

2021 Discharge to the Commission

**WRITTEN QUESTIONS TO COMMISSION SECRETARY GENERAL ILZE
JUHANSONE**

Hearing on 25 October 2022

Questions concerning COVID-19

1. The Secretariat-General works on business continuity for the Commission, setting the standards and the requirements for the Commission Services. How have the lessons learned from the COVID pandemic been incorporated in horizontal guidance/standards? Are any efforts taken to identify and reduce unnecessary measures and increase synergies?

When the COVID crisis broke out, the Commission could rely on a well-established corporate business continuity framework, providing for appropriate structures and clear roles to take decisions in relation to incident management.

We could thus ensure continuity of decision-making at all levels of governance, with timely and effective adjustment to changing circumstances.

During the crisis, we continued to improve our arrangements. For example:

- We decided to merge the various instances in charge of emergency involving security, cybersecurity and business continuity into a single entity, the Crisis Corporate Management Board, to ensure the overall steer, the immediate crisis response and the return of all operations to normal.
- While the transition to the digitalisation of the Commission's administration already started well before the COVID-19 crisis, we accelerated the roll-out of collaboration tools and reinforced cybersecurity.
- We stepped up our efforts on our internal communication to deliver clear, transparent and comprehensive communication to staff and to ensure effective implementation of decisions across the organisation.

This being a constant exercise, we continue working on updating our business continuity arrangements, learning further lessons at corporate level. Any conclusions of the ongoing lessons learnt exercise will be the basis for further adaptations, including even better coordination amongst the EU institutions.

When it comes to the Information Technology teleworking infrastructure, the capacity and configurations of the IT teleworking infrastructure were revamped within one single week making teleworking services available to the entire Commission staff. Constant monitoring

throughout the crisis ensured that any further potential improvements were implemented. Measures to promote and make the best of hybrid working, new forms of online collaborative environments and new communication channels will continue to be implemented.

The COVID-19 pandemic changed the way Commission staff works. On 24 March 2022, the Decision on Working Time and Hybrid Working was adopted. It introduced hybrid and result-oriented working arrangements. On 5 April 2022, the Commission adopted a new Human Resources Strategy, taking into account lessons learnt from the crisis as well as accompanying action plans. Staff were for instance given more flexibility in relation to where and when they work, supported by a culture of trust-based management. Also supported by lessons learnt from the pandemic, human resources processes and services are being further digitalized, simplified, and streamlined.

These main strands of action are in line with the recommendations issued by the European Court of Auditors in the Special Report on Resilience published in 2022, which acknowledged the timely and flexible response of the Commission to the pandemic¹.

Questions concerning fraud related activities

2. The Secretariat-General's Annual Activity Report informs that as a result of the first-time comprehensive overview of the state of implementation of financial recommendations issued by OLAF during the period 2012-2019, first insights were gained into discrepancies between amounts recommended by OLAF for recovery, amounts established, those eventually recovered, and the underlying reasons. In this context, could more information be given about which programmes and under which mode of implementation shared or direct/indirect, have these discrepancies been identified? Is there information about the amounts concerned? When will the guidelines in this respect be available? Will they be addressed only to the Commission services or to Member States authorities and external stakeholders too?

The Commission's Corporate Management Board in close cooperation with the European Anti-Fraud Office (OLAF) and the Directorate-General for the Budget (DG Budget), pay particular attention to and constantly monitor the follow-up of OLAF recommendations.

Strengthening the follow-up of OLAF's recommendations was a mutual commitment by the Commission and OLAF, provided for in the bilateral Administrative Arrangements of 2018. It is also anchored in the Commission's 'Governance Package' of 2018 and in its Anti-fraud Strategy of 2019.

As a major contribution to the Commission's initiative to reinforce the follow-up to OLAF's recommendations, OLAF and DG Budget have been examining how financial recommendations issued since 2012 were followed up, focussing on recommendations addressed to Commission departments and executive agencies regarding their expenditure transactions and on recommendations addressed to Member State authorities regarding revenue collection.

¹ <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=61688>

Intermediate results for the period between 2012 and 2020 show over EUR 1 billion (EUR 1.166 billion) have been recovered for the EU budget following OLAF's financial recommendations issued between 2012 and 2020. The Commission recovered EUR 903 million of expenditure, and the Member States recovered EUR 263 million of traditional own resources.

It should be noted that recovery results evolve over time as recommendations 'mature', i.e. as services continue their follow-up. For instance, it can be expected that a substantial increase in money will be recovered to the EU budget as a result of OLAF investigations due to the ruling of the European Court of Justice earlier this year concerning traditional own resources undervaluation cases. The largest of OLAF's investigations concerned imports through the United Kingdom between 2013 and 2016 and was related to over EUR 1.97 billion worth of customs duties lost.

The Commission can provide more updated and detailed figures after OLAF's next monitoring exercise, which will be carried out in the second quarter of 2023.

From the intermediate results, for direct/indirect management, 22% of the amounts established were recovered.

In the area of shared management, 71% of the total amount established were either recovered or excluded by the Member States from EU funding; in many cases an agreement can be found with the Member State concerned to withdraw the relevant expenditure, before a recovery becomes necessary.

A number of qualitative insights already gained from the analysis regarding the follow-up of expenditure-related recommendations addressed to the Commission departments and Executive Agencies include:

- Differences between amounts established for recovery and amounts actually recovered are often due to delays linked to national judicial and administrative proceedings, time-barring, insolvency, or effectiveness of national recovery enforcement systems.
- In general, recovery seems more difficult for services that depend on third countries, international organisations and Member States for implementing their actions. Implementation in these areas frequently involves complex exchanges and drawn-out negotiations that may take years, especially if a case is linked to ongoing legal proceedings before national courts. To address this issue, the Commission has included a clause clarifying the rules and processes applying to recoveries in the model agreement used with partners implementing union funds under indirect management.

The removal of obstacles to recoveries of misappropriated funds is a common goal shared by Commission services. OLAF and DG Budget are organising follow-up meetings with Commission services and executive agencies to discuss ways to optimise cooperation and recovery.

On 10 February 2022, the Commission's Accounting Officer addressed a guidance document on the follow-up of recoveries in direct and indirect management as regards

suspected fraud and other irregularities to Commission departments², with a view to recording and monitoring recovery practices more closely and further improving their effectiveness, efficiency and consistency. In 2023 stock will be taken of the first results. For its initial year, the guidance was intended to be for Commission departments in direct and indirect management. As it does not (yet) apply for Commission departments in shared management, it has not been addressed to Member States.

Questions concerning consultants and studies

3. How many external consultants were engaged in 2021? In how many and in which particular cases the Commission was not able to engage highly qualified experts because of the limited remunerations which did not allow it to compete with other actors in the market?

In more than 90% of the cases, the Commission procures consultancy services by signing contracts with legal entities. Contracts are usually signed for a project (involving a team of consultants) and not for a specific consultant. For this reason, the total number of individual consultants involved in such contracts in 2021 is not recorded centrally in the Commission's accounting system. Nevertheless, and as also reported in reply to the Court of Auditors' Special Report on external consultants³, the Commission does have a rather comprehensive set of data on consultancy services, including data on the volume and types of acquired consultancy services.

As indicated in information publicly available on the Commission's Financial Transparency System (a web portal open to the general public and updated on a yearly basis⁴), in 2021 the Commission contracted around 1400 legal entities providing consultancy services to the Commission for around 1900 contracts for a total amount of EUR 951 million. As the Commission reported in its reply to the above-mentioned Court of Auditors' special report, it has already taken action to improve quality of data by introducing specific data quality rules for the recording of data on consultancy services (including the correct indication of the sub-type of service, hence study and evaluation) by the Commission's departments in the financial information systems of the Commission. In the framework of the implementation of the Court's recommendation, the Commission is reflecting on how to report regularly on the information that will be available in the Financial Transparency System.

Regarding the engagement of highly qualified experts, past experience in hiring remunerated experts showed that in some specific areas, e.g. investments and financial instruments, the EU institutions are not able to compete with other actors on the market due to the low level of remuneration offered. For example, some highly qualified experts from the InvestEU Investment Committee (who need to be contracted for several years under one contract)

² The guidance was transmitted to the Committee on Budgetary Control on 1 September 2022

³ Special report 17/2022: External consultants at the European Commission – Scope for reform

⁴ <https://ec.europa.eu/budget/financial-transparency-system/index.html>

cannot be contracted under the current Financial Regulation limitations for expert remuneration.

To address this difficulty and align the Commission's remuneration of these experts with current market reality, thus ensuring the necessary expertise for fulfilling the respective Union objectives, it is proposed in the recast of the Financial Regulation (currently Article 237) that experts be remunerated with more competitive fees in exceptional and duly justified cases.

4. Could the Commission provide a list of all studies paid for by the Secretariat-General in 2020 and in 2021 and the total cost of each study?

The list of all studies paid for by the Secretariat-General in 2020 and 2021 can be found below. 16 studies were procured in 2021 and one in 2020. For the procurement of studies, the Secretariat-General generally uses a framework contract, with Arhs Developments SA and Cronos International SA being entities from the two first consortia in the cascading mechanism.

Framework contracts are contracts aimed at satisfying recurrent needs. They establish the terms governing contracts to be awarded during a given period, focusing on certain thematic areas or services. Framework contracts are awarded through an open tender procedure with strict conditions to ensure equal treatment and competition. When purchasing a service that could be acquired through an already existing framework contract, organising a new open call for tender for a service that may be bought using framework contracts would run against the principle of sound financial management, costing both time and resources.

In framework contracts with a cascading mechanism, all requests are sent to the contractor ranked first after the open tender procedure. Only if this contractor does not fulfil the requirements from the request, or if they expressly refuse to provide a proposal, can the request be sent to the next contractor in the cascade. Refusal of a proposal must be justified by the Commission service.

Title	Contractor	Amount (Euro)
2020		
Study "Market analysis for IT applications in the field of crisis management and crisis coordination"	Deloitte Consulting & Advisory	87 947
2021		
Security study and data protection impact assessment for the electronic access to commission documents system - EASE -	Arhs Developments SA	70 000
Studies and analyses for cross-cutting digital solutions - development	Arhs Developments SA	199 810
Studies and analyses for EC mediation & have your say portal -	Arhs Developments SA	49 650 30
Analyse and plan how the security of the system can be improved by adopting EU login - transparency register	Arhs Developments SA	119 764.58
Study on the implementation of the commission's transparency portal and	Arhs Developments SA	109 998.67

integration of the SG registers - transparency register -		
Usability and accessibility study for ATMOS meetings and missions - ATMOS -	Arhs Developments SA	60 000
Study on the implementation of the data protection impact assessment (DPIA) in the data protection records management systems - DPMS -	Arhs Developments SA	31 556.23
Study on collaborative working methods to support the SG staff and networks	Arhs Developments SA	29 857.28
Study on the IT needs resulting from the new IIA between the European Parliament, the Council and the European Commission - Transparency register	Cronos International SA	179 772
Security study and data protection impact assessment for the DPMS – study	Cronos International SA	59 829.03
Security study and data protection impact assessment – ATMOS	Cronos International SA	30 000
Security study and data protection impact assessment - mediation DB -	Cronos International SA	30 000
Security study and data protection impact assessment - corps diplomatique	Cronos International SA	20 000
Security study and data protection impact assessment - EU law Themis -	Cronos International SA	29 881.16
Study on the application of Regulation 1141/2014 on European political parties	Heinrich-Heine-Universität Düsseldorf	14 985
Impact assessment of the Regulation 1141/2014 on European political parties	Wouter Wolfs	13 500

Questions concerning rule of law

5. With the recent publication of the third EU-wide report on the rule of law, could you explain to us the lessons learned so far? How do you plan to follow up on the Commission's observations, and what specific measures has the Commission taken following up on the first two reports?

The Rule of Law Report has successfully achieved key objectives: raising awareness and promoting an open discussion among EU Member States on rule of law issues, both at national and European level.

The Council has modernised its rule of law dialogue, introducing a structured discussions on developments in the EU and individual countries. In setting the debate on the rule of law, the

European Parliament has played a leading role on this matter, notably via regular discussions in plenary or committees, and constant support for ambitious actions.

The Report has demonstrated many positive rule of law developments in the Member States, where challenges previously identified are being followed up. To give a few examples in the four areas under monitoring in the rule of law reports: in Croatia, following the dialogue based on the previous two editions of the Report, the role of the State Judicial Councils and State Attorneys Councils in the selection of judges and state attorneys was increased; in Italy, comprehensive civil and criminal justice reforms have been adopted, aiming at improving the quality and efficiency of the justice system, including backlogs and length of proceedings; Poland increased criminal sanctions for corruption in public life and Greece strengthened the definition of active and passive bribery; in Germany, a new lobby register at the federal level entered into force in 2022 and the introduction of a 'legislative footprint' has been announced. Several Member States have adopted new legislation enhancing the transparency of media ownership. Following the trend noted in the 2020 and 2021 Rule of Law Reports, several Member States have continued to improve the quality of their legislative process.

In several Member States, we see that concerns flagged in previous editions of the Rule of Law Report have often been taken up in National Recovery and Resilience Plans. This year's edition reports on the progress made in that respect. For example, in Italy, important reforms of the justice system are on-going in the context of the Recovery and Resilience Plans to address long-standing efficiency challenges.

The Commission's Rule of Law Report is also specifically mentioned in the conditionality Regulation as relevant information to identify and assess breaches of the principles of the rule of law.

We are strengthening our engagement with Member States to promote rule of law reforms year by year. 2022 is the first year that we introduced recommendations in the Report. The objective of the recommendations is to further support Member States in their efforts to take forward on-going or planned reforms, to encourage positive developments and help identify where improvements or follow-up to recent changes, reforms or systemic issues may be needed.

Next year's report will cover the follow-up on the developments and assess the implementation of the recommendations. As the new annual cycle of dialogue on the rule of law will now start, the Commission invites the Council and the European Parliament to continue organising general and country-specific debates based on this report. This will also provide the opportunity to look further at concrete implementation of the recommendations.

Questions concerning grants and procurement

6. Could the Secretary General provide some more information about single grant, managed by the Secretariat-General, which is exempted from the requirement to have a call for proposals?

There is only one case where the Secretariat-General provides a grant via a Framework Partnership Agreement, i.e. without an open call for proposal. It concerns the historical archives in the European University Institute.

In accordance with Council Regulation No 354/83, all EU institutions, bodies and agencies have to deposit their historical archives at the European University Institute in Florence, with the management costs financed through contributions by all depositing institutions. This does not include costs related to the provision of the buildings and repositories to house the archives and its staff, which are provided by the Italian government.

The Commission is responsible for a framework partnership agreement with the European University Institute that defines the mutual responsibilities of the European University Institute and the depositing institutions for the historical archives. The Commission also manages the related annual grant agreements. The amount of the annual grant in 2021 was EUR 2 460 000.

The Commission consults the other depositing institutions on the work programme and budget of the EU historical archives, which are the basis of the annual grant agreement. There are currently ten EU institutions, bodies or agencies that deposit their archives in Florence and contribute to financing the costs for their management: the European Parliament, the Council of the European Union, the Commission, the Court of Justice of the EU, the European Court of Auditors, the European Economic and Social Committee, the European Investment Bank, Eurofound, CEDEFOP and the European Environment Agency. The European Ombudsman will start to deposit its archives at the European University Institute in 2023.

Questions concerning other topics

7. Regarding the implementation of the Cooperation and Verification Mechanism, your target was to conclude the mechanism in 2020, but some important outstanding actions remain. Could you provide us with additional information on this, as well with your estimates on which will this issue be closed? What measures is the Commission taking to tackle this issue?

Concerning Romania, the latest Cooperation and Verification Mechanism report concluded in June 2021 that there was progress across all the remaining Cooperation and Verification Mechanism recommendations and that many were on the path to being fulfilled if progress remained steady. Completion of the reforms is essential, to redress the negative effects of the backtracking identified in previous Cooperation and Verification Mechanism reports and to allow the Cooperation and Verification Mechanism to be completed. Romania is in the process of adopting new legislation reforming the judiciary and the Commission is in close contact with the Romanian authorities to help this process. An opinion of the Venice Commission on the drafts laws is expected for December 2022. The outcome of this process will allow the Commission to re-assess the progress on the Cooperation and Verification Mechanism recommendations.

With regard to the Cooperation and Verification Mechanism in Bulgaria, the Commission's Cooperation and Verification Mechanism report of October 2019 established that the progress made by Bulgaria under the Cooperation and Verification Mechanism was sufficient to meet the commitments made at the time of its accession to the EU. The Commission has not yet taken the final decision to close the Cooperation and Verification Mechanism. While the Commission's position remains as set out in its 2019 report, it is important that developments in Bulgaria do not reverse the course of progress underlying the assessment of the Commission. It is also important that Bulgaria finalises the implementation of the points made in the 2019 report, notably putting in place procedures concerning the accountability of the Prosecutor-General (currently foreseen in a milestone under the Bulgarian National Recovery and Resilience Plan). The Commission remains in close contact with the Bulgarian authorities.

The Commission will continue to monitor these developments closely in the context of the annual Rule of Law Report. The Commission already reported on the situation of the rule of law in Bulgaria and in Romania in the 2022 Report and will do so again in the next edition, to be adopted in July 2023.

8. An important activity of the Secretariat-General is the better regulation policy. I am in particular interested in the objective that, and I quote: “administrative costs resulting from Commission proposals will be offset by equivalently reducing existing burdens in the same policy area.” You indicate that this will be assessed in impact assessments for new proposals. Will or has this also been applied to spending programmes? What are the results?

The Commission attaches great importance to avoiding unnecessary costs and burdens while ensuring that EU legislation achieves its policy objectives, and that in the particular context of economic uncertainty caused by the COVID-19 pandemic and Russia’s war of aggression against Ukraine. The Commission is regularly examining how unnecessary burdens can be avoided, especially for medium-sized and smaller companies, through its regulatory and performance programme (REFIT) and its ‘one in, one out’ approach.

In 2021, the Commission carried out a pilot project for applying the ‘one in, one out’ approach to test its draft guidance, methods and calculations. Based on the lessons learned, the Commission’s focus in 2022 has been on the full implementation of the ‘one in, one out’ approach. The next annual burden survey will report on the offsetting of all relevant initiatives adopted in 2022 and provide a first overview of the implementation of this milestone of the new better regulation generation.

In every initiative imposing significant costs on citizens and business, the impact assessment reports transparently on all compliance costs and benefits, and this is the case also for spending programmes and funds, in accordance with Article 34 of the Financial Regulation.

In accordance with the Commission’s REFIT programme, the burden reduction and simplification potential of spending programs and funds is fully explored and reported in the REFIT scoreboard (for example the greater use of simplified cost options in the European Regional Development Fund and Cohesion Fund 2021-2027) and, when relevant, in the annual burden survey.

The Commission analyses the efficiency of programmes and funds in the interim and final evaluations of the spending programmes and funds. It will also look at opportunities to simplify and reduce red tape and reflect them in the related revisions.

9. We appreciate the work that you are doing on the promotion of “the highest” ethical standards. In that context you mention the independent EU Ethics Body and the preparatory work done in 2021. Could you fill us in on the state of play? In addition, what concrete actions has the SG has taken to ensure that the highest ethical standards are applied in the Commission, by both staff and Commissioners?

In her political guidelines, President von der Leyen supported the creation of an independent ethics body common to all EU institutions. On 16 September 2021, the Parliament adopted a resolution ‘on strengthening transparency and integrity in the EU institutions by setting up an independent EU ethics body’. On 18 February 2022, the Commission sent its reply to the Parliament’s resolution. On 18 March 2022, the President of the Commission sent letters to each of the Presidents of the other institutions and of the two advisory bodies listed in Article 13 TEU, presenting the Commission’s position, and asking if they would take part in interinstitutional discussions on the creation of such a body. The Secretariat-General of the Commission organised a technical meeting with the institutions and advisory bodies which had expressed an interest, namely the European Parliament, the Council, the European Central Bank, the Committee of the Regions and the Economic and Social Committee. The meeting took place on 8 September 2022 and allowed participants to exchange technical information. Vice-President Jourová is currently preparing further contacts at political level.

The Commission has continued in 2021 to use its ‘Network of ethics and transparency contact points’ in the cabinets of the Members of the Commission, to facilitate compliance with the obligations enshrined in the Code of Conduct. The contact points are the interlocutors on questions related to the practical implementation of the Members’ ethical and transparency obligations, such as the annual and ad hoc updates of their declarations of interests, issues related to meetings with interest representatives or the publication of mission costs.

Once per year, the College is informed of the application of the Code of Conduct for the Members of the Commission in the context of the Annual Report on the implementation of the Code of Conduct prepared by the Secretariat-General (required under Article 13(4) of the Code). The Secretariat-General also provides ad hoc support and advice on specific questions faced by Members of the Commission (e.g. in relation to political activities, the acceptance of gifts or patronages).

For staff members, meeting the highest standards of professional ethics and integrity is of paramount importance with respect to the accomplishment of the Commission’s tasks and its credibility and reputation. Therefore, Commission staff members are always expected to display an irreproachable behaviour and to comply with their obligations set out in the Staff Regulations.

The Commission actively informs staff members of their ethical obligations, including through dedicated training sessions. In 2021, the Commission fulfilled its yearly target of

training on ethics 3500 staff members (which correspond approximately to 10% of the Commission staff).

The Commission implements the applicable rules in a consistent, robust and proportionate manner. Every single ethical declaration or request for authorisation is assessed thoroughly by a central ethics service before the Appointing Authority takes a decision. Where necessary, the Appointing Authority can impose strict mitigating measures or issue an unfavourable decision to ensure that there is no real, potential or even apparent conflict of interest.

In terms of monitoring of the respect of obligations, the Commission services follow publicly available information and ask former staff members for more information, where necessary. In case of complaints or notifications from third parties, the Commission thoroughly follows up on them.

If allegations of breaches of the ethical obligations arise and upon mandate by the competent Authority, the Investigative and Disciplinary Office of the Commission (IDOC) conducts administrative inquiries, disciplinary proceedings, suspension proceedings or proceedings related to waivers of immunity of staff.

In May 2022, the European Ombudsman released her closing decision on the strategic inquiry on how the European Commission manages certain situations of its staff members. No single instance of maladministration was found in any of the 100 cases examined by the Ombudsman's inquiry team. The Ombudsman closed her inquiry without formal recommendations. It confirmed that the Commission's approach was robust and in line with the rules. Moreover, the Ombudsman welcomed the improvements made by the Commission since her last inquiry on the issue (2017-2019).

The Commission has analysed the feasibility of the suggestions made by the Ombudsman within the applicable legal framework and will reply within the deadline of 14 November 2022.

10. You indicate that the Secretariat-General leads the Commission's strategic planning and programming, resulting in annual management plans and annual activity reports. I can assure you that we make good use of these reports! Can you provide some more information on the horizontal requirements for these documents? For example, every DG has to sign a declaration of assurance. How much leeway do DGs have to include in this declaration their own views? Or is this supposed to be a declaration that is equal for Service?

The strategic plans define the overall strategy for each service for a five-year period. These plans cover both the policy priorities and the initiatives to modernise the Commission's administration. These plans explain how each department contributes to the political priorities of the von der Leyen Commission through its own specific objectives. The plans also define indicators to allow performance to be measured and managed over time.

The management plans set out the main outputs and activities planned by each service for the year ahead. They explain how these outputs contribute to the achievement of the specific objectives set out in the strategic plans. They detail the concrete outputs that each service will deliver each year. This provides further details to the annual Commission Work Programme, which defines the Commission's priorities, covering both new policy initiatives and major evaluations and fitness checks.

Each Authorising Officer has the obligation to report on the performance of his or her service in the form of an annual activity report. While the strategic and management plans are looking at the year(s) ahead, the annual activity reports report on the previous year. The annual activity reports include information on the activities carried out, the risks associated with those operations, the use made of the resources provided and the efficiency and effectiveness of internal control systems.

Central services provide horizontal guidance for the management plans and the annual activity reports, to ensure coherent reporting across Commission services. These services also coordinate the review of the management plans and annual activity reports. A process of peer reviews is in place whereby services exchange best practises.

The declaration of assurance consists of a formal standard text confirming the level of assurance obtained on financial management. The text of the declaration and the supportive Statement of the Director in charge of the Risk Management and Internal Control is defined in the Communication of 19 April 2017 on the Revision of the Internal Control Framework.

The authorising officer by delegation remains ultimately responsible for the assurance given. Based on the assessments made in the annual activity report, he or she has full leeway to qualify the declaration with a reservation. If a reservation is necessary, the authorising officer by delegation presents an analysis of the significant weaknesses and/or reputational events that have impacted on his level of assurance, which can be accompanied by a description of remedial actions. Furthermore, the authorising officer by delegation concludes on the need to lift, maintain or modify the scope of any past reservation, based on the assessment of previous remedial action.

11. Could the Secretary General provide concrete examples of the implementation of the ECA recommendations from the ECA SRs: The European Semester (16/2020); Combating child poverty – Better targeting of Commission support required (20/2020); Future of EU agencies – Potential for more flexibility and cooperation (22/ 2020);

European Semester

The Commission has implemented the five recommendations issued by the European Court of Auditors' 2020 report on the European Semester in the following way:

1. The Commission fully addresses the socio-economic developments in the European Semester, notably via the National Recovery and Resilience Plans, which reflect a significant subset of challenges identified in past country specific recommendations. More than a quarter of the total expenditure in the adopted plans is estimated to contribute to social expenditure, including on children and the youth. In addition, the country reports include an assessment of progress on the implementation of the European Pillar of Social Rights notably via the Social Scoreboard, and on achieving the EU headline targets on employment, skills and poverty reduction. Progress towards the EU and national targets will be monitored as in the current cycle, starting with the 2023 Joint Employment Report. In the annexes of the annual country reports, the Commission also systematically monitors developments affecting the social and research environment in each Member State, notably in the areas of health, education, innovation and skills. Moreover, the 2020 European Semester cycle initiated the work on the integration of the Sustainable Development Goals, as called for by President von der Leyen in her Political Guidelines.
2. The Recovery and Resilience Facility is significantly reinforcing the implementation of Country Specific Recommendations, as the National Recovery and Resilience Plans must address all or a significant subset of the challenges identified in the relevant Country Specific Recommendations. In addition, the Commission regularly monitors progress on Country Specific Recommendations implementation and publishes its assessment in the annex of the country reports. It takes into measures included in the National Recovery and Resilience Plans or outside of it.
3. The link between EU funds and Country Specific Recommendations has been significantly strengthened with the Recovery and Resilience Facility, which helps Member States to address the challenges identified in the European Semester. Country Specific Recommendations need to be taken into account when designing National Recovery and Resilience Plans and when making additions to the initial plan. This applies to the additional reform and investment needs identified in the 2022 European Semester exercise, including related to reduction of energy dependencies.
4. The Commission introduced a new format for the Semester country reports in the 2022 Semester cycle. The objective of this new structure was to focus the main body of the country reports on the key economic and social challenges the Member State is facing, while also providing an overview on the progress in the National Recovery and Resilience Plans implementation. The messages and challenges as outlined in the main body were further substantiated by a rich set of analysis and data in various thematic annexes. These annexes also allow for tracking progress along the four

dimensions of competitive sustainability (i.e. the four key pillars as endorsed in the Annual Sustainable Growth Survey). This new structure helped improve the readability of the report. It also followed a parsimonious approach to Country Specific Recommendations, focusing on outstanding or newly emerging challenges, not sufficiently covered by commitments undertaken in the National Recovery and Resilience Plans. This also contributed to a more focused and more efficient European Semester process in 2022. At the same time, the Commission reacted swiftly to the new geopolitical developments. Country Specific Recommendations have been agreed encouraging each Member States to reduce the fossil fuel dependency on Russia and to foster the green transition.

5. National Reform Programmes demonstrate the commitment of Member State to implement reform. The Commission's assessment of the National Reform Programmes is reflected in the proposed Country Specific Recommendations and accompanying recitals. A dedicated assessment of the National Reform Programmes would thus not bring added value.

Combating child poverty

The Commission has accepted and implemented the recommendations issued by the European Court of Auditors' Special in its report on Child Poverty:

1. On 4 March 2021 the Commission adopted an ambitious European Pillar of Social Right Action Plan. It sets fighting child poverty high on the agenda and commits to lift at least 5 million children out of poverty by 2030. Moreover, on 24 March 2021, the Commission has put forward a Proposal for a Council Recommendation establishing the Council Recommendation on a European Child Guarantee Brussels (24.3.2021 COM(2021) 137 final), which was unanimously approved by the Council in June 2021 (2021/1004).
2. The Commission provided targeted support to tackle Child Poverty. In line with Art. 7(3) of Regulation establishing the European Social Fund Plus Regulation (EU 2021/1057), Member States shall allocate an appropriate amount of their resources to the Child Guarantee. This should finance targeted actions and structural reforms to tackle child poverty. Member States with a rate above the Union average of children at risk of poverty or social exclusion in 2017-2019 shall allocate at least 5% of their European Social Fund Plus (ESF+) resources to tackle child poverty.
3. The Commission has implemented the three phases of the Preparatory Action for a Child Guarantee, with a view to analysing the design, feasibility, governance and implementation of such a scheme in the EU Member States⁵. The second phase of the Preparatory Action provides a thorough economic analysis of the design, feasibility, governance and implementation options of a Child Guarantee. It was finalised in March 2021, prior to the adoption of the Child Guarantee policy initiative⁶. The third phase, conducted since 2020 by UNICEF, has provided analytical underpinnings for action plans in six Member States. It also included pilot projects in four Member States, which directly benefited more than 13400 children and young adults, as well as more than 9300 adult caregivers.

⁵ The Final Report of this feasibility study is available at <https://ec.europa.eu/social/BlobServlet?docId=22869&langId=en>

⁶ The final report is available here: <https://ec.europa.eu/social/BlobServlet?docId=23764&langId=en>

Future of EU agencies

While recalling that the Court's recommendation on the achievement of possible synergies is mainly addressed to the agencies, which hold the main responsibility for their functioning (given the limits set by the co-legislator), the European Commission has addressed the European Court of Auditors' 2020 report on the Future of Agencies and its four recommendations in the following way:

1. To ensure the relevance, coherence and flexibility of the set-up of agencies, the Commission adopted on 29 April 2021 the new Better Regulation Communication and published the revised Better Regulation Toolbox on 25 November 2021. The Toolbox provides a solid framework for strengthening the Commission's practice of producing impacts assessment before setting-up of new agencies, taking into consideration alternative options. Impact assessments assess the environmental, social and economic impacts of a range of policy options, thereby mainstreaming sustainability into Union policymaking. They compare options, explain which is the preferred one or explains why no preferred option was identified. They do not replace the political decision but provide evidence to inform this decision. All legislative proposals concerning agencies include a financial statement. They must include a sunset or revision clause, in accordance with the Common Approach. The Commission also carries out regular evaluations under its own Better Regulation policy. It has set out comprehensive guidance for such evaluations, with a specific focus on evaluating decentralised agencies (Tool #47).
2. Responding to the call to allocate resources in a more flexible manner, concrete examples of follow up have been the rapid responses to increased budgetary needs of agencies such as the European Medicine Agency and the European Centre for Disease Prevention and Control during the COVID-19 crisis, or the large top-up for the European Union Agency for Cybersecurity to assist Member States in the preparation and response to large-scale cyber threats linked to the Russian war of aggression against Ukraine. Other examples of increased flexibility include the proposing of additional external staff to agencies such as European Union Agency for Asylum, allowing them to fulfil their mandate in relation to the war against Ukraine. The Commission also points towards the increased flexibility in the Commission's budget proposals since 2021 which do not follow a simple linear approach of annual indexation but are based on a thorough assessment of the agencies' mandates and budget needs. This more flexible approach leads to some agencies being reinforced beyond the annual adjustment and applicable Legislative Financial Statements, while other agencies' budget increases remain limited to the annual inflation adjustment.
3. As concerns the call to improve governance, accountability and reporting on performance, an important initiative taken is the Commission's commitment to carefully assess each decentralised agency's 'Single Programming Document', which sets out the work programme but also key governance and performance information, and to closely monitor the implementation of the activities set out in this Single Programming Document.

4. Regarding recommendation 4 ('strengthen the role of agencies as centers of expertise and networking'), the knowledge and expertise of agencies have been fully recognised by the Commission. Agencies were notably involved in the annual Strategic Foresight Reports and the Horizon Scanning activities with the Joint Research Center. The importance of agencies was also reflected in the revision of the Better Regulation toolboxes in 2021.

In line with the Common Approach on agencies the Commission remains committed to monitoring the performance of agencies, to ensure their continued relevance and achieve synergies and economies of scale. When carrying out evaluations and fitness checks of policy areas, the Commission attaches great importance to the coherence of agencies' tasks, to identify synergies and cut red tape, while considering potential mergers or closures of agencies. In addition, the Commission adopted in 2018 a new Framework Financial Regulation for EU bodies, setting out, inter alia, agencies' obligations to establish their strategy for achieving efficiency gains and synergies. Pursuant to these rules, the agencies' accountability and performance are also closely linked to their contribution to the achievement of the EU political priorities.

12. Climate change and sustainable development are priorities for the Union. What is the sustainable development strategy (plastic, transport, travel, heating etc) for its own institution in 2021?

The Commission followed its sustainable development objectives under the eco-management audit scheme (EMAS)⁷. From 2014 to 2021, core performance indicators show a significant reduction of the Commission's environmental impact, as the following data show:

- Buildings' energy consumption: -23%
- Buildings CO2 emissions: - 33%
- Water consumption: - 49%
- Paper use reduction: - 84%
- Non hazardous waste: - 49%

The Commission continues to reduce and recycle plastic, following its 2018 pledge to remove single use plastics that has seen plastic cutlery, cups, straws, stirrers disappear from Commission canteens and drinks vending machines. In addition, in Brussels, since April 2021, a greater range of plastic is collected for recycling, in addition to plastic bottles.

The quantity of plastic, metals, carton waste (PMC) reduced in Brussels from 152 tonnes in 2019 to 60 tonnes in 2020, and 31 tonnes in 2021. Although this reduction is partly due to staff absence in the COVID pandemic, the proportion that this type of waste represents of the total has reduced from 2.5% (2019) to 1.8% (2020), to 0.9% (2021).

There was more than 40% reduction in carbon footprint at the eight main Commission sites in 2021 compared to 2019 (according to the 2022 draft environmental statement and considering that 2021 was a special year because of the COVID lockdown).

In 2021, the Commission intensively prepared the Communication on Greening the Commission, adopted on 5 April 2022. This follows up on President von der Leyen's commitment that the Commission will implement itself the objectives of the EU Green Deal. It sets out how the Commission will achieve climate neutrality, as an organisation, by 2030, including a 60% reduction of greenhouse gas emissions compared with 2005. The action plan⁸ focuses on six key aspects:

- reducing emissions through more efficient and sustainable buildings and workspace;
- greener mobility;
- digitalisation;
- carbon removals to ensure carbon neutrality;

⁷ [EMAS – Environment - European Commission \(europa.eu\)](https://ec.europa.eu/emas/)

⁸ [People first – Greening the European Commission | European Commission \(europa.eu\)](https://ec.europa.eu/communication/en/press_corner/2022/04/05/greening-the-commission)

- ensuring coherence with other policies of the Green Deal (circular economy, ecosystems and biodiversity);
- encouraging staff engagement, and communication.

The greening actions are being implemented through the Commission's eco-management and audit scheme (EMAS) to ensure robust monitoring and reporting.

13. What are the key measures implemented by your institution in 2021 to improve its internal management and administration?

In 2021, the Commission prepared the new Human Resources Strategy and a Communication on greening its work (both adopted on 5 April 2022), in order to adapt to the digital transformation, change workplace structures, ensure geographical balance, and reduce climate impact. The Strategy focuses on three strategic priorities:

1. An attractive workplace: The Commission will strengthen its attractiveness as an employer to hire and retain the best talent from all Member States and reflect the diversity of the European society it serves. This Strategy will boost existing efforts to create an inclusive, sustainable and flexible work environment with family-friendly working conditions and attractive professional development perspectives for all. Through new actions, the Commission will continue to actively promote a working environment that is discrimination-free, inclusive, gender-balanced and accessible for persons with disabilities. In addition, in the Communication on Greening, the Commission pledged to become climate neutral by 2030, two decades ahead of the EU-wide target. The Commission will further reduce emissions from its buildings, implement a smarter and greener policy for business travels, encourage staff to increase their use of sustainable transport for commuting, and replace the corporate conventional vehicle fleet with electric cars.
2. Faster and more agile selection and recruitment: The Commission, in cooperation with the European Personnel Selection Office, will introduce modern, faster, and more flexible selection and recruitment procedures for external and internal candidates. The aim is to select the most talented and suitable individuals, ensure a level playing field for applicants from diverse backgrounds, and retain internal talent. The Commission will also work with under-represented Member States, in order to shape a better geographical balance among its staff.
3. A flexible and rewarding career for all staff: The new Human Resources Strategy will reinforce the career perspectives of staff by promoting internal and external mobility at all levels and in all places of employment. Career guidance, mentoring, coaching and headhunting will be reorganised and strengthened.

All three priorities will be supported by a fourth, cross-cutting priority: the streamlining of human resources services, simplifying, digitalising and speeding up procedures. Services will be designed with the end user in mind, providing quick support and solutions. This will be enabled by effective human resources IT tools that meet staff expectations and business requirements.

Building on the lessons learnt from the COVID-19 pandemic, the new Commission Decision on working time and hybrid working introduced a new flexible framework for the Commission's daily work, including new arrangements on working time, flexitime, and teleworking. This Decision will help the Commission become a modern, digital, flexible, and attractive working environment. The Commission will evaluate this Decision at the end of September 2023.

During 2021, the Commission also worked on the implementation of its Digital Strategy to develop a digitally transformed, user-focused and data-driven administration, supported by a new generation of digital solutions. The main achievements of this strategy in 2021 were:

- the Digital Solutions Modernisation Plan, which created clusters of DGs working on various digital modernisation actions, including the creation of a paperless knowledge base and development of the mobile framework;
- the Digital Workplace, which ensured business continuity during the pandemic, supported by a resilient Digital Infrastructure and by strengthened cyber security;
- the establishment of the inter-institutional cloud brokerage, which allows to sign direct contracts with cloud platform providers;
- Growth of the portfolio of the Reusable Solutions Platform, which allowed to reduce the costs to build digital solutions;
- Progress in the implementation of the Data Ecosystem, which enables data-driven policy making;
- the setup of the Innovation Lab, which provides the space for staff to collaborate on innovation that may lead to full IT systems;
- the roll-out of the Cyber Aware programme, which delivered to Commission staff specific trainings aimed at raising IT security awareness;
- the Open-Source Strategy, which promotes the use of open-source software.

The achievements of 2021 laid the foundations for the Next Generation Digital Strategy⁹, adopted in June 2022. This new strategy accelerates digital transformation by expanding and broadening its scope: from digital skills to digital culture; from technology as a service to digitalisation and digital-ready policies; from ad-hoc solutions to planning and implementing a future-proof Commission digital landscape.

A rolling action plan on data, information, and knowledge management was also established in 2021, including:

- The EC Data Catalogue, an inventory of key data assets in the Commission;
- The EC Data Platform that offers analytical tools in the cloud for data specialists or non-specialists;
- A rationalised technical landscape for collaboration and knowledge management;
- A training offer for information sharing, peer learning and collaboration.

Management action in response to the COVID-19 pandemic was a crucial element of 2021. The Commission chaired a group for inter-institutional exchange of information and

⁹ [People First – Digitalising the Commission | European Commission \(europa.eu\)](#)

coordination on COVID-19. The group, which was established in March 2020 in the framework of the Preparatory Committee for Matters Relating to the Staff Regulations, met around 40 times in 2021 and ensured a constant exchange with the other EU institutions and bodies on COVID-19 related policies and matters in general.

The Secretariat-General continued to ensure legality, collegiality and transparency of the Commission's decision-making process, while allowing for swift adoption of urgent decisions to tackle the COVID-19 pandemic. From a total amount of 10 163 adoptions, the Commission adopted 1 102 initiatives identified as COVID-related in 2021, out of which 602 state aid decisions.

A large vaccination campaign against COVID-19 was organised for EU staff. In 2021, the Commission's Medical Service in Brussels administrated 48 000 shots to 20 000 persons. It also conducted a flu vaccination campaign, administering 7 000 shots in Brussels. The Medical Services also supported colleagues particularly impacted by the COVID-19 crisis and published information on how to cope during the crisis (teleworking with children, managing anxiety and fear facing COVID-19, facing the psychological effects of the pandemic).

14. What is the role of the Recovery and Resilience Task Force -RECOVER (established on 16/08/20 within the EC's Secretariat General.) RECOVER assess the progress made by the Member States in the implementation of the plans and analyse the periodic reports provided for by the legislation: How its assessment is taking into account by DG ECFIN?

According to the Commission Decision of 24 July 2020, RECOVER works in close cooperation with DG Economic and Financial Affairs (ECFIN) in order to:

- coordinate support to the Member States in drawing up their National Recovery and Resilience Plans;
- ensure, together with the Member States, that the notified plans complied with the regulatory requirements laid down in the legislation;
- and in particular that they delivered on the objectives of the twin green and digital transitions and of recovery and resilience;
- draw up the implementing acts needed for approval of the plans;
- assess the progress made by the Member States in implementing the plans and analyse the periodic reports provided for by the legislation;
- coordinate the European Semester during this period.

The two services are jointly responsible for steering the design and implementation of the Recovery and Resilience Facility. Decisions are taken jointly, but DG ECFIN is the Authorising Officer for paying out loans and grants within the Facility, as well as applying

any financial corrections if necessary. DG ECFIN has to give reasonable assurance on the Recovery and Resilience Facility funds paid to the Member States. It is in charge of the ex-post audit work regarding the legality and regularity. It performs system audits regarding the protection of the financial interests of the Union, in line with the control and audit strategy adopted in 2021.

The Commission set up the Steering Board chaired by the President and composed of the three Executive Vice-Presidents and the Member of the Commission responsible for the Economy. The Head of Cabinet of the President, the Secretary-General, the Director-General of the Legal Service, the Head of the RECOVER Task Force, and the Director-General of DG ECFIN attend the meetings, as well as other persons invited by the President. This Steering Board has been involved in the decisions of all validation of National Recovery and Resilience Plans, prior to the adoption of the proposals for Council Implementing Decisions by the Commission.

All payment requests undergo a Commission-wide interservice consultation, underpinning the collegiality of this process. The Council is strongly involved in decisions on disbursement, through both the involvement of the Economic and Financial Committee and the comitology process on the final decision.