (chaired by the Commission) 6) Regular reports by beneficiaries and Member States on the progress - Monitoring Committee analyses the report and takes corrective measures 7) Commission monitoring visits on-site. Corrective measures to ensure that objectives are met. 8) Adoption of the Rules of Application covering - detailed description of monitoring controls - introduction and assessment of key performance indicators - steering of the Member States towards use of an appropriate earned-value management (EVM) technique 9) Art. 60.5 report	Coverage: 100% of projects Frequency & Depth: - In accordance with Rules of application - Assembly of Contributors biannually - Regular reports on use of resources and performance of tasks; - Yearly report based on article 60.5 FR requirements	Effectiveness: - Financial statements and Management reports of the multi-donor funds received , and provision of related assurance - timely organisation of the different governance meetings - Absence of ECA, discharge or IAS audit observations Efficiency earned value management synthetic indicator (progress against schedule and budget) Economy overall supervision cost / budget entrusted to entity (%)

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
As above	National Agencies 1) Full state guarantee for implementation through certified agency 2) Commission decision on procedures in place covering monitoring arrangements, evaluation and audit issues 3) Daily project execution is monitored by the implementing bodies 4) Programme monitoring through Monitoring Committees (MC) chaired by the Commission 5) Biannual reports by the beneficiaries and the Member States on progress - MC analyses the monitoring report and takes corrective measures 6) Monthly report by the entrusted entity. 7) Commission monitoring visits on-site. Corrective measures to ensure that objectives are met. 8) Adoption of the Rules of Application covering - detailed description of monitoring controls - introduction and assessment of key performance indicators - steering of the Member States towards use of an appropriate earned-value management (EVM) technique 9) Art. 60.5 report	Coverage: 100% of projects Frequency & Depth: - In accordance with Rules of application - Assembly of Contributors biannually - Regular reports on use of resources and performance of tasks; - Yearly report based on article 60.5 FR requirements	Effectiveness: - - Monitoring reports received and analysed, reliability of the information provided - Financial statements and Management representations received / Assurance received - - timely organisation of the different governance meetings - Absence of ECA, discharge or IAS audit observations Efficiency earned value management synthetic indicator (progress against schedule and budget) Economy: overall supervision cost / budget entrusted to entity (%)

D - Commission contribution: payment or suspension/interruption

Main control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution. **This is very closely linked to stage 3 above.**

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage.	1) Financial checks are performed based on the requests of the entrusted entities and on the operational controls performed by or on behalf of DG ENER	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments	Effectiveness : Payments made, existence of issues affecting legality and regularity Efficiency : Time to pay

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Due to the long term perspective of the programme and to the complex implementation setup, pre-financings may not be cleared timely	2) Specific financial checks performed when requests for payments are made by the implementing bodies, based on a six-months forecast of commitments. 3) Periodic (at least yearly) accounting controls performed by the accounting correspondent	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments (financial checks) or the accounting schedule (accounting controls)	Economy : included in the cost of control vs funds entrusted indicator
Cash forecast process may not allow the Commission to pay the amounts that correspond to needs	4) Current setup of financial circuits prevents this risk as pre-financing are made based on actual commitments plan	Coverage: 100% of the contribution payments	

Stage 2: Ex-post controls

E - Audit and evaluation

Main control objectives: Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission has not received sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.	The expenditure falls within the scope of the DAS and is audited by ECA annually, which is the main source of controls. In addition: 1) Statement of assurance received from entrusted entities 2) Audit opinions of the external auditors of the entrusted entities <i>Note: financial audits will be carried out by an external audit company on selected NDAP projects</i>	Coverage: - Audits based on a sampling approach (random/representative, value-targeted, risk-based) Frequency: whenever necessary The depth depends on the level of risks assessed	Effectiveness: - Assurance provided; - Absence of ECA, discharge or IAS audit observations - Reliability of the information received

RCS 5) Budgetary support to ACER regulatory agency (under indirect management)

This RCS covers the annual subsidy provided to the decentralised agency ACER¹². This entity was established before 2016; therefore this RCS focuses on monitoring and ex-post controls

Stage 1: Ex-ante controls

A – Establishment (or prolongation) of the mandate to the entrusted entity (“delegation act”/ “contribution agreement” / etc.)

Not applicable in 2018

B – Assessment of the entrusted entity’s financial and control framework (towards “budget autonomy”; “financial rules”)

Not applicable in 2018

C - Operations: monitoring, supervision, reporting

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner. The Commission does not react upon and mitigate notified issues in a timely manner, which may reflect negatively on the Commission’s governance	1) DG ENER supervision strategy for ACER (supervision needs & objectives, tools, working methods and procedures) 2) Revised Administrative Arrangements, integrating the Working Relations 3) DG ENER participation in governance structure - membership of the Administrative Board - participation in ACER Senior Management Meetings - regular bilateral contacts with ACER Director 4) Operational monitoring: - Regular coordination meetings at management level	Coverage: 100% of the entity monitored / supervised. Frequency: - Regular Board of Regulators and Administrative Board meetings; - Regular reports on use of resources and performance	Effectiveness: Existence of serious issues affecting the assurance - Absence of ECA, discharge or IAS audit observations

¹² Agency for the Cooperation of Energy Regulators

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
reputation and quality of accountability reporting.	- Frequent contacts at working level and regular reporting on progress, budgetary, staffing and audit issues - Bilateral meetings when necessary 5) Management review of the supervision results and if needed: - reinforced monitoring of operational and/or financial aspects of the entity - potential escalation of any major governance-related issues with entrusted entities 6) Annual activity report submitted to DG ENER	of tasks; - Annual reports on operation and budget implementation	

D - Commission contribution: payment or suspension/interruption.

Main control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Bad cash forecast leading to the Commission paying too much compared to the EE's needs	1) Delegation Act/Administrative Agreement specifying the control, accounting, audit, publication etc. related requirements – including reporting 2) Management review of the supervision results. 3) Standard procedures for the validation of all payments and recovery of non-used operating budget subsidy 4) Good internal communication to ensure that issues are known and dealt with (see stage 3)	Coverage: 100% of the contribution payments Frequency: following the rhythm of the payments	Effectiveness : existence or not of legality and regularity issues , effective payment of the Commission contribution Economy : cost of control vs budgetary support

Stage 2: Ex-Post controls

F - Audit and evaluation, Discharge

Main control objectives: Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission does not have sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity.	1) Subject to audit by the IAS and the ECA (annual DAS audit and performance audits) 2) Annual discharge through Budgetary Authority 3) Commission right to perform ad-hoc financial or technical audits / on-the-spot reviews 4) Ad hoc independent reviews on demand by the Governing Board or by the Commission itself	Coverage: As determined by audit bodies Frequency: according to ACER & IAS internal audit planning / annual for DAS and external assessment The depth depends on the level of risks assessed	Effectiveness: Assurance being provided

RCS 6) CEF Debt Instruments

This ICT covers the Financial Instruments (FIs) entrusted to the **European Investment Bank (EIB)** for the implementation of the Connecting Europe Facility Debt Instruments (CEF DI).

Stage 1: Ex-ante controls

A - Set-up/design of the Financial Instrument and designation of International Financial Institution

Main control objectives:

- Ensuring that the FI is adequate for meeting the policy or programme objectives (effectiveness); Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy).
- Ensuring that the most promising IFI is pre-determined or selected to ensure that the FI is implemented effectively and efficiently; Sound financial management; Legality and regularity; Fraud prevention and detection.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The IFI does not have the experience and financial capacities as well as the administrative & control capacities to ensure effective and sound implementation of the FI. The selection of the IFI is not in line with FR and its RAP criteria, especially 'alignment of interests' (FR art 140.2e).	1) The selection of the EIB as entrusted entity was: • In line with Art. 58.1(c)(iii) FR. • Explicitly indicated in the CEF Regulation as a potential entrusted entity. (recitals 41 and 50 and annex I, part III only) 2) Ex-ante assessment of the EIB in accordance with articles 61(1) and 60(2) FR ('six pillar assessment') successfully carried out prior to the signature of the FAFA by DG ECFIN. 3) Formal signature of Financial and Administrative Framework Agreement (responsibility of DG ECFIN) 4) Periodic evaluations (see also Stage 3) of EIB operations Mid-term evaluation of CEF.	Coverage/Frequency for DA: once Depth: In-depth control, full engagement of operational and financial unit resources.	Effectiveness: Where applicable, opinions by advisory or audit bodies (recommendations, actions taken). Economy : costs vs. net assets managed
The DA with the IFI is inadequate to cover operational and management risks	1) The main principles of the DA are based on the FAFA. 2) Draft DA was reviewed in inter-service consultation (including all relevant DGs, horizontal and operational). 3) Hierarchical validation (incl. at DG level) of the delegation agreement (DA), formal adoption by Commission decision 4) Detailed provisions in DA with regards to:	Coverage/Frequency: 100% / once	Effectiveness: - Findings in audit reports - Observations in the audit certificate supporting the financial statements and management representations

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	- Operational and policy objectives; - Obligations and tasks of the Bank - Governance provisions - Operational and financial reporting obligations Control, monitoring and audit provisions		
The Commission's interests are not protected by the DA, including - the RSM (Risk-Sharing Mechanism) is too generous to the IFI (risk of unbalanced risks) - the fees paid to the IFI are not in line with the implementation of the FI	1) Alignment of interest is provided through: - Standardized risk-sharing model between EIB and Commission agreed in DA, in line with horizontal guidance from DG BUDG and ECFIN. - A fee structure designed to compensate the EIB for the implementation of the financial instruments linked to the achievement of the policy objectives. 2) Each agreement between EIB and beneficiaries covers control (e.g. audit rights of the EC) and reporting obligations	Coverage/Frequency: 100 % / once Depth: In-depth control, full engagement of operational and financial unit resources.	Effectiveness: Findings in audit reports Observations in the audit certificate supporting the financial statements and management representations

B – Implementation of the FI, incl. commitments and payments

Main control objectives:

- Ensuring that the funds allocation is optimal (best value for public money; effectiveness, economy, efficiency) to meet the policy objectives (effectiveness).
- Ensuring that the remuneration paid to the IFI is adequate (cost-effectiveness).
- Compliance (legality & regularity); Prevention of fraud (anti-fraud strategy); Safeguarding of assets and information; Reliable reporting (true and fair view).

Main risks	Mitigating controls	Coverage frequency and depth	Effectiveness, efficiency, economy indicators
Final Recipients / Projects selected may not be eligible	1) Annual approval of CEF FI work programme by the CEF Coordination Committee. 2) Policy guidance, review of proposed pipeline of projects by CEF Steering Committee (chair ECFIN, with MOVE, ENER and CNECT) 3) EIB applies evaluation and selection criteria and process set out in Annex 1 of DA	Coverage/Frequency: 100% - all agreements signed by EIB	Effectiveness: - number of monitoring reports

Undue or erroneous payments Undue or erroneous recoveries/re-payments	1.a) Ex-ante by Commission: all payments made to EIB are subject to the normal financial circuit of DG ENER, including independent ex-ante verification. 1.b) Ex-ante controls by EIB at 'contracting' stage – checks on eligibility, viability and relevance. 2) Due diligence: The EIB has to - set up and operate an internal control system - apply effective and proportionate anti-fraud measures - carry out ex ante and ex post controls, including on-the-spot checks on representative and/or risk-based samples of transactions, in accordance with Annex 8 of DA - require the Final Recipients to repay any amount unduly paid	Coverage/Frequency: Ex-ante verification of commitments: 100% Ex-ante verification of payments: 100% Verification of EIB transactions on sample checks	Effectiveness: - number of erroneous operations - number of findings from external auditor Efficiency : Rate of recovery / % of corrections of errors
The remuneration or the reimbursement of any exceptional costs or additional tasks are unjustifiably high	1) Fees, any incentives and any exceptional costs are defined in the FAFA and the Delegation Agreements, including an overall cap. 2) Reimbursement of cost for technical assistance and additional tasks defined in the FAFA and the delegation agreement. 3) Review of the statement of expenses together with evidence provided by the EIB.	Coverage: 100% of fees and eligible expenses are verified before payment against contractual conditions and supporting documentation required under the DA	Effectiveness: - existence of documented checks - number of findings from external auditor

Stage 2: Ex-post controls

C – Monitoring and assurance building

Main control objectives:

- Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (Fraud prevention and detection).
- Ensuring that the (audit) results from the ex-post controls lead to assurance for the accountable AOD (5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The actions supported do not reflect the policy objectives for the CEF DI	1) Commission Services monitor the implementation of the FI on the basis of a documented approach. 2) The Commission has several monitoring instruments	Coverage/Frequency: as per documented control approach.	Effectiveness: on the basis of success ratios and KPIs defined for CEF policy objectives:

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	that include: - the CEF FI Steering Committee - review of the pipeline of projects - operational reports - financial statements - risk and performance reports - pipeline reports - summary of audits and controls carried out during the reporting year 3) Interim and ex-post evaluations are carried by EIB and Commission services.	Steering Committee: at least 2x/year. Operational reports 2x/year Financial statements: monthly. Risk and performance reports: quarterly.	- leverage - co-risk taking - number of FRs supported by the Financial Instrument - disbursement rate Economy: - Total cost of monitoring and supervision by DG staff over value delegated - Management fees over value of budget delegated to EIB
Internal control weaknesses, irregularities, errors and fraud are not detected and corrected by the entrusted entities, resulting in that the EU funds are not achieving the policy objectives and are in non-compliance with applicable regulations.	1) EIB maintains internal control system and applies anti-fraud measures. 2) EIB annual report is audited by independent auditor, which covers the internal control system. 3) The Commission carries out controls and monitoring by means of: - participation in the Steering Committee; - the financial statements provided by the Bank; - representative and/or risk-based on-the-spot checks on the final recipients.	Coverage: 100% of the portfolio. Depth: depends on risk criteria such as past experience with the IFI, complexity or lack of experience on the area of financed actions or the management modalities.	Effectiveness: 1) - Existence of EIB policies to prevent and deter fraud 2) - absence of qualification on the grounds in the auditor's opinion 3) Assurance being provided If any, analysis of 'issues' reported in management declarations: Internal control, auditing and monitoring 'issues'; interventions; issues under reinforced internal control, auditing and monitoring; critical audit findings 4) Number of cases submitted to OLAF.

RCS 7) Supervision of executive agencies

The ICT covers the operating (administrative) budget provided to the executive agencies INEA and EASME.

Stage 1: Ex-ante controls

A – Establishment (or prolongation) of the mandate to the entrusted entity ('delegation act' or 'contribution agreement')

Main control objectives: Ensuring that the legal framework for the management of the relevant funds is fully compliant and regular (legality & regularity), delegated to an appropriate entity (best value for public money, economy, efficiency), without any conflicts of interests (anti-fraud strategy) and gives all the references necessary for a smooth running of the new entity.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The establishment (or prolongation) act of the mandate of the entrusted entity is affected by legal issues, which would undermine the legal basis for the management of the related EU funds (via that particular entity).	1) Ex-ante evaluation of the entity 2) Widespread consultation, with internal and external stakeholders 3) Hierarchical validation within the authorising department of mandate, covering modalities of cooperation, supervision and reporting. 4) Inter-service consultation, including all relevant DGs 5) Mandate adopted by the Commission. 6) Allocation of supervision responsibility within the DG	Coverage/Frequency: 100%/once and partial for amendments or extensions. Depth: Checklist includes a list of the requirements of the regulatory provisions to be complied	Effectiveness: Nr. of IAS, ECA, OLAF or discharge criticism

B – Assessment and supervision of the entrusted entity's financial and control framework

Main control objectives: Ensuring that the entrusted entity is fully prepared to start/continue implementing the delegated funds autonomously with respect of all 5 Internal Control Objectives (*legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy*).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs	1) DG internal or independent external ex-ante assessment before granting budget autonomy 2) Hierarchical validation within the authorising department; 3) Use of Model-or Framework- financial rules (MFF or FFF); 4) Requiring justification and prior consent for any deviating financial rules; 5) Standard business processes and IT tools; 6) Secondment and selection of key staff of entrusted entities 7) Review of audit reports (IAS, ECA).	Coverage/frequency: 100% of entrusted entities/once at the beginning and partial (problem focussed) for amendments or work arrangements. Depth: determined after considering the type / nature of the entrusted entity, its form and/or the value of the budget concerned.	Effectiveness: Nr. of IAS, ECA, OLAF or discharge criticism Number of recommendations to EE as result of ex-ante or later assessment

C – Operations: monitoring, supervision, reporting

Main control objectives: Ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, achievement of objectives, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission is not informed of relevant management issues encountered by the entrusted entity in a timely manner. The Commission does not react upon and mitigate notified issues in a timely manner. Inconsistent application of supervision/control arrangements within different EEs	1) Monitoring is based on into the Memorandum of Understanding The MoA specifies the modalities and procedures of governance and control by Parent DGs, covering the implementation of both operational and operating budget, including: • DG ENER representation in Steering Committee; • Liaison meetings at hierarchical level; • Ad hoc meetings and regular contacts at working level; • Quarterly operational reports from the agency; • Regular updates on the achievements of the delegated programmes' objectives; • Budgetary control via commitment and payment appropriations process;	Coverage: as determined by the MoA Frequency: as determined in the MoA	Effectiveness: Nr. of critical / very important IAS and ECA recommendations issued to INEA / EASME Nr. of discharge criticism issued to INEA / EASME Economy Overall supervision cost per (type of) entrusted entity / total budget entrusted (%) Ratio FTEs/funds entrusted.

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
	- Formal opinion and consultation on key documents (annual work programme and the annual activity report) 2) Review of - Annual Activity Report of INEA and EASME - Audit reports of the IAS and ECA		

D – Commission contribution: payment or suspension/interruption

Main control objectives: Ensuring that the Commission adequately assesses the management situation at the entrusted entity, before either paying out the (next) contribution for the operational and/or operating budget of the entity, or deciding to suspend/interrupt the (next) contribution. **This is very closely linked to stage 3 above.**

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission pays out the (next) contribution to the entrusted entity, while not being aware of the management issues that may lead to financial and/or reputational damage. Bad cash forecast leading to the Commission paying too much compared to the entity's needs.	See stage C	See stage C	See stage C

Stage 2: Ex-post controls

E – Audit and evaluation,

Main control objectives: Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The Commission has not received sufficient information from independent sources on the entrusted entity's management achievements, which prevents drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation and quality of accountability reporting.	1) Delegation Act specifying audit rights by the Internal Audit Service of the Commission and by the European Court of Auditors 2) Analysis of audit reports as an element of the supervision of these bodies 3) Interim evaluations by independent experts of achievement of policy objectives 4) Follow-up of actions taken by the agency through the supervisory controls	Coverage: - Audits performed on sample as needed (e.g. random/representative, value targeted, risk based) - evaluation covers all programmes entrusted Frequency: - audits – determined by audit bodies - evaluations – determined in legal base - annual ECA report on JUs Depth depends on the type of entity and the level of risks assessed	Effectiveness: Assurance being provided (via management /audit reporting) - residual error rate reported for programmes managed by entrusted entity - number of serious IAS and ECA findings of control failures.

RCS 8) Non-Expenditure Items (Safeguarding of Assets and Information) – Euratom Safeguards

This RCS covers the assets & information managed by DG ENER for the discharge of Euratom Safeguards obligations

Stage 1 - Ex-ante controls

A – Recognition: establishment of the Commission's rights

Main control objectives: Ensuring that the Commission establishes its assets ownership and liabilities correctly and sets up its management reporting and information security; Compliance (legality & regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
Recognition* of assets, liabilities are not done at the right moment (e.g. when they become due, when the ownership is transferred, when they become certain) or not for the right amount	Assets & liabilities: 1) Hierarchical validation of the operation with legal & financial circuits, within the authorising department 2) Maintenance of the inventory and information flow into ABAC 3) Conservative/prudent valuation & depreciation policy	Coverage / Frequency: 100% Intensity / Depth: For riskier operations, ex-ante in-depth verification; e.g. : • application of IT Security Governance rules, via LISO	Effectiveness: Number of control failures; value of the rights concerned and of resulting liabilities
* For information security : The level sensitivity of the information is not adequately recognized	Information security 4) Establishment of IT and information security 'culture' and strategy 5) Accurate / complete identification of information assets, data sources, protection needs, ownership and formal assignment of data sensitivity levels in line with legal base (Euratom Treaty)	Coverage / Frequency: 100% Intensity / Depth; All networks and information systems	

B – Protection: recording, follow-up and accounting of the Commission's rights

Main control objectives: Ensuring that the Commission registers and protects its assets ownership and liabilities correctly, reports transparently and protects its information security; Compliance (legality & regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The implementation of applicable rules* entails weaknesses, which lead to the Commission's legal rights, assets ownerships, liabilities or information security not being duly protected and/or registered and/or reliably reported EU accounting rules are not respected * for information security: sensitive information is 'lost' (abused, made public) or its integrity breached (data altered)	(In)tangible assets and inventories 1) clear procurement, accounting, inspection, depreciation and disinvestment rules; EU accounting rules & manual	Depth: - Value-differentiated PP procedures; - use- and value-differentiated physical assets accounting rules and inventory checks (inspection planning - inventory checks vary subject to the nature of the assets)	Effectiveness: Number of assets registered and accounted for. Existence of reputational events due to weak information security Number of internal and external auditors findings about incorrect registration of items Economy Cost of control / net value of assets
	Information & IT security 2) Formal policies and procedures on data protection, management of sensitive information, security of IT systems etc. 3) Information security markings applied to all information (paper or electronic) 4) A separate IT system, including a segregated network, for handling sensitive information	Frequency: security rules and culture to be adjusted in view of latest technical developments and 'possibilities'	Effectiveness: Reputational events during the reporting year linked to issues of data protection and/or sensitive information Economy Cost of control

C - Exercising the Commission's rights

Main control objectives: Ensuring that the Commission is able to exercise its assets ownership correctly and provides reliable reporting on these and maintains its information security; Compliance (legality & regularity); Sound Financial Management (effectiveness, efficiency, cost-effectiveness); Prevention of fraud (anti-fraud strategy); Safeguarding Assets and Information (incl. accounting); Reliable Reporting (true and fair view).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The operations (<i>or equivalent</i> *) embed weaknesses that would undermine the Commission's execution, assets ownerships or the reliability of its reporting or its maintenance of information security.	(In)tangible assets and inventories * Three years inventory checks rule (RAP 250) * formal procedure for disposal of assets (RAP 251-253)	Coverage and frequency: Value-differentiated publication procedures	Effectiveness: Value corrected Value of "losses" and impairments
	Information & IT security 2) internal rules on data protection, sensitive info, IT systems,	Coverage and frequency: Continuous controls	

Stage 2: Ex-post controls

D - Ex-Post controls: supervision monitoring, reviews, audits

Main control objectives: Measuring the effectiveness of ex-ante controls; detect and correct any negligence, error, irregularity, loss or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy; reliable reporting; safeguarding assets and information); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management); Ensuring that the appropriate corrections are being made).

Main risks	Mitigating controls	Coverage, frequency and depth	Effectiveness, efficiency, economy indicators
The ex-ante controls fail to prevent, detect and correct negligence, irregularities, errors, losses or attempted fraud	Assets 1) operational monitoring (including assets on distant sites) 2) If needed: refer to OLAF	Coverage: Operational monitoring covers the entire extent of the assets under management, if needed using a sampling approach. Validation of accounts: at least once a year. Depth: desk review of all underlying elements and documents.	Effectiveness: Number of controls performed Number of supervisory control failures Residual value of the assets corresponding to the errors

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

Central Project Management Agency, Lithuania (CPMA)

	Requirement	Information
1	Programme concerned	Decommissioning funding for Lithuania - Ignalina Programme-CPMA
2	Annual budgetary amount entrusted	Commitment under 2018 appropriations: EUR 65.639 million
3	Duration of the delegation	31 December 2026
4	Justification of recourse to indirect centralised management	Indirect centralised management gives advantages of proximity and flexibility as it is easier to adapt it to the local and specific needs of the beneficiary country and allows for a better coordination with simultaneous co-financed measures at national level. It also provides for increased ownership of the programme and simplified relationship between the Community and the beneficiary states. Delegating contract management to a national agency enables the Commission to focus on core activities (policy formulation, political drive, control and evaluation).
5	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	When the scheme was set up, the CPMA was already an established national agency with an accredited implementation system. Before accession CPMA was the certified Lithuanian EDIS contracting authority/paying agency for the PHARE programme. After accession, CPMA was entrusted with the management of structural funds programmes. CPMA had, therefore, a direct experience in the management of EU programmes not requiring an ex-ante control by the Commission. The pillar assessment report of 2017 re-confirmed that the CPMA fulfils the requirements.
6.	Synthetic description of the implementing tasks entrusted to this body	The tasks entrusted to the National Agency are set out in the Annual Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom. The duties of the National Agency include: - Programming and monitoring; - Preparation of Projects; - Implementation of Projects.

Slovak Innovation and Energy Agency (SIEA)

	Requirement	Information
1	Programme concerned	Decommissioning funding for Slovakia - SIEA
2	Annual budgetary amount entrusted	Commitment under 2018 appropriations: EUR 32.819 million
3	Duration of the delegation	31 December 2026
4	Justification of recourse to indirect centralised management	Indirect centralised management gives advantages of proximity and flexibility as it is easier to adapt it to the local and specific needs of the beneficiary country and allows for a better coordination with simultaneous co-financed measures at national level. It also provides for increased ownership of the programme and simplified relationship between the Community and the beneficiary states. Delegating contract management to a national agency enables the Commission to focus on core activities (policy formulation, political drive, control and evaluation).
5	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The Slovak Innovation and Energy Agency (SIEA) is active in the management of structural funds in the Slovak Republic. The body has been proposed by the Ministry of Economy of the Slovak Republic. The pillar assessment report of 2015 has confirmed that the SIEA fulfils the requirements; yet the report included recommendations to be implemented by the SIEA at the latest before the end of first year of implementation; a follow-up audit in 2018 will ascertain fulfilment of these recommendations.
6.	Synthetic description of the implementing tasks entrusted to this body	The tasks entrusted to the National Agency are set out in the Annual Work Programme provided in the relevant Commission Financing Decisions and in the project documentation deriving therefrom. The duties of the National Agency include: - Programming and monitoring; - Preparation of Projects; - Implementation of Projects.

Fusion for Energy Joint Undertaking (F4E JU)

	Requirement	Information
1	Programme concerned	2007/198/Euratom: Council Decision of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58)
2	Annual budgetary amount entrusted	The following budgetary amounts were entrusted to this body in 2018 (EU contribution only): -Commitment appropriations (operational): EUR 321 million -Commitment appropriations (administrative): EUR 48.8 million -Payment appropriations (operational): EUR 344 million -Payment appropriations (administrative): EUR 48.8 million
3	Duration of the delegation	Until 18 April 2042 (identical to that of the ITER International Agreement)

4	Justification of recourse to indirect centralised management	2007/198/Euratom: Council Decision of 27 March 2007 establishing the European Joint Undertaking for ITER and the Development of Fusion Energy and conferring advantages upon it (OJ L 90, 30.3.2007, p. 58)
5	Justification of the selection of the body (identity, selection criteria, possible indication in the legal basis etc.)	The European contribution to ITER is effected under the framework of the Euratom Treaty. F4E as the Domestic Agency for ITER was set up in accordance with Articles 47 and 48 of this Treaty, which provides the legal mechanism to develop the nuclear industry through Joint Undertakings. Within this framework, F4E was set up as a Joint Undertaking in March 2007. In 2018, DG ENER commissioned an external consultant to inter alia review the various legal forms through which the European Contribution could be delivered. The conclusion was that no other legal framework would be more appropriate than the current one.
6	Synthetic description of the implementing tasks entrusted to this body	As per Art. 1(2) of Council Decision 2007/198/Euratom: The tasks of the Joint Undertaking shall be as follows: (a) to provide the contribution of the European Atomic Energy Community (Euratom) to the ITER International Fusion Energy Organisation; (b) to provide the contribution of Euratom to Broader Approach Activities with Japan for the rapid realisation of fusion energy; (c) to prepare and coordinate a programme of activities in preparation for the construction of a demonstration fusion reactor and related facilities including the International Fusion Materials Irradiation Facility (IFMIF).

ANNEX 7: EAMR of the Union Delegations

Not applicable

ANNEX 8: Decentralised agencies

Name	Acronym	Policy concerned	Subsidy paid in 2018 by DG ENER
Agency for the Cooperation of Energy Regulators	ACER	Energy (Conventional and renewable energy)	EUR 13.562.000

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



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ANNEX 10: Specific annexes related to "Financial Management"

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

Relevant Control System N°1 – FP7 grants under direct management							
Ex ante controls			Ex post controls			Total**	
EC total costs (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
636.400	39.287.434	1.62%	310800 ¹³	5.190.382 ¹⁴	5.9% ¹⁵	947200	2.53% ¹⁶
Relevant Control System N°2 – EEPR grants under direct management							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
310.800	159.100.247	0.20%	333300	98.794.683	0.33%	644100	0.40%
Relevant Control System N°3 – Euratom contribution to ITER / F4E under indirect management							
Ex ante controls			Ex post controls			Total**	

¹³ To which have to be added the CAS mutualised costs of 0.12%

¹⁴ Amounts audited in 2018. The audit implementation costs also cover the follow-up of previous audit findings.

¹⁵ To which the CAS costs need to be added.

¹⁶ Including 0.12% CAS costs

EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
1.872.800	659.910.844	0.28%	407.000	Not quantified ¹⁷	N/A	2.279.800	0.35%
Relevant Control System N°4 – Nuclear Decommissioning Assistance Programme under indirect management							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
231.800	195.984.080	0.12%	458.800	Not quantified ¹⁸	N/A	690.600	0.35%
Relevant Control System N°5 – Budgetary support to ACER							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
177.600	13.562.000	1.31%	88.800	Not quantified ¹⁹	N/A	266.400	1.96%

¹⁷ Technical ex-post controls on constituted investments and ex-post governance controls

¹⁸ Ex-post controls consist in the monitoring of the use of the funds by the entrusted entities and in the implementation of the earned value management model as regards the progress of the funded activity.

¹⁹ Budgetary, governance and reporting controls.

Relevant Control System N°6 – EIB/ CEF debt instrument under indirect management							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
140.600	89.289.000 /99.476.000 ²⁰	0.14%	0	N/A	N/A	140.600	0.14%
Relevant Control System N°7 – Supervision of executive agencies							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
341.000	Not quantified ²¹	N/A	N/A	N/A	N/A	341.000	N/A
Relevant Control System N°8 – Safeguarding Information and Assets							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>

²⁰ Contributions to the instrument made in 2018 / Total of funds under management at year end.

²¹ DG ENER does not pay any administrative contribution to INEA or EASME. It nevertheless supervises the energy programmes implemented by these agencies.

2.112.200	7.160.000 ²²	29,5%	162.800	5.790.000 ²³	2.8%	2.275.000	31.8%
Relevant Control System N°9 – Other organisational controls							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
1.110.000	Not quantified ²⁴	N/A	N/A	N/A	N/A	1.110.000	N/A
OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
6.933.200	1.157.133.605 ²⁵	0.6%	1.761.500	108.775.065	1.6%	8.694.700	0.74%

²² Value of the tangible and intangible assets under management. To this have to be added non-monetary quantifiable items such as the protection of sensitive information and the operation of dedicated IT infrastructure and services.

²³ Value of the tangible assets controlled by the inventory and valuation controls.

²⁴ Budget and accounting, coordination, antifraud controls.

²⁵ Total of payments made in 2018, not including amounts under management contributed before 1.1.2018 (RCS 6) and assets (RCS 9)

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

For more details, please refer to AAR (section 2.1.3).

ANNEX 12: Performance tables

General objective: A resilient Energy Union with a forward looking climate policy				Related to spending programme(s) YES
Specific objective 1.1: Contributing to supply security, based on solidarity and trust				
Result indicator: Implementing the EESS. Number of MS with a single gas supplier ²⁶				
Source of data: EESS				
Baseline (2014)	Interim Milestone		Target (2022)	Latest known results (31/12/2018)
7	n/a		1	2 ²⁷
Result indicator: Extension of Euratom bilateral agreements to all major actors in the nuclear field that fully respect international conventions and apply best international practices				
Source of data: ENER D				
Baseline (2014)	Interim Milestone		Target (2020)	Latest known results (31/12/2018)
	2017	2018		
7	9	9	10	Contrary to the intentions in the European Energy Security Strategy of 2014, no new Euratom agreements could be signed with major international partners in this period. Further progress is dependent on reaching agreement in the Community on the inclusion and role of technology transfer in future Euratom agreements.

²⁶ This SO includes also the CEF Specific objective: Enhancing Union security of energy supply. It is underlined by the present that the achievement of this objective should be enabled by the improved planning, accelerated permit granting, regulatory incentives and the EU financial assistance introduced with the TEN-E guidelines and the CEF regulations.

²⁷ FI and SE depend on a single supplier, Russia and Denmark, respectively. Contractually, there are other countries that depend largely on Russian gas, however these MS could use to some extent also gas from other sources if needed: CZ: while most gas is Russian, they had in the past a Norwegian contract and have significant capacity to import from Western direction, which shows they are not necessarily dependent. SK gets its gas from Russia via Ukraine, but they have very large reverse flows capacities that would allow them to get gas from Austria and CZ in case of need. In LV there are currently no contracts to get gas from the LT LNG terminal, to our knowledge, and all the gas they get is from RU. However, they could potentially get gas from LT (provided the contracts were signed) as the infrastructure could be used for such purpose. BG can get some (small) amounts of gas from Greece (LNG) via reverse flow. Therefore, while very dependent on Russian gas, it is strictly not 100% dependent.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
Amendments to the Oil Stocks Directive 2009/119/EC PLAN/2017/1367	Adoption	Q4 2018	Adopted on 19 October 2018 [C(2018)6817]
Amendment of the Energy Community Treaty with the perspective of establishing mutual rights and obligations between EU MS and Energy Community Contracting Parties, including in the area of security of supply 2012/ENER/028	Adoption	Q3 2018	On 26/11/2018, the Council adopted a decision authorising the Commission to enter into negotiations with the Energy Community Contracting Parties and further proceed with the envisaged amendment of the Energy Community Treaty. The adoption has been postponed to Q4 2019.
Proposal for a Council Decision on establishing the EU position within the Energy Community Ministerial Council (Skopje) and Permanent High Level Group PLAN/2018/3942	Adoption	Q4 2018	Adopted on 09 November 2018 [COM(2018)752]
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)
Implementation of the 2018 CEF-Energy budget allocation for grants	CEF-Energy budget allocation for grants executed (level 1)	End of 2018: 33% of the 2017 CEF-Energy budget allocation for grants executed (level 1)	100% of commitments executed (level 1)

General objective: A resilient Energy Union with a forward looking climate policy			Related to spending programme(s) YES
Specific objective 1.2: Further work towards a well-functioning and fully integrated internal energy market, including with interconnections			
Result indicator: Interconnection levels of the Member States. Number of Member states with a percentage of interconnection capacity below 10%			
Source of data: ENER B1			
Baseline (2011)	Interim Milestone	Target (2020, target agreed at the EUCO Council of October 2014)	Latest known results (31/12/2018)
11	n/a	0	As interconnection targets have been reshaped in the context of the Regulation on the Governance of the Energy Union 2018/1999, the new targets will be reported in the AAR 2019.
Result indicator: out of the 44 EEPR infrastructure projects, 8 are still on-going, 4 were terminated, 1 is suspended and 31 are technically completed. Number of completed interconnection projects			
Source of data: ENER B1			
Baseline (2015)	Interim Milestone	Target (2018-2019)	Latest known results (31/12/2018)
End of November 2015: 31 out of 44 EEPR projects were technically completed. The financial aid has been terminated for 4 projects and one project is currently suspended.	n/a	Final target: Implementation of 40 projects ²⁸ . The majority of the 8 still on-going projects should be completed by 2018.	3 projects were completed in 2017-2018. The two remaining projects (Interconnector Greece-Bulgaria and Cyprus local natural gas network) are supposed to be completed in 2019 and 2023 respectively.
Result indicator: ACER Retail Competition Index – ARCI			

²⁸ Despite some progress made, four EEPR projects in the gas sector faced major difficulties and have been terminated in 2014. This concerns Nabucco, Galsi, Poseidon and the reverse flow project in Romania. The target for 2015 is now based on 40 projects.

Source of data: ACER			
Baseline	Interim Milestone (2017)	Target (2020)	Latest known results (31/12/2018)
2014: Electricity: 13/28 MS scoring 5 or above. Gas: 10/28 MS scoring 5 or above.	Electricity: 16/28 MS scoring 5 or above. Gas: 13/28 MS scoring 5 or above.	Electricity: 20/28 MS scoring 5 or above. Gas: 17/28 MS scoring 5 or above.	Data not available ²⁹
Result indicator: Roll-out of smart meters in the consumer market			
Source of data: National Regulators, ENER B3			
Baseline (2015)	Interim Milestone	Target (2020)	Latest known results (31/12/2018)
23 % of residential and industrial customers with electricity and gas metering points installed and connected	n/a	80%	Electricity: 37% as of December 2017 ³⁰ Gas: limited deployment (only in FR, UK-GB, IT, LU and NL) but no official data available

²⁹ ACER has re-prioritised its work and stopped producing and publishing data for the Retail Competition Index (ARCI).

³⁰ (i) Data for December 2018 will be available in October 2019; (ii) Electricity - based on current progress, the 80% rollout target by 2020 cannot be achieved; delayed to 2024 in the recast Electricity Directive; (iii) Gas: there is no penetration target for gas; latest gas deployment data to be available in Q2 2019 (external study contracted by DG ENER).

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
Selection and award of grants for Projects of Common Interest - ENER under CEF 2014-2020 (1st call for proposals 2017) PLAN/2016/463	Adoption	Q1 2018	Call published on 26 April 2017 – Decision adopted on 9 February 2018 [C(2018)655]
Selection and award of grants for Projects of Common Interest - ENER under CEF 2014-2020 (Sd call for proposals 2017)	Adoption	Q4 2018	Call published on 19 March 2018 Decision adopted on 26 September 2018 [C(2018)6124]
Multiannual work programme for granting financial aid in the field of trans-European energy infrastructure under the Connecting Europe Facility for the period 2014-2020 [2018] PLAN/2018/2531	Adoption	Q1 2018	Multiannual work programme 2018-2020 adopted on 16 March 2018 [C(2018)1615]
Evaluation of CEF Regulation 1316/2013 (DG MOVE in the lead) 2017/MOVE+/003	Submission to European Parliament and Council	Q1 2018	Adopted on 13 February 2018 [COM(2018)66]
Establishment of the annual priority lists for 2018 for the development of network codes and guidelines PLAN/2017/1476	Adoption	Q1 2018	Adopted on 22 March 2018 [C(2018)1638]
Establishment of the annual priority list for 2019 for the development of network codes and guidelines PLAN/2017/1828	Adoption	Q4 2018	Decision about eventual adoption postponed to Q1 2019 depending on the results of the Public consultation.

Clean Energy for EU Islands Initiative - secretariat	Award Decision	Q2 2018	Award Decision adopted in May 2018. Contract signed by both parties on 4 June 2018. The announcement was made at the EU sustainable energy week (EUSEW) on 6 June 2018.
European Energy Poverty Observatory (EPOV)	Launch of the web portal	Q1 2018	Launched on 29 January 2018
Recommendation on Guidelines for the development of Ten-Year Network Development Plans by ENTSO-E and ENTSO-G PLAN/2017/1725	Adoption	Q1 2018	Adopted on 24 July 2018 [C(2018)4787]
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)
Implementation of 44 infrastructure projects, selected under the European Energy Programme for Recovery (EEPR)	Payments to be executed in 2018	2018 ³¹ EUR 158,362,200 of payments to be executed in 2018	The total payment executed in 2018 was EUR 125.569.514.
Implementation of the 2018 CEF-Energy budget allocation for grants	Level of execution of the 2018 CEF-Energy budget allocation for grants executed (level 1)	33% by end of 2018	100% of commitments executed (level 1)

³¹ The majority of the remaining allocated grants will be disbursed between 2017 and 2018 with only two projects potentially running until 2018/2019.

General objective: A resilient Energy Union with a forward looking climate policy			Related to spending programme(s) YES
Specific objective 1.3: Promoting the moderation of energy demand			
Result indicator: Primary energy savings achieved in 2020 measured against the baseline (%) ³²			
Source of data: Article 3 of Directive 2012/27/EU, ENER C3			
Baseline (2007 Projection for primary energy consumption in 2020)	Interim Milestone	Target	Latest known results (31/12/2018)
1 853 Mtoe primary energy consumption in 2020 1 357 Mtoe final energy consumption in 2020	No milestone foreseen in Directive 2012/27/EU 2015 Commission's progress report COM(2015) 574 final 1 567 Mtoe in 2013 (15.5% compared to 2020 primary energy consumption projections) 1 104 Mtoe in 2013 (18.7% compared to 2020 final energy consumption projections)	Primary energy consumption in 2020: 1 483 Mtoe (primary savings of 20% by 2020) Final energy consumption in 2020: 1 086 Mtoe (final savings of 20% by 2020)	1 561 Mtoe In 2017, the primary energy consumption of the Union was over 5.2% above its primary energy consumption target of 1 483 Mtoe for 2020. 1 122.3 Mtoe In 2017, the final energy consumption of the Union was over 3.3% above the final energy consumption target of 1 086 Mtoe for 2020.
Result indicator: To support projects promoting renewables and increasing energy efficiency in different sectors of the economy including transport, through addressing the non-technological barriers and involving local actors (Intelligent Energy Europe Programme II - legacy)			
Source of data: Intelligent Energy Europe Programme II, ENER C3			
Baseline (2015)		Target (2016)	Latest known results (31/12/2018)

³² Baseline is PRIMES 2007 in 2020, which includes policies to be implemented up to 2006 with an oil price of \$61 per barrel and reference year 2005. Calculated as Gross Inland Consumption minus Final Non-Energy Use Consumption. Source: Eurostat, Commission studies.

Cumulative investment made by European stakeholders in sustainable energy triggered by IEE programme (measurement unit EUR). 31/12/2015: EUR 4 537 million.	31/12/2016: EUR 5 billion.	The last 3 IEE projects were concluded in 2017. All the targets corresponding to the monitored indicators for IEE have been reached by 31/12/2016 (see 2016 AAR of ENER for details).
Additional annual renewable energy production triggered by actions supported by IEE. programme (measurement unit toe). 31/12/2015: >35 000 toe/year	Dependent on the pipeline of projects in 2016	
Additional annual energy savings triggered by the actions supported by IEE programme (measurement unit toe). 31/12/2015: >130 000 toe/year	Dependent on the pipeline of projects in 2016	
Additional annual reductions of greenhouse gas emissions triggered by the actions supported by IEE programme (measurement unit CO ₂ e). 31/12/2015: >452 000 tCO ₂ e/y.	Dependent on the pipeline of projects in 2016	

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
2018 Report on Member States' progress towards their indicative energy efficiency targets for 2020 PLAN/2017/1749	Adoption	Q4 2018	The adoption of the report has been postponed to Q2 2019 as this report will be accompanying the State of the Energy Union Report which is scheduled for April 2019
Possible revision of cost-optimal building requirement guidelines 2014/ENER/040	Adoption	Q4 2019	As of December 2018, the Commission received 28 out of 30 reports and their analysis is ongoing. Preliminary assessments show that certain reports are not complete. The adoption of the revised guidelines is provisionally scheduled in Q4 2019, subject to receiving missing information and completing its

			analysis.
Eco-design (PRAC) and energy labelling (Delegated Acts) measures, based on the eco-design Work Programme and revision of existing regulations ³³	Adoption	Postponed to 2019/2020	After having been postponed to Q4 2018, a package of measures is now scheduled for adoption in Q1 2019 – Other measures will be adopted later [See the details in the footnote].
Evaluation of the EU tyres labelling scheme PLAN/2016/260	Adoption	Q2 2018	Adopted on 17 May 2018: published under Annex 5 of the Impact Assessment SWD(2018)189, accompanying the legislative proposal COM(2018)296 [see next line]
Legislative proposal reviewing Regulation (EC) No 1222/2009 on the labelling of tyres 2016/ENER/040	Adoption	Q2 2018	Adopted on 17 May 2018 [COM(2018)296]
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)

³³ This covers the following initiatives: Regulatory measures on ecodesign requirements for refrigerated commercial display cabinets, 2011/ENER/044 [2019, Q1]; Regulatory measures on energy labelling of electronic displays (Review of Comm Del Reg [EU] No 1062/2010, 2013/ENER/066 [2019, Q1]; Regulatory measures on ecodesign requirements for electronic displays (Review of Commission Regulation [EC] No 642/2009), 2014/ENER/011 [2019, Q1]; Regulatory measure on energy labelling related to refrigerated commercial display cabinets, 2015/ENER/001 [2019, Q1]; Regulatory measure on ecodesign requirements for External Power Supplies (Review of Commission Reg [EC] No 278/2009), 2015/ENER/054 [2019, Q1]; Regulatory measures on ecodesign requirements for electric motors and variable speed drives, 2015/ENER/055 [2019, Q1]; Regulatory measure on the review of energy labelling requirements for light sources, PLAN/2016/438 [2019, Q1]; Regulatory measure on the review of ecodesign requirements for light sources and separate control gears, PLAN/2016/440 [2019, Q1]; Regulatory measure on the review of ecodesign requirements for household cold appliances, PLAN/2016/441 [2019, Q1]; Regulatory measure on the review of ecodesign requirements for household washing machines and washer-driers, PLAN/2016/442 [2019, Q1]; Regulatory measure on the review of ecodesign requirements for household dishwashers, PLAN/2016/443 [2019, Q1]; Regulatory measure on the review of energy labelling for household cold appliances – (EU) No 1060/2010, PLAN/2016/445 [2019, Q1]; Regulatory measure on the review of energy labelling for household washing machines and washer-driers, PLAN/2016/446 [2019, Q1]; Regulatory measure on the review of energy labelling for household dishwashers – (EU) No 1059/2010, PLAN/2016/455 [2019, Q1]; Regulatory measure on the review of ecodesign requirements for standby and off mode electric power consumption, PLAN/2016/444 [2019, Q4]; Regulatory measure on ecodesign requirements for compressors, 2015/ENER/057 [2020, Q1]; Regulatory measure on the review of ecodesign requirements for industrial fans, 2016/ENER/035 [2020, Q1]; Regulatory measure on the review of ecodesign requirements for computers and computer servers – (EU) No 617/2013, PLAN/2016/487 [2020, Q1]; Regulatory measure on energy labelling requirements for computers and computer servers, PLAN/2017/1736 [2020, Q1]; Regulatory measure on energy labelling requirements for windows, 2015/ENER/059 [2020, Q3].

Horizon 2020 Societal Challenge 3: 1. Energy Efficiency calls 2018- the sub-call funding Market Uptake Coordination and Support Actions (CSA)- of the total budget of EUR 86 M in 2018 2. European Local Energy Assistance (ELENA)- Project Development Assistance – of the total budget of EUR 50 M in the period 2015-2017 for energy efficiency (excluding the transport contribution) Source of data: H2020, Societal Challenge 3- Energy Efficiency, DG ENER C3	Cumulative expected investment made by European stakeholders in sustainable energy triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3 (measurement unit billion EUR) in 2018.	31/12/2018: 0.49 (Market Uptake Coordination and Support Action projects) + 0.92 (European Local Energy Assistance (ELENA) projects) = 1.41 billion EUR	Horizon 2020 Societal Challenge 3: 1. Energy Efficiency calls 2018- the sub-call funding Market Uptake Coordination and Support Actions (CSA)- of the total budget of EUR 68.5 M in 2018 2. European Local Energy Assistance (ELENA)- Project Development Assistance – of the total budget of EUR 49.8 M for energy efficiency (excluding the transport contribution) Target 1: Cumulative expected investment made by European stakeholders in sustainable energy triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3 (measurement unit billion EUR) in 2018. => 0.49 billion EUR (Market Uptake Coordination and Support Action projects) + 1.64 billion EUR (European Local Energy Assistance (ELENA) projects) = 2.13 billion EUR by 31/12/2018
	Additional annual expected energy savings triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3	31/12/2018: 112 088 toe/year (Market Uptake Coordination and Support Action projects) + 37 208 toe/year (European Local Energy Assistance (ELENA) projects) = 149 296 toe/year	Target 2: Additional annual expected energy savings triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3 (measurement unit toe) in 2018. => 112 000 toe/year (Market Uptake Coordination and Support Action projects) + 76

	(measurement unit toe) in 2018.		767 toe/year (European Local Energy Assistance (ELENA) projects) = 188 767 toe/year by 31/12/2018
	Additional annual expected reductions of greenhouse gas emissions triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3 (measurement unit CO2e) in 2018.	31/12/2018: 336 264 tCO2/year (Market Uptake Coordination and Support Action projects) + 201 126 tCO2/year (European Local Energy Assistance (ELENA) projects) = 537 390 tCO2/year	Target3: Additional annual expected reductions of greenhouse gas emissions triggered by the projects co-funded under the Energy Efficiency part of H2020-Societal Challenge 3 (measurement unit CO2e) in 2018. => 340 000 tCO2/year (Market Uptake Coordination and Support Action projects) + 420 881 tCO2/year (European Local Energy Assistance (ELENA) projects) = 760 881 tCO2/year by 31/12/2018

General objective: A resilient Energy Union with a forward looking climate policy			Related to spending programme(s) YES
Specific objective 1.4: Promoting the decarbonisation of the EU energy mix and the increase of energy production from low carbon energy sources, in particular renewables			
Impact indicator: Renewable energy share in final EU energy consumption (15.3%)			
Source of the data: European Commission, "Renewable Energy Progress Report (COM(2015) 293 final)" 2014 model-based projections Annex 1b of Dir. 2009/28/EC			
Baseline (2013-2014)	Interim Milestone	Target (2020, Europe 2020 Target)	Latest known results (31/12/2018)
	2015-2016		
2013: 15% (ESTAT) 2014: 14.95	Trajectory with interim targets contained in Annex 1b of Dir. 2009/28/EC (2011/2012: 11.0%; 2013/2014:	20% by 2020 (Europe 2020 Target)	RES share in 2017: 17.5 % (Eurostat SHARES Data)

(model-based projections)	12.1%; 2015/2016: 13.8%; 2017/2018: 16.1%)		
Result indicator: Reductions of GHG emissions from the energy mix at regional and local level (%) Source of data: EEA			Latest known results (31/12/2018)
23% (absolute)	Reduction of GHG emissions according to implementation of Sustainable Energy Action Plans (SEAP)	At least 20% reduction (index ≤80)	78.1% (2017 prox. estimates by the EEA)

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
Renewable Energy Progress report and related reporting obligations on biofuels and voluntary schemes under Directive 2009/28/EC of the European Parliament and of the Council PLAN/2017/2026 & PLAN/2017/608	Adoption	Q4 2018	The adoption of both reports has been postponed to Q2 2019, as they will be accompanying the State of the Energy Union Report, which is scheduled for April 2019.
Commission Decision on the "Better Biomass (NTA8080)" scheme for demonstrating compliance with the sustainability criteria under Directives 1998/70/EC and 2009/28/EC of the European Parliament and of the Council 2016/ENER/066	Adoption	Q2 2018	Adopted on 27 November 2018 [C(2018)7736]

Commission Decision on the "Biograce GHG calculation tool" for demonstrating compliance with the sustainability criteria under Directive 1998/70/EC and 2009/28/EC of the European Parliament and of the Council PLAN/2017/1798	Adoption	Q2 2018	The adoption has been postponed to Q4 2019. The decision will depend on further assessment and willingness of the voluntary scheme to address identified issues.
Commission Decision on the "Red Tractor" voluntary scheme for demonstrating compliance with the sustainability criteria under Directive 1998/70/EC and 2009/28/EC of the European Parliament and of the Council PLAN/2017/826	Adoption	Q1 2018	Adopted on 13 December 2017 [C(2018)4787]
Commission Decision on the "RSPO EU" voluntary scheme for demonstrating compliance with the sustainability criteria under Directive 1998/70/EC and 2009/28/EC of the European Parliament and of the Council 2016/ENER/043	Adoption	Q2 2018	The decision is being discussed with other services and will be adopted by Q2 2019

Commission Decisions on the assessment and recognition of the regional biofuel feedstock cultivation emission reports for Croatia, Australia, Canada, Denmark, Poland, Hungary, Slovakia, United Kingdom and Czech Republic (Plan/2017/1900 to 1908)	Adoption	Q1-Q2 2018	Plan/2017/1900 - Croatia: adopted on 18 May 2018 [C(2018)2878] Plan/2017/1901 - Australia: adopted on 15 December 2017 [C(2017)8420] Plan/2017/1902 - Canada: adopted on 18 December 2017 [C(2017)8801] Plan/2017/1903 to 1908 - Denmark, Poland, Hungary, Slovakia, United Kingdom and Czech Republic have been postponed as the assessment is still ongoing.
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General objective: A resilient Energy Union with a forward looking climate policy Specific objective 1.5: Tapping the job and growth potential of the energy sector and further developing energy technologies (Horizon 2020), including ITER and the safe and secure use of nuclear energy.			Related to spending programme(s) YES
Result indicator: Progress towards maximising synergies between meeting energy policy objectives and job creation Source of data:			
Baseline (2010)	Interim Milestone (year)	Target (2030)	Latest known results (31/12/2018)
2.5 million job in energy related sectors: (2010) ³⁴		800.000 additional jobs created by 2030 ³⁵	Indicator no longer to be reported upon ³⁶ .
Result indicator: Mainstreaming Energy efficiency and renewable energy investments into European Structural and Investment Funds Source of data: DG REGIO			
Baseline	Interim Milestone	Target	Latest known results

³⁴ Study on Employment effects of selected scenarios from the Energy Roadmap 2050. European Commission (2012)

³⁵ Employment projections available in impact assessments accompanying the 2030 climate and energy framework and the energy efficiency Communications

³⁶ Following the assessment of all indicators required for this year's AAR, the data underpinning this indicator was found to be not reliable. Therefore, it was decided that reporting on this indicator will be stopped.

(2015)	(year)	(2020 + explanation how the target was agreed)	(31/12/2018)
Member States need to allocate a minimum percentage of their ERDF and CF allocation to low carbon investments. A total of EUR 29.3 billion have been allocated in the operational programmes		29,3 billion euro invested by the ERDF and CF by 2020 Increase in the share of financing instruments as compared to 2007-13.	Energy efficiency has been allocated almost EUR 17 billion (EUR 16.9; figure revised in June 2018) in 2014-2020 under Cohesion Policy. Renewable energy has been allocated EUR 4.7 billion in the 2014-2020 period in Cohesion Policy (figure revised in June 2018).
Result indicator: Share of the overall energy challenge funds allocated to the following research activities: renewable energy, end-user-energy-efficiency, smart grids, demand response, energy storage and market uptake of energy innovation activities³⁷ Source of data: ENER C2			
Baseline	Interim Milestone	Target	Latest known results (31/12/2018)
(2014) Horizon 2020 allocations	(2017) Share of the energy funds under Horizon 2020 allocated to renewable energy, end-user-energy-efficiency, smart grids, demand response, energy storage and market uptake of energy innovation activities	(2020) This covers Specific objective 6 of ENER Management plan 2015: Further developing energy technologies (Horizon 2020) ³⁸	Result for ENER: 100%
Result indicator: Standardisation of certain equipment in the nuclear power plant supply chain			
Baseline 2015	Interim Milestone	Target	Latest known results (31/12/2018)
No common standards	2017: Put in place a working group to define possible areas harmonising construction or equipment codes for NPP design at EU level.	2020: Application of harmonised construction or equipment codes by EU industry	A proposal for an initiative on the development of European standards in the nuclear supply chain to be submitted to the European Committee for Standardisation (CEN) is under

³⁷ For the later: in the framework of the Intelligent Energy Europe Programme within the Competitiveness and Innovation Programme.

³⁸ Resolution from the European Parliament on Horizon 2020 budget.

			consideration.
Result indicator: Licencing for nuclear power plants.			
Baseline 2015	Interim Milestone	Target	Latest known results (31/12/2018)
No harmonised licencing procedure	2017: Put in place a working group to identify the aspects of the licencing procedure that can be harmonised both for new construction as well as LTO approvals / common licencing criteria for LTO. Planned evaluations: Mid-term evaluation of Horizon 2020 to be completed by the end of 2017, Report on the first results of H2020 projects on Energy efficiency and system integration in order to contribute to the mid-term review of the MFF	2020: First elements of a harmonised licencing procedure/common licencing criteria agreed among EU licencing authorities	A study is currently being undertaken with a view to benchmarking EUR documents towards WENRA Reference Levels. A workshop to discuss the results of the study took place on January 15, 2019. This arrangement is deemed more appropriate than the set up of a new working group.
Result indicator: Reinforcement of the international nuclear safety framework			
Source of data: ENER D			
Baseline 2015	Interim Milestone	Target	Latest known results (31/12/2018)

JCPOA (2015)	Accession of Iran to: - Convention on Nuclear Safety (2017) - Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management (2018-2019) - Convention on the Physical Protection of Nuclear Material (2018-2019)	2018/2019: Accession of Iran to the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management 2018/2019: Accession of Iran to the Convention on the Physical protection of Nuclear Material 2020: Conclusion of Euratom agreement with Iran	Under the JCPOA Annex III, DG ENER continued the high level engagement with Iran on civil nuclear cooperation, among others by organising a joint workshop on civil nuclear liability and insurance (July 2018) and by extending invitations to Iran to take part in European conferences with international stakeholders in the nuclear field. At the third EU-Iran High-level Seminar on International Nuclear Co-operation (November 2018), participants agreed on a number of future joint activities related to the nuclear governance framework, as well as research and training related to nuclear safety and radiation protection based on an agreed calendar. These activities include, among others, the organization of a seminar on reporting under the Joint Convention on the Safety of Nuclear Fuel Management and on the Safety of Radioactive Waste Management.
Result indicator: Objective and performance indicators as detailed in Commission Implementing Decision C(2014)5449³⁹ Source of data: Annual Progress Report (Article 6 of the Council Regulations on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia) ENER D2, Council Regulation (Euratom) 1368/2013, Council Regulation (Euratom) 1369/2013, Corrigendum to Council Regulation (Euratom) 1368/201338, and Corrigendum to Council Regulation (Euratom) 1369/201339, on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia.			
Baseline 2015	Interim Milestone	Target	Latest known results (31/12/2018)
The baseline is detailed in the decommissioning	Advancement according to the updated	All nine specific objectives defined in the Council Regulations on Union	The mid-term evaluation report, adopted on 13 June, states that "The programmes

³⁹ This indicator is also included in the Programme Statement of the Draft General Budget of the European Union for the Financial Year 2018 (COM(2017) 400).

plans annexed to Commission Implementing Decision C(2014)5449. It establishes which buildings and equipment have been already dismantled and the quantities of radioactive waste generated so far.	decommissioning plans as defined in the yearly work programmes adopted by the Commission at the beginning of each year.	support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia fully achieved. These nine objectives specify which building and equipment are to be dismantled and set a target for the radioactive waste generated	are generally on track to achieve the specific objectives of the Regulations with the funding provided in this MFF. A clear trend towards increased efficiency has been observed throughout the monitoring activities, as confirmed by independent experts. In some areas, the risk of delays needs further mitigation and close follow-up." The Bohunice Programme specific objective (i) under Council Regulation No 1368/2013/Euratom has been accomplished.
Result indicator: Contribution of MS to their nuclear decommissioning programme			
Source of data: Annual Progress Report (Article 6 of the Council Regulations on Union support for the nuclear decommissioning assistance programme in Bulgaria, Lithuania and Slovakia)			
Baseline 2015	Interim Milestone	Target	Latest known results (31/12/2018)
0-10%	2017 more than 5%	2020-10%	Target achieved for 2018.
Result indicator: Adoption of Strategic Agenda for Medical, Industrial and Research Applications of nuclear and radiation technology (SAMIRA)			
Baseline (2015)	Interim Milestones 2017	Target 2018	Latest known results (31/12/2018)
Absence of data	International conference organised by DG ENER	Adoption of the SAMIRA Communication	International conference delivered in March 2018. Cooperation ongoing with ESA and DGs SANTE, RTD, GROW and the JRC. Events and activities planned for 2019. An action plan is under development.
Result indicator: Reinforced nuclear safety framework			
Source of data: Reports received from Member States, ENER D3			

Baseline 2015	Interim Milestone	Target 2018	Latest known results (31/12/2018)
Evaluation of MS' strategies and plans for the transposition of the BSS Directive 2013/59/Euratom	2017: Survey reports on the MS progress in the BSS transposition (1 general and 5 topical). Revision of MS draft legislation submitted under Article 33 Euratom Treaty. 2018: Conformity and transposition checks of MS final transposition measures	Effective Transposition of the BSS Directive in all MS. Art. 106 BSS (transposition by 6 February 2018).	Work continued in 2018 to ensure timely transposition and effective implementation of the EU legal framework on nuclear safety, responsible and safe management of spent fuel and radioactive waste, and the radiation protection of workers and the general public. In 2018, DG ENER handled a number of infringement cases. Under the Basic Safety Standards (BSS) Directive, DG ENER sent 9 letters of formal notice for non-communication of transposition measures, and handled complaints related to this Directive. Under the revised Nuclear Safety Directive (NSD), DG ENER sent 2 letters of formal notice and 1 reasoned opinion for failure to notify all the transposition measures for the NSD, closed 9 cases for non-communication of transposition measures, and handled a number of complaints.
Baseline 2015	Interim Milestone 2017	Target 2018	DG ENER also proceeded with the closure of 1 infringement case under the Euratom Drinking Water Directive (E-DWD).
Evaluation of MS' plans for the transposition of the amended Nuclear Safety Directive 2014/87/Euratom has already started. The first NSD Workshop with MS was organised in October 2015	Commencement of topical peer reviews in MS on the basis of article 8e of the Directive, with the Commission having observer status. Conformity and transposition checks of MS' final transposition measures.	Effective Transposition of the NSD Directive in all MS. Art. 10 NSD (transposition by 15 August 2017)	
Baseline 2015	Interim Milestone 2017	Target 2020	

Submission of national programmes and national reports by MS to the Commission under Directive 2011/70/Euratom	2 nd round of submission of national reports by MS to the Commission, having addressed issues identified in the first round – as specified in the Commission opinions and report to EP and Council.	A robust and realistic plan of MS to deal with radioactive waste and spent fuel from generation to final disposal, with adequate financial resources foreseen, and appropriate public participation.	national legislation and 16 for non-compliance of the national programmes with the RWD's requirements) were sent, and 2 infringement cases (1 case for non-communication of transposition measures and 1 case for non-notification of the national programme) were closed. Furthermore, 3 new EU Pilots were opened and a number of complaints (CHAPs) were handled.
Result indicator: Level of the Commission's safeguards criteria satisfaction in facilities inspected Source of data: Assessment by ENER Directorate E			
Baseline (2015)	Interim Milestone	Target (2020)	Latest known results (31/12/2018)
0.95	n/a	1 (equals full satisfaction of the Commission's safeguards criteria in facilities inspected).	0.93
Result indicator: Ratio of inspections performed / inspections required as defined in nuclear safeguards approach documents (EURATOM Inspection guidelines) Source of data: Assessment by ENER Unit E2/E3/E4			
Baseline (2015)	Interim Milestone	Target (2020)	Latest known results (31/12/2018)
0.93	n/a	Value to be kept above 90 % ⁴⁰ .	0.93
Result indicator: Number of nuclear material accountancy reports verified before transmission to the IAEA / Number of reports transmitted to the IAEA Source of data: assessment by ENER Unit E5			

⁴⁰ The average of (the ratio of inspections performed by installation type / inspections required by installation type) by unit as defined in nuclear safeguards approach documents, i.e. EURATOM Inspection Guidelines (EIGs). Inspections here include all types of inspection activities: performed on-site or performed at HQ. It does not include non-safeguards related missions (e.g. technical interventions or meetings) (source: assessment by DG ENER Unit E2/E3/E4).

Baseline (2015)	Interim Milestone	Target	Latest known results (31/12/2018)
4890/5043 (96.9%)	n/a	Target value: 85-95%	98.56%
Result indicator: Percentage of Euratom's obligations discharged by the ITER Organization (IO) through the Joint Undertaking F4E⁴¹ Source of data: Assessment by ENER Unit D4			
Baseline (2015)	Interim Milestone (2016)	Target (2020)	Latest known results (31/12/2018)
18%	26%	64%	35% have been achieved.
Result indicator: F4E/IO work progress against 2016/2017 milestones set by the November meeting of the ITER Council (IC-17. (source: reporting to IC and assessment of the Commission))			
Baseline (2015)	Interim Milestone 2016	Target 2018:	Latest known results (31/12/2018)
Start of specific monitoring against new milestones set by IC-17	100% of components/performance of works planned for 2016 implemented	100% of components/performance of works planned for 2017 implemented	All milestones are on track except the completion of the Assembly building. However, the building is sufficiently complete to allow scheduled works to move forward as planned.

⁴¹ This indicator is also included in the Programme Statement of the Draft General Budget of the European Union for the Financial Year 2018 (COM(2017) 400).

Main outputs in 2018 under 1.5.1 Competitiveness:

Main expenditure outputs

Description	Indicator	Target	Latest known results (31/12/2018)
Further expansion of the European Energy Efficiency Fund (EEEF)	Amount of investments made by eligible final recipients due to the financing provided through the instrument New investor's contribution	By end 2018: Increase the portfolio of investment By end of 2018: Raise new investor's contribution to the fund	In 2018, three new projects were added to the portfolio of investments. The conversion of the fund to one fully compliant with the AIFMD was initiated. Once finalised, it will significantly help to attract new investors.
Percentage of the EU funds invested in Energy Union/low-carbon economy within the ESIF funds	Contribute to an increase of ESIF commitment under Thematic Objective 4 ("Supporting the shift towards a low-carbon economy in all sectors" - TO4) so that Member States are on track for achieving the objective of spending 20%	By end of 2018: Member States are on track for achieving the objective of spending 20%	Cohesion Policy allocations to the low-carbon economy (TO4) to energy efficiency, RES and intelligent energy systems amount to EUR 24.87 billion in 2014-2020 (data from June 2018).
Creating an environment more conducive to private investment for CEF-energy projects EUR 19,773,000 ⁴² budget allocation for financial instruments	Commitments executed (level 1)	By end of 2018: EUR 19,773,000 commitments executed (level 1)	EUR 19,773,000 commitments executed by end of 2018 (level 1)

⁴² Amount according to the 2018 Draft Budget. This amount may be transferred to an instrument for energy efficiency.

Other important outputs			
Description	Indicator	Target	Latest known results (31/12/2018)
Commission report on Energy prices and costs in Europe PLAN/2017/1596	Adoption	Q4 2018	Adopted on 9 Jan. 2019 [COM(2019)1]

Main outputs in 2018 for 1.5.2 Research & Innovation:			
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)
Calls launched	Launch of call for proposals		
	Under Horizon 2020 for the Work Programme 2018:	By end of 2018: 100% of the energy calls are launched.	100%
	For the Work Programme 2019:	By end of 2018: 30% of the energy calls are launched in 2018.	36%
Proposals evaluated	Evaluation of submitted proposals related to energy calls which are foreseen in the Horizon 2020 Work Programme 2018-2020, using the budget of 2018	By end of 2018: Evaluation of 100% of submitted proposals.	100%

Main outputs in 2018 for 1.5.3 Nuclear energy (Promoting the safe and secure use of nuclear energy and ensuring the peaceful use of civil nuclear materials for their intended purposes):

Policy-related outputs

Description	Indicator	Target date	Latest known results (31/12/2018)
Second Commission Report on the implementation of the Council Directive 2006/117/EURATOM (Shipment of spent fuel and radioactive waste) 2016/ENER/014	Adoption	Q1 2018	Adopted on 19 January 2018 [COM(2018)6]
Proposal for a Council Regulation (Euratom) updating information requirements of Article 41 of the Euratom Treaty 2015/ENER/019	Adoption	Q2 2018	The adoption of this proposal has been postponed.
Conduct of nuclear stress test in Belarus, including peer review, in cooperation with ENSREG [and preparation for a similar exercise in Turkey]	Report published	Q2 2018	The nuclear stress test on the Ostrovets Nuclear Power Plant in Belarus, currently under construction, was successfully performed including a peer review by experts from European regulators. The peer review final report was published on 04 July 2018: <i>European Nuclear Safety Regulator's Group (ENSREG), EU Peer Review Report of the Belarus Stress Tests - June 2018, 4 July 2018 - 2018-07-04 HLG_p(2018-36)_155</i> (See ENSREG site – Belarus). Preparations for a similar exercise in Turkey are still at an early stage.
Implementation of 1st Topical Peer Review on	Peer review missions workshop organised	Q2 2018	The Peer Review Workshop took place in May 2018.

Ageing Management of Nuclear Power Plants	Public event (workshop with NGOs's experts and the public) organised	Q2 2018	Two public meetings have been organised, on 03 May 2018 and 22 November 2018 (See ENSREG site - Public engagement)
	Report published	Q4 2018	Two EU level reports published on 28 October 2018: European Nuclear Safety Regulator's Group (ENSREG), 1st Topical Peer Review Report "Ageing Management" , 28 Oct. 2018 - HLG_p(2018-37)_160 1st Topical Peer Review Report] European Nuclear Safety Regulator's Group (ENSREG), 1st Topical Peer Review "Ageing Management" - Country specific findings , 28 Oct. 2018 - HLG_p(2018-37)_161 1st TPR country findings] (See the ENSREG Site - EU level reports , and the Country specific reports)
Review of Member States draft agreements in line with Art. 103 Euratom Treaty	Timely review – 100% of files treated within 1 month	Continuous	Seven notifications under Article 103 of the Euratom Treaty were received in 2018 and were dealt with within the deadline.
Launch an initiative on the development of European standards in the nuclear supply chain	Submission of proposal to the European Committee for Standardization (CEN)	Q2 2018	A proposal for an initiative on the development of European standards in the nuclear supply chain, to be submitted to the European Committee for Standardisation (CEN), is under consideration.

Administrative Agreements for participation in European Radiological Data Exchange Platform (EURDEP) with Montenegro, Ukraine and Belarus	Adoption of Commission Decision	Q4 2018	Preparatory work is on-going.
Early exchange of information in the event of a radiological emergency	1 annual exercise and 4 communication tests	Q4 2018	Completed for 2018 (annual exercise on 19/11/18; communication tests held on several dates). In addition, a training course was organised for ECURIE Competent Authorities.
Verifications of monitoring facilities for radioactivity in the environment and in discharges from nuclear facilities (Art. 35 Euratom Treaty)	5 Art. 35 verifications completed	Q4 2018	All five verifications carried-out by the end of the year as planned.
Commission opinion pursuant to Art. 37 Euratom Treaty	Timely review – 100% of files treated within the six months deadline	Continuous	Work on these files is on track. In 2018, the Commission delivered 10 Opinions on General Data submitted by Member States pursuant to Art.37 Euratom Treaty.
Ensure that the Euratom Research and Training Programme helps to achieve the nuclear energy policy priorities	Work Programme 2019/20 – at least 50% of budget earmarked for DG ENER priorities	Q4 2018	Target achieved: 86MEUR out of 138.9MEUR (61.9%)
Particular Safeguards Provisions (Art. 6 Euratom Regulation 302/2005) identified as priority 1 and 2	Launch Inter-Service Consultation for 75% of provisions identified as priority 1 and 2	Q2 2018	71%

Facility Attachments to the Multilateral Agreement with the IAEA (art 19. Protocol to INFCIRC/193) identified as priority 1 and 2	Launch Inter-Service Consultation for 50% of facility attachments identified as priority 1 and 2	Q2 2018	71%
Review of the Implementing Euratom Treaty Safeguards SWD PLAN/2016/431	Adoption	Q1 2018	Preparatory work is on-going.
Particular Safeguards Provisions (Art. 6 Euratom Regulation 302/2005) identified as priority 3 and 4	Launch Inter-Service Consultation for 25% of provisions identified as priority 3 and 4	Q3 2018	Postponed to accelerate PSPs identified as priority 1 and 2.
Evaluation of Regulation 302/2005 on the application of Euratom Safeguards PLAN/2016/174	Launch of evaluation study	Q3 2018	Results of the evaluation by DG ENER were included in the draft SWD prepared under PLAN/2016/431. No external evaluation was launched.
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)
Implementation of the European Union Nuclear Decommissioning Assistance programme Bulgaria (Kozloduy), Lithuania (Ignalina) and Slovakia (Bohunice)	Adoption of mid-term evaluation report of the Nuclear Decommissioning Assistance Programme ⁴³ (including 2017 Progress report on NDAP) - PLAN/2016/249	Q1 2018	Adopted on 13 June 2018 [COM(2018)468]

⁴³ As required by Art. 9 of Council Regulations 1368/2013/Euratom and 1369/2013/EU

	Adoption of Financing Decision for 2018 and associated Annual Work Programmes - PLAN/2017/1589	Q1 2018	Adopted on 08 October 2018 [C(2018)6451]
	Update of the rules of application for the Nuclear Decommissioning Assistance programme ⁴⁴ - PLAN/2016/447	Q2 2018	Interservice consultation launched in December 2018. The adoption will follow in Q1 2019.
	Adoption of 2018 Progress Report on NDAP - PLAN/2017/1592	Q4 2018	Interservice consultation to be launched in January 2019 and adoption planned within Q1 2019.

Main outputs in 2018 for 1.5.4 Developing nuclear fusion energy technologies (ITER):			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
F4E mid-term review: "Progress report on the implementation of the Euratom contribution to the Joint Undertaking Fusion for Energy" PLAN/2016/481	Report from the Commission to the European Parliament and to the Council	Q3 2018	The Inter-service consultation on the Report has been launched in December 2018. Adoption is planned in Q1 2019.
Main expenditure outputs			
Description	Indicator	Target	Latest known results (31/12/2018)

⁴⁴ Update of the Commission Implementing Decision C(2014)5449 based on the results of the Mid-term evaluation report of the Nuclear Decommissioning Assistance Programme

Approval ad referendum by Euratom of the new baseline at Extraordinary ITER Council meeting, assuming that the Council provides a mandate to Euratom to approve the new baseline in Q1 2018	Approval	Q2 2018	In April 2018, the Council of the EU mandated the Commission to approve the 2016 baseline at Ministerial ITER Council level. The majority but not all ITER Members have concluded their domestic process to approve the 2016 baseline. However, the Ministerial meeting will only be called when all ITER Members will have completed their domestic processes to approve the baseline.
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General objective: A resilient Energy Union with a forward looking climate policy			Related to spending programme(s) YES
Specific objective 1.6: Implementation and follow-up on the overall Energy Union strategy			
Result indicator: Progress towards building an Energy Union: number of ENER led initiatives of the Roadmap implemented			
Source of data: ENER, A1			
Baseline (2015)	Interim Milestone (2016)	Target (2020)	Latest known results (31/12/2018)
0 out of 28 out of 28 DG ENER-led actions	15 out of 28 DG ENER-led actions	28 out of 28 DG ENER-led actions	All main initiatives have been delivered.

Main outputs in 2018:			
Policy-related outputs			
Description	Indicator	Target date	Latest known results (31/12/2018)
4 th Report on the State of the Energy Union (SG in the lead) PLAN/2018/4640	Adoption	Q1 2019	Scheduled for adoption on 3 April 2019.
Communication on the future of EU energy and Climate policy, including on the future of the Euratom Treaty (SG in the lead)	Adoption of the Communication	Q2 2018	<u>Modified scope</u> : "Towards a new institutional framework for our energy and climate policy by 2025: options for enhanced qualified majority voting and for a possible reform of the Euratom Treaty" <u>Scheduled for adoption</u> on 3 April 2019.